

11 September 2019

Agenda Item: 9

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

LGPS CENTRAL LIMITED UPDATE

Purpose of the Report

1. To provide information on the latest position in respect of LGPS Central Ltd.

Background

2. A number of reports have previously been presented setting out progress on the pooling arrangements required to meet the criteria set out by the government. In particular a detailed report to Full Council on 12 January 2017 set out the approach being taken by the constituent pension funds of LGPS Central. The report also set out the proposed governance arrangements required to ensure that Nottinghamshire Pension Fund Committee continued to have the oversight required to be responsible for monitoring the overall management, performance and administration of the fund, and for setting investment strategy, including the overall allocation of assets, which is the critical factor in determining investment performance.

Information

3. The Company and all partner funds continue to work well together, and Nottinghamshire Pension Fund has invested in LGPS Central Limited funds as set out below
 - £10m each in the UK passive and the Global ex UK passive funds last summer
 - £20m in the Global Active Equity fund in April
 - £15m to the Private Equity 2018 fund, which is in the process of being drawn down.
 - £12m in the Global Emerging Markets fund
4. The Nottinghamshire Pension Fund Committee on 9 May 2019 approved the transfer of the corporate bonds within the fixed income portfolio to the LGPS Central Global Active Investment

Grade Corporate Bond Multi Manager fund, and work on preparing for this transition is underway.

5. The initial Company Chief Executive, Andrew Warwick-Thompson, stepped down in spring 2019. He was succeeded by Mike Weston who was appointed in March 2019. Mike was previously the Chief Executive of the Pensions Infrastructure Platform (PiP).
6. The Company website provides information on the Company and the key personnel and is available here.

<https://www.lgpscentral.co.uk/>

The 2018/19 Annual Report and Accounts are available here

<https://www.lgpscentral.co.uk/lgps-central-limited-annual-report-2018-19/>

In addition the website provides a great deal of information around the Responsible Investment activities it undertakes on behalf of Partner Funds. This information will be regularly updated and can be found here

<https://www.lgpscentral.co.uk/responsible-investment/>

7. The most recent Shareholder Forum took place on 21 June 2019 and Councillor Eric Kerry, Chair of the Nottinghamshire Pension Fund, was appointed Chair of the Joint Committee. The LGPS Central Limited update presented to the Joint Committee is attached to this report as Appendix A.

Other Options Considered

8. None.

Reasons for Recommendation

9. This report has been compiled to provide the Pension Board with an update on the activities of LGPS Central Ltd and how they impact on the Nottinghamshire Pension Fund.

Statutory and Policy Implications

10. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment 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) It is recommended that Pension Board consider the report and continues to monitor the activities of LGPS Central Limited through regular update reports.

Report Author:

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For any enquiries about this report please contact: Keith Palframan

Constitutional Comments (KK 02/09/19)

11. The proposal in this report is within the remit of the Nottinghamshire Local Pension Board.

Financial Comments (KRP 27/08/19)

12. The financial implications are as set out in 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.

Electoral Division(s) and Member(s) Affected

- 'All'