

Open Report on behalf of Pete Moore - Executive Director of Finance and Public Protection

Report to:	Pensions Committee
Date:	10 January 2019
Subject:	CEM Benchmarking Presentation

Summary:

This report introduces a presentation from the Fund's cost benchmarking provider, CEM.

Recommendation(s):

That the Committee note the report and presentation.

Background

- 1 The cost of managing assets within the LGPS has been a key driver in the asset pooling agenda set by MHCLG. The submissions made to MHCLG during the initial creation of the asset pools required expected savings to be identified. Regular updates and progress reports have since been provided. Transparency of costs has been a key element in the reporting, both to MHCLG, Scheme Advisory Board (SAB) and in the annual report and accounts. Consistency of measurement of costs has previously been an issue, however much work has been done by LGA, CIPFA and industry bodies to improve this, culminating in the publication of the Code of Transparency.
- 2 In order to assist the Fund in measuring these costs consistently, and to compare them against other similar funds and across Border to Coast as a whole, all Partner Funds within Border to Coast have subscribed to the cost benchmarking service provided by CEM.
- 3 CEM is a unique and rapidly growing global benchmarking company located in Toronto, Canada. They are an independent provider of objective and actionable benchmarking information for large pools of capital including pension funds, endowments/foundations and sovereign wealth funds.
- 4 John Simmonds, a Principal at CEM with responsibility for business development and client service in the UK and Ireland, will provide background to the work CEM has done and present the investment

benchmarking results for the Lincolnshire Pension Fund to the Committee (attached at Appendix A).

5 The report will assist the Committee in its oversight responsibilities.

Conclusion

6 Cost transparency is high on the Government's agenda, Funds and asset pools need to be able to measure costs in order to evidence savings as a result of asset pooling. CEM provide a useful benchmarking service to enable the Lincolnshire Pension Fund and Border to Coast to provide consistent and transparent information on costs.

Consultation

a) Have Risks and Impact Analysis been carried out?

Yes

b) Risks and Impact Analysis

The Pension Fund has a risk register which can be obtained by contacting the author of this report.

Appendices

These are listed below and attached at the back of the report	
Appendix A	CEM Draft Benchmarking Report

Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Jo Ray, who can be contacted on 01522 553656 or jo.ray@lincolnshire.gov.uk.