



City of Westminster

# Committee Report

<b>Decision Maker:</b>	<b>PENSION FUND COMMITTEE</b>
<b>Date:</b>	<b>12 October 2017</b>
<b>Classification:</b>	<b>General Release</b>
<b>Title:</b>	<b>Ministerial Letter Concerning Pooling</b>
<b>Wards Affected:</b>	<b>All</b>
<b>Policy Context:</b>	<b>Effective control over Council Activities</b>
<b>Financial Summary:</b>	<b>There are no immediate financial implications arising from this report.</b>
<b>Report of:</b>	<b>Steven Mair</b> <i>City Treasurer</i> <a href="mailto:smair@westminster.gov.uk">smair@westminster.gov.uk</a> <b>020 7641 2904</b>

## 1. Executive Summary

- 1.1 On 22 August 2017 the Chief Secretary to the Treasury and the Minister for Local Government wrote to all Chairs of Local Government Pension Funds and Pools praising progress toward pooling achieved to date but also expressing concern about progress and the need for all funds to invest through pools to achieve maximum savings.
- 1.2 The letter seeks a report from all pools in October on progress with regard to pooling to 30 September including steps being taken to increase infrastructure investment.

## 2. Commentary

- 2.1 The letter although addressed to Chairs of Pension Funds as well as Pension Pools only requires a response from the Chairs of Pension Pools.
- 2.2 The City of Westminster Pension Fund has actively participated in asset pooling through the London CIV having transitioned the Baillie Gifford and Majedie mandates to the CIV – a total of 42% of the Fund's assets at 30 Jun 2017.

- 2.3 Discussions with officers at the Local Government Association have confirmed that Ministers would only expect see mandates to transfer where to do so would achieve value for money.
- 2.4 Of the remaining mandates held by the City of Westminster Pension Fund only the Longview mandate could possibly transition. However the manager is requiring additional fees which mean this would not provide value for money.

### **3. Recommendation**

- 3.1 Members are asked to note the content of the Ministerial letter.

**If you have any questions about this report, or wish to inspect one of the background papers, please contact the report author:**

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**BACKGROUND PAPERS:** None

#### **APPENDICES:**

Appendix 1 – Ministerial letter