



## Report of the Section 151 Officer

Pension Fund Committee – 14 March 2019

### Ministry of Housing, Communities and Local Government (MHCLG) Consultation on Guidance on LGPS Asset Pooling

<b>Purpose:</b>	To approve the joint response of City & County of Swansea Pension Fund and the Wales Pension Partnership Response to the MHCLG Consultation on LGPS Asset Pooling.
<b>Consultation:</b>	Legal, and Finance
<b>Recommendation;</b>	It is recommended that:  The attached joint response in Appendix 2 is approved.
<b>Report Author:</b>	Jeff Dong
<b>Finance Officer:</b>	Jeff Dong
<b>Legal Officer:</b>	Stephanie Williams
<b>Access to Services Officer:</b>	N/A

#### 1 Background

- 1.1 The LGPS Asset Pooling has been in progress since 2016 and progress has been made in various degrees across the 8 Pools. Wales Pension Partnership progress has been reported to Pension Fund Committee regularly since inception.
- 1.2 It is recognised that the various pools have implemented different 'models' to implement the Government's requirements. Noting the disparate methodologies and rates of progress, The Ministry of Housing, Communities and Local Government have (MHCLG) has circulated some draft guidance on some pooling principles for consultation attached at Appendix 1.
- 1.3 The City & County of Swansea Pension Fund Committee's appointed consultants advise a large number of LGPS funds and have appraised the guidance and made some observations and made feedback to their

clients accordingly, their resultant paper is attached at Appendix 2

- 1.3 It was agreed at the officer working group of the WPP, in January 2019 that the host authority, Carmarthenshire Council would draft a collective response for consideration by each committee. Attached at Appendix 3 is the produced first draft response to the consultation on draft pooling guidance.

## **2 Legal Implications**

- 2.1 The current legislative framework for the pension fund investments carried out by Administering Authorities is set by the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009. The law governing pensions is a complex and specialist area. National Government guidance indicates that the pooling of LGPS assets is permissible under current law.

The Inter-Authority Agreement has been approved and signed by all 8 Local Authorities.

The Pension Fund Committee Terms of Reference and Scheme of Delegation sets out the Committees responsibility for the strategic governance of the Pension Fund.

## **3 Financial Implications**

- 3.1 Financial implications are indicated within the submission

## **4 Equality Impact Assessment Implications**

- 4.1 There are no equality implications arising from this report

**Background Papers:** None.

### **Appendices:**

Appendix 1 – MHCLG draft statutory guidance on LGPS Pooling

Appendix 2 – Hymans response to consultation

Appendix 3 - WPP draft response to consultation