THE GOOD ECONOMY

Scaling-Up Local Investing for Place-Based Impact: A Strategic Framework and Guidance for LGPS

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The Good Economy

The Good Economy (TGE) is a leading impact advisory firm dedicated to enhancing the role of finance and business in inclusive and sustainable development. Founded in 2015, TGE provides strategic advisory, impact measurement, management, reporting and verification services. TGE also undertakes research and leads collaborative initiatives, including the Place-Based Impact Investing (PBII) Network, bringing together market participants to build knowledge, trust and develop innovative approaches to mobilising institutional investment for place-based impact.

In 2021, The Good Economy authored a seminal White Paper, Scaling Up Institutional Investment for Place-Based Impact, in partnership with the Impact Investing Institute and Pensions for Purpose, which made the social and financial case for LGPS, and other pension funds, to scale-up their investment for place-based impact across the UK. The current government has recently outlined a pension reform agenda requiring all LGPS funds to enhance collaboration with devolved authorities and scale-up their local investment in England and Wales. In response to this, and based on demand from the LGPS sector, TGE has prepared this second White Paper proposing a common strategic framework and practical guidance for developing local investment strategies that can be adopted by LGPS funds and pools in practice.

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LGPS Administering Authorities

Greater Manchester Pension Fund
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A set of Case Studies is provided as a separate Annex.

Executive Summary

Context and Purpose (Section 1)

The UK Government's 2025 pension reforms have challenged the Local Government Pension Scheme (LGPS) to develop local investing strategies in support of its wider effort to close the investment gap and make inclusive economic growth a reality. Administering Authorities (AAs) must now work with their pools to define strategies, set allocation ranges, and report annually on the scale and impact of local investments.

The pension reform agenda sits within a broader reform programme that includes devolution, local government reform, housing and planning, infrastructure investment and a new industrial strategy. All of these policies encourage a place-based, decentralised approach. The new Local Growth Plans being prepared by Strategic Authorities (SAs) will provide the platform through which local government and the LGPS are expected to work together to drive investment that responds to local priorities.

The challenge is clear. Britain has seen decades of underinvestment, entrenched regional and social inequalities, and fresh pressures from geopolitical and economic uncertainty. Yet the LGPS – with nearly £400 billion of assets today and projected to reach £1 trillion by 2040 – has the potential to be a cornerstone of the national effort to close the investment gap and build a more resilient, inclusive domestic economy.

This White Paper sets out a strategic framework and practical guidance for local investing by the LGPS. It is designed to help AAs and their pools respond to the requirements of the *Fit for the Future* consultation. It sets out how LGPS capital can be channelled to support locally defined priorities while capturing the scale and efficiency of pooling – all within a **disciplined fiduciary framework**. This report builds on The Good Economy's 2021 White Paper, *Scaling-Up Institutional Investment for Place-based Impact* (with the Impact Investing Institute and Pensions for Purpose), and reflects our ongoing work with LGPS funds and pools already active in this space.

The guidance has been developed collaboratively, with the support of seven LGPS pools representing nearly all AAs in England and Wales, alongside contributions from specialist fund managers, public bodies and industry associations. This breadth of engagement highlights the strong appetite across stakeholders to advance the local investment agenda.

Although aimed primarily at AAs and their pools, the report is also relevant to SAs, other public sector bodies, investment intermediaries and other institutional investors – including Mansion House Accord signatories – all of whom will be critical partners in turning policy into practice and ambition into delivery.

The Local Investing Landscape (Section 2)

Government is seeking to stimulate higher levels of investment to drive economic growth. Section 2 sets out how pensions reform, devolution, local government reform, housing policy, revisions to the national infrastructure strategy, planning reforms and a new industrial strategy have all been designed to support faster, more inclusive growth at the national, regional and local levels.

Mobilising institutional capital is critical to closing the investment gap. Despite having a globally competitive financial sector, private investment in the UK has remained low relative to peers. Higher public and private investment is required to increase the rate of economic growth and help address the UK's entrenched regional and social inequalities. Public funding alone cannot generate the level of growth required to meet the Government's policy ambitions; unlocking institutional capital is essential to complement public resources.

TGE developed the Place-Based Impact Investing (PBII) pillar model as a framework for aligning institutional investment with local development policies and goals. The PBII model has proven a useful framework to align private markets investment with local development priorities and combine bottom-up, place-based development approaches with top-down investment strategies.

Momentum for local investment is growing, but the overall level of LGPS allocations currently remains relatively small. Pioneering funds and pools are showing what is possible in terms of investing locally in ways that deliver financial returns and place-based impact – from affordable housing and clean energy to SME finance and regeneration. These examples highlight the potential for wider adoption and provide valuable market insights and shared learning.

Together, these reforms and examples establish the foundations for a strategic approach to local investing which is the focus of Section 3.

A Strategic Approach to Local Investing (Section 3)

Collaboration is essential for effective local investing strategies. AAs, pools, SAs, fund managers, project developers and enabling bodies such as the National Wealth Fund, British Business Bank, Homes England and Great British Energy will all need to work with one another in new ways to deliver the systemic change and investment required.

There is a strong underlying rationale for LGPS to pursue local investing. Beyond the government's new requirements, local investments can deliver diversified, inflation-linked returns consistent with fiduciary duty, while capturing opportunities created by wider policy reforms. They also carry democratic legitimacy: LGPS members are not only pension savers but local citizens, with a direct interest in stronger communities. Investing locally supports better housing, infrastructure and public services – aligning the long-term interests of members with the prosperity and quality of life of the places where they live and work.

The government is proposing that only investments that are local to the AA or regional to the pool will be counted towards the 'local investing' allocation. This leaves room for AAs and pools to shape their own approaches. Differences in economic geography and the pace of alignment between AAs and pools mean coherent approaches will take time to emerge everywhere.

The paper proposes guiding principles to support strategy development. These include recognising the realities of economic geography, aligning with Local Growth Plans, and tailoring approaches to sector-specific considerations such as housing and SME finance.

Local investment strategies should be embedded in LGPS core investment policies and processes. This includes articulating AA objectives and preferences, mapping allocations to asset class groups within the Strategic Asset Allocation template, balancing scale with local outcomes and integrating risk–return–impact considerations into portfolio construction.

Recommendations:

- **Local context matters** – Local investing won't work with a 'one size fits all' approach. We advise a tailored, context-specific approach taking into account both AA and pool's economic geography, governance model, and delivery capacity while aligning with government guidance on what counts as local. It will be important to avoid territorial competition and politicisation and rather develop solidarity around local investment strategies that can be effectively managed by the pools.
- **Collaboration is key** – To be most effective, SAs and local authorities will need to work with AAs and their pools to set mutual expectations as to how they will collaborate and form a shared understanding of the role (and limitations) of LGPS investment. The pools will need to develop governance arrangements, processes and the capacity to provide feedback on local priority projects and appraise suitability for LGPS investment.
- **Share expertise** – The structural changes needed include pools (as the implementors of investment strategy on behalf of AAs) exploring collective mechanisms that enable collaboration across the LGPS for the benefit of all, whilst maintaining fiduciary independence. GLIL is a good example of a large-scale, cross-pool fund investing in infrastructure. This model could be replicated across other asset classes e.g. regeneration, natural capital, potentially with local or regional allocations.
- **Adopt a risk-return-impact lens** – Local investing strategies will need to consider how to balance financial returns and local impact. Portfolios must remain constructed to meet financial return and funding objectives, but within that framework, pools could combine large, scalable mandates in sectors such as infrastructure, clean energy and housing with smaller allocations to, for example, regional SME finance funds. Investments could also be made in high impact opportunities that offer lower but still acceptable returns, for example, in relation to tackling homelessness or social issues. These targeted investments may be less efficient to deploy, but they are vital for nurturing local ecosystems, supporting innovation and maximising local impact – all without compromising fiduciary responsibilities.

From Strategy to Implementation (Section 4)

Achieving successful local investment requires a clear transition from strategic intent to a well-defined and operationally robust delivery model. This White Paper proposes four foundations for effective implementation: fiduciary discipline, alignment with local and regional priorities, an integrated impact lens, and clear governance between pools, AAs, and stakeholders.

Building on these foundations, the paper proposes a practical delivery model. This includes strengthening origination capacity, ensuring pools act as informed clients, applying rigorous due diligence, risk management, and value-for-money tests, deploying a flexible toolkit of investment products and vehicles, and establishing dual reporting of financial and impact outcomes.

Governance and partnerships are central. Clear structures that define roles, responsibilities, and decision-making rules are essential, supported by trust-based collaboration between pools, AAs, and SAs. Cross-pool collaboration will also be important to share due diligence, achieve scale and build confidence across the system. Pools should look outward too, developing innovative investment products, broadening partnerships beyond existing networks, and aligning with Local Growth Plans to ensure capital flows to priority projects.

Public and private capital will need to work together. By combining LGPS commitments with public funders and private providers, including Defined Contribution (DC) schemes under the Mansion House Accord, pools can unlock co-investment opportunities and amplify local impact.

Good practice already exists. Case studies such as the South Yorkshire Pension Authority's Memorandum of Understanding (MoU) with the Mayoral Combined Authority, and GMPF's housing and SME mandates, show how institutional investment rigour can be combined with place-sensitive strategies to position pools as long-term providers of capital and trusted partners in local investment ecosystems.

Recommendations:

- **Map and align** – A useful early step is for AAs and pools to map their local investing knowledge, capabilities and ecosystems, and consider formalising relationships with SAs (e.g. through MoUs) to build shared expectations and decision-making processes.
- **Broaden the pipeline** – Pools can strengthen the flow of investable opportunities by working with public funders and other partners to bring forward projects that align with Local Growth Plans and regional priorities, including the use of blended finance where this helps unlock opportunities.
- **Scale with partners** – Pools may wish to explore opportunities to co-invest with Mansion House Accord signatories, DC funds, other private investors, and fellow pools to achieve greater scale.
- **Enable inward investment** – AAs and pools can look to ensure their allocations are supportive of regional inward investment ambitions, embedding these objectives in product design and engagement with fund managers.

Impact Reporting (Section 5)

Section 5 sets out how local investing could be measured, managed, and reported to demonstrate local impact. It recognises that reporting must go beyond compliance, serving as part of a broader impact management process – guiding investment decisions, strengthening accountability, and showing how LGPS capital supports local priorities alongside financial returns.

Three principles guide effective impact reporting:

First, reporting should align with locally defined opportunities and needs, objectives and targets. Alignment with the overall aims and investment projects identified within Local Growth Plans is particularly important as they are expected to provide the cornerstone for linking institutional capital to local priorities. Acting early to build relationships with SAs and local partners will help shape LGPS local investment strategy objectives, asset allocation decisions, and impact metrics as these plans take shape.

Second, consistency matters. Reporting frameworks should allow for disaggregation to each AA while building towards a common LGPS-wide standard. This will reduce duplication, improve comparability, and make reports more useful to members, policymakers, and other stakeholders.

Third, pools should build on existing Responsible Investment and ESG frameworks, adapting them to capture place-based outcomes. Local investing will demand richer data on social and economic impact, particularly in private markets where transparency is limited. To support this, the report provides example tools and templates, including an impact assessment framework built around the internationally-recognised Five Dimensions of Impact (what, who, how much, contribution, risk). Case studies from funds such as Clwyd, London Pensions Fund Authority (LPFA), Greater Manchester Pension Fund (GMPF), South Yorkshire Pensions Authority (SYPA) and West Midlands Pension Fund (WMPF) show that practical, engaging impact reporting is already achievable today.

