

By: Chairman Superannuation Fund Committee
Corporate Director of Finance & Procurement

To: Superannuation Fund Committee – 4 November 2016

Subject: **LOCAL GOVERNMENT PENSION SCHEME POOLING**

Classification: Unrestricted

Summary: To update on progress on LGPS pooling.

FOR DECISION

INTRODUCTION

1. This report provides an update on the latest position on pooling.

UPDATE

2. When the ACCESS Chairmen met on 13 October they asked for a letter to be sent to the Local Government Minister emphasizing that progress was being held up by the delay in responding. We have just been informed that there will be no letter from the Local Government Minister and instead he is intending to meet with representatives of the pools over the next 4-6 weeks. Hampshire, Essex, East Sussex and Kent all wrote to the Secretary of State setting out their concerns and again no response has been received.
3. As set out below setting up a Joint Governance Committee and the inter authority agreement will need formal Council decisions and whilst the apparent opportunity to revisit pooling is welcome it does mean that some Councils are unlikely to be able to make decisions before the pre election period in April 2017 and the May elections. This will make it highly unlikely that the April 2018 deadline will be achieved for setting up the pool.
4. An update from Hymans Robertson to the Chairmen is attached in the Appendix. I would highlight:
 - (1) In starting to define roles the key is ensuring the primacy of the individual Funds.
 - (2) The Joint Governance Committee will be the pool decision making body and will consist of the 11 Chairmen. An inter-authority agreement will be required and thus will need Council agreement. The intention is to report to Council on 16 March. The Council's Monitoring Officer is fully involved in this process.

- (3) KCC is leading on the Prior Indicative Notice (PIN) process and the aim is to have two days of supplier meetings in late November / early December for the operator role.
 - (4) Hertfordshire County Council is leading on the procurement of legal advisers drawing from a framework set up by Norfolk County Council.
5. A key task for the legal adviser will be to draw up the specification for the operator. With this in mind it is necessary to increase the indicative budget for Kent's share of costs from £100,000 to £250,000.

RECOMMENDATION

7. Members are asked to:
- (1) Note the report.
 - (2) Agree to increase the budget to £250,000.

Nick Vickers
Head of Financial Services
Tel: 03000 416797
E-mail: nick.vickers@kent.gov.uk

Background documents - none