Dear Marcus

Local Government Pension Scheme Investment Reform Criteria and Guidance

I am sorry that events prevented us meeting in July and look forward to the opportunity to reconvene after the summer recess.

The Scheme Advisory Board met on the 1st August and considered the encouraging progress being made by administering authorities to meet the criteria set out for asset pooling in the LGPS. The LGPS has responded effectively and swiftly to the challenge it has been given in a manner that reflects the commitment and professionalism of the sector. The Board, however, is concerned that such progress is not hindered by any potential delay in the Government’s response to the proposals submitted on the 15th July.

Administering authorities will incur significant expenditure to progress the formation of pools. Understandably, they would not wish to commit to such expenditure without the Government providing a level of assurance that their proposals are acceptable. It is therefore vital that administering authorities receive such assurances as soon as possible. Also, an early confirmation of the timetable for the completion of the assessment process of the proposals would be helpful.

The Board noted that the models developed by the various pools are broadly similar. Although each has the objective of meeting the four criteria, they do not conform to a uniform template and contain variations reflecting the particular local circumstances of the authorities concerned. In this regard, the Board considers it important that, while it is right for the Government to assess the proposals against the four criteria in a rigorous and consistent manner, it should be accepting of the variety of approach to meet those criteria that reflect the reality of administering authorities’ current circumstances.

I would be happy to discuss these matters further at your convenience.

Yours sincerely

Cllr Roger Phillips
Chair of the Board