By working collectively, the LGPS can build confidence among members and stakeholders while demonstrating the long-term value created by local investing – setting a new benchmark for transparency in private markets.

Recommendations:

- **Streamline requirements** – A systemic review of reporting obligations could reduce duplication and reconcile overlapping needs of public bodies and investors. Establishing common approaches would help ensure that time and resources are focussed on delivering outcomes, rather than diverted into multiple layers of measurement and reporting.
- **Establish a common standard** – Pools should work collectively to develop a vision and roadmap to embed a shared reporting framework, building on the industry-led model already developed by The Good Economy with AAs and fund managers. This will ensure consistency, comparability, and transparency across reports.

Final Reflections (Section 6)

The UK needs a stronger domestic economy built on inclusive, long-term growth. Delivering this requires productive investment that benefits society. Institutional capital is maturing and the LGPS has a distinctive role to play – but wider investor confidence and stronger public-private collaboration are essential.

The challenge for pools and AAs is significant, but not new. As this report has shown, good practice already exists – from established local investment strategies to innovative fund models – providing a foundation to build from.

The task ahead is to turn momentum into coordinated action. Pools and AAs must work together to interpret new responsibilities, set and monitor local investment targets, and embed impact alongside risk and return across strategies, portfolios and reporting. What is needed now is confidence, discipline, and partnership. If embraced with urgency, LGPS local investing can set new norms and benchmarks for responsible private market investment, delivering robust returns for members, and long-term prosperity for communities across the country.

1 / Introduction

This White Paper addresses how the LGPS sector can approach local investing that targets investment to support locally-defined priorities and unlocks the scale and operational efficiencies of pooled investment, whilst fulfilling their fiduciary duty. It provides both a strategic framework and practical guidance drawing on existing sector experience.

1.1 Purpose

The purpose of this White Paper is to share advice, provide insight and propose a strategic framework and practical guidance for developing local investment strategies that can readily be adopted by Local Government Pension Scheme (LGPS) Administering Authorities (AAs) and their pools. It responds to, and builds on, the government's recent policy announcements arising from the *Fit for the Future* (FftF) consultation process. The proposals include a requirement on AAs to set out their approach to local investment, including a target percentage allocation range for local investment as a proportion of the fund and to report on the extent and impact of their local investments annually.[1] Whilst confirmation of detailed requirements will follow in regulation and guidance, the conceptual framing and suggestions we propose offer practical assistance for strategic thinking and investment activity in this rapidly evolving space.

Such guidance is needed as local investing is a new requirement for the LGPS sector. This paper builds on The Good Economy's (TGE) seminal 2021 White Paper, *Scaling Up Institutional Investment for Place-Based Impact*, produced in partnership with the Impact Investing Institute and Pensions for Purpose.[2] Since then, TGE has worked with individual LGPS AAs at the forefront of local investing supporting them analyse and report the impact of their local investments to drive greater transparency and accountability and shape local investment strategies so they benefit more people in more places. This knowledge and experience provide the foundations of this second White Paper.

The authors recognise that AAs and pools are starting from different places, have different geographies and investment preferences, and face different challenges as they move forward with this strategic agenda. This paper aims to offer practical support to all participants and incorporates insights from AAs and pools whose experience will be both encouraging and assistive.

1.2 Methodology

This paper has been supported by a broad coalition of sponsors and supporters drawn from the LGPS sector, specialised private markets fund managers, local and central government, trade bodies and a pan-regional partnership. **Notably the paper has the backing of seven pools, representing nearly all the AAs in England and Wales: Border to Coast (lead sponsor), Brunel, Central, Local Pensions Partnership Investments (LPPI), London CIV, Northern and the Wales Pension Partnership**. AAs and their pools will work together on setting an appropriate local investing target range, with the pools responsible for execution of local investing strategies aligned to the local investing preferences of their partner AAs.

All our sponsors and supporters believe it is useful to have a collective strategic view on local investing. We are very grateful for their contributions and active engagement in the development of this paper. However, we note that the views in this report do not necessarily represent the views of all sponsors and contributors. It should also be noted that this paper has been prepared during a period of significant change for the sector and some elements of it may be further refined or changed with the passing of the Pension Schemes Bill and following legislation over the coming months.

We have taken a collaborative, consultative approach to developing this guidance incorporating findings from:

- Consultation with our sponsors, supporters, Place-Based Impact Investing (PBII) Network members and wider stakeholder community to gather views (see Appendix B for full list).
- Analysis of the asset allocation and investment portfolios of existing LGPS UK and local investment strategies, drawing on TGE's impact reporting work with LGPS clients.
- Research on sector profiles and case studies (see Appendix A) of investment strategies by asset class across a range of risk, return and impact profiles. These sector profiles will be published separately as a series following the publication of this White Paper.

1. MHCLG, Local Government Pension Scheme (England and Wales): Fit for the Future, updated 29 May 2025, paragraphs 75 and 82.
2. The Good Economy, Impact Investing Institute and Pensions for Purpose, Scaling-Up Institutional Investment for Place-Based Impact: White Paper, May 2021.

1.3 Audience

This report is primarily intended for **LGPS AAs and their pools**, providing a strategic framework and reference point to support the development, implementation, and impact reporting of local investment strategies.

Given the drive for collaboration, the paper is also aimed at **local and combined authorities**, particularly **Mayoral Strategic Authorities (SAs)**, who are expected to become key partners to the LGPS, central government, and national institutions such as the **National Wealth Fund, Homes England, the British Business Bank and Great British Energy**. In addition, it is relevant to **specialist investment managers and other institutional and private investors**. Many of the insights will also resonate with **Mansion House Accord signatories, other pension funds, and insurance companies** seeking to invest in the UK in ways that deliver financial returns alongside positive place-based outcomes, local and regional growth and economic resilience.

1.4 Report Structure

This paper is structured as follows:

- **Section 2** provides an overview of the Government's pension and local government reform agendas, makes the case for why scaling-up local investing matters for the future of the UK, and provides an update on the current state of local investing by LGPS.
- **Section 3** sets out how AAs and pools can pursue local investing strategically. It provides guidance on how to define "local", set clear objectives, and work with partners to deliver both financial and policy outcomes.
- **Section 4** considers the operating model by which these local investing strategies will be executed, with the pools playing a leading role.
- **Section 5** sets out a suggested approach for reporting on the impact of local investments.
- **Section 6** lays out our final reflections.

> I am particularly keen to see the LGPS use its scale to support UK investment and regional growth. Building on its local role and networks; including its relationships with local and strategic authorities, regional mayors, and devolved administrations, it is well placed to support a pipeline of housing, key infrastructure and regeneration projects. Funds and Pools have shown what can be achieved already, and we want to build on that with greater focus and scale.
>
> – Jim McMahon OBE MP, Minister of State for Local Government and English Devolution, Foreword, Pensions Investment Review Final Report, May 2025

2 / The Local Investing Landscape

This section provides an overview of the Government's pension and local government reform agendas, makes the case for why scaling-up local investing matters for the future of the UK, and provides an update on the current state of local investing by LGPS.

2.1 Policy Context

In July 2024, the government launched a landmark Pensions Review of the Local Government Pension Scheme (LGPS) in England and Wales and workplace-defined contribution (DC) pension schemes. The review had two primary objectives: improving pension outcomes and increasing local investment in the UK.

Proposed reforms for the LGPS focus on two key strands:

- **Consolidation:** Restructuring the eight existing LGPS pools into six larger "megafunds" to leverage scale and professional investment management expertise, to enable investments in large infrastructure projects and high-growth businesses. A key priority is delivering better value for money, particularly by reducing investment management fees.
- **Local Investment:** Encouraging AAs to collaborate directly with devolved authorities to unlock over £20 billion for local investment. The government proposed that AAs would retain responsibility for setting investment objectives and strategies, while the pools are expected to take over local investment management responsibilities.

A more detailed description of the Government's local investment proposals is provided on page 17.

The Pensions Review forms part of a broader government programme to raise the UK's rate of economic growth. Alongside pension reform, this programme includes ambitious agendas for devolution and local government reorganisation, designed to transfer significant powers from Whitehall to accountable local and sub-regional governments. Supporting initiatives include housing and planning reform, the Industrial Strategy, the National Infrastructure Plan, the review of the Treasury Green Book, and NHS reform. Each of these has a clear geographic dimension, reinforcing the government's central objective: to increase the level of productive investment in the UK and ensure that growth is distributed more evenly across regions.

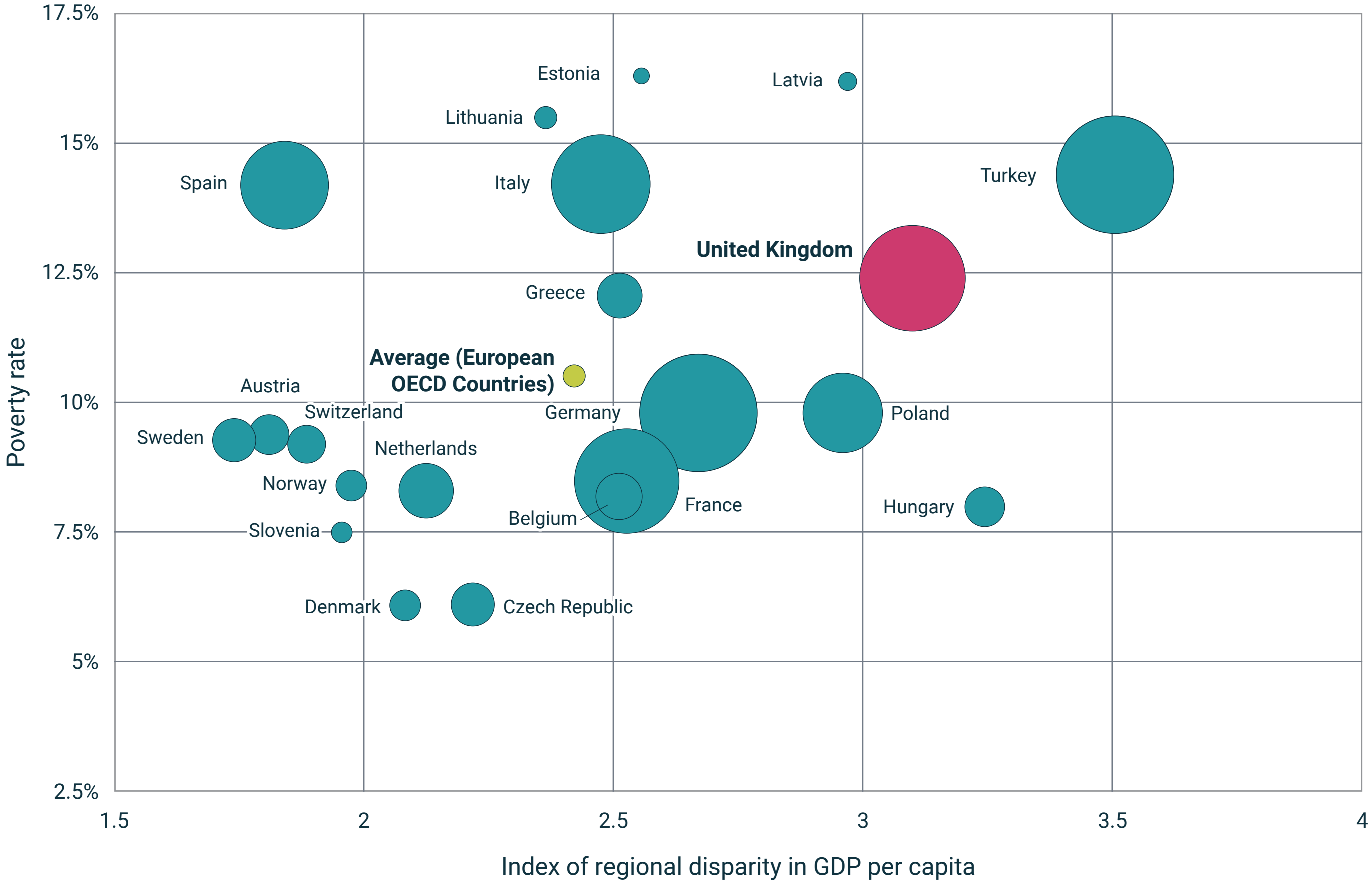
A central plank of the devolution agenda is the requirement for Strategic Authorities (SAs) to produce Local Growth Plans (LGPs). These plans are intended to be the cornerstone of a place-based approach to economic growth, setting out priority investment projects tailored to local and regional needs. They will be underpinned by Spatial Development Strategies (SDSs), which provide the strategic framework for housing, infrastructure, economic development, and environmental sustainability.

