

OFFICER DIRECTORSHIPS - EXECUTIVE DECISION

Meeting Date: 10 December 2018

SUBJECT MATTER:	OFFICER DIRECTORSHIPS
DECISION:	DETERMINED that David Olliver and James Thelwell be seconded to LPPI in respect of their work on GLIL and the necessary Secondment Agreement be executed by the relevant parties to facilitate the same.
DECISION TAKER(S):	Sandra Stewart
DESIGNATION OF DECISION TAKER (S):	Director of Pensions
DATE OF DECISION:	10 December 2018
REASON FOR DECISION:	<p>GLIL Infrastructure LLP (“GLIL”) is a vehicle established to facilitate direct investment by the Fund and four other LGPS funds into direct infrastructure. GLIL does not have any employees and instead its activities are performed by employees of the various LGPS members.</p> <p>In April 2018 GLIL became subject to FCA regulation, with investment decisions being made by its own investment committee within the appointed FCA regulated entity, LPPI. In order to satisfy certain regulatory requirements, LGPS officers of GLIL member funds involved in decision making were obliged to become CF30 designated individuals, which could only be achieved by non-LPPI employees also being seconded to LPPI whilst performing those roles.</p> <p>At the time the secondments were implemented, it was not necessary for all members of the GMPF team to be seconded.</p> <p>Two things have changed materially since then: (i) the roles and status within GLIL of other GMPF team members have evolved such that they will inevitably soon lead or co-lead transactions and will certainly be involved in marketing GLIL; and (ii) LPPI’s risk and compliance team have agreed that secondment (and protection by their regulatory umbrella) can be separated from CF30 status (necessary only for those making investment decisions).</p> <p>It is therefore appropriate and timely to reconsider and as a result all team members acting on GLIL will be formally seconded.</p>
ALTERNATIVE OPTIONS REJECTED (if any):	Team members could continue to support GLIL without being seconded, but would therefore be prohibited from being involved in certain activities, such as taking the lead on drafting investment papers and marketing the fund. Such restrictions would result in inefficiencies and lack of resource within GLIL.
CONSULTEES:	The named officers and interested parties of GLIL.
FINANCIAL IMPLICATIONS:	Breach of FCA regulation may result in financial penalties for

	<p>TMBC.</p> <p>Seconded employees will not receive remuneration from LPPI and their employment contract with TMBC remains unchanged.</p>
LEGAL IMPLICATIONS:	<p>TMBC / GMPF is not a regulated entity and therefore cannot risk being deemed to be performing regulated activities. Similarly, employees of TMBC should not be exposed to the risk of being deemed to be performing a regulated activity outside of a regulated entity.</p>
RISK MANAGEMENT:	<p>GLIL has obtained legal advice in respect of the original secondment agreements and in respect of whether or not staff should be seconded. The LPPI compliance and legal team have produced the appended secondment agreement.</p>
CONFLICT OF INTEREST:	<p>None</p>
DISPENSATION GRANTED BY STANDARDS COMMITTEE ATTACHED:	<p>N/A</p>
ACCESS TO INFORMATION:	<p>Not for Publication: This report contains exempt information relating to paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended). On balance, under paragraph 10 of Part 2 of Schedule 12A, it would not be in the public interest to disclose this information to the public because disclosure would, or would likely to, prejudice the commercial interests of the Fund and/or its agents which, in turn, could impact upon the interests of the local taxpayer and/or the beneficiaries of the Fund.</p>
REFERENCE DOCUMENTS:	<p>Appendix 1- Pro-forma Secondment Agreement</p> <p>Further background papers relating to this report can be inspected by contacting: Daniel Hobson, Senior Investments Manager:</p> <p>Telephone: 0161 301 7167</p> <p>E-mail: daniel.hobson@tameside.gov.uk</p>