

By: Corporate Director of Finance  
To: Pensions Board – 27 October 2017  
Subject: **ACCESS POOLING UPDATE**  
Classification: Unrestricted

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Summary: To update on progress on pooling.

## **FOR INFORMATION**

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### **INTRODUCTION**

1. This report is to update on progress on pooling.

### **JOINT COMMITTEE**

2. The Joint Committee (JC) has met twice. Cllr. Andrew Reid from Suffolk has been elected as Chairman and Cllr. Richard Stogdon from East Sussex as Vice Chairman. Minutes of the meetings are circulated to the Superannuation Fund Committee. A further meeting is being arranged for December 2017. Commencing meetings of a decision making body is a major step forward.

### **COMMUNICATION WITH DCLG**

3. All the pools were asked to provide an update to DCLG in July on the progress being made with the pooling arrangements and a copy of the response from Marcus Jones is attached at appendix 1.

### **PASSIVE INVESTMENT MANAGER PROCUREMENT**

4. The ACCESS Funds have awarded a contract for their combined passive mandate to UBS Asset Management (UK) Ltd. It is anticipated that once the contract has been signed (Andy Wood has delegated authority to sign on behalf of the Kent Fund) assets will be transferred by March 2018.

### **INVESTMENT MANAGER RATIONALISATION**

5. As reported to the last meeting of the Board the ACCESS Funds agreed to commission a piece of work to review the current investment manager structures of the 11 Funds in order to better identify areas of cross-over and areas where there are significant differences of approach.
6. bfinance was commissioned to:
  - Prepare a “map” of existing holdings,
  - Assess those holdings for suitability within the sub-fund structure,

- Make recommendations on the initial population of sub-funds, and
  - Consider the impact on fees.
7. The OWG has received the bfinance report and used it to inform the CIV Operator Procurement.
  8. It is anticipated, given advice received from Squire, Patton, Boggs (SPB) the legal adviser to the Operator procurement exercise, that the initial sub-fund structure will be based on existing investment manager mandates of individual Funds. Over the next few months the report's recommendations will be further reviewed as Funds will need to agree on the most appropriate mandates.
  9. The bfinance report is highly supportive of the current Kent Fund manager roster and the Superannuation Fund Committee at its next meeting in November will be asked to agree the Kent investment in the initial sub-funds.
  10. The intention is that the sub-fund structure will be agreed by all ACCESS Funds by 1 February 2018, when the Operator's contract commences, so that they can go ahead and seek authorisation from the FCA for the establishment of the sub-funds.

## **OPERATOR PROCUREMENT**

9. The Invitation to Tender (ITT) and OJEU notice was issued on 5 September with responses received on 6 October 2017. Responses will be evaluated by a panel of officers and members in October / November. The Joint Committee is scheduled to approve the recommended supplier on or around 20 November and to recommend the contract award to individual Funds for their approval during late November / early December.
10. The Superannuation Fund Committee was asked to agree to delegate to the Corporate Director of Finance in consultation with the Chair of the Superannuation Committee the approval of the contract.

## **RECOMMENDATIONS**

11. Members are asked to note this report.

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