> Together, these reforms represent a fundamental shift in the UK's policy landscape — aligning pension reform, devolution, and spatial planning within a coherent framework for growth. They create a powerful nexus for scaling up local investment, with pension funds positioned as providers of long-term capital that can deliver risk-adjusted returns while meeting local economic and social priorities. LGPS capital, in particular, has the potential to catalyse place-based coalitions, drive locally-owned and sustainable growth, and generate tangible benefits for communities alongside robust returns for pension schemes.

2.2 The Local Investing Imperative

As we highlighted in our previous White Paper, **despite the strength of its financial sector, the UK is a country of both high levels of poverty and entrenched place-based inequalities which have persisted for decades**, and are more extreme in the UK than most OECD countries (see Figure 1 below) – a situation that has not changed materially since 2021 when our last White Paper was published.

Figure 1: Poverty and regional disparity in the UK[3]



Intra-regional inequality is as significant as inter-regional inequality, with Britain characterised by many towns, cities and rural areas with pockets of deprivation alongside considerable wealth.

The UK has suffered from decades of underinvestment by both the public and private sector, including in housing, infrastructure and key industrial sectors. A recent report from IPPR[4] found that "the UK has had the lowest level of investment [public and private] in the G7 for 24 of the last 30 years. The last time the UK was 'average' in the G7 for total investment was in 1990. If the UK had maintained an average position over the last three decades, there would have been an additional £1.9 trillion worth of investment into the country (in real terms)."

It is well-documented that underinvestment has had negative impacts on growth and productivity. As Ron Martin and Peter Sunley point out,[5] public investment per capita, which might be expected to be focused on addressing regional inequities, has been skewed towards London and the South East, reinforcing unequal multiplier effects.

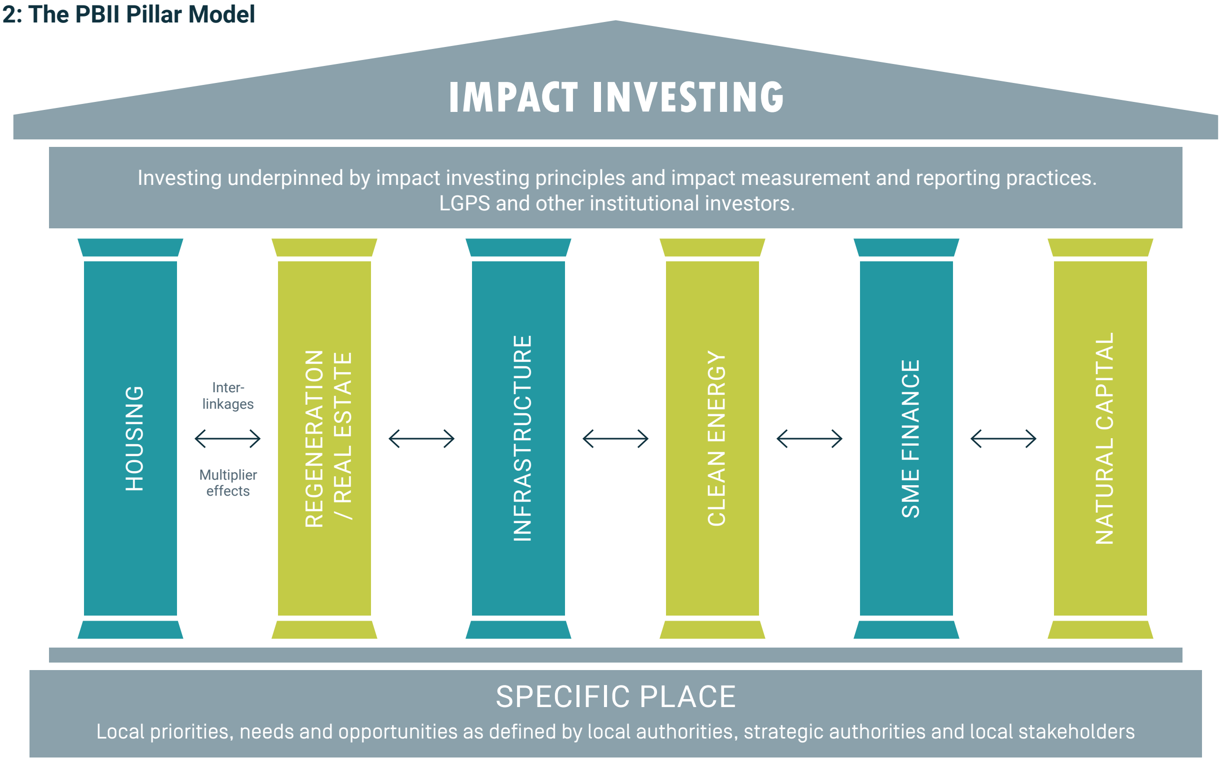
Amongst the flurry of recent policy announcements in this area, the government has proposed changes to the Treasury Green Book approach to public investment appraisals which are intended to address the perceived bias towards London and the South East[6] as well as making the appraisal process simpler and more transparent (see Section 5). However, even if successful, **the fiscal environment is too challenging for public funding alone to deliver the investment needed to support the government's growth mission**. Unlocking greater participation from institutional capital will be essential to complement public resources.

3. The Good Economy, Data Source: Index of regional disparity – ratio of the top 20% richest regions over the bottom 20% poorest regions by small regions (TL3), OECD 2020. Poverty rate indicator – ratio of the number of people whose income falls below 50% of median household income of the total population, OECD 2021. Point size represents total population.
4. IPPR, Rock Bottom: Low investment in the UK Economy, June 2024.
5. Ron Martin and Peter Sunley, Capitalism divided? London, financialisation and the UK's spatially unbalanced economy, 2023.
6. Critics have argued that the 2020 Green Book favoured wealthier areas, typically in London and South East because of over reliance on Benefit-Cost Ratios (BCRs) and land-value uplifts whilst ignoring transformational or distributional benefits. However, others argue that methodological bias is not conclusive and issues arise from local government capacity (e.g. Centre for Cities, Re-writing the Green Book for levelling up, 2020).

2.3 A Place-Based Approach to Impact Investing

TGE first highlighted the financial and social case for scaling up institutional investment in the UK for the benefit of local people and places in our 2021 White Paper, *Scaling Up Institutional Investment for Place-Based Impact*, produced in partnership with the Impact Investing Institute and Pensions for Purpose. Here, we introduced a "Place-Based Impact Investing" (PBII) 'pillar model' (see Figure 2) which has proven a useful conceptual framework for the LGPS, private markets fund managers, local government and other place-based organisations and stakeholders.[7]

Figure 2: The PBII Pillar Model



The arrows signify the inter-dependency of place-based projects and inter-linkages and multiplier effects of investments.
©The Good Economy, 2021.

This model is relevant and timely in the context of the government's reform agendas as a shared conceptual framework.

The pillars serve dual purposes:

- First, they represent policy and priority areas in local and regional development plans. The thinking behind the model is that investment needs and opportunities originate in places – they arise from local government and stakeholders who have the knowledge to understand the local context and relative priority of sustainable development needs, drivers and objectives in that area. PBII starts bottom-up.
- Second, they align with well-recognised sectors within economic development policy which also link to the private markets asset classes set out in the government's proposed template for Strategic Asset Allocation (see Figure 6). Investors can invest in a range of asset classes to support their local and regional economies and contribute to place-based impact.

As we explained in the original White Paper: "The pillars have to bear the weight of investor risk-return expectations while meeting the inclusive and sustainable development expectations of local and strategic authorities. Successful delivery of PBII should be a win-win exercise."

These pillars are a core part of our recommended approach to defining the parameters of local investing, and are consistent with the government's policy position. We note the expectation that most local investments will be made through private markets.[8] Whilst certain listed equities or public market bonds could offer a route to local impact, this report focuses on private markets investment.

7. The PBII Conceptual Model.
8. MHCLG, Local Government Pension Scheme (England and Wales): Fit for the Future, updated 29 May 2025, paragraph 174.

2.4 The Current State of Local Investing

The LGPS is the largest pension scheme in the UK. It is a Defined Benefit (DB) scheme meaning pensions are based on pension holders' salaries and for how long they are in the scheme. Pensions are not affected by how well investments perform – although there are consequences for funds, their authorities, local taxpayers and potentially central government if they underperform. The Scheme is administered locally by 86 local pension funds representing over 15,000 employers and 6.7 million members (see Figure 3).[9]

As of March 2024, the market value of the LGPS in England and Wales was nearly £400 billion – a sum projected to grow to £1 trillion by 2040.

The LGPS in England and Wales has a wide range of fund sizes, often shaped by historical local government structures. A small number of administering authorities manage more than £20 billion, six funds are in the £10 billion – £20 billion range, and another 16 funds manage between £5 billion and £10 billion. The remaining 62 funds manage less than £5 billion, with the smallest managing around £760 million.

