

The Rt Hon. Jeremy Hunt MP
Chancellor of the Exchequer
HM Treasury,
1 Horse Guards Road,
London,
SW1A 2HQ

28 February 2024

Dear Jeremy,

Venture Capital Investment Compact: inaugural meeting of the Pensions & Private Capital Expert Panel

I am pleased to write to you with an update on the inaugural meeting of the Pensions & Private Capital Expert Panel, convened by the BVCA in partnership with the ABI and PLSA, which took place on Tuesday, 13 February.

As you know, the Panel will underpin a partnership between the private capital and pensions industries to oversee, monitor and report on the progress of delivering the commitments set out in the Investment Compact. We were pleased that the Business Minister, Kevin Hollinrake MP, met with the Panel for an informal discussion before it began its work, and that HMT officials were able to join the full meeting as observers.

The first meeting successfully commenced the work to identify solutions to key structural issues which must be addressed in order to unlock investment by the pensions industry into fast-growing private businesses through venture capital and growth equity funds. To ensure a shared understanding of the starting point for the work, the BVCA commissioned a report from PwC providing an overview of the current pension and private capital landscape and the existing and emerging structures within both industries.

The Panel members discussed the current landscape and potential themes for progress to be made in addressing existing barriers to investment. These included stakeholder engagement and education; greater transparency; considering investment time horizons; analysing market infrastructure and the role of platforms and life wrappers; building understanding of returns and net value; and learning from features of other pension systems around the world. The Technical Expert Group (TEG) will now take forward substantive and detailed work and identifying opportunities for improvements.

The Panel looks forward to presenting an update on its progress to coincide with the anniversary of the Mansion House Compact, followed by a report to be delivered at the BVCA's dedicated UK Pensions Summit on 11 September. We will also continue to engage directly with officials as the work progresses. Please find enclosed alongside this letter both the minutes from the meeting on 13 February and PwC's Report to the Expert Panel.

As ever, your continued support of the industry as we work together to incentivise investment in UK businesses and unlock higher returns for pension savers is most appreciated. Our industry remains dedicated in our role as partners for growth and looks forward to collaborating over the next year with the Treasury team and UK pension investors to highlight the exciting opportunities for savers and businesses.

Yours sincerely,

Michael

Michael Moore
Chief Executive, BVCA