

**REPORT OF SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE & IMPROVEMENT**

**DEPARTMENT FOR LEVELLING UP, HOUSING AND COMMUNITIES (DLUHC) CONSULTATION**

**Purpose of the Report**

1. To inform Members of the consultation issued by DLUHC on proposals relating to the investments of the Local Government Pension Scheme (LGPS) and seek delegated approval for the S151 Officer in consultation with the Chairman of the Committee to finalise and submit the consultation response. The consultation covers the areas of asset pooling, levelling up, opportunities in private equity, investment consultancy services and the definition of investments.

**Information and Advice**

2. The DLUHC has made policy proposals in five areas:
  - Pooling: a deadline of 31 March 2025 for funds to transition all listed assets to their pool and a move to fewer, larger pools, each with assets in excess of £50 billion, to maximise benefits of scale
  - Levelling up: requiring that funds have a plan to invest up to 5% of assets to support levelling up in the UK
  - Private equity: an ambition to increase investment into high growth companies via unlisted equity
  - Investment consultants: regulations to implement the requirements set out in an order made by the Competition and Markets Authority in respect of the LGPS
  - Definition of investments: a technical change to the definition in the LGPS Investment Regulations 2016.
3. The full consultation document can be accessed online at <https://www.gov.uk/government/consultations/local-government-pension-scheme-england-and-wales-next-steps-on-investments/local-government-pension-scheme-england-and-wales-next-steps-on-investments> .
4. Broadly the motivation behind these proposals is shared and welcomed, but some of the specific suggestions need refining, defining and prioritising. Above all, the purpose of the LGPS is to secure pensions for its members at reasonable cost to employers, taxpayers and members and no proposals should drive activity counter to this aim.

5. The questions from the consultation are shown in Appendix A. Views of Members are welcomed on these questions and any other matter relevant to the consultation. It is proposed to agree a response with the Chair of the Nottinghamshire Pension Fund Committee for submission by the consultation deadline.
6. The consultation closes on 2<sup>nd</sup> October 2023.

## **Statutory and Policy Implications**

7. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **RECOMMENDATION**

- 1) Members are asked to provide their views and responses to the consultation questions; and
- 2) Delegated authority is given to the S151 Officer and the Chair of the Nottinghamshire Pension Fund Committee to prepare, finalise and submit a response from the Nottinghamshire County Council Pension Fund by the consultation deadline.

**Nigel Stevenson**

**Service Director – Finance, Infrastructure and Improvement**

**For any enquiries about this report please contact:**

Tamsin Rabbitts, Senior Accountant – Pensions and Treasury Management

## **Constitutional Comments (SSR 23.08.2023)**

8. Approval of consultation responses, except for responses to day-to-day technical consultations, will be agreed with the Chairman and reported to the next available Committee following their submission.

## **Financial Comments (TMR 18/08/23)**

9. There are no direct financial implications arising from the report.

## **Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.