

REPORT FOR: Pension Fund Committee

Date of Meeting:	18 September 2017
Subject:	Information report - Local Government Pension Scheme Pooling Arrangements Update
Responsible Officer:	Dawn Calvert, Director of Finance
Exempt:	No
Wards affected:	All
Enclosures:	Appendix 1 – Letter from Minister for Local Government dated 22 August 2017

Section 1 – Summary

Summary

The report updates the Committee on the development of the pooling arrangements.

Section 2 – Report

1. At their last meeting on 28 June 2017 the Committee received an update on the Local Government Pension Scheme Pooling arrangements and on progress on the London CIV. Including the LCIV response to the Minister for Local Governments Progress Report letter.
2. During April 2017 officers were advised that final agreement had been reached between the CIV and Longview Partners and that an indicative

launch date of 28 June was proposed.

3. To meet the tight transition timetable for the Longview mandate a Special Meeting of the Committee was held on 10 May 2017 at which it was resolved that:
 - (1) *the Fund's current mandate with Longview Partners be transferred to the sub-fund of the London CIV in accordance with the fees and other arrangements as agreed between Longview and the CIV;*
 - (2) *the Fund enter into a one-off transition management agreement with Russell Investments to carry out the transition at nil cost; and*
 - (3) *the same proportion of currency hedge as at present, namely 50%, be maintained contemporaneously.*
4. It subsequently transpired that Longview would be able to manage the transition themselves and that the launch date would be in mid-July.
5. The transfer of Longview assets into the London CIV sub-fund was completed on the 10th August. Northern Trust the LCIV custodian reported the value of the fund as £91.032 million as at 31 August 2017.
6. On 22 August 2017 the Minister for Local Government wrote to the Chair of each of the pools requesting a further progress report to 30 September. The letter set out the Minister's expectation that all funds must fully participate in a pool.
7. A copy of the Minister's letter is attached in Appendix 1. The CIV will be preparing a progress report which will be reported to the next Committee meeting.

Financial Implications

10. Whilst the pooling initiatives will probably have a significant impact on the costs and performance of the Fund there are no financial implications arising directly from this report.

Risk Management Implications

11. The risks arising from the management and investment of funds are included in the Pension Fund risk register.

Equalities implications

12. There are no direct equalities implications arising from this report.

Council Priorities

15. The financial health of the Pension Fund directly affects the level of employer contribution which then, in turn, affects the resources available for the Council's priorities.

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert

Director of Finance

Date: 6 September 2017

Ward Councillors notified:

NO

Section 4 - Contact Details

Contact: Iain Millar, Treasury and Pensions Manager 0208
424 1432

Background Papers - None