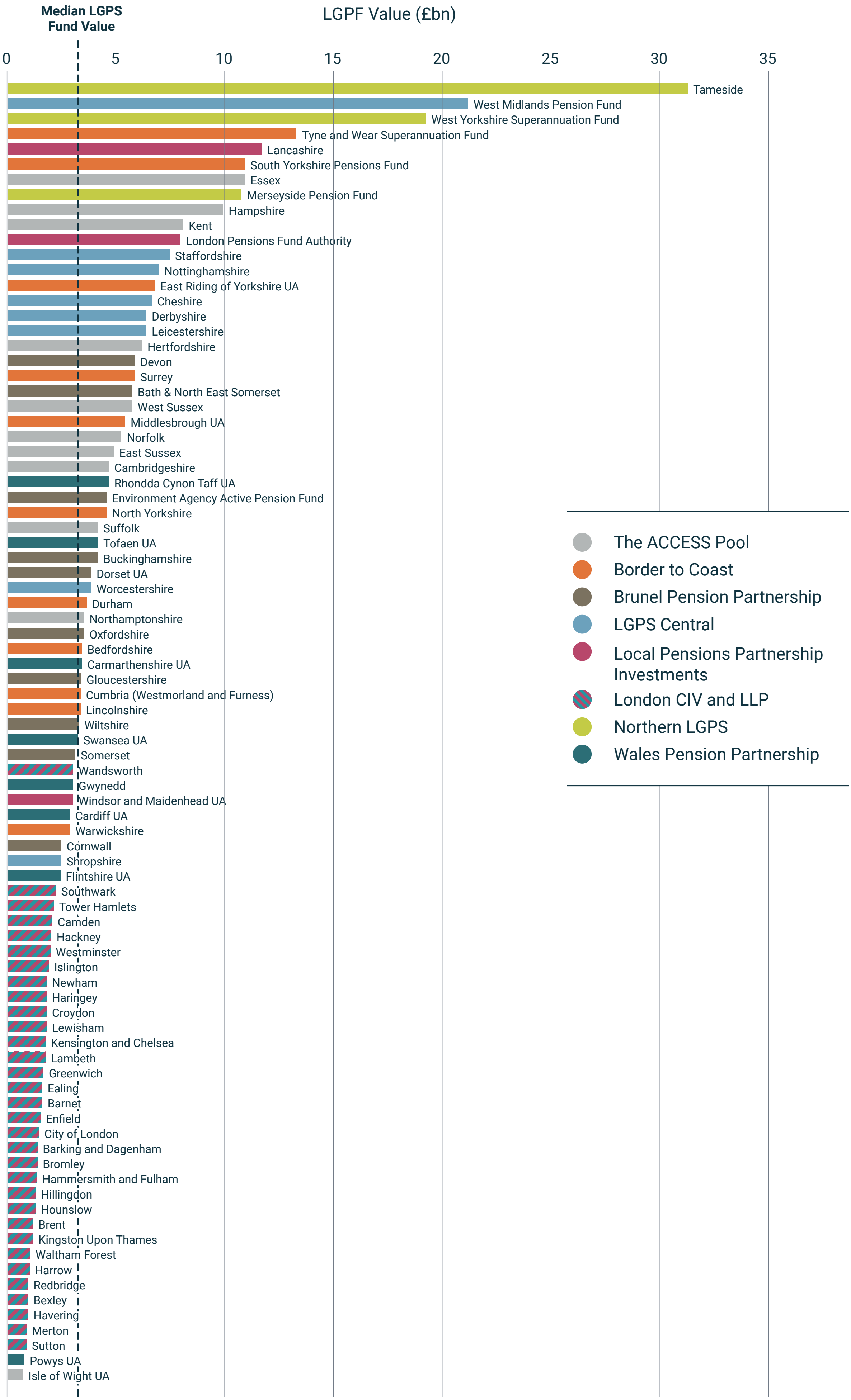
Larger funds typically cover metropolitan areas or large counties, while smaller funds serve individual district or borough councils. Fund size is closely linked to population, workforce size, and naturally is a function of the scale of public sector employment within each AA's local area.

The large funds have in-house investment teams and some of these have been at the forefront of local investment. However, the large number of small funds has been a key driver underpinning the government's rationale for LGPS pooling.

The reforms aim to strengthen governance and investment management capability, improve efficiency, reduce costs and enable UK pension funds to operate a scale while channelling more pension capital into productive, local investment without compromising fiduciary duty.

9. About the LGPS: Facts and figures.

Figure 3: The size distribution of the individual LGPS funds and pool affiliation (prior to consolidation to six pools)[10]



10. MHCLG, Local government pension scheme funds for England and Wales: 2023 to 2024, updated 28 November 2024.

Currently only a small fraction of UK pension money is invested directly in the UK in ways that could drive more local growth that delivers inclusive and sustainable development.

Our previous White Paper found a very low level of investing into key place-based sectors as per our PBII model (see Figure 2). In 2021, we estimated that over half of LGPS investment was in the global listed markets, and this is still the case.[11] Only 2.4% of the total value of LGPS funds holdings were estimated to be invested in our PBII sectors in funds with assets in the UK. More recently, an MHCLG survey found that 5% of the total value of LGPS was invested in private equity, private debt and infrastructure assets in the UK, with a further 5% in UK property.[12]

A minority of LGPS AAs had active local investing strategies in 2021.

Greater Manchester Pension Fund (GMPF), the largest LGPS fund in England and Wales at £31 billion AUM, stands out for having had a consistent local investing strategy and allocation for over 25 years, and a close working relationship with Greater Manchester Combined Authority. This partnership with the Combined Authority has been a key success factor underpinning GMPF's local investment strategy and highlights the importance of LGPS pools and AAs developing relationships with strategic authorities in future.

A further five funds out of 50 sampled funds demonstrated a clear intent to invest in UK either at the national, regional or local levels, namely Cambridgeshire, Clwyd, South Yorkshire, Strathclyde and West Midlands. A further 19 LGPS funds were making commitments to funds investing across the PBII pillars in the UK but doing so without a stated local investment strategy.

Our 2021 call to action was "to change the traditional investment paradigm and scale-up investment in PBII for the benefit of communities across the UK." We argued that if 5% of LGPS funds were allocated to local investment this would unlock £16 billion for PBII, more than matching public investment in levelling-up at the time.

We are heartened by the Government's reform agenda and hope our work has had some influence.

It is positive that, since our initial research, there has been an increase in UK and local investing activity across individual LGPS AAs, pools and fund managers creating new investment products.

Examples include:

- **Border to Coast** launched the UK Opportunities Fund in 2024 which is designed to focus on long-term investment in the UK economy. First commitments have been made to clean energy and commercial real estate, with new build housing, regeneration and real estate projects, infrastructure and finance for early stage and growth companies, including life sciences, all being targeted.

- **Local Pensions Partnership Investments (LPPI)** has consistently supported Partner Funds in making their own choices – including the ability to invest locally. LPPI has worked with each Partner Fund to understand their priorities and manages bespoke local investment sleeves which sit alongside LPPI's core portfolio. These include:
  - **The London Fund, a joint creation between LPPI and the London CIV**. Its ambition is to provide sustainable, long-term, risk-adjusted value to pension scheme investors while considering a 'double bottom line' by generating a social benefit in Greater London, area regeneration, and positive environmental impact for Londoners. Investors are the London Pensions Fund Authority (LPFA), the London Borough of Haringey Pension Fund, the Royal Borough of Kingston upon Thames Pension Fund, and the London Borough of Sutton Pension Fund. It has the ability to invest in a diversified portfolio of real estate, infrastructure, and other private markets investments.
  - **The Lancashire County Portfolio (LCP)** is the local investment sleeve for the Lancashire County Pension Fund with a target allocation of £150m. The fund is focused on investing in real estate; the current portfolio includes hotels, industrial property and retail warehouses within Lancashire. Recently LCPF have considered providing debt investment via the LCP to support the development of the Eden Project Morecambe which is anticipated to boost local tourism and generate 1,000 new jobs in the region.
  - **The 1957 LP** is the local investment sleeve for the Royal County of Berkshire Pension Fund. £70m has been allocated to be invested within Berkshire. This fund is also focused on real estate. Example investments include the Tavistock Industrial Estate which provides space for small, local companies and an industrial unit in Thatcham which has been let to a major local employer (250+ staff) that also provides apprenticeships and graduate schemes.

11. DWP, Pension Fund Investment and the UK Economy, updated 27 November 2024.
12. Ibid.

- **London CIV** launched a UK Housing Fund in 2023 focused on increasing the supply of good quality affordable housing. As of July 2025, it has allocated £530m both in London and throughout the UK, partnering with five external fund managers. London CIV's real assets portfolio also includes commitments to two UK-focused renewable infrastructure funds, a generalist infrastructure manager, and a UK focused sustainable forestry manager. Through its private credit commitments, London CIV has supported the financing of UK SMEs.

- **Brunel Pension Partnership** worked with **Cornwall Pension Fund** to create their Social Impact Portfolio, which has a 7.5% allocation. Through this allocation Cornwall aims to target local needs and opportunities but without incurring excessive geographical exposure risk which is often seen as a major barrier to local impact investing. Commitments have been made to two funds investing exclusively within Cornwall, including affordable housing (a co-investment with PGIM Affordable Housing Fund) and renewable energy (Greencoat Cornwall Gardens managed by Schroders Greencoat). A national sleeve of the Greencoat Renewable Energy fund is also within the portfolio ensuring geographic diversification.

- **Wales Pension Partnership** has made a number of investments that contribute to the Welsh economy and net zero ambitions. Investments include Gresham House's UK Forestry Fund which has Welsh exposure, a commitment to Pluto Finance who provide debt finance to small and medium-sized housebuilders, and a partnership with Capital Dynamics to invest in a clean energy portfolio in Wales. This investment has been made following the success of Clwyd Pension Fund's (a member of WPP) partnership with Capital Dynamics.

- **Swansea Pension Fund** has invested in the Newcore Swansea Social Infrastructure Partnership, a local impact fund set up by Swansea Council and Newcore Capital who manage the fund and are specialists in UK social infrastructure real estate. The partnership is an opportunity to enhance and expand social infrastructure, social housing and social care provision in the Swansea City region. The fund is structured to be open to other investors interested in improving outcomes in the Swansea region.

- **Devon Pension Fund** has made a 3% allocation to its local impact portfolio. It has been designed to invest in local affordable housing, SME finance that creates local jobs and sustainable infrastructure to support the local / regional energy transition. Investments have been made in the Gresham House Thriving Investments Residential Secure Income LP ("ReSI LP"), where part of Devon Pension Fund's fund commitment has unlocked delivery of new affordable homes in the county. Formal commitments have also been made to cornerstone Foresight's South West SME Fund, supporting SMEs in the region.

- **Avon Pension Fund** has allocated 3% of its fund to a local impact portfolio. This is expected to deliver positive social and environmental outcomes in the South West region. Investments include Foresight South West Fund, Octopus Affordable Housing and Schroders Greencoat Wessex Gardens.

- **Greater Manchester Pension Fund** recently allocated £100 million to L&G's Affordable Housing Fund in a specifically tailored regional 'sidecar' vehicle for the Northern Pool. This will allow GMPF and other Northern Pool partners to deploy capital into much needed affordable housing developments in the North West. A further allocation has been made to the Thriving Investments New Avenue Living Manchester fund alongside Better Society Capital and GMCA to provide affordable homes to essential workers in the Greater Manchester area. GMPF has also committed to Foresight's Regional Investments I and III funds, both focused on supporting SMEs in the North West region.

- **West Midlands Pension Fund** have recently committed to Mercia Evolution LP, alongside investment from the British Business Bank. The fund maintains a focus on supporting businesses in the Midlands and North. This follows WMPF's previous regionally targeted investments which include The West Midlands Co-Investment, a joint venture between WMPF and the West Midlands Combined Authority which provides innovative businesses with equity of up to £1 million, and the WMPF British Sustainable Infrastructure fund which is managed by Gresham House, with the intent of scaling up local investments in affordable housing and sustainable infrastructure across the West Midlands and neighbouring areas.

Since 2022, TGE has been working with a growing number of LGPS funds to report on the impact of their local investment activities. This includes mapping their local and UK investment portfolios from which we have found that local investing accounts for up to 3.5% of the value of total assets (see Figure 4). This analysis reports on the geographic distribution of specific LGPS fund allocations. The distributions are influenced by definitions of local, the investment strategy and available investment opportunities. For example, GMPF, which has the most 'localised' allocation, targets the North West region (including West Yorkshire who are also in the Northern Pool) with a focus on Greater Manchester, but allow for a proportion of investments to be made nationally given the nature of private markets fund strategies and opportunities. However, GMPF has been successful at negotiating with national fund managers to establish regional strategies providing a balance of UK diversification and targeted local investment. Examples include their arrangements with Bridges Fund Management, Foresight Group, Gresham House, L&G and Resonance.

