

Suffolk Pension Fund Committee

Report Title:	ACCESS Pooling Update
Meeting Date:	22 September 2016
Chairman:	Councillor Andrew Reid
Director:	Geoff Dobson, Director of Resource Management Tel. 01473 264347
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Brief summary of report

1. This report provides an update of the work of the ACCESS Group.

Action recommended

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| <ol style="list-style-type: none"> 2. The Committee is asked to accept the Chairs recommendation to initially rent an operator for the ACCESS pool. |
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Reason for recommendation

3. The Pension Fund Committee has been kept informed of the work of the ACCESS Group and Councillor Reid has attended sessions with other ACCESS Fund chairmen to steer the work of officers. The Pension Fund Committee has delegated responsibility for the investment of the Fund's assets, so any change must be approved by the Committee.
4. There are no alternative options.

Main body of report

5. The ACCESS pool proposal for the pooling of assets was submitted to Government on 15 July 2016.
6. Officers from ACCESS who presented to the Government panel in June had a conference call with a representative from DCLG on 31 August to cover points of clarification in the submission. The Government panel met on 8 September to review the submissions and their decision should be available soon.
7. The work undertaken by ACCESS since the submission has primarily been focused on whether the ACCESS pool should build and own its own investment company (operator) or rent one from a third party. An evaluation of the advantages and disadvantages of owning versus renting an operator was presented to the Chairs of the Pension Fund Committees of the ACCESS group on 2 September.
8. This evaluation was based on information drawn from advice and input received from two third party operators (Mercer and Capita), banks providing depository and custodian services (State Street and Northern Trust), other pools (Central,

London CIV and Wales), legal experts in this field (Eversheds) and investment consultants (Hymans Robertson).

9. Following discussion of the officer's summary of their findings, the Chairmen made the following decision in principle.
10. On the question of whether to build and own its own FCA regulated operator or rent a third party operator, **the Chairmen decided unanimously to recommend that the ACCESS pool will rent initially.**
11. The ACCESS pool wishes to retain flexibility in future to move from a rented model to a wholly owned operator company. **The Chairmen therefore agreed that the specification of requirements for the third party operator include a "hard wired" option that would enable a transition from a rented model to an owned operator and give the administering authorities the option at a future date to make that transition should they wish to do so.**
12. The Pension Fund Committee is asked to accept the Chair's recommendation to initially rent an operator for the ACCESS pool.

Sources of further information

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| a) 11 July 2016 Pension Fund Committee - Agenda Item 8 |
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