

Project Brunel Newsletter

Issue 5
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July Submission completed

A copy of the July submission (and its appendices) to Central Government is now available on our website.

www.brunelpensionpartnership.org

Discussions on the submission were held with DCLG on 30 August to clarify key points before the submission was reviewed by the Government Overview Panel on 8 September. Informal indications are positive but we are awaiting feedback from the panel.

DCLG announced 9 September that final draft of the new Investment Regulations has been passed to Minister for signing. Final draft should be available by 16 September but may have House of Commons debate. However, there is a strong possibility that new regulations will be in place by end November.

Building the full business case (FBC)

Work on finalising the first draft of the FBC for the end of October is ongoing.

It will then go through the appropriate decision making process for each of the 10 participants so that the FCA regulated company (The Brunel Company) can be established. FBC sign off dates are based around scheduled Council, Cabinet or Pension Committee meetings depending on delegations.

The business case will cover 5 main areas as prescribed by the treasury green book:

- Strategic Case
- Economic Case
- Commercial Case
- Financial Case
- Management Case

Engagement Days

During the development of the July submission we held cross pension committee engagement days in three locations. The feedback from the attendees was very positive and a need to repeat this approach whilst the FBC was being developed and to keep our key stakeholders apprised of the progress of the project.

The next Engagement Days are scheduled to take place:

- Exeter - 7 October
- Keynsham - 14 October
- Oxford - 17 October

Invitations have been sent to Pension Committee members and key stakeholders in each administering authority by their fund officer and we encourage attendance.

Website development

The website has been updated with details of the workstreams for stage 3 of the project.

The website is updated every 2 weeks and includes information or links to interesting events such as articles in the media or awards that have been received.

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Our work with our partners

- A detailed cost model has been developed by PwC and released to the Finance and Legal Officers (FLAG) group.
- Our legal advisors Osborne Clarke have sought full legal opinion on the structure of FCA regulation required and provide legal advice on the company establishment and governance.
- PwC and Osborne Clarke are working with FLAG regarding propositions for the structure of the Brunel Company board, resources and recruitment process.
- Alpha, specialist financial market consultants, are advising on the FCA application planning process and requirements.
- Mandate specifications have been drafted and agreed for each of the proposed investment portfolios. Bfinance, investment consultants, are providing independent review of portfolio mandates, fee reduction assumptions, transition costs and performance gain opportunities. They will also provide advice on whether current internally managed passive managed investment portfolios should be retained, expanded or be externally managed in the future.
- JLT, investment consultants, are providing additional resource to the project office bringing the FBC together, particularly focusing on the risks, benefits and implications for each of the funds.

The project team

- Between 11 April and end August, the team (Officers) had completed nearly 2,500 man hours on the project. This is on top of their day jobs
- Liz Woodyard (Avon) has taken on the role in the project of Deputy Chair of the Shadow Operations Group as Nick Buckland has left Dorset Council.
- Naomi Monplaisier joined the project office to provide essential additional support to our project manager, Helen Cusins, and to further support the large effort being made by Officers across the 10 funds.
- Dawn Turner, Project Executive and Chief Pensions Officer of Environment Agency Pension Fund, received Outstanding Contribution of the Year, at the LAPF awards 3 September, jointly with Jill Davys from London CIV.

More information on the project can be found at: