



Meeting: **Local Pension Committee**

Date/Time: **Wednesday, 22 June 2016 at 10.00 am**

Location: **County Hall, Glenfield.**

Contact: **Mr. M. Hand (Tel. 0116 305 6038)**

Email: **matthew.hand@leics.gov.uk**

AGENDA

<u>Item</u>	<u>Report By</u>	<u>Marked</u>
1. Election of Vice Chairman.		
2. Minutes of the meeting held on 27 May 2016.		(Pages 3 - 8)
3. Question Time.		
4. Questions asked by members under Standing Order 7(3) and 7(5).		
5. To advise of any other items which the Chairman has decided to take as urgent elsewhere on the agenda.		
6. Declarations of interest in respect of items on the agenda.		
7. Exclusion of the Press and Public.		
The public are likely to be excluded during consideration of the following item in accordance with Section 100(A)(4) of the Local Government Act 1972 (Exempt Information).		
8. Investment Pooling Within the Local Government Pension Scheme - Approval of the LGPS Central Investment Pool's Submission to Central Government.	Director of Corporate Resources	(Pages 9 - 130)

(Exempt under paragraphs 3 and 10 of Schedule 12A)



The meeting will then return to public session

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|-----|--|---------------------------------|-------------------|
| 9. | Investment Pooling Within the Local Government Pension Scheme - Approval of the LGPS Central Investment Pool's Structure and Operator Model. | Director of Corporate Resources | (Pages 131 - 138) |
| 10. | Any other items which the Chairman has decided to take as urgent. | | |

TO:

Leicestershire County Council

Mr. G. A. Hart CC (Chairman)
Mr. S. J. Hampson CC
Mr. Max Hunt CC
Mr. K. W. P. Lynch CC

Mr. P. C. Osborne CC

Leicester City Council

Cllr Deepak Bajaj and Cllr Lynn Moore

District Council Representatives

Cllr. M. Graham MBE and Cllr. C. Frost CC

University Representative

Mr. J. Shuter

Staff Representatives

Mr. R. Bone
Mr. N. Booth

Ms. J. Dean



**Minutes of a meeting of the Local Pension Committee held at County Hall,
Glenfield on Friday, 27 May 2016.**

PRESENT:

Leicestershire County Council

Mr. G. A. Hart CC (Chairman)
Mr. S. J. Hampson CC
Mr. Max Hunt CC

Mrs. R. Page CC
Mrs. J. Richards CC

Leicester City Council

Cllr Deepak Bajaj
Cllr Lynn Moore

District Council Representative

Cllr. Malise Graham MBE

Staff Representatives

Mr. R. Bone
Nick Booth

Ms. J. Jackie Dean

Independent Advisers and Managers

Mr. S. Jamieson Kames Capital

423. Appointment of Chairman.

That Mr. G. A Hart CC be appointed Chairman of the Local Pension Committee for the period ending with the date of the Annual Council meeting in May 2017.

424. Minutes of the previous meeting.

The minutes of the meeting held on 26 February 2016 were taken as read, confirmed and signed.

425. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 35.

426. Questions asked by members.

The Chief Executive reported that no questions had been received under Standing Order 7(3) and 7(5).

427. Urgent Items.

There were no urgent items for consideration.

428. Declarations of interest.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting. No declarations were made.

429. Summary Valuation of Pension Fund Investments and Investment Performance of Individual Managers.

The Committee considered a report of the Director of Corporate Resources, the purpose of which was to present a summary valuation of the Fund's investments at 31 March 2016. A copy of the report is filed with these minutes, marked '7'. An additional document detailing the performance of individual managers was circulated at the meeting and is also filed with these minutes.

RESOLVED:

That the report be noted.

430. Investment Pooling within the Local Government Pension Scheme - Progress to Date.

The Committee considered a report of the Director of Corporate Resources regarding on-going work in respect of the requirement for the Local Government Pension Scheme (LGPS) to be formed into a number of investment pools. A copy of the report marked '8' is filed with these minutes.

The Director reported that since the previous meeting (where a firm commitment had been made to work with other funds, collectively known as LGPS Central), advice had been sought to determine the best legal structure for a shared investment pool. Legal opinion supported the creation of a formal regulated entity in the form of a Common Investment Vehicle.

The Board noted that whilst there was a consensus amongst the eight Funds forming the LGPS Central pool regarding proposed legal structure and governance arrangements, there was an expectation that formal agreement would be sought from elected members before the submission was made to the government (by 15 July 2016).

RESOLVED:

That an additional meeting of the Committee be arranged in order to consider proposed legal structure and governance arrangements for the LGPS Central pool.

