

Report to: **Pension Board**

Date: **8 February 2018**

By: **Chief Finance Officer**

Title of report: **Local Government Pension Scheme (LGPS) Pooling - ACCESS update**

Purpose of report: **This report provides Members with an update on the activities undertaken by the ACCESS Pool group.**

RECOMMENDATION –

The Board is recommended to consider and comment upon the activities undertaken by the ACCESS Pool.

1. Background

1.1 The East Sussex Pension Fund (ESPF) is a member of the ACCESS pool which is made up of eleven Shire Counties from the East, South East, and South of England. In its July 2016 submission to Government, ACCESS set out its plan to pool investments through a Collective Investment Vehicle (CIV) that would be administered and maintained by a third party operator. The operator would be collectively managed by the pension funds through a joint committee established by the Authorities and made up of one member from each authority.

2. Governance

2.1 Kent County Council has been appointed as the initial host authority, on behalf of the ACCESS local authorities, and will undertake the secretariat function.

2.2 A report to the ACCESS Joint Committee meeting on 29th January 2018, which will be circulated to the ACCESS Local Pension Board Chairmen on the work associated with the ACCESS pooling arrangement, is attached as Appendix 1.

2.3 The Pension Committee's future role will be to agree and approve the investment strategy for the Fund. However, the PC will no longer be able to appoint Fund managers directly and in the future; this role will be undertaken by the Operator who will appoint the managers in consultation with the JC. The asset allocation requirements of each Fund will be implemented by the JC who will instruct the Operator via a client function, to set up sub funds to meet the Funds' requirements. The Chair of the East Sussex Pension Committee will sit on the JC as the ACCESS Vice Chairman, alongside the other ten Chairmen of the ACCESS Funds.

3. Financial Implications

3.1 The costs incurred by the East Sussex Pension Fund up to the end of December 2017 was £70,000 for the ACCESS project; these costs include legal and project management fees but exclude officer time. The estimated implementation costs of establishing a CIV are estimated to be £50k per annum for the ESPF. Eventual savings for the ACCESS Pool are projected to be £30m annually. Allowing for investment growth of 3-5% per annum, by year 10 this will be equivalent to £40-50m.

8. Conclusion and reasons for recommendations

8.1 The Pension Board is recommended to note the content of this report and the progress on pooling since the last report.

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Background Documents

None