WMPF, SYPA and Cornwall have objectives to benefit both the AAs' local area as well as the broader UK. Clwyd appreciate that opportunities in the pension fund area are scarce. Their impact allocation has a UK-wide remit but they see "local" as the whole of Wales. LPFA has a focus on Greater London as demonstrated by their investment in the London Fund, whilst also recognising that investing across the UK brings national benefit which is shared by London as well as by its members and employers beyond London.

These example local investing strategies are diversified across different asset types (see Figure 5). Investment is being made across all PBII pillars and real asset classes. Local investment portfolio composition varies according to the investment strategy. Cornwall, for example, target investments that address specific local challenges or opportunities and are concentrated in Housing given the acute affordable housing challenge in Cornwall, Infrastructure that meets regional needs and Clean Energy which is a key growth sector for the region. Other AAs, such as GMPF, have defined impact themes e.g. supporting local job creation and place-based regeneration and target investments that deliver on these impact objectives whilst also maintaining a balanced portfolio.

These AAs demonstrate that local investing is possible regardless of fund size, location, or type (e.g., predominantly rural or urban). These examples should provide confidence to other AAs of the local investment opportunity and also provide market insights and shared learning.

Figure 4: LGPS fund examples: local investment geography as percentage of total value analysed (value analysed and analysis type[13] below pension fund name)

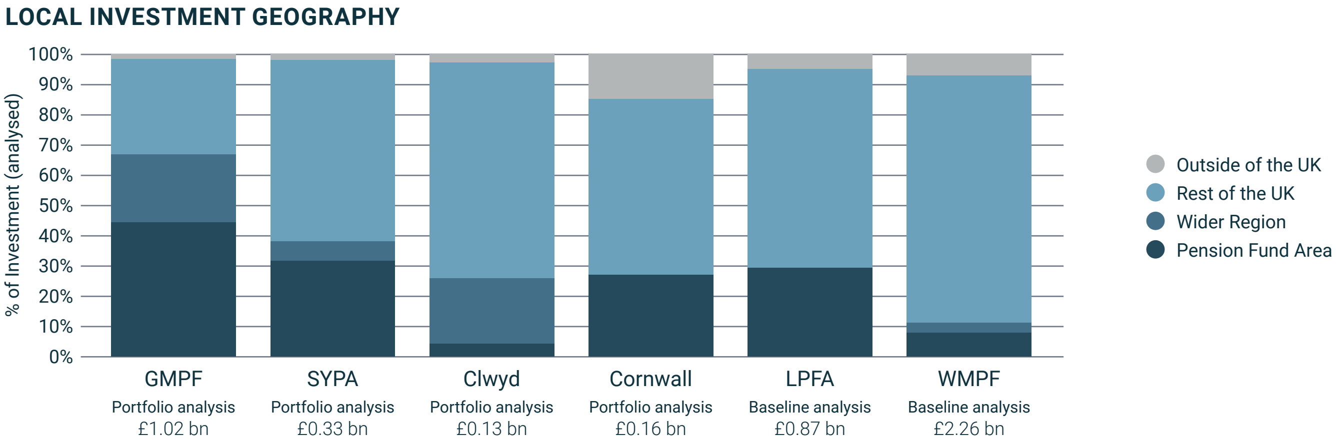
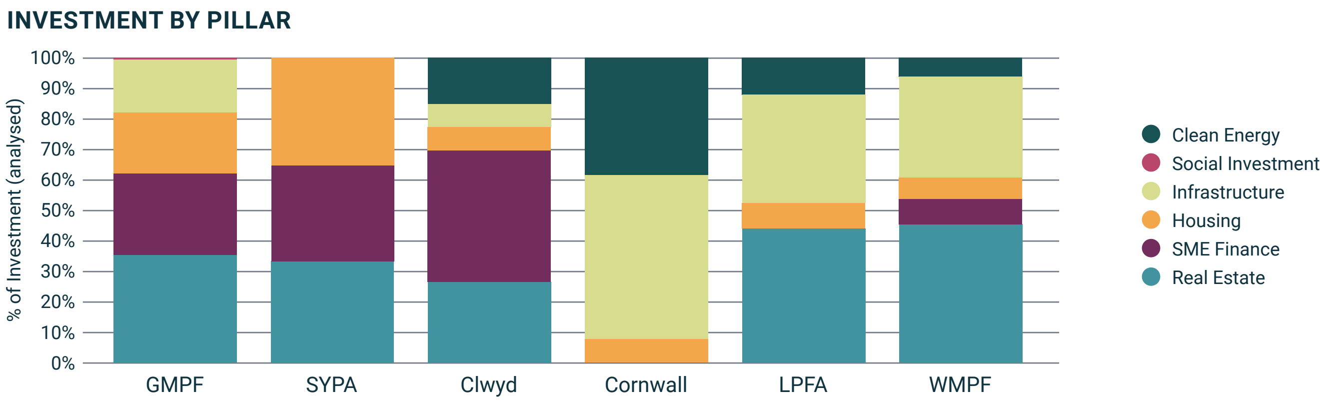


Figure 5: LGPS fund examples: local investment by asset class



13. Value analysed is the amount drawn down at asset level. Portfolio analysis refers to the analysis of specific allocations to Local or Impact portfolios. Baseline analysis refers to analysis of private market portfolios to determine how much investment is local.

Fit for the Future Proposals

The government published the Final Report from its Pensions Investment Review (PIR) on 29th May 2025, covering proposals for both LGPS and DC pension funds.[14] This box summarises the key elements of the government's proposals that are most relevant to the LGPS, before going on to consider how they might best be implemented in Section 3.

Minimum Standards for Asset Pooling

The government requires that:

- All AAs retain control over their investment strategy but are to delegate the implementation of their investment strategy to, and take their principal investment advice from, their pool, and transfer all assets, including existing local investing allocations, to the management of their pool.
- The pools are established as investment management companies that are authorised and regulated by the FCA. Further, each will be required to develop the capability to carry out due diligence on local and regional investments and to manage such investments. This will require an increased level of resource.

AAs and pools have until March 2026 to meet these requirements, with some flexibility for pools and AAs seeking new relationships.

To remove barriers to effective pooling, two key measures are being introduced:

- Stamp Duty Land Tax (SDLT): The government has acknowledged concerns around SDLT when transferring property assets into pool vehicles after the seeding relief period has ended. Officials will engage directly with pools to explore solutions.
- Procurement Flexibility: The Pension Schemes Bill will amend procurement rules to allow pools to collaborate more freely. A pool's investments will be exempt from restrictive requirements as long as they serve the interests of any AA, enabling greater cross-pool cooperation and unlocking further economies of scale.

These reforms aim to strengthen the efficiency and impact of LGPS pooling, allowing for more coordinated investment strategies and enhanced value for scheme members and local communities.

Pooling Support

The government has endorsed six pooling proposals whilst rejecting those from Access and Brunel. The 21 AAs belonging to these two pools have been encouraged to engage with and join another pool, with government offering non-financial forms of support to facilitate the process. As of the date of writing, some AAs from these pools have joined other pools. Final announcements are expected to be made by the end of September 2025.

While the government remains committed to a voluntary, locally determined pooling structure, it will legislate through the Pension Schemes Bill for reserve powers to direct an AA to join a specific pool if necessary, ensuring no local authority is left without a partnership and safeguarding the long-term integrity of the scheme. The government has reaffirmed its commitment to the current reform programme and does not envisage further reducing the number of pools below six.

Local and Regional Investing

The government recognises the track record of local and regional investment from the LGPS as a success story it is keen to build on. It confirms new measures to strengthen the LGPS's role in supporting local growth.

"This will require productive and strategic partnerships across key institutions – to that end, the consultation response confirms a requirement for AAs and pools to work with local authorities, regional mayors and their strategic authorities, and Welsh Authorities to ensure collaboration on local growth plans. The National Wealth Fund will also collaborate with the LGPS to address access to finance gaps and support strategic objectives on growth and clean energy."
– Pensions Investment Review: Final Report, May 2025

AAs will be required to set out their approach to local investment – including setting a target asset allocation range – in their Investment Strategies.

To streamline reporting and reduce duplication, the responsibility for reporting the impact of local investments will rest with the pools.

14. HM Treasury, DWP and MHCLG, Pensions Investment Review: Final Report, May 2025.

Figure 6 below is taken from the FftF consultation document, setting out the government's view on how the relationship between AAs and pools should be managed throughout the process of setting and implementing the investment strategy.

Figure 6: The roles and responsibilities of the Administering Authority versus the pool

	Task	Impact on overall investment outcome of the fund	AA role	Pool role	Definitions
Strategy	**Investment objectives**	High	Decide	Advise	Return objectives, risk tolerances investment preferences, constraints and limitations, and the approaches to local investment and responsible investment.
Strategy	**Strategic asset allocation**	↓	Decide (optimal)	Advise/Decide	Long-term, stable allocation based on overall investment objectives and risk tolerance.
Implementation	**Tactical asset allocation**	↓	Monitor	Decide	Adjustments to the asset mix, such as in respect of geographic allocation, consistent with the asset allocation strategy.
Implementation	**Investment manager selection**	↓	Monitor	Decide	Appointment of external (or in-house) managers of specific investment mandates.
Implementation	**Stock selection**	↓	Monitor	Decide	Choosing individual investment opportunities based on detailed analysis of the opportunity.
Implementation	**Investment stewardship**	↓	Monitor	Decide	Engagement with the invested companies in line with Investment Objectives.
Implementation	**Cashflow management**	Low	Monitor	Decide	Management of the disinvestment (or investment of contributions) in collaboration with administrators and Fund Actuary.

Source: Local Government Pension Scheme (England and Wales): Fit for the Future, www.gov.uk.

This model is a useful starting point, but in being very high-level it does not specifically consider the nature of local investing nor the role of other key stakeholder groups such as local government and fund managers.

This White Paper is aligned with and supportive of the government's local investing policy agenda. It shares experience and provides more detailed guidance on developing a robust local investing strategy (Section 3), implementation (Section 4) and impact reporting (Section 5) that aims to be timely and useful to LGPS AAs and pools as they develop and execute their local investment strategies.

3 / A Strategic Approach to Local Investing

This section sets out how AAs and pools could formulate and pursue local investing strategically. It provides a roadmap for defining "local", setting clear objectives and working with partners to deliver both financial and policy outcomes.

3.1 Introduction

As noted above, the government has set out at a high level how AAs and pools are intended to work together in setting investment strategy, including in relation to local investing.

"AAs … retain responsibility for setting a high-level investment strategy for their fund, defined as an investment strategy consisting of the high-level investment objectives including on:

- *Funding, for example target funding level, return and risk objectives, income requirements and stability of contributions.*
- *ESG matters and RI.*
- **Local investments, with a target range**.

In addition, this could include a high-level SAA [Strategic Asset Allocation] – although the government believes that expertise in the pools makes them best placed to set the SAA and that funds may wish to delegate this to the pool."[15]

In this section we focus on fleshing out the **local investment** element of this new operating model from a strategic perspective. Specifically, we explore:

- The strategic case for local investment from an LGPS perspective.
- What the new policy specifies about the definition of local investment, and what it doesn't.
- Given that, how AAs and pools could think about what local means to them.
- Areas where pools could consider working together.
- How to integrate local investing into the wider investment strategy.