{Subsequently a meeting of the Local Pension Committee was scheduled for Wednesday 22 June 2016 at 10.00 am}

431. Market Report.

The Committee received a presentation by Kames Capital concerning global market conditions. A copy of the presentation, marked '9', is filed with these minutes.

RESOLVED:

That the report be noted.

432. Exclusion of the Press and Public.

RESOLVED:

That under Section 100(A) of the Local Government Act 1972 the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Act.

433. Colliers Capital - Property Performance and Investment Strategy Report.

The Committee considered a report by Colliers Capital, a copy of which marked '12' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

434. Kames Capital Quarterly Report.

The Committee considered a report by Kames Capital, a copy of which marked '13' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

435. KKR - Quarterly Report.

The Committee considered a report by KKR, a copy of which marked '14' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

436. Kempen Capital Management Quarterly Report.

The Committee considered a report by Kempen Capital, a copy of which marked '15' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

437. Kleinwort Benson Investors - Quarterly Report.

The Committee considered a report by Kleinwort Benson, a copy of which marked '16' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

438. Ruffer Quarterly Report.

The Committee considered a report by Ruffer, a copy of which marked '17' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

439. Pictet Quarterly Report.

The Committee considered a report by Pictet, a copy of which marked '18' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

440. Millennium Global - Quarterly Report.

The Committee considered a report by Millennium Global, a copy of which marked '19' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

441. IFM Investors - Quarterly Report.

The Committee considered a report by IFM Investors, a copy of which marked '20' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

442. Stafford Timberland - Quarterly Report.

The Committee considered a report by Stafford Timberland, a copy of which marked '21' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

443. Delaware Investments - Quarterly Report.

The Committee considered a report by Delaware Investments, a copy of which marked '22' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

444. Aspect Capital - Quarterly Report.

The Committee considered a report by Aspect Capital, a copy of which marked '23' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

445. JP Morgan - Quarterly Report.

The Committee considered a report by JP Morgan, a copy of which marked '24' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

446. Aviva Investors - Quarterly Report.

The Committee considered a report by Aviva Investors, a copy of which marked '25' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

447. Legal and General Investment Manager - Quarterly Report.

The Committee considered a report report by Legal and General Investment Manager, a copy of which marked '26' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

448. Ashmore - Quarterly Report.

The Committee considered a report by Ashmore, a copy of which marked '27' is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

That the report be noted.

09.30 – 10.50
27 May 2016

CHAIRMAN

By virtue of paragraph(s) 3, 10 of Part 1 of Schedule 12A of the Local Government Act 1972.

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LOCAL PENSION COMMITTEE – 22ND JUNE 2016

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

**INVESTMENT POOLING WITHIN THE LOCAL GOVERNMENT PENSION SCHEME –
APPROVAL OF THE LGPS CENTRAL INVESTMENT POOL'S STRUCTURE AND
OPERATOR MODEL**

Purpose of the Report

1. The purpose of this report is to provide an update on progress in respect of the pooling of investments within the Local Government Pension Scheme (LGPS) and to formally approve the use of a Financial Conduct Authority regulated authorised structure for the LGPS Central investment pool and the creation/building of an operator of the pool.

In a separate (exempt) report on the agenda, the Committee will be asked to consider recommendations concerning a proposed submission/business case for the LGPS Central investment pool and expected budgeted programme costs for the period up to 31st March 2018.

Background

2. The Government's Summer Budget of July 2015 contained the following announcement:

“The government will work with the Local Government Pension Scheme administering authorities to ensure that they pool investments to significantly reduce costs, while maintaining overall investment performance. The government will invite local authorities to come forward with their own proposals to meet common criteria for delivering savings. A consultation to be published later this year will set out those detailed criteria as well as backstop legislation which will ensure that those administering authorities that do not come forward with sufficiently ambitious proposals are required to pool investments.”
3. In late-November 2015 the Department of Communities and Local Government (DCLG) issued a document entitled ‘Local Government Pension Scheme: Investment Reform Criteria and Guidance’. This document had been widely anticipated and did not contain any surprises to those Funds that had been close to the discussions that had been taking place between the interested parties.
4. The November document was the first time that the criteria against which the various options would be judged have been formally laid out. The four key criteria were:
 - A. Asset pools that achieve the benefits of scale – minimum size £25bn;

- B. Strong governance and decision making – the governance structure should provide strong governance at both a local Fund level, and also at a pool level;
- C. Reduced costs and excellent value for money;
- D. An improved capacity to invest in infrastructure

5. The criteria also stated that the pools should take the form of ‘up to six British Wealth Funds’. It has subsequently become clear that the eight Welsh LGPS Funds (with combined assets of c.£13bn) are likely to be granted exemption from the ‘scale’ element due to their ‘unique culture, politics and regulations’. It looks highly likely that there will be an additional six pools covering England.
6. The Local Pension Committee has previously approved Leicestershire County Council Pension Fund’s involvement in LGPS Central, and has received regular updates in respect of the progress that has been made by the prospective pool. LGPS Central received a positive response to its February submission to DCLG, and has continued to liaise regularly with the relevant government departments (DCLG and HMT) in terms of ensuring that the progress being made is in line with their expectations and that the final submission (due on 15th July 2016) is likely to be acceptable to them.

