



## LGPS Central Joint Committee Friday 11 November 2022

### Item 7: Public questions

**Explanatory Note:** Joint Committee procedure provides for questions to be asked by members of the public to be answered verbally in the meeting where time permits. A maximum of 15 minutes is set aside for this part of the Joint Committee. Any questions that cannot be answered in the time limit will receive a written response and all questions and answers will be published on the LGPS Central webpage.

The following question(s) were received from the public prior to noon on 11 November 2022, being the cut-off for public questions under the public question protocol adopted by the Joint Committee. Questions posed are in **black font** with the Joint Committee's response shown in **red font**. The responses are given on behalf of LGPS Central in relation to investments held through LGPS Central Ltd, and are not given on behalf of any individual LGPS Central Partner Fund.

#### **Question 1: received 02/11/2022 from D Plunkett**

**At the end of FY 2020/2021 the eight partner funds comprising LGPS Central had transitioned only 25% of their assets to LGPS Central, which was the lowest percentage nationally, and DLUHC data shows the other seven pools had received over 50% from their partner funds, and that two pools that had received 100%.\***

***Can LGPS Central please explain this low level of 25% for FY 2020/2021, and were transition levels for the latest full FY 2021/2022 more in-line with (rising) national averages.***

**(\*Source DLUHC, FY 2020/2021: Access 57%, Border 56%, Brunel 61%, Central 25%, LPP 100%, London 53%, Northern 100%, Wales 68%).**

**As noted in response to a similar question submitted to the Joint Committee on 14 January 2022, comparisons between pools should be treated with caution, as the very different pooling models make like-for-like comparisons difficult.**

**The investment pool was established with the express purpose of managing Partner Fund pension scheme assets in a collective manner, to achieve the objectives of securing cost savings, improving governance, improving access to difficult to access asset classes, and increasing the level of investment into infrastructure. Partner Funds are also benefiting from other collaborative arrangements.**

**Partner Funds and LGPS Central Ltd have worked collaboratively to make sure that the products are the right ones that the Partner Funds wish to invest in now and going forward. A number of new investment products have been successfully launched in the past year, including a Sustainable Equity Fund and a number of additional private market partnerships. These have helped facilitate a significant increase in assets transitioned to the pool in 2021-22. As at end of March 2022, total assets under LGPS Central's stewardship (including partnerships at commitment value, discretionary and advisory**



mandates, in addition to sub-funds within the LGPS Central Ltd Authorised Contractual Scheme) stood at £28.5bn, equivalent to over 49% of total partner fund assets. Every active fund launched has contributed to overall cost savings and, as at the end of 2021, every active LGPS Central Ltd fund was performing ahead of its benchmark. Partner Funds have also benefitted from working closely with LGPS Central Ltd's Responsible Investment and Engagement team to develop climate risk reporting and enhanced company engagement activities.

The pace of pooling transitions within LGPS Central has gained momentum recently and there is every indication that pooled assets will grow significantly over the next year or two. Every effort will continue to be taken to develop sustainable products which enable Partner Funds to deliver their strategic asset allocation, which remains the responsibility of individual Partner Funds.

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