



## **LOCAL PENSION BOARD**

**24 FEBRUARY 2022**

<b>REPORT TITLE:</b>	<b>UPDATE ON THE CATALYST FUND</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF PENSIONS</b>

### **REPORT SUMMARY**

The purpose of this report is to provide Board Members with a copy of a recent report updating Pensions Committee on the Catalyst Fund.

### **RECOMMENDATION/S**

The Local Pension Board be recommended to note the report.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION/S**

- 1.1 It is essential that the governance of the Fund's local investment activities is robust and, in their role of supporting the Scheme Manager, it is important that Board Members are informed of all developments affecting the Fund.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 Not relevant for this report. This is the most suitable option to provide the Board with this information.

### **3.0 BACKGROUND INFORMATION**

- 3.1 The Catalyst Fund aims to support development and refurbishment projects in the Merseyside area that are additive to the regeneration of the Liverpool City Region, align with the economic plans for the area whilst producing a commercial return for the Fund.

### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 As set out in the accompanying report.

### **5.0 LEGAL IMPLICATIONS**

- 5.1 There are no implications arising directly from this report. The guidance to the LGPS Investment Regulations states that the pursuit of financial return should be the predominant concern but investment may be made into projects that deliver a social impact where administering authorities have good reason to think scheme members share the concern for social impact and there is no risk of significant financial detriment to the fund.

### **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

- 6.1 Local investments are often more resource intensive in the sourcing, structuring and ongoing monitoring of opportunities. Conducting very detailed due diligence and effective monitoring of the investments requires adequate staffing resources in place for a successful and effective roll out of the strategy.

### **7.0 RELEVANT RISKS**

- 7.1 Local investments are inherently risky due to their direct nature, a more limited opportunity set and exposure to sometimes less financially credible, smaller-scale counterparties. Under or non-performance of one investment may have a significant influence on the overall performance of the portfolio.

### **8.0 ENGAGEMENT/CONSULTATION**

8.1 There has been no consultation planned or undertaken for this report. There are no implications for partner organisations arising from this report.

## **9.0 EQUALITY IMPLICATIONS**

9.1 There are no equality implications arising from this report.

## **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

10.1 The Fund has regard to the environmental, social and governance implications of the local investments which are made.

## **11.0 COMMUNITY WEALTH IMPLICATIONS**

11.1 The Catalyst Portfolio directly supports economic growth of the region and its objectives cover local employment creation, regeneration and carbon savings all of which contribute towards collective community wealth enhancement.

**REPORT AUTHOR: Peter Wallach**  
(Peter Wallach, Director of Merseyside Pension Fund)  
telephone:  
email: peterwallach@wirral.gov.uk

## **APPENDICES**

Appendix 1 Catalyst report to Pensions Committee

## **BACKGROUND PAPERS**

Impact Investing Institute: Building Strong Places  
CIPFA: Managing Risk in the Local Government Pension Scheme

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Minutes of all IMWP and GRWP meetings are brought to the subsequent Pensions Committee and Local Pension Board.</b>	