Recommended legal structures and governance arrangements

7. In order to meet the Government’s criterion for strong governance, legal and governance structures need to be suitably robust. There are two realistic options, both put forward in the Project Pool submission made by LGPS funds and facilitated by Hymans Robertson.
8. The option agreed unanimously by officers representing the funds participating in the LGPS Central investment pool that a Financial Conduct Authority regulated authorised structure should be used. This will involve using a collective investment vehicle (CIV) which will include an authorised contractual scheme (ACS), plus other legal structures for assets. This option is robust, in alignment with LGPS Central’s requirements and with the Government’s criteria. At meetings with officials from the Department for Communities and Local Government (DCLG), the Treasury and the Local Government Association (LGA), it was made clear that an FCA regulated structure was the Government’s strong preference.
9. The other option, a collective asset pool, which has no legal status and would be overseen by a Joint Committee providing governance oversight, was considered to be insufficiently robust and unlikely to meet the Government’s criteria.
10. Having agreed a corporate structure, fund representatives have explored the options for establishing an operator for the LGPS Central investment pool.
11. There is a requirement for the pool to have an ‘operator’ to run the pool and there are three options in this respect:
 - (i) Buy an existing operator that already has the necessary infrastructure and expertise in place;

- (ii) To 'rent' the services from an existing operator;
 - (iii) To 'build' a new operator.
12. Buying an existing operator is not really practical given how few there are in existence and given the scale of LGPS Central, which would dwarf the assets managed by most existing operators.
 13. Renting is an option but the issue of scale is still a concern, as is the loss of control in certain key decisions – for example the choice of underlying investment managers. Renting is likely to reduce the up-front costs that need to be incurred in the 'build' option – for example, FCA authorisation will already be in place – but will be more expensive on an on-going basis. Although the Funds will have certain powers as investors, the ability to influence the operator is necessarily low as financial regulation requires the operator to retain independence of action in many areas – investors cannot run an operator by proxy.
 14. The build option is considered to be the most sensible, given the circumstances of LGPS Central. This will give the Funds maximum influence in terms of the investment options offered within the pool, and control over the appointment of key individuals within the operator. The operator will be owned by the Funds and the Funds will have shareholder rights, as well as investor rights. Building is a more costly and more onerous option in the short term, but in the long-term allows maximum flexibility and will be more cost effective. The operator will, however, be run autonomously but with oversight governance from the Funds.
 15. The proposed operator will be owned equally by each fund participating in the LGPS Central investment pool with one share and one vote per fund. The structures to be put in place will ensure that participating funds oversee the management of the operator (via a shareholders' forum) and that their investment management needs are also met (via a practitioners' advisory forum).
 16. The Operator/pool will have its own management structure that will be responsible for running the assets in a manner that is expected by the Funds, but the governance structure that will hold the pool to account needs to be appropriate from both a political and practical perspective. Elected members (namely the Chairs of each participating fund) will be responsible for key decisions, and will be assisted within this role by their Section 151 Officer (Director of Finance, or equivalent). As well as their role of assisting elected members, s151 Officers will also have an important role in some of the other matters that need to be dealt with at a pool level, and investment practitioners within the funds will also be able to contribute to the governance or assistance in some way on the more day-to-day, but still important, matters of the pool. It is believed that the governance structure that is included in the business case/submission (detailed below) will be fit for purpose, but there is sufficient flexibility to amend this in the run-up to pooling or after it has commenced.

Submission/Business Case

17. The Business case is the collection of data and evidence relating to the formation of LGPS Central pool. The submission will meet all the key criteria of central

government, and also lead to a better overall investment outcome (i.e. investment returns, net of fees) for the funds than would be achieved if they continued to invest separately. There is a requirement to agree a business case as part of the detailed submission to the DCLG on investment pooling required by 15 July 2016. The Business Case/Submission is being considered for approval in an exempt report on the agenda (due to containing commercially sensitive information) but a summary of what it includes has been incorporated into this report.

