




GMPF - EXECUTIVE DECISION NOTICE

SUBJECT MATTER:	ALPHA REAL CAPITAL SOCIAL LONG INCOME FUND ("SLIF")
DECISION:	DETERMINED that as part of the 1.5% Impact Portfolio allocation approved by Panel on 19 July 2019, to approve an additional commitment of £20 million (£5 million into the main fund and £15 million into the North West fund) into the Alpha Real Social Long Income Fund ("SLIF") which is in addition to the initial £10m commitment made in May 2017 to the main fund and £10m to a North West side vehicle.
DECISION TAKER(S):	Sandra Stewart
DESIGNATION OF DECISION TAKER (S):	Director of Pensions
DATE OF DECISION:	19 August 2019
REASON FOR DECISION:	<p>An allocation of 1.5% to the Impact Portfolio was ratified by Panel 19 July 2019.</p> <p>An annual pacing strategy was agreed by Policy & Development Working Group on 20 December 2018, which outlines the pacing of commitments necessary to meet the target allocation within a reasonable and sensible time frame, whilst also prescribing appropriate diversification targets for the portfolio. The Local Investments team are responsible for selecting managers and funds consistent with the approved strategy.</p> <p>The Director of Pensions has delegated authority to sign off investments of this nature.</p> <p>Following due diligence that was carried out throughout 2016, approval was given for a commitment of £10 into SLIF and SLIF North West with GMPF formally subscribing the fund in May 2017. The proposed re-up into the SLIF fund is consistent with the approved Impact Portfolio pacing strategy, falls under the investment theme of 'Social Infrastructure' and follows a thorough due diligence process by members of the Local Investments team. The due diligence paper prepared for GMPF's initial subscription into SLIF is provided as an appendix to this Executive Decision Report.</p> <p>SLIF aims to deliver commercial returns to investors, and in addition, it will also deliver socio-economic benefits to the North West through the implementation of its investment strategy alongside GMPF's additional commitment to regional investments that are suited to the North West side car.</p> <p>The Manager has a healthy pipeline of opportunities which includes a hybrid care home/assisted living/keyworker housing scheme to be let to a housing association, further development of primary care facilities as well as ancillary accommodation for Hospital Trusts.</p>

ALTERNATIVE OPTIONS REJECTED (if any):	<p>The Local Investments team regularly review investment opportunities and Managers on an on-going basis. Alpha Real Capital has built up a good track record across its prior funds implementing various investment strategies. The fund is currently in its investment period and is drawing down capital across both the main fund and North-West side vehicle ahead of schedule. The main fund currently has 7 assets with a weighted average lease term of 52 years. Opportunities currently being considered include homes for the homeless, residential accommodation let to registered charities and medical centres.</p>
CONSULTEES:	<p>The Local Investment team has discussed the opportunity internally and also with one other current Limited Partner, Strathclyde Pension Fund. Strathclyde was very complimentary on the fund, but was not looking to increase its commitment size although this is something they could revisit given the open-ended nature of the vehicle.</p>
FINANCIAL IMPLICATIONS:	<p>GMPF allocated 1.5% to Impact Portfolio investments, to date £357m has been committed from this allocation. It is proposed that the investment into SLIF will come from this allocation.</p>
LEGAL IMPLICATIONS:	<p>In order to commit further to the fund, GMPF will have to complete an addendum to the original application form for a further partnership interest. Such agreements are the usual mechanism for GMPF investments of this kind, and so long as the commercial details are consistent with the position agreed with the other party, ought not to raise any significant issue. It is understood that there have been no amendments to the legal documents that govern this fund since the first commitment of £20m in May 2017.</p>
CONFLICT OF INTEREST:	<p>None</p>
DISPENSATION GRANTED BY STANDARDS COMMITTEE ATTACHED:	<p>N/A</p>
REFERENCE DOCUMENTS:	<p>Appendix 1 – Stage 2 due diligence paper on SLIF.</p> <p>Appendix 2 – SLIF March 2019 quarterly report</p> <p>Further background papers relating to this report can be inspected by contacting: Misodzi Dent, Investment Officer, Property and Local Investments</p> <p> Telephone: 0161 301 7166</p> <p> E-mail: misodzi.dent@tameside.gov.uk</p>

Signed  Dated: 19 August 2019
Sandra Stewart, Director of Pensions