

MEETING	PENSIONS COMMITTEE
DATE	21 OCTOBER 2014
PURPOSE	UPDATE THE COMMITTEE ON THE WELSH PENSIONS COLLABORATION PROJECT
TITLE	WELSH LOCAL GOVERNMENT PENSION FUNDS - WORKING TOGETHER
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1. INTRODUCTION

- 1.1** The Committee is aware of the project undertaken by the Pensions Subgroup of the Society of Welsh Treasurers and a report recommending collective investment as the way forward was produced in April 2013 following a consultation with employers, employee representatives and other interested parties. A response to the consultation was submitted from this Committee following consideration of the issues at the committee meeting on 22nd March 2013.

2. FINAL REPORT

- 2.1** The main recommendations of the report were as follows:

- Produce a full Business Plan for a common investment approach.
- Create an appropriate and responsive governance structure to drive future collaboration.
- Build on current collaboration to achieve improvements, consistency and efficiency in administration.

3. CURRENT POSITION

- 3.1** In accordance with the report the Working Together Project Board decided to take the matter further and formulate a detailed business case to identify how in practice such a common investment approach can be implemented and to refine further the financial savings and costs that could be anticipated along with any practical difficulties which would need to be overcome.
- 3.2** The procurement process to appoint consultants was undertaken in November 2013 and three responses were received. At this stage it became clear that a number of reforms were being considered for the LGPS by DCLG. As a merger of pension funds was a consideration, the decision was made to suspend the procurement process until the Government direction was clear.

- 3.3** The Government has now decided that collective investment is the way forward rather than amalgamation of funds. The Working Together Project Board has therefore decided to move ahead and appoint the chosen consultant. The cost of this appointment will be funded by the eight pension funds. It is estimated that each fund will need to contribute £8,500.
- 3.4** The result of the Business Case will be reported to this committee when it is completed. Any steps to be taken as a result of the report will then be considered and agreed by this committee.

4. RECOMMENDATION

- 4.1** The committee is asked to approve a contribution to the cost of the Business Case to a maximum of £8,500.