18. In order to produce a business case, an external adviser has been required and following a tendering process, Deloitte was appointed for this task with support from Eversheds on the legal considerations. The business case rests on meeting the Government's four criteria as follows:

Scale

19. With £34 billion of assets, the LGPS Central investment pool will meet the Government's size criterion – the expectation is for the new investment pools to have at least £25 billion of assets. Very few exemptions will be requested – one is for the West Midlands Transport Authority fund's buy-in policy (valued at £250 million) and the other is for cash held for operational, non-investment, purposes and this is expected to be very modest in scale.

Governance

20. It is vital that the governance of the pool is carried out in a manner whereby the correct people are involved at the right level of decision making and/or scrutiny. As an example it is clear that elected members (namely the Chairs of each participating fund) are responsible for key decisions, and will be assisted within this role by their Section 151 Officer (Director of Finance, or equivalent). As well as their role of assisting elected members, s151 Officers will also have an important role in some of the other matters that need to be dealt with at a pool level, and investment practitioners within the funds will also be able to contribute to the governance or assistance in some way on the more day-to-day, but still important, matters of the pool.

Costs and cost savings.

21. Modelling has been done on costs and cost savings for the LGPS Central investment pool over the fifteen year period to 31 March 2034. The base case projection is that annual investment costs then will be £152 million after operator running costs, compared with £196 million in 2014/15, representing an annual cost saving of £44 million by then. Cumulative savings for the LGPS Central investment pool are estimated at £262 million by 31 March 2034, with break-even expected by 31 March 2026.

22. Cost savings will be secured through economies of scale and mandate rationalisation, fee negotiations and more use of direct (rather than more expensive indirect) investment in illiquid asset classes.
23. The LGPS Central investment pool will deploy both internal and external investment management. The base case for cost savings assumes that the current mix of internal and external investment management remains but the savings are projected to be higher with greater use of internal management.
24. The set up costs for the LGPS Central investment pool are estimated to be between £3 million and £4 million and the share of the Leicestershire Fund is estimated to be between £0.4 million and £0.5 million. Once set up, annual operator costs are projected to be around £5.2 million.
25. Once the pool is fully operational there are some costs of the Operator that will be met on a 1/8th share basis, whilst many others will be based on the value of assets held by each Fund within the pool. For the business case it has been necessary to categorise the costs into one of the categories, but there is on-going discussion between the funds that will refine these costs further in the coming months. There is unanimity amongst the Funds that the costs should be shared in a manner that is agreed to be equitable; this might mean that the current costs 'allocated' to each fund change, even if the totality of the costs does not.
26. Transition costs are estimated to be significant – one-off costs of £50 million are projected. These costs have been included in the savings estimates, but they are probably the most difficult to estimate with any certainty. There have been some broad assumptions made about how many of the existing investments will need to be sold (and, therefore, what new purchases will be required) to move the existing portfolios into the portfolios that are going to exist within the pooled structure.
27. Part of the rationale behind pooling is to reduce the number of managers employed and to make the portfolios larger in order to benefit from economies of scale, so market activity for restructuring (which will lead to cost) is inevitable. In reality some of this restructuring activity would have happened within individual funds anyway, given that it is highly likely that at least some of the funds would have changed managers over the period in question even if pooling was not going to happen. Not all of the £50m is, therefore, genuine additional costs but as there is no basis to estimate what the transition costs would have been on a 'no pooling' basis the whole of the £50m is included as additional cost.
28. In Leicestershire's case specifically, annual cost savings are estimated to be £2.1m million per annum in 2033/4 compared with 2014/15, although £1m of this saving will have been made as a result of action taken before the launch of the pool – most notably the passive equity procurement that became effective in December 2015. The cost savings assume no changes in asset allocation or fund size and are after operator running costs.

29. It should be noted that the modelling shows that costs will actually increase for the Fund in the early years of the pool, and this is mainly due to initial set up costs and a number of things that are specific to the Leicestershire Fund. An example of the 'fund specific' issues is that we have a sizeable private equity portfolio, and a meaningful proportion of it is relatively mature (almost 30% of the value is in partnerships that were raised in 2005 or before). Fees within private equity partnerships, and also the fees of the fund-of-funds manager employed by Leicestershire, have begun to 'scale down' due to the maturity of the investments – a normal process within illiquid assets once they have reached the point at which an exit was expected – so the Funds fees within this asset class are lower that would be considered normal. In order to maintain its weighting to the asset class there is a need to commit monies to new funds, and these new funds will have a higher fee level than those from which cash is being returned. The total fee level of the Leicestershire Fund would have been expected to rise in the coming years anyway, due to this 'recycling' of capital at a higher fee level.
30. More savings would be secured through the greater use of internal management within the pool, which will happen if it is proven to be successful. It is also the case that the fee levels assumed for investment within the pool are relatively prudent (i.e. they may be higher than will actually be achieved in practice), so there is the possibility of higher savings being achieved.

