


<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">PENSIONS BOARD</p> <p style="text-align: center;">5 June 2019</p>	
<p>ASSET POOLING CONSULTATION</p>	
<p>Report of the Strategic Director, Finance and Governance</p>	
<p>Open Report</p>	
<p>Classification - For Information</p> <p>Key Decision: No</p>	
<p>Wards Affected: None</p>	
<p>Accountable Director: Philip Triggs, Tri-Borough Director of Treasury and Pensions</p>	
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1. EXECUTIVE SUMMARY

- 1.1 This paper details the LBHF response to the proposed new statutory guidance on LGPS asset pooling from the Ministry of Housing, Communities and Local Government (MHCLG).

2. RECOMMENDATIONS

- 2.1 The Board is requested to:
- a. Note the response to the consultation at Appendix 1 and the report taken to the Pension Fund Committee at Appendix 2.
 - b. Note the original draft guidance from MHCLG at Appendix 3.

3 ASSET POOLING

- 3.1 At the Local Pension Board meeting of 9 February 2019, the Board considered new statutory guidance on LGPS asset pooling from MHCLG. This guidance set out the requirements on administering authorities that builds on previous ministerial communications and guidance on investment strategies.

1.2 This guidance was presented at the Pension Fund Committee meeting of 13 February 2019. Each section of the guidance was included with implications for the administering authority for Committee members to consider.

1.3 Following the approval of the Pension Fund Committee, the consultation response was then submitted to MHCLG.

4 ORIGINAL CONSULTATION

4.1 The original draft guidance from MHCLG can be found at Appendix 3 for reference.

5 NEW CONSULTATION

5.1 In the Government's initial consultation, there was some confusion as to what form the draft guidance took. There was confusion as to its statutory status, particularly in its approach to the need for an FCA-regulated company and central direction as to how administering authorities are to engage in pooling.

5.2 Government has now confirmed that the reissue of the consultation process will confirm its statutory nature in that it will link to the 2016 LGPS Investment Regulations which require the publication of an Investment Strategy Statement which, in turn, requires an Administering Authority to set out its approach to pooling. By this confirmed link, the guidance takes on a statutory footing.

5.3 The Minister has now clarified that the January 2019 consultation had only "informal" status and that there would be a further formal consultation which would be issued in due course. MHGLC's timescale indicates reissuing in the summer, but in practice this could well stretch until at least October 2019.

6 CONSULTATION

6.1 Not applicable.

7 EQUALITY IMPLICATIONS

7.1 Not applicable

8 LEGAL IMPLICATIONS

8.1 None

9 FINANCE AND RESOURCES IMPLICATIONS

9.1 Finance risks are outlined within the report.

10 IMPLICATIONS FOR BUSINESS

10.1 Not applicable

11 RISK MANAGEMENT

11.1 Risks are outlined within the report.

12 PROCUREMENT IMPLICATIONS

13.1 None

13 IT STRATEGY IMPLICATIONS

13.1 None

LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	None		

LIST OF APPENDICES:

Appendix 1: Pooling Response: London Borough of Hammersmith and Fulham

Appendix 2: Committee Report 13 February 2019

Appendix 3: MHCLG: Draft Guidance on Pooling