15. MHCLG, Local Government Pension Scheme (England and Wales): Fit for the Future, updated 29 May 2025, paragraph 48.

3.2 The Strategic Case for Local Investment

Local investing provides a unique opportunity to align long-term fiduciary responsibilities with broader public value, through supporting business growth, job creation, provision of affordable housing and key economic and social infrastructure, which underpin economic resilience and local growth in the communities in which scheme members live and work.

With strong government support for institutional investment in local priorities, and structural shifts in how capital markets interact with regional economies, the conditions are conducive for local investment. Whilst the government is requiring AAs to set a target allocation for local investment, there is also a compelling strategic case for local investing by LGPS, underpinned by three mutually reinforcing drivers:

- **Fiduciary Alignment**
  Local investments can offer diversified, inflation-linked returns, particularly through real assets such as housing, infrastructure and clean energy. As private markets take on a larger role in LGPS portfolios, local investment strategies offer a channel to access high-quality domestic real assets and business growth opportunities. These investments may offer returns that do not impede reaching funding goals while also exhibiting characteristics such as potential diversification and inflation protection.

- **Democratic Legitimacy**
  As publicly accountable funds governed by AAs drawn from elected local councils, the LGPS has a unique democratic and place-rooted mandate. This governance structure provides legitimacy for investing pension capital in ways that can support inclusive, sustainable growth and prosperity in local communities. LGPS sometimes have more local knowledge than other UK and global institutional investors which, combined with the pools' private markets investment experience and partnerships with SAs, specialised fund managers and other advisors, can enable them to make well-informed local investment decisions.

- **Systemic Opportunity**
  By collaborating across pools and with public sector partners and fund managers, LGPS funds can catalyse investable pipelines, crowd in co-investment and shape capital markets to deliver better local outcomes. Government devolution and strategic planning reform provides a new institutional framework to align private capital with policy objectives. Through their scale, long-term horizons and pooled structures, LGPS funds are uniquely positioned to help develop a mature place-based investment market in the UK.

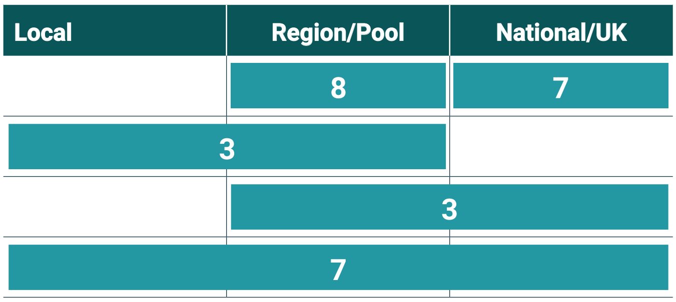
Taken together, these three drivers make local investment not only permissible within fiduciary and regulatory frameworks, but strategically desirable. The remainder of this section sets out how AAs and pools can think about and look to build effective local investment strategies.

3.3 Defining 'local': New Policy Direction

A critical first step is to define what 'local' means in the context of setting a local investment strategy. The definition determines the geographic scope of activity, guides alignment with local development objectives and priority projects, and shapes how opportunities are identified, relationships built, pipelines developed, and capital allocated.

Currently, there is no universally accepted definition of 'local' across the LGPS. Responses to the government's FftF consultation revealed wide variation: some AAs define local in terms of UK-based exposure, while others emphasise regional or sub-regional investment aligned with local economic development strategies (see Figure 7).

Figure 7: Current LGPS approaches to Local Investing[16]



The government, in enacting the FftF proposals, will preside over the definition of what local investment means and how local investment is to be reported upon. Whilst this will bring benefits (including encouraging greater comparability and transparency across the scheme as a whole), the definition of local and form of reporting may not align with historic programmes of local investment and could require that they are re-orientated. As described in Section 2, most existing local (or impact) strategies accept that a portion of their allocation will be invested outside of the target geography in the rest of the UK.

This broad framing provides useful flexibility but reinforces the need for pools to work collaboratively with their partner AAs to adopt a clear, context-specific definition of 'local' based on strategic, economic geography and operational factors.[17] It will also require AAs with existing local and impact strategies to discuss how these will be managed and reported on in future.

While the Government is encouraging investing more across the UK, it is proposing that only investments that are local to the AA or regional to the pool will be counted towards the 'local investing' allocation from a reporting perspective.

Specifically, the Pensions Bill currently making its way through Parliament[18] defines local investments as:

"Investments in, or for the benefit of persons living or working in (a) the scheme manager's area, or (b) the areas of the other scheme managers participating in the same asset pool company as the scheme manager."

Whilst the government's response to the FftF consultation suggests defining local investment as:

"… Broadly local or regional to the AA or pool. It should have some quantifiable external benefits to the area in question, including economic growth, environmental benefits or positive social impacts. Such investment may include investment in affordable housing, small and medium size enterprises, clean energy investment, local infrastructure, and physical regeneration. AA should work with their pool to agree any specific requirements in order to ensure their strategy can be implemented effectively."[19]

The local investment areas covered in government policy broadly align with the PBII model introduced in Section 2. Pools are expected to work with AAs to agree on specific requirements for delivery, with most investments anticipated to be delivered through private markets. The government intends to issue further guidance through the Scheme Advisory Board (SAB).

16. TGE analysis based on a review of a sample of consultation responses.
17. Note that the government has already agreed that the Environment Agency Pension Fund can define local as the UK given they have a national remit.
18. UK Parliament, Pension Schemes Bill, 2024-2025.
19. MHCLG, Local Government Pension Scheme (England and Wales): Fit for the Future, updated 29 May 2025, paragraph 173.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3.4 Strategic Considerations in Defining Local

The government has been clear that it wants to boost local investing in large part to drive local growth and improve economic, social and environmental outcomes for local communities. It is therefore important that local investing is implemented in this spirit, avoiding territorial and political considerations driving decision-making. The strategic considerations set out here are intended to support such an outcomes-focused approach.

Defining 'local' as a focus for investment activity is not just a geographic exercise – it affects the size of the strategic asset allocation to local investing, how investment areas are prioritised, partnerships are formed, pipelines are developed, funds are structured and risks are managed. While government guidance offers a baseline, each AA will need to consider their operating landscape, relationships, dependencies, and investment context in drawing the local investment boundary which informs their target range for local investment (as a proportion of the Fund).

Recommendation: We advise a tailored, context-specific approach, responsive to each organisation's economic geography, governance model, and delivery capacity that aligns with government guidance on what counts as local (see previous section). It will be important to avoid territorial competition and politicisation and rather develop solidarity around local investment strategies that can be effectively managed by the pools.

We propose three considerations that should be taken into account when shaping a local investment strategy.

1. Recognise the Realities of Economic Geography

The LGPS pools were not designed to align with the economic geography of the country or to be contiguous with regional governance models; their formation came about through individual LGPS AAs choosing to be part of different pools based on local preferences and shared strategic goals and values.

As part of the government's reform agenda, the current eight pools are being consolidated into six. This process requires the 21 AAs from Access and Brunel to join new pools. Figure 8 reflects the pre-consolidation geography.

All pools operate within distinct geographies encompassing differing local histories and cultures, political make-up, economic profiles, competitive strengths, infrastructure needs, investment opportunities and delivery capacity. These differences will shape how 'local' investing can be defined, configured and implemented in practice going forward.

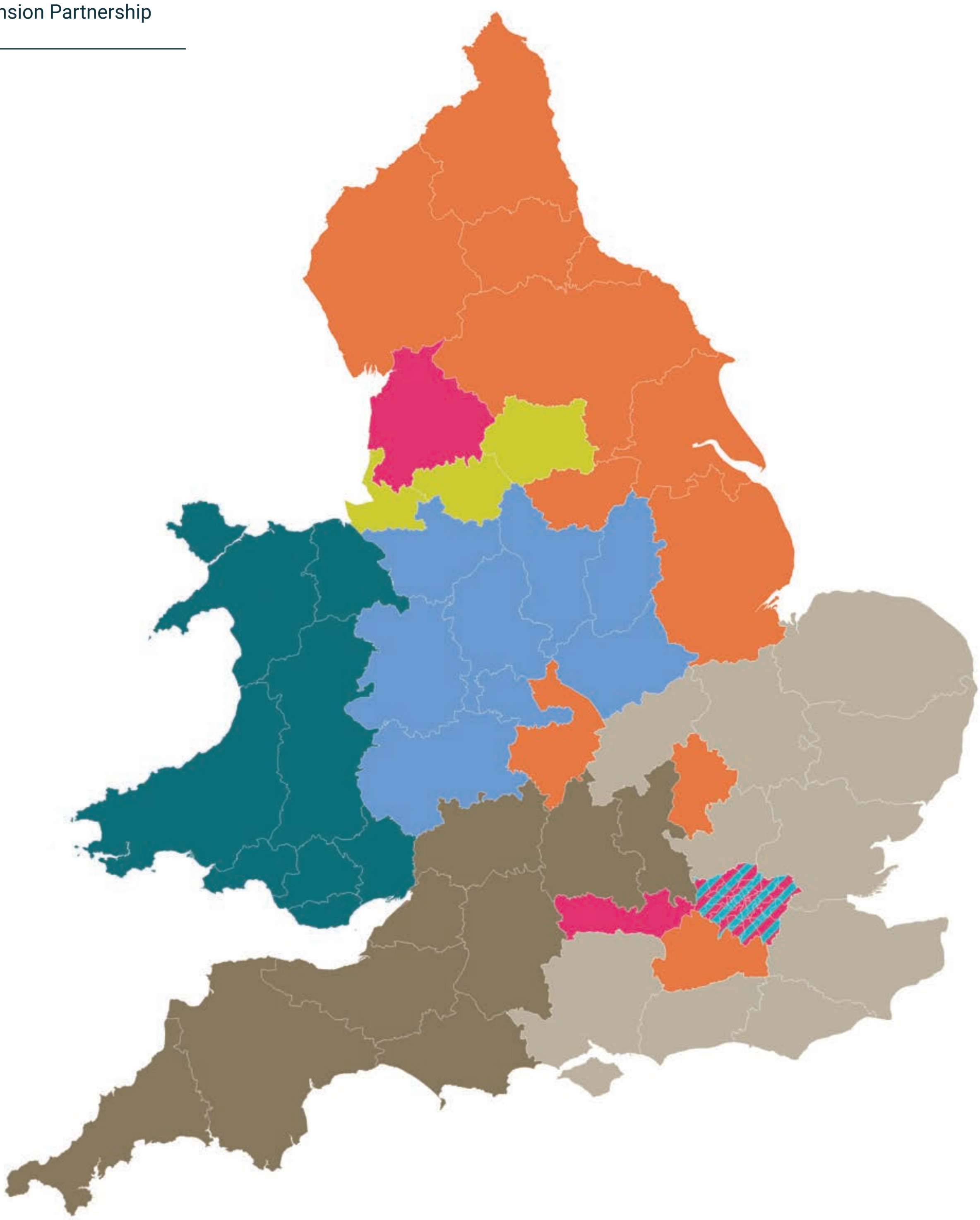
- **Northern Pool** (GMPF, Merseyside, West Yorkshire) benefits from a contiguous geography and shared regional identity, which supports a coherent, region-wide local investment strategy.
- **Central Pool** broadly covers the Midlands, offering regional coherence and the opportunity to look at an investment strategy that takes into account and positively reinforces the spatial dynamics of local and regional growth and place-based investment priorities. However, future changes in membership may require adjustments to pool boundaries and local investing definitions.
- **Border to Coast (B2C)** operates across a wide and diverse geography, from Cumbria to South Yorkshire to Surrey. Its model of offering partner AAs a choice of national, regional, or local allocation is a pragmatic response to this complexity and a model that is responsive to the different local investing preferences and priorities among AAs.
- **Local Pensions Partnership Investments (LPPI)** serves a highly dispersed set of AAs, requiring a flexible, layered approach to defining 'local' that is responsive to the preferences of its AAs.
- **London CIV** operates in a high-cost, densely populated urban area where inter-borough collaboration and affordability constraints are key considerations.
- **Welsh Pension Partnership** defines Wales as 'local', giving it a clear identity that resonates with the partner AAs and provides clear alignment to Welsh institutions such as the Welsh Government and the Development Bank for Wales.