Infrastructure

31. One of the Government's criteria is to encourage more investment in infrastructure. The strategic decision to invest in the asset class will remain with administering authorities, with implementation resting with the new investment pools, including LGPS Central.
32. National infrastructure platform options are currently being explored by the LGPS, including LGPS Central, in order to enable better access to suitable opportunities in the UK. A national infrastructure platform will lead to lower fees and should enable better diversification / spread.
33. The weighted target allocation in infrastructure for the LGPS Central investment pool is 4%, with 1.5% actually invested. The target is expected to rise to over 5% in the coming years. In the case of Leicestershire, the current target allocation to infrastructure is 5%, and by the beginning of July 2016 it is expected that the Fund will be close to its target weighting.

Budgeted Programme Costs

34. It is inevitable that there will be significant costs incurred in building the capability to have an Operator that can manage the assets of LGPS Central by 1st April 2018, and that these costs will be incurred BEFORE the savings that pooling will bring

have begun to be made. Central government is keen to ensure that individual funds are aware that these costs exist and that they are comfortable with the quantum of the costs. As part of the other (exempt) report on the agenda, the committee is asked to approve recommendations relating specifically to the budget of LGPS Central up to 31st March 2018, which forms part of the Business Case/ Submission which contains commercially sensitive information.

35. The budget itself has been built using details of expected staffing levels and salaries of staff that the Operator will be required to employ in the period up to the point that the pool commences 'live' investment management (i.e. 1st April 2018). After this point these costs will be met by the operator itself, and will be built into the Total Expenses Ratio (TER) of the investment management fees in a manner that is fair and equitable to all eight funds.
36. The costs are estimated and take into account the information received from Deloitte in their role as a consultant to the pool during the preparation for the business case, and also with the knowledge of what costs have been incurred by two other pooled LGPS arrangements (London Councils and Lancashire/LPFA) in their set up phases. It is incredibly difficult to estimate with any degree of certainty what the actual costs will be, but there is clear wish on the part of the Funds to ensure that costs are minimised without risking a successful and optimal outcome.

Resourcing

37. A substantial amount of work will be required for the LGPS Central investment pool to be set up properly. Each participating fund has devoting resources to the workstreams that supported the business case.
38. In order to incubate the operator and achieve key objectives in the coming months, external advisers will need to be procured by the end of July 2016, to provide advice on the operational, business, accounting, legal and taxation issues associated with setting up the LGPS Central investment pool. A specialist employment agency will need to be appointed so that a Chief Executive and Chief Operating Officer are in place by April 2017. These appointments will be needed by then so that FCA registration can take place and it will be important too that fit-for- purpose IT systems are put into place in advance of the set up date of 1 April 2018.

Communications

39. It is planned that monthly briefing notes will be circulated to the Committee members in order to keep it informed of the progress in setting up the LGPS Central investment pool. A weblink to documentation on the LGPS Central investment pool will be circulated to the Committee in the near future.

40. A communications policy and strategy for the LGPS Central investment pool are included as annexes to the business case which the Committee is asked to approve as part of the recommendations on the other report considered on the agenda.
41. The overall intention is that all stakeholders are kept informed of progress at a level that is appropriate for their needs.

Summary

42. Meetings of the funds that are committed to LGPS Central continue to happen on a regular basis, and there continues to be a huge amount of goodwill on the part of all funds to ensure that the pool is set up in an optimal and cost-effective manner so that it can provide the first class investment services that are demanded by individual funds. The production of the business case is, in itself, testament to the work that has so far been carried out. There is much more work to be done, but the progress so far is encouraging.
43. Subject to approval, it is planned that the operator will be incubated in October 2016 and a shareholders' agreement will need to be signed in advance of that. Pending that, a memorandum of understanding has been agreed between the participating funds.
44. Key executives of the Operator will need to be appointed by no later than April 2017, ahead of the application for FCA registration. This will ensure that the LGPS Central investment pool will be set up and available to manage assets by no later than 1 April 2018.

Recommendation

The Committee is recommended to approve:

That the structure for the LGPS Central investment pool is a Financial Conduct Authority (FCA) authorised one with an operator for it to be created and built;

Equality and Human Rights Implications

None specific

Officers to Contact

Colin Pratt – telephone (0116) 305 7656
Chris Tambini – telephone (0116) 305 6199