

**REPORT OF SERVICE DIRECTOR – FINANCE, PROCUREMENT &
IMPROVEMENT****LGPS CENTRAL ASSET POOL****Purpose of the Report**

1. To provide an update on progress regarding the creation of the LGPS Central Investment Pool.

Information and Advice

2. Over the last few months considerable progress has been made on the project. One of the key areas of progress was in the appointment of an ‘asset servicer’ who will provide depositary and custody facilities to LGPS Central and will be key in ensuring that LGPS Central complies with its regulatory responsibilities. Northern Trust were successful following the procurement process and are now working with LGPS Central. Given the requirement to include the name of the asset servicer in the application for authorisation by the Financial Conduct Authority (FCA), which was submitted in early July, this appointment was critical. The asset servicer is responsible for the safekeeping of the assets of the pool and also ensuring that the sub-funds managed by LGPS Central operate legally and fulfil all requirements of the FCA.
3. At the beginning of April 2017 interviews were held to appoint the Non-Executive Chair of LGPS Central. Joanne Segars, previously Chief Executive of the Pensions and Lifetime Savings Association (formerly known as the National Association of Pension Funds) was offered, and accepted the post. Joanne has huge experience in the pension and investment industry and is an internationally recognised expert. Her knowledge will be vital in guiding LGPS Central through its formative years and ensuring that it becomes an organisation that can surpass the expectations of the partner funds.
4. Following the appointment of Joanne as Chair, it was possible to quickly progress the appointment of a Chief Executive. Much of the work in respect of narrowing down the list of candidates had already been carried out by officers and a firm of head hunters and the interviews took place on 28 April. Andrew Warwick Thompson, previously Executive Director for Regulatory Policy at The Pensions Regulator, has now started in post.
5. With a Chair and a Chief Executive appointed the appointment process of the remainder of the senior management team has moved swiftly ahead. Two other Non-Executive Directors (one with investment management experience and one with operational experience within an FCA authorised company), a Chief Operating Officer/Chief Financial Officer and a Chief Investment Officer will complete the senior management team. It is expected that all of these appointments will be completed shortly.

6. The current focus is on providing follow up information to the LGPS Central FCA submission in July. All work streams within the project continue to run to their timetables, although with a project as large as this and with so many interrelationships between the different objectives that need to be achieved there are always risks. At present these risks appear to be manageable and an active risk register is in place and is updated regularly.
7. Appendix A sets out progress against the main tasks and provides details of the key activities still to be completed prior to go live.

Statutory and Policy Implications

8. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

- 1) That Pension Board members consider whether there are any actions they require in relation to the issues contained within the report.

Nigel Stevenson
Service Director, Finance, Procurement and Improvement

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Constitutional Comments

9. Because this report is for noting only Constitutional Comments are not required.

Financial Comments (KRP 01/09/2017)

10. 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.

- 'None'