

PENSION FUND ASSET POOLING – ACCESS COSTS

Report of the Director of Resources

Author: Patrick Towey, Head of Specialist Accounting (Tel: 01992 555148)

1. Purpose of the Report

- 1.1 To provide the Pensions Committee with details of the costs incurred to date in preparing the ACCESS pooling submission and the amount attributable to the Hertfordshire Pension Fund.

2. Summary

- 2.1 Members of this Committee at their last meeting asked officers for further details of the costs incurred by the ACCESS group and specifically by the Hertfordshire Fund in preparing the pooling submission. This report provides details of the costs incurred to date and include costs for Hymans project management and support in the preparing of the submission as well as specialist legal costs incurred in the review of legal structures for the ACCESS pool.

3. Recommendations

- 3.1 That the Pensions Committee notes the content of this report.

4. ACCESS Costs

- 4.1 Hymans have provided both consultancy, specialist investment advice and project management support to the ACCESS group in preparing the July submission and continue to provide this support post submission in the development of the ACCESS pool. In addition to the Hyman costs, further costs have been incurred in commissioning specialist legal advice on legal structures and FCA compliancy. Some of the legal costs have been shared with other pools in commissioning this advice.
- 4.2 The costs for this work are being collated by Suffolk County Council who pay the costs in full then re-charge an equitable share of the costs to each ACCESS pool member. The Hymans costs incurred and invoiced up to end of June total £270,500, the legal costs and other costs for work carried out with

other providers total £50k. The total costs attributable to the Hertfordshire Fund are just under £29k, of which £5k has been paid to date. The table below gives a breakdown of these costs

Provider	Work undertaken	Cost (£)
Hymans	Project Management costs and support	220,500
Hymans	Data Cleansing & structure reviews	30,000
Hymans	Consultant support at meetings	20,000
Squire Patton Boggs (legal)	Legal structure work and attendance at meetings	11,100
Eversheds (legal)	Legal advice on pooling and structures and attendance at meetings.	21,593
Creative Sponge	Website hosting and development costs	11,640
Total costs		314,833

- 4.3 Further costs incurred in work requests during July to September could be in the region of £150,000. This cost is dependent on the work Hymans have been or may be asked to undertake in this period. The additional cost to this Fund will be just under £14k if all additional work requested is commissioned and carried out. The running total of costs incurred for the Hertfordshire Fund will then be circa. £43k.
- 4.4 The forecast costs reported to this committee in July were in the range of £16k to £23k and based on the Hymans work to get the ACCESS submission to Government by the July deadline. The total actual cost incurred of £29k includes £4k of legal and ad hoc costs.
- 4.5 Work is underway to obtain information from other pools on comparative costs in preparing their submissions and work to date and this information will be shared with members of the Pension Committee when it is available.