



Pensions Committee

Date:	Monday, 19 September 2016
Time:	6.00 pm
Venue:	Committee Room 1 - Wallasey Town Hall

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SUPPLEMENTARY AGENDA

13. INFRASTRUCTURE (Pages 1 - 4)

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WIRRAL COUNCIL

PENSIONS COMMITTEE

19 SEPTEMBER 2016

SUBJECT:	INFRASTRUCTURE INVESTMENT
WARD/S AFFECTED:	NONE
REPORT OF:	STRATEGIC DIRECTOR TRANSFORMATION & RESOURCES
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

- 1.1 This report provides Members with an update on anticipated changes to investment in infrastructure as a consequence of Merseyside Pension Fund's participation in the Northern Pool.
- 1.2 The appendix to the report, appendix 2, contains exempt information. This is by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972, i.e. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

2.0 BACKGROUND AND KEY ISSUES

- 2.1 As set out in our response to the Government's consultation on pooling (a separate item on this agenda), the Fund indicated its expectation of increasing its allocation to infrastructure over time, subject to there being suitable investments that fulfil the Fund's investment criteria.
- 2.2 Additionally, we are supportive of The Northern Pool's ambition of creating a significant investment pool which will enable the Pool, and MPF, to increase the proportion of direct infrastructure and co-investments relative to indirect infrastructure. With such a large investment pool comprised of partners from across the North, the infrastructure investment pool is intended to deliver both the commercial returns required and social value to the regions that each of the funds represent. This should also prove to be a more cost effective way of accessing infrastructure investments. Appendix 1 provides further information on the likely structure and governance arrangements of the infrastructure investment pool which is modelled on the existing Greater Manchester/LPFA infrastructure (GLIL) vehicle.
- 2.3 Due diligence is ongoing and a further report will be brought to this Committee once arrangements have been finalised.

3.0 RELEVANT RISKS

- 3.1 It is essential that the infrastructure investment pool is appropriately resourced and governed to ensure that investments undertaken are suitable for the Fund in terms of risk, return and diversification.
- 3.2 Direct and co-investments bring greater idiosyncratic risk but this can be controlled with suitable advice and expert operational management of the assets.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 No other options have been considered.

5.0 CONSULTATION

- 5.1 Not relevant for this report.

6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

- 6.1 There are no previously approved actions outstanding.

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 7.1 There are none arising from this report.

8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 8.1 There are none arising directly from this report. By collaborating with other funds on infrastructure investments, fee savings and other efficiencies are anticipated over the long term.

9.0 LEGAL IMPLICATIONS

- 9.1 There are none arising from this report.

10.0 EQUALITIES IMPLICATIONS

- 10.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(b) No because there is no relevance to equality.

11.0 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS

- 11.1 There are no carbon usage implications, nor any other relevant environmental issues arising from this report.

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

- 12.1 There are none arising from this report.

13.0 RECOMMENDATION/S

13.1 That Members note the report and that a further report will be brought once arrangements have been finalised.

14.0 REASON/S FOR RECOMMENDATION/S

14.1 It is important that Members are cognisant of the implications of collaborative investment in infrastructure and the governance arrangements that are proposed.

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APPENDICES

Appendix 1. Exempt - Infrastructure investment pool arrangements.

BACKGROUND PAPERS/REFERENCE MATERIAL

BRIEFING NOTES HISTORY

Briefing Note	Date

SUBJECT HISTORY (last 3 years)

Council Meeting	Date

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