

BRUNEL PENSION PARTNERSHIP – PROGRESS REPORT

Report of the County Treasurer

Please note that the following recommendations are subject to consideration and determination by the Board before taking effect.

Recommendation: That the Board notes the progress with establishing the Brunel Pension Partnership Limited Company.

1. Introduction

- 1.1. Following approval of the full business case for the setting up of a Financial Conduct Authority (FCA) regulated company to be named Brunel Pension Partnership Limited (BPP Ltd.) by the ten participating LGPS administering authorities, the company has now been established.
- 1.2. This report outlines the progress that has been made since the last meeting of the Pension Board, and the current issues that need to be addressed.

2. Formal Establishment of the Brunel Pension Partnership Ltd Company

- 2.1 The Brunel Pension Partnership Ltd company was formally created at the Oversight Board meeting in Bristol on 18th July following the signing of the Shareholders agreement by each of the ten participating authorities. Each of the ten authorities has provided £300,000 of working capital to the company.
- 2.2 The non-executive board members appointed are as follows:
 - Chair - Denise Le Gal
 - Non-Executive Directors - Steve Tyson (Shareholder NED), Frederique Pierre-Pierre, Mike Clark.
- 2.3 In addition the Executive Board roles have been appointed as follows:
 - Chief Executive Officer - Dawn Turner (ex Environment Agency);
 - Chief Compliance and Risk Officer - Laura Chappell (external appointment);
 - Chief Investment Officer - Mark Mansley (ex Environment Agency);
 - Chief Operations Officer - Joe Webster (external appointment).
- 2.4 Biographies of the eight members of the Board of Directors are attached as Appendix 1 to this report.

- 2.5 Below Board level, there are a further 27 posts to be filled by the company. During July, staff from within the investment teams at the ten administering authorities were asked if they wished to express an interest in any of these roles. Eight staff from the ten funds expressed an interest and were interviewed during August. Appointments resulting from this process have yet to be announced. Once this process is concluded, the remaining posts will be advertised externally.
- 2.6 One of the first actions of the Company was to award a contract for Third Party Administrator services to State Street Global Services. This followed an extensive procurement exercise. The appointment of State Street will mean that there is an expectation that the Devon Fund will need to transfer our assets across from our current custodian Northern Trust to State Street at some point. Discussions are taking place on the arrangements for the transition and the timing of the transfer has yet to be determined.
- 2.7 The Brunel Company has secured office accommodation, and will be based at 101, Victoria Street, Bristol. It is anticipated that the Company will move into the new accommodation in October.
- 2.8 A series of engagement/update events are planned for November. They include an event in Exeter on Tuesday 14 November. Similar events will be held in Bristol, at the Brunel company office, and in Oxford, if members are unable to make the Exeter date. The events will provide an opportunity for the Boards and Committees of the ten authorities to meet with the appointed directors of the company and receive an update on the governance structures and the work in progress on putting together the investment portfolios that Brunel will provide.

4. Conclusion

- 4.1 Now that the Brunel Company has been formally established and an administrator has been appointed, the next phase of work will concentrate on securing the regulatory approvals required from the Financial Conduct Authority and then planning and agreeing the portfolios that will be required for the participating funds to invest in. The project remains on track to meet the target date of April 2018 for the Company to begin transitioning assets from the participating funds.

Mary Davis

Electoral Divisions: All

Local Government Act 1972

List of Background Papers – Nil

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