

**Report to:** Pension Board

**Date of meeting:** 4 November 2025

**By:** Chief Finance Officer

**Title:** Pension Reform Agenda

**Purpose:** To provide an update on changes affecting Local Government Pension Schemes and the East Sussex Pension Fund.

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## **RECOMMENDATION:**

**The Pension Board is recommended to note the updates in relation to next steps for the East Sussex Pension Fund in terms of pension fund pooling as set out in this report.**

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### **1. Background**

- 1.1 This report has been prepared to update the Pension Board on the government's proposed changes to pension fund pooling, highlighting the key proposals and the government's response to the proposal put forward by the ACCESS pool.
- 1.2 Officers have extensively covered the background to the 'Fit for the Future' consultation and the requirements the Fund must comply with by 31 March 2026. Full details can be found in [previous reports at agenda item 6](#).
- 1.3 Board members will be aware that, following the decision by government not to support the proposal put forward by the ACCESS pool to comply with the requirements of the 'Fit for the Future' consultation, officers worked extensively with advisors and officers from the West Sussex Pension Fund (recognising the impact of proposed devolution and new Mayoral Combined County Authority for Sussex and Brighton) to identify a new pooling partner for the Fund.
- 1.4 At the meeting on 25 September 2025 the Pension Committee agreed to undertake further due diligence work in relation to joining the Border to Coast Pension Partnership Pool (BCPP), prior to a final decision to joining the Pool and transferring assets from 1 April 2026, subject to the completion of governance processes.
- 1.5 Government and the Border to Coast Pension Partnership Pool have been informed of this decision.

### **2. Moving Forward to join Border to Coast Pension Partnership Pool**

- 2.1 A review of Pension Committee delegations has been undertaken to ensure the required delegations are in place to approve the actions required to both join the Border to Coast Pension Partnership Pool and exit the ACCESS investment pool. It was concluded that the Terms of Reference of the Pension Committee provide it with sufficient authority to take decisions in relation to exiting ACCESS and joining BCPP.
- 2.2 There are 3 key documents from a governance perspective that are required to be completed and signed on behalf of East Sussex County Council (ESCC) in order for the Fund to become a member of the Border to Coast Pension Partnership Pool: The Shareholder Agreement, Inter-Authority Agreement and the Articles of Association.

- 2.3 A review of these documents is currently being undertaken by Squire Patten Boggs on behalf of the 7 ACCESS funds looking to join BCPP. This review is expected to be completed by the end of October 2025. The ambition is for all key governance documentation to be completed and signed by early December 2025, well ahead of the 1 April 2026 deadline.
- 2.4 Officers attend regular weekly meetings with the 6 other ACCESS funds and BCPP to review progress on a weekly basis. The Head of Pensions, the Chief Finance Officer and the Monitoring Officer also meet regularly to oversee progress.
- 2.5 It remains the view of officers that it will take some time post 1 April 2026 to reorganise the Fund's assets and the Fund will remain invested in ACCESS pooled investment funds for some time following 1 April 2026. The priority is to carry out any reorganisation in the most efficient manner possible to protect the members of the Fund.

### **3. Dissolution of the ACCESS Partnership**

- 3.1 With 7 ACCESS partner funds moving to Border to Coast Pension Partnership and 4 ACCESS partner funds moving to the LGPS Central Pool, ACCESS will dissolve and fragment between 2 destination pools.
- 3.2 As it will take some time to revise the current Inter-Authority Agreement (IAA) to deal with all the consequences of the current circumstance, a Memorandum of Understanding has been drafted to act as a bridge between the current and new IAA and provide an agreed protocol for partner funds to move forward and work on the dissolution of the ACCESS Partnership.
- 3.3 There are ongoing discussions between ACCESS, Border to Coast Pension Partnership, LGPS Central, Northern Trust (Custodian to ACCESS) and Waystone (Operator for ACCESS) to establish a protocol for the transfer of investment. The aim is to develop an approach to safely dissolve and reorganise the assets of the partner funds in ACCESS. This is complex and challenging process for which there is no precedent.

### **4. Conclusion**

- 4.1 This report provides the Pension Board with an update on the work completed and the forthcoming work ahead in relation to Pension Reform and the future of the Fund in terms of pooling. The Board is recommended to note the updates in relation to next steps for the East Sussex Pension Fund in terms of pension fund pooling as set out in this report.

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