Diversity of scale, economic geography, and spatial coherence supports 'local' being conceived not as a fixed geographical unit, but a function of institutional context.

Figure 8: The geography of the Local Government Pension Scheme in England and Wales, as of June 2025[20]

LGPS Pension Pools (with partner LGPS Funds)

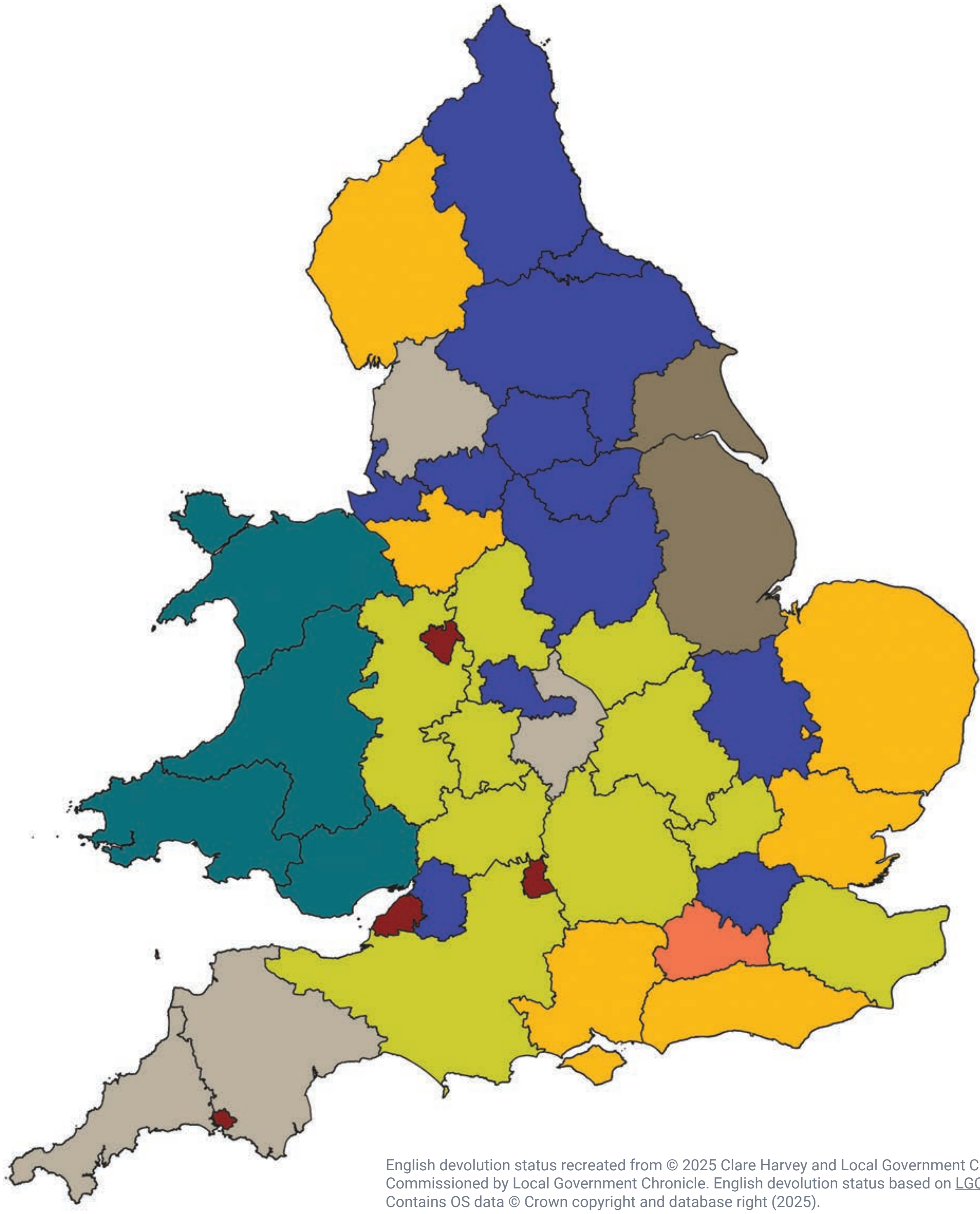
- The ACCESS Pool
- Border to Coast
- Brunel Pension Partnership
- LGPS Central
- Local Pension Partnership Investments
- London CIV and LLP
- Northern LGPS
- Wales Pension Partnership



20. Two pools operate within Greater London: London CIV, which comprises the pension funds of the London boroughs and the City of London; and LPPI, of which the London Pensions Fund Authority (LPFA) is a member.

Figure 9: Devolution – status of the emerging new tier of strategic authorities

- **Strategic authority** – Existing mayoral devolution, possibly on track to secure an integrated settlement.
- **Priority programme** – Working towards establishing strategic authority for majoral elections in May 2026.
- **Foundation devolution** – Non-mayoral combined authority, previously known as 'level two' deals.
- **Discussions ongoing** – Proposals have come forward and need to be agreed locally or with government.
- **Devo island** –Council not signed up to deal but may be in talks with neighbours.
- **Reorganisation fast track** – Permission to cancel May 2025's election with a view to creating new unitary councils as quickly as possible.
- **First mayoral elections** – May 2025.
- **Corporate Joint Committee** – Regional corporate bodies in Wales, established in 2021 to strengthen regional collaboration.



English devolution status recreated from © 2025 Clare Harvey and Local Government Chronicle Commissioned by Local Government Chronicle. English devolution status based on LGC research. Contains OS data © Crown copyright and database right (2025).

2. Alignment With Local Government – Local Growth Plans and Strategic Planning

The pension reform agenda will require much closer relationships and partnerships between the LGPS and local government, notably SAs (see Figure 9). As the government sets out in its Final Report on the Pensions Investment Review:

"It is critical that the LGPS retains its local and regional focus, given its potential to drive growth in local communities. This will require productive and strategic partnerships across key institutions – to that end, the consultation response confirms a requirement for AAs and pools to work with local authorities, regional mayors and their strategic authorities, and Welsh Authorities to ensure collaboration on local growth plans."

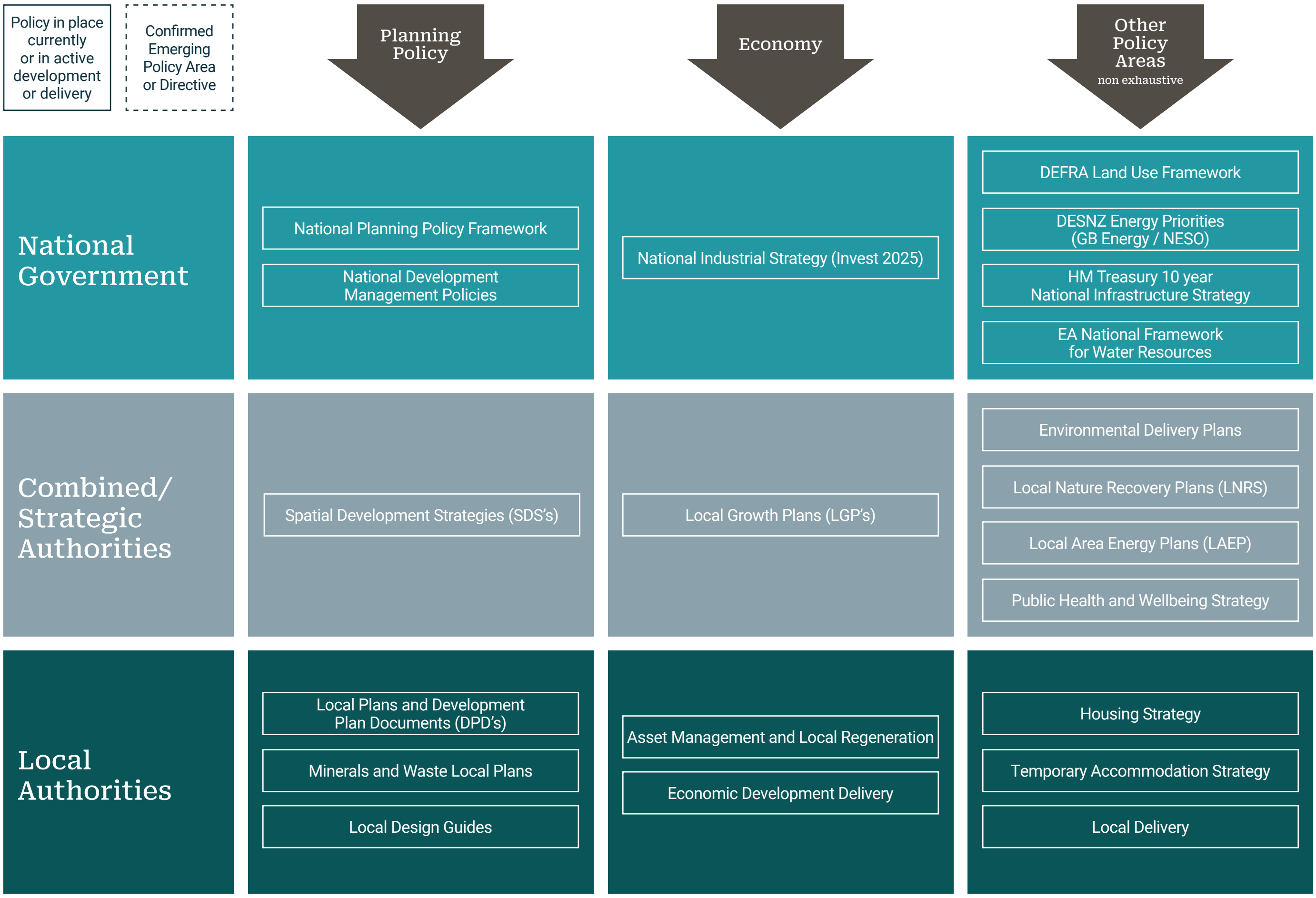
This will require overcoming the concerns and institutional separation that currently exists between local government and LGPS. Our 2021 White Paper found that a key barrier to scaling-up local investing were fears of political influence and conflicts of interest. Some had negative experiences of investing locally.

"Some LGPS funds highlighted how they were under regular pressure from local authority members to invest more in local projects. They explained that pension fund teams were wary of commercially unviable propositions being put forward to them by local authorities and, as a result, wanted to keep the door between the LGPS and local authorities closed. LGPS investment teams often believe that local politicians and local government staff do not understand the commercial realities of investing and what is financially viable for a pension fund."
– 2021 White Paper, page 31

Practically, the solution to overcoming conflict of interest concerns is establishing governance and operational arrangements that mitigate political interference and investment risks. GMPF and South Yorkshire are notable examples of LGPS funds that have succeeded in doing this. However, what is new and different since 2021 is government devolution and the expectation that Local Growth Plans will provide LGPS and other investors with a clear articulation of key growth-driving sectors and clusters, and identification of priority investment projects including across housing, regeneration, infrastructure and natural capital.

