

**REPORT TO: SUPERANNUATION INVESTMENT SUB-COMMITTEE OF THE  
POLICY AND RESOURCES COMMITTEE - 17 MAY 2010**

**REPORT ON: PATHFINDER PROJECT**

**REPORT BY: DIRECTOR OF FINANCE**

**REPORT NO: 263-2010**

## **1.0 PURPOSE OF REPORT**

1.1 This report informs the Committee of a project being undertaken by Improvement Services reviewing potential for shared services within Local Government Pension Fund Investment and Administration.

## **2.0 RECOMMENDATIONS**

The Sub-Committee is asked to note the information contained within this report.

## **3.0 FINANCIAL IMPLICATIONS**

3.1 There are no financial implications arising from this report.

## **4.0 BACKGROUND**

4.1 During 2009 the Improvement Services expanded a Pathfinder Project which had originally looked at Edinburgh City Council, Fife Council and Scottish Borders Council to cover all pensions administering authorities in Scotland.

The Pathfinder Project Board produced a report with background research by Hymans Robertson which recommended to COSLA that a further phase of work be set up on the belief that larger investment funds could reduce costs and improve risk management.

This was agreed and the second phase will aim to model options for better organisation of investment and administration functions.

## **5.0 PHASE TWO**

5.1 A new Project Board has been created which will have much wider representation. The Chief Executive of the City Council is a member of this Board.

The second phase is scheduled to run from March 2010 to March 2011 and will focus on detailed modelling of options for investment management and administration functions through a reduced number of larger funds.

This phase will include active engagement with all 11 Scottish Funds.

## **6.0 CONVENERS GROUP**

- 6.1 Glasgow City Council arranged a meeting of all the Pension Fund Conveners on 4th March 2010. This meeting agreed the creation of the LGPS Conveners Group as a permanent forum.

The terms of reference of the Group include to provide political oversight of the administering authority role and in conjunction with the COSLA Capacity and Resources Group providing political oversight of the Pathfinder Project. The Group will meet quarterly and requested that Pathfinder Project is placed on Committee agenda of all administering authorities.

## **7.0 POLICY IMPLICATIONS**

- 7.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

## **8.0 CONSULTATIONS**

- 8.1 The Chief Executive and Depute Chief Executive (Support Services) have been consulted in the preparation of this report.

## **9.0 BACKGROUND PAPERS**

None.

**MARJORY M STEWART**  
**DIRECTOR OF FINANCE**

**4 MAY 2010**