

Department for Communities and Local
Government
LGPS Reform
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Our Ref: MPF/PJW

Your Ref:

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Please ask for: Peter Wallach

Date: 19 February 2016

Dear Sirs

Local Government Pension Scheme – Investment Reform

Merseyside Pension Fund has assets of £6.8bn at 31 March 2015 and provides the Local Government Pension Scheme for the Merseyside region, delivering pensions' administration, investment and accounting on behalf of the five Merseyside District Councils and 145 other employers on behalf of 128,000 scheme members.

Pooling of Local Government Pension Scheme investments

In accordance with the requirements of the consultation, I confirm that Merseyside Pension Fund ('MPF') is committed to pooling its assets and I am pleased to enclose an initial submission to Government on the progress that MPF and its partner funds are making in developing a Collective Asset Pool which meets the criteria issued by Government on 25 November 2015.

MPF is forming a Collective Asset Pool of around £35bn with the Greater Manchester and West Yorkshire Pension Funds. Our enclosed submission sets out the long-term vision of the pool and the practical steps to achieve this.

In many respects, as all three funds are among the five largest in the LGPS, we start from an advantageous position of already having many of the economies of scale that other pools are seeking. As a consequence, potential cost savings are likely to be lower than in other pools.

Recognising this, we are seeking to build on the existing strengths of the participating funds, further developing internal capacity, skills and resilience with a view to sharing this across other LGPS pools on a collaborative basis, in particular with regards to infrastructure and other private market investments. This is where we strongly believe that greatest value can be added for the large LGPS funds. We will, of course, seek to achieve addition savings from listed assets wherever possible.

The Pool remains open for other funds to join us on the basis of the Memorandum of Understanding contained within the submission, and this will remain the case up until we submit our final proposals in July 2016.

Yours faithfully

Head of Pension Fund