

**HAMPSHIRE COUNTY COUNCIL****Decision Report**

<b>Decision Maker:</b>	Pension Fund Panel & Board
<b>Date:</b>	22 July 2016
<b>Title:</b>	Governance: LGPS Investment Pooling Submission
<b>Reference:</b>	7679
<b>Report From:</b>	Director of Corporate Resources – Corporate Services

**Contact name:** Andrew Bouflower

**Tel:** 01962 847407

**Email:** [andrew.bouflower@hants.gov.uk](mailto:andrew.bouflower@hants.gov.uk)

## 1. Executive Summary

1.1. In the summer budget the Chancellor announced the Government's intention to invite Administering Authorities to make proposals for pooling LGPS investments. Following the Autumn Statement on 25 November 2015 the Department for Communities and Local Government (DCLG) published its criteria for pooling investments focusing on 4 elements:

1. Scale – it is the Government's desire that pools of assets are created with at least £25bn of assets per pool.
2. Strong Governance – authorities are charged with defining the mechanisms by which they can hold the pool(s) to account.
3. Reduced costs – including estimated savings over the next 15 years.
4. Improved capacity to invest in infrastructure through pooling.

1.2. In its initial submission made for 19 February 2016, which was reported to the Pension Fund Panel and Board, Hampshire agreed to join the ACCESS pool for the purpose of presenting the case for pooling due in July. ACCESS contains the following other funds:

Cambridgeshire	Kent
East Sussex	Norfolk
Essex	Northamptonshire
Hertfordshire	Suffolk
Isle of Wight	West Sussex

## 2. Finalising the July Submission

2.1. To produce ACCESS' pooling submission officers from the 11 funds have worked closely together, with the support of the investment consultants

Hymans Robertson, to address the points required by the Government. Since the February submission the Chairs of the ACCESS funds have met on a monthly basis and discussed the major items that are contained within the submission.

- 2.2. The Panel and Board have received regular reports on the progress of the ACCESS pool in forming its submission, including the main points contained in the submission at its meeting on the 3 June 2016. At that meeting the Panel and Board agreed that ACCESS' submission would be agreed by the Director of Corporate Resources in consultation with the Chairman and shared with the members of the committee for comment before submission. In line with this decision the Director confirmed the Hampshire Pension Fund's agreement to the submission prior to the 15 July deadline.
- 2.3. In addition to the updates provided at Panel and Board meetings, a session on investment pooling, including a summary of ACCESS' submission, was included in the Panel and Board's last internal training event held on 7 July 2016.
- 2.4. A copy of the final version of ACCESS' submission is contained in Annex 1. The submission was made in accordance with a template that was produced by DCLG and the Local Government Association, to ensure a consistent response from all pools addressing the points that the Government required. In addition to the template submission a covering letter was sent from the chairs of the ACCESS funds that made a number of points not contained in the template. In particular that benchmarking shows that costs within the LGPS are already relatively low, and that the primary focus of the management of pension funds should be on investment performance, as any improvement in investment performance is likely to be of far greater significance than further reductions in investment management costs.

### **3. Recommendation**

- 3.1. That the Panel and Board note ACCESS' submission on investment pooling.

**CORPORATE OR LEGAL INFORMATION:****Links to the Corporate Strategy**

<b>Hampshire safer and more secure for all:</b>	no
Corporate Business plan link number (if appropriate):	
<b>Maximising well-being:</b>	no
Corporate Business plan link number (if appropriate):	
<b>Enhancing our quality of place:</b>	no
Corporate Business plan link number (if appropriate):	
<b>OR</b>	
<b>This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision for the management of the Hampshire Pension Fund.</b>	

**Other Significant Links**

<b>Links to previous Member decisions:</b>		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
<b>Direct links to specific legislation or Government Directives</b>		
<u>Title</u>	<u>Date</u>	

**Section 100 D - Local Government Act 1972 - background documents**

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

## IMPACT ASSESSMENTS:

### **1. Equality Duty**

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

**Due regard in this context involves having due regard in particular to:**

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

### **1.2. Equalities Impact Assessment:**

1.1. Equality objectives are not considered to be adversely affected by the proposals in this report.

### **2. Impact on Crime and Disorder:**

2.1. The proposals in this report are not considered to have any direct impact on the prevention of crime.

### **3. Climate Change:**

3.1. How does what is being proposed impact on our carbon footprint / energy consumption?

No specific impact.

3.2. How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No specific impact.