

LGPS Pool presentations

SCALE

1. Please state the total value of assets (£b) to be invested via the pool once transition is complete (based on asset values as at 31.3.2015).

COMMITMENT

2. Please confirm that the pool structure has been formally signed off by all participating funds, (or if necessary when formal sign off is expected) and include:
 - a. details of the FCA authorised structure that will be put in place, and has been signed off by the participating funds;
 - b. outline of tax treatment and legal position, including legal and beneficial ownership of assets;
 - c. the work that will be carried out internally and services to be hired from outside; and
 - d. a brief overview explaining how the cost benefits of pooling will be measured, evaluated and reported.

TRANSITION

3. The timeline for establishing the pool up to 1st April 2018 and the plan for transparently reporting progress.
4. Please provide a summary of the estimated value of assets (in £b based on asset values at 31.3.15 and assuming no change in asset mix) to be held inside and outside the pool at the end of each 3 year period starting from 1st April 2018.
5. An outline rationale for holdings outside the pool and plans for transition.

GOVERNANCE AND DECISION MAKING

6. Please describe briefly how the governance structure will ensure that the operator of the pool can be held to account and in particular the provisions for reporting back to funds, at both a local and a pool level, on the implementation and performance of their investment strategy. Please set out the composition of the supervisory body.
7. Outline the decision-making procedures within the governance structure, in particular confirm that manager selection and implementation of investment strategy will be carried out at the pool level - please provide assurance that this structure will be in place by 1st April 2018 and any assumptions on which this is based.
8. Please explain how the pool will operate, the work to be carried out internally and services to be hired from outside.
9. Set out how net performance of each asset class will be reported publicly by the pool and the extent to which benchmarking will be used by authorities to assess their own

governance and performance and that of the pool, including how fees and net performance in each listed asset class will be compared to a relevant passive index.

COSTS AND SAVINGS

10. Please provide an assessment of investment costs and fees as at 31 March 2013 and also current investment costs prepared on the same basis for comparison.
11. Please provide an estimate of the governance and regulatory cost (including regulatory capital and breakdown of costs by source) of the pool split between implementation and ongoing. Please list any assumptions made to arrive at that estimate. Please include details of where new costs are set off by reduced existing costs.
12. Please provide an estimate of the staffing cost of the pool split between implementation and ongoing. Please state any assumptions made to arrive at that estimate. Please include details of where new costs are set off by reduced existing costs.
13. Please provide a summary of the estimated savings (per annum) over the next 15 years to be achieved by the pool at the end of each 3 year period starting from 1st April 2018. Please explain how you've arrived at these figures.
14. Please explain how authorities and/or the pool (as appropriate) will transparently report:
 - a. actual transition costs compared to forecasts;
 - b. actual savings compared to forecasts; and
 - c. fees and other ongoing costs (including costs not previously reported).

INFRASTRUCTURE

15. Please confirm that the pool is committed to working with other pools to develop the capability and capacity to access infrastructure opportunities appropriate to the risk appetite and return requirements of its participating funds. The definition of infrastructure should be that set by participating funds and is not restricted to the UK.
16. Please explain the proportion of funds in the pool currently allocated to infrastructure and state the pool's ambition for infrastructure investment, i.e. the estimated total allocation to infrastructure, subject to suitable opportunities, and once the capacity and capability referred to above is in full operation.