

PE90. INVESTMENT IN SOCIAL/AFFORDABLE HOUSING

The Committee considered a report by the Chief Finance Officer presenting an update on the latest developments regarding the possibility of the Fund making an investment in social and affordable housing.

At the Special Joint Meeting of the Committee and Panel on 10 September 2013 it was agreed as undernoted:-

- (1) That an investment in social housing should be progressed;
- (2) That a manager search be undertaken, consistent with procurement rules;
- (3) That the final decision to invest remain dependent on identifying a suitable manager and fund;
- (4) That whilst examining the market within the UK as a whole, any mandate to a suitably appointed manager should require that consideration is given to both the Scottish and local (pension fund area) dimensions;
- (5) That any investment should be made gradually and limited to not more than £30m; and
- (6) That the Chief Finance Officer would report on progress to the next round of Panel/Committee meetings.

The updated report provided an update on the Manager search initiated in November 2013 with proposals being invited through the Official Journal of the European Union (OJEU). Tender responses were received from the following Fund Managers:

- Aviva;
- Catalyst for Homes;
- Hearthstone;
- Horizon;
- Legal and General;
- Threadneedle Investments; and
- Invesco.

The tender submissions were now being evaluated by Hymans Robertson, the Pension Fund's investment advisers and further details formed an appendix to the report. The shortlist would include only those submissions meeting the minimum criteria. A maximum of four Fund Managers would be invited for interview. The interviews would be undertaken by Committee members at a special meeting of the Pensions Committee on 17 March 2014. The Committee agreed that the tender information and the suggested shortlist contained exempt information as defined in Paragraph 9 of Part 1 of Schedule 7 of the Local Government (Scotland) Act 1973 and resolved that, to the extent that there required to be discussion on the detail contained

therein, it would be taken in private, and the document would not be available to the press or public.

Decision

The Committee noted the actions taken in relation to investment in social and affordable housing.