

Lancashire Local Pension Board

Meeting to be held on Tuesday, 29 January 2019

Electoral Division affected: (All Divisions);
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Statutory Guidance on Asset Pooling - consultation

(Appendix 'A')

Contact for further information: Abigail Leech, Head of Fund, Lancashire County Pension Fund, abigail.leech@lancashire.gov.uk

Executive Summary

Following a request from authorities on guidance around asset pooling the Ministry of Housing, Communities and Local Government have launched a consultation inviting views on draft statutory guidance on asset pooling (attached at Appendix 'A'). This will be an informal consultation with a closing date for responses set at 28th March 2019.

Recommendation

The Board is asked to review the consultation and pass any relevant comments they may have to the Head of Fund who, working with the Local Pensions Partnership and the London Pensions Fund Authority, will provide a co-ordinated response to the Consultation on behalf of the Lancashire County Pension Fund.

Background and Advice

On 3 January 2019 the Ministry of Housing, Communities and Local Government (MCHLG) issued new draft statutory guidance on Local Government Pension Scheme (LGPS) asset pooling. This will set out the requirements for administering authorities, replacing previous guidance and building on previous Ministerial communications and guidance on investment strategies.

The reform of investment management in the LGPS for England and Wales began in 2015 with the publication of criteria and guidance on pooling of LGPS assets, following extensive consultation with the sector. LGPS administering authorities responded by coming together in groups of their own choosing to form eight asset pools.

Although at different stages of progression, those pools are now operational and continue to develop in terms of expertise and capacity.

In the light of experience to date with pooling and the challenges ahead, authorities have requested guidance on a range of issues.

As such MCHLG are now inviting views on the draft statutory guidance on asset pooling (see Appendix 'A'). This will be an informal consultation with interested parties only which will include Pension Committees and Local Pension Boards.

The consultation will remain open for 12 weeks, closing on 28th March 2019. All responses to the consultation should be sent to LGPensions@communities.gov.uk.

As part of the consultation the Lancashire Fund will work closely with the Local Pensions Partnership as well as the London Pensions Fund Authority to provide a coordinated response.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

No significant risks have been identified

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Tel
N/A		
Reason for inclusion in Part II, if appropriate		
N/A		