We would expect local investment strategies to seek to align with Local Growth Plans and Spatial Development Strategies as they are published and make proactive efforts to support locally defined development objectives and priority projects, where viable. In addition, Local Area Energy Plans have been prepared in many places to set out the specific investments required to deliver the net zero agenda. Understanding local plans can help shape a clear articulation of the purpose (impact objectives) of LGPS local investing strategies. Figure 10 outlines the hierarchy of planning, economic and other policy agendas which aim to drive local economic growth and revitalisation across the country within a devolved long-term planning and economic management framework.

Figure 10: Key Elements in the new Planning Hierarchy



Source: The Good Economy.

The ambition for this planning hierarchy includes evidencing the infrastructure deficit at a subregional geography, and the type and level of investment required to catalyse growth associated with delivering an accelerated programme of house building. This includes all of the infrastructure currently reported on across the PBII pillars and is an opportunity to create a paradigm shift in the way we match the supply and demand of investment finance for place-based impact and local growth.

Local Growth Plans are expected to highlight and champion each region's major 'investment focused' opportunities that can help deliver broader growth priorities.

Each SA is expected to prioritise between four and ten strategic projects across sectors and asset classes that are envisaged to be most significant in unlocking growth in the region in line with the Local Growth Plan.[21]

Ideally, pools will develop the capability to provide feedback on how these projects can be made investible for LGPS funds.

21. MHCLG, Guidance for Mayoral Strategic Authorities on developing Local Growth Plans, updated 21 July 2025.

Importance of a Place-Based Approach

A place-based approach matters to the effectiveness of local investing – and to the achievement of local growth. Too often, local development plans and investment strategies are siloed across sectors due to institutional structures. A place-based approach to economic development is a holistic, systemic approach that targets investment and interventions to the specific needs, strengths, and priorities of a local area. Rather than applying top down or one-size-fits-all policies, it tailors interventions to local conditions – such as demographics, infrastructure, industrial strengths, and community priorities – to unlock local potential and address spatial inequalities.

Key features of a place-based approach:

- **Local Context Matters**
  Recognises that each place has distinct economic, social, and environmental conditions.
- **Integrated Policy Design**
  Combines economic, social, and spatial policies to achieve holistic outcomes taking into account the systemic and structural nature of place-based challenges.
- **Local Empowerment**
  Involves local stakeholders (e.g. local authorities, businesses, community organisations) in decision-making. The Impact Investing Institute has published a useful guide on community engagement for investors.[22]
- **Targeted Investment**
  Directs resources to where they can have the most impact, including left-behind or underperforming areas.
- **Cross-sector Collaboration**
  Encourages cooperation across public, private, and third sectors.

SAs are the obvious institutions to take the lead on this joined-up thinking given their policy remit and democratic mandate, but pools should consider whether this is being done effectively as part of their top-level due diligence for local investing.

Recommendation: To be most effective, SAs and local authorities will need to work with AAs and their pools to set mutual expectations as to how they will collaborate and form a shared understanding of the role (and limitations) of LGPS investment. The pools will need to develop governance arrangement, processes and the capacity to provide feedback on local priority projects and appraise suitability for LGPS investment.

This should ideally include:

- Ensuring the potential commercial performance of investments is considered from the outset, alongside the potential for local or regional impact.
- Identifying how local investment needs map to asset classes (noting that some opportunities may map to more than one – e.g. equity and debt to support SME growth).
- Considering how public funding (whether sourced from central government, SA budgets or bodies such as the National Wealth Fund) can work alongside private finance to unlock opportunities and address viability or commercial return challenges.
- Shared indicators and KPIs that read across for the purpose of standardised impact monitoring and reporting.
- Recognising the resource challenge for pools and AAs, as well as SAs, in carrying out the above – hence consideration of how to share knowledge and expertise.

22. Impact Investing Institute, Fostering impact: An investor guide for engaging communities in place-based impact investing, 2023.

3. Sector-Specific Considerations and Associated Investment Scale

Different asset classes and sectors operate within different spatial dimensions. Considering both demand and supply factors will be assistive to defining a 'local' strategy that is implementable in practice. For example, from a demand perspective:

- **Housing is inherently local**. Important considerations include local demographics, housing size and tenure needs, and affordability constraints. Scalable delivery often requires national funds or platforms, increasing the importance of governance and quality assurance mechanisms which balance local housing investment responsive to local needs with operational efficiency at a national scale.
- **Infrastructure and clean energy** often transcend administrative boundaries. While such investments can bring benefits for local people, investment in these sectors often aligns with national priorities (e.g. grid decarbonisation, energy security) and benefits from regional coordination. Spatial Development Strategies, Local Growth Plans and Local Area Energy Plans will be critical tools here.

- **SME finance** can align well with a smaller geographical footprint and regional or sub-regional approaches, as the demand for finance is linked to regional business populations, labour markets and sector clusters. A regional approach requires nuanced expertise as well as capital, which good fund managers offer. This creates a cycle which can then feed back to the next wave of fledgling businesses. Venture capital also aligns well with university knowledge transfer programmes and incubators – see for example Northern Gritstone, Midlands Mindforge and Southwest Qantx university spin-out fund models.

  A critical issue in this space is the size of investment needed, and the funding gap that exists for scale-up SMEs. Whilst there is a lot of support available at the venture stage, and a lot of interest (often from international investors) for established, successful large businesses, the SMEs in the gap – those getting themselves established and then seeking to scale – often struggle to access suitable finance. Such businesses typically suit funds, like those of Foresight Group and Mercia, aiming to deploy £1m-20m per ticket which occupy a critical stage in the growth journey of home-grown businesses. Such investment strategies should not be overlooked by the pools given the local impact they can have – see the British Private Equity and Venture Capital Association's (BVCA) view on the SME opportunity and market segmentation on the next page.

- **Digital infrastructure and natural capital** may involve cross-boundary investment strategies, supported by inter-agency governance and shared planning frameworks – though there are local elements such as local fibre networks and AI Investment Zones as identified in the Industrial Strategy. In the case of natural capital, floodplains and agricultural land quality are more influential than administrative boundaries.

SME Finance and Private Capital Funds – The BVCA Perspective

- **UK SME growth offers returns and economic impact**
  SMEs are typically private companies, often accessed by investing in private capital funds (rather than public markets). Indeed, SMEs constitute around 90% of UK private capital fund portfolios. These investments can deliver strong investment returns whilst driving national and regional economic development, innovation and jobs (13,000 private capital-backed companies account for 2.5m UK jobs and 7% of GDP, and 58% of 2024's UK investee companies were located outside London).[23]

- **Private capital provides SMEs with both capital and growth support**
  Private capital funds typically invest in SMEs for significant equity stakes, typically much higher proportionally than listed investors, which might hold a few percent at most. This brings influence that enables the firm to stimulate portfolio companies' growth, before exiting years later for a multiple of the original investment. Growth is stimulated by fresh equity and by "active ownership" techniques that the firm deploys in partnership with the company's management team (business plan, governance and incentives, professionalising systems, strategic acquisitions, sustainability improvements and more).[24]

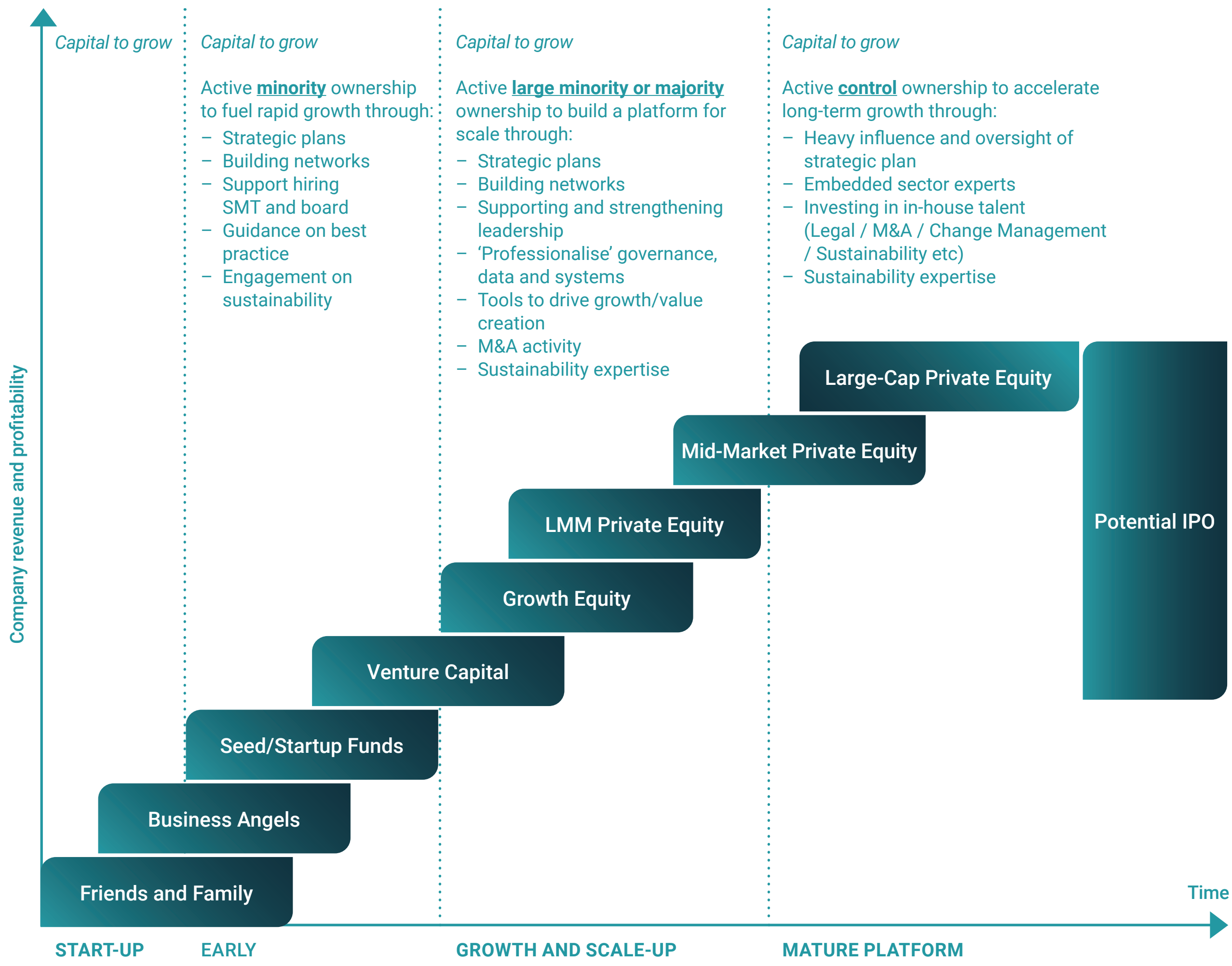
- **Investing in high-growth SMEs benefits from a patient capital approach**
  Generating returns by stimulating an SME's growth typically takes over five years to deliver fully. For this reason, investment typically follows the closed-ended fund, drawdown model. Investors provide a fixed amount of capital to each fund in its early life, which is then locked in for seven-to-ten years or more, with returns materialising as investee companies mature and are sold, and the fund winds up. The flipside of this illiquidity is strong returns potential, with UK private capital funds having delivered an internal rate of return of 15.8% p.a. over a 10-year horizon.

- **There are investment opportunities across the SME finance ecosystem, including lower mid-market and private credit**
  The UK's SME growth ecosