

Report for: **ACTION**



Contains Confidential or Exempt Information	<i>NO - Part I</i>
Title	Adoption of higher limit for investment in Limited Partnerships
Responsible Officer(s)	Nick Greenwood, Pension Fund Manager
Contact officer, job title and phone number	Nick Greenwood Pension Fund Manager 01628 796701
Member reporting	N/A
For Consideration By	Pension Fund and Pension Fund Advisory Panels
Date to be Considered	11 July 2016
Implementation Date if Not Called In	N/A
Affected Wards	None

REPORT SUMMARY

1. This report requests Panel to approve the higher limit of 30% for investments in Limited Partnerships to facilitate investment in the Ancala UK Infrastructure Fund approved by Panel on 11 April 2016.

If recommendations are adopted, how will residents, fund members and other stakeholders benefit?

Benefits to residents and reasons why they will benefit	Dates by which residents can expect to notice a difference
1. Adoption of the higher (30%) limit will allow the Fund to make its planned investments in Ancala UK Infrastructure Fund and other pending investments	Immediate

1. DETAILS OF RECOMMENDATIONS

RECOMMENDATION: That Panel

i. adopts the higher limit of 30% for investment in Limited Partnerships as permitted by the LGPS (Management and Investment of Funds) (Amendment) Regulations 2013..

2. REASON FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

On 18 January 2010 Panel adopted the higher limits as set out in Schedule 1, LGPS (Management and Investment of Funds) Regulations 2009.

The LGPS (Investment and Management of Funds) (Amendment) Regulations 2013 increased the maximum amount permitted to be invested in Limited Partnerships from 15% to 30% of the Fund's value at the time of investment.

Currently, following good performance and payment of capital calls, the Fund has approximately 20% of its assets invested via Limited Partnerships.

Panel agreed on 11 April 2016 to invest £50 million in a managed account with Ancala to invest in UK mid-sized Infrastructure projects. This account will now be in the form of a Limited Partnership, however, as most of our private investments are in the form of Limited Partnerships and following good performances and calls of capital from our existing Limited Partnerships there is no headroom for the Ancala Limited Partnership.

According Officers, to avoid any ambiguity in the Fund's adoption of the higher limits in 2010, are requesting Panel to confirm that the 30% limit for investments in Limited Partnerships be adopted.

Option	Comments
Adopt the higher limits, specifically the 30% limit for Limited Partnerships	Recommended – this higher limit is needed to facilitate the Ancala investment and other pending investments
Do not adopt the higher limits, specifically the 30% limit for Limited Partnerships	Not recommended as this will prevent the fund from investing with Ancala

3 KEY IMPLICATIONS

This will facilitate the investment of Pension Fund monies

4. FINANCIAL DETAILS

Financial impact on the budget - None

5. LEGAL IMPLICATIONS

Compliance with Regulations

6. VALUE FOR MONEY

N/A

7. SUSTAINABILITY IMPACT APPRAISAL

None

8. RISK MANAGEMENT

N/A

9. LINKS TO STRATEGIC OBJECTIVES

None

10. EQUALITIES, HUMAN RIGHTS AND COMMUNITY COHESION

10.1 N/A

11. STAFFING/WORKFORCE AND ACCOMMODATION IMPLICATIONS

11.1 None

12. PROPERTY AND ASSETS

12.1 None

13. ANY OTHER IMPLICATIONS

13.1 None

14. CONSULTATION

14.1 N/A

15. TIMETABLE FOR IMPLEMENTATION

Immediate

16. APPENDICES

LGPS (Management and Investment of Funds) (Amendment) Regulations 2013

17. BACKGROUND INFORMATION