

Report to: Pension Committee

Date of meeting: 18 November 2025

By: Chief Finance Officer

Title: Pension Reform Agenda – proposed move to Border to Coast Pension Partnership Pool

Purpose: To provide an update on changes affecting Local Government Pension Schemes and seek agreement to join the Border to Coast Pension Partnership Pool.

RECOMMENDATION:

The Pension Committee is recommended to:

- 1) note the updates in relation to next steps for the East Sussex Pension Fund in terms of pension fund pooling;**
 - 2) approve, subject to the completion of the Inter Authority Agreement, the move to the Border to Coast Pension Partnership Pool; and**
 - 3) delegate authority to the Chief Finance Officer authority to take any action they consider necessary to give effect to the above recommendations, including, but not limited to, agreeing the terms of and entering the agreements set out in this report.**
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1. Background

- 1.1 This report has been prepared to update the Pension Committee on the government's proposed changes to pension fund pooling, highlighting the key proposals and seek the Committee's agreement to join the Border to Coast Pension Partnership 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 Committee 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 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, prior to a final decision to joining the Pool and transferring assets from 1 April 2026, subject to the completion of governance processes. Since September, work has continued extensively with the other ACCESS authorities looking to move to the Border to Coast Pension Partnership Pool and with the Border to Coast Pension Partnership Pool to understand further the offering and processes involved to complete the move. No material issues have been identified that will impact on the move to the Border to Coast Pension Partnership Pool.
- 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 the Border to Coast Pension Partnership.
- 2.2 There are 3 key documents from a governance perspective that are required to be entered into by the Council in order for the Fund to become a member of the Border to Coast Pension Partnership Pool that we are now in receipt of: The Shareholder Agreement, Inter-Authority Agreement and the Articles of Association.
- 2.3 A review of these documents has been undertaken by Squire Patten Boggs (SPB) on behalf of the 7 ACCESS funds looking to join Border to Coast Pension Partnership Pool, these documents, containing comments from SPB, can be found in the exempt section of the agenda. The ambition is for all key governance documentation to be agreed and signed by well ahead of the 1 April 2026 deadline.
- 2.4 Officers attend weekly meetings with the 6 other ACCESS funds and Border to Coast Pension Partnership Pool to review progress. The Head of Pensions, the Chief Finance Officer and the Monitoring Officer also meet regularly to oversee progress.
- 2.5 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 beyond 1 April 2026. The priority is to carry out any reorganisation in the most efficient manner possible to protect the members of the Fund.
- 2.6 With continued focus on due diligence and governance, the Pension Committee is requested to approve the decision for the East Sussex Pension Fund to join the Border to Coast Pension Partnership Pool and delegate to the Chief Finance Officer authority to carry out the actions necessary to facilitate this ahead of the 1 April 2026 deadline. This will include agreeing the terms of and entering into:
 - Shareholders' Agreement
 - Supplemental Shareholders' Agreement
 - Articles of Association
 - Inter-Authority Agreement
 - Pension Cost Recharge Agreement
 - Pension Guarantee

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 ACCESS.
- 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 should be read in conjunction with the previous reports on this matter which sets out the rationale and reasons for joining the Border to Coast Pension Partnership Pool and provides the Pension Committee 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, and seeks the Committee's agreement to move to the Border to Coast Pension Partnership Pool. As there will be a number of administrative actions required to facilitate this ahead of the April 2026 deadline, it is recommended that the Chief Finance Officer be delegated authority to take the actions necessary to give effect to the Committee's decision.

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