

## **LGPS Pooling of Investments**

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*Executive Portfolio Holder:* Not applicable

*Division and Local* Not applicable

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### **1. Summary**

- 1.1 Under guidance published by the Government on “LGPS: Investment Reform Criteria and Guidance” in November 2015 we are required to work towards the pooling of the Fund’s investment assets with other LGPS funds with pooling beginning in April 2018.

### **2. Issues for consideration**

- 2.1 The Board is asked to consider and comment on this information report.

### **3. Background**

- 3.1 Following the Government’s announcement in the July 2015 budget statement that they intended to work with Local Government Pension Scheme (LGPS) administering authorities to ensure that they pool investments to significantly reduce costs, significant work has been undertaken to set up the Brunel Pension Partnership comprising ten LGPS Funds.
- 3.2 The Government required an initial response by 19th February 2016, and a joint submission with the other nine Brunel funds was agreed by the Pensions Committee at its special meeting on 5th February. A further more detailed response was required by 15th July 2016 and a further Brunel submission was agreed by the Pensions Committee at its meeting on 29<sup>th</sup> June.
- 3.3 A full business case (FBC) has been produced by the Brunel Project Office and was agreed by SCC Pensions Committee at its meeting on 2<sup>nd</sup> December 2016. Subsequently all of the other 9 Funds involved in the Brunel project have agreed the full business case.

- 3.4 Within the project officers are now focussed the setting up of the FCA regulated company and transition of assets from April 2018. The first tangible evidence of this is the advert for a non-executive Chair for the Brunel Company and non-executive directors, which was placed in the Sunday times on 16<sup>th</sup> January 2017. Interviews with candidates for the Chair position are currently taking place and it is hoped a preferred candidate will be identified shortly. Once the Chair is in place they will lead the processes for the recruitment for the other non-executive directors and the CEO of the company.
- 3.5 As part of setting up the constitutional arrangements for the Brunel project the Pensions Committee, at its meeting on 3<sup>rd</sup> March, made a recommendation to SCC's full council that the Fund's position on the oversight board (which is separate to the Brunel Company board) should be included in the specification for the role of Chair of the Pensions Committee and that they would hold the shareholders rights for the Somerset Fund which they would use in consultation with the Pensions Committee.
- 3.6 Considerable work is also underway on drafting and agreeing the various legal documents needed in order to form the Brunel Company.

#### **4. Consultations undertaken**

None

#### **5. Financial Implications**

- 5.1 Over time the performance of the pension fund investments will impact the amount that the County Council and other sponsoring employers have to pay into the fund to meet their liabilities. The fund actuary calculates these amounts every three years and sets payments for the intervening periods.

#### **6. Background Papers**

None

**Note** For sight of individual background papers please contact the report author.