

## **Strictly Private and Confidential**

### **Draft Response**

#### **LGPS Investment Pooling**

The Royal Borough of Windsor and Maidenhead (“the Borough”) is the administering authority for the Royal County of Berkshire Pension Fund (“the Fund”) a constituent member of the Local Government Pension Scheme (“LGPS”) in England & Wales.

The Borough notes the directive from the Department for Communities and Local Government (“DCLG”) that the Fund is to pool its investment assets with other LGPS funds and is required to give a commitment to pooling and outline the discussions it has had with other administering authorities to DCLG by February 19<sup>th</sup> 2016.

The Borough, therefore, confirms that it will comply with the directive to pool. In addition the Borough discloses that Officers have held discussions with a number of the nascent pools.

Based on the Borough’s Pension Fund Panel’s three key criteria, namely:

- Ability of a pool to deliver the Fund’s investment strategy (modest long-term returns with low volatility of those returns to close the funding gap over the deficit recovery period agreed with the Actuary);
- The proposed governance arrangements of the pool; and
- The quality of management of the pool

the Pension Fund Panel has agreed that Officers should continue discussions with the London Pensions Fund Authority and Lancashire County Council and other nascent pools regarding pooling of assets.

In the long run the Panel are of the view that additional cost-savings would be achieved by greater integration of LGPS funds including risk management and sharing (for instance pooling longevity risk), joint investments and pensions administration.

**Cllr J Lenton**

**Chairman**

**Berkshire Pension Fund and Pension Fund Advisory Panels**

**9 February 2016.**