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## Half of LGPS funds transferred to investment pools

By: Oliver Rudgewick | 18 May 21

Around half of Local Government Pensions Scheme assets have been transferred to investment pools, despite a dip due to Covid-19, a senior civil servant said.



Pensions. Image © Fizkes Shutterstock

The government first proposed transferring of assets from funds to pools in 2015, as part of pension refc  
reduce taxpayers' costs.

Teresa Clay, head of local government pensions at the Ministry for Housing, Communities and Local Government. said progress slowed on the transfer of funds last year as a result of the pandemic.

However, she said: “We have made very significant progress with around half of assets now transitioned into the pools.

“In order to the enjoy the real benefits of scale, not just lower costs but also increased performance, we really need to look at how transition can be smooth and how barriers can be removed.”

She told the Pension and Lifetime Savings Association Local Government Conference that savings related to pooling are forecast to soar to £120m per year by 2023.

This is due lower investment fees and costs, which can be attributed to greater scale, Clay said.

Sean Collins, head of pensions at Oxfordshire Pension Fund, told the same meeting that it has transitioned between 80%-90% of assets to its investment pool, the Brunel Pension Partnership.

He said that during the early stages of pooling, communication became an issue between the fund and the pool.

Collins said: “What could have gone better was relationship communications between shareholders and a company – this was the one item that our satisfaction survey highlighted as an area that could definitely have gone better.

“Possibly, one of the reasons it did not go so well was conflict between the company looking to ensure it met its new responsibilities as an SCA regulated body.

“Perhaps they listened to that that then than their responsibilities to us, the shareholders clients, and therefore I think we did not always get what we wanted.”

However, he said without support from Brunel and the eight other authorities engaged in the fund, it would not have been able to have moved the assets over at the speed it has so far.

“There is a real value for money issues which we need to pull out in terms of partnership working and what Brunel the company can do process individual funds,” Collins said

Speaking during the same session, Robert Branagh, chief executive of the London Pension Funds Authority, said member funds have fully transferred funds to it, maing savings of around £47m.

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