

Bath & North East Somerset Council		
MEETING:	AVON PENSION FUND COMMITTEE	
MEETING DATE:	22 SEPTEMBER 2017	AGENDA ITEM NUMBER
TITLE:	LGPS Pooling of Investments - Update	
WARD:	ALL	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Nil		

1 THE ISSUE

- 1.1 This report outlines the progress on pooling of assets including an update on BPP Ltd.
- 1.2 A verbal update will be provided at the meeting.

2 RECOMMENDATION

That the Committee:

- 2.1 **Notes the progress made on pooling of assets and the budget.**
- 2.2 **Notes the dates of the member engagement days.**

3 FINANCIAL IMPLICATIONS

- 3.1 The costs of establishing BPP Ltd. and associated governance costs of the pool are provided for in the 2017/18 budget. The fund's share of the operating costs of the company incurred in 2017/18 and the regulated capital will be c. £840k.

4 PROGRESS UPDATE

- 4.1 On 18 July BPP Ltd. became a legal entity following the signing of the shareholders Agreement and other constitutional documents. Since then significant progress has been made in recruiting senior and other staff and procuring the infrastructure required for the operations, including offices in Bristol.
- 4.2 The Oversight Board will hold its first meeting on 29 September. The Client Group has continued to meet since 18 July; the focus on the appointment of the administrator and custodian, transfer of local funds to the custodian, and the project plan. In September the focus will switch to the investment portfolios to be offered by BPP Ltd to meet the investment strategies of the underlying funds.
- 4.3 BPP Ltd has already received £3m of capital from the 10 underlying funds to cover the costs of development.
- 4.4 An update on the budget will be provided at the meeting.
- 4.5 The series of engagement days have been arranged for committee and board members within the pool during November. These will provide members with the opportunity to meet senior management and directors of BPP Ltd. The dates and venues are:
- a) 14 November – Exeter
 - b) 15 November – Bristol
 - c) 17 November – Oxford

5 RISK MANAGEMENT

- 5.1 The Avon Pension Fund Committee is the formal decision-making body for the Fund. As such it has responsibility to ensure adequate risk management processes are in place. It discharges this responsibility by ensuring the Fund has an appropriate investment strategy and investment management structure in place that is regularly monitored. The creation of an Investment Panel further strengthens the governance of investment matters and contributes to reduced risk in these areas.

6 EQUALITIES

- 10.1 An equalities impact assessment is not necessary.

7 CONSULTATION

- 7.1 N/a

8 ISSUES TO CONSIDER IN REACHING THE DECISION

- 8.1 For information only.

9 ADVICE SOUGHT

9.1 The Council's Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Strategic Director of Resources) have had the opportunity to input to this report and have cleared it for publication.

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Background papers	
Please contact the report author if you need to access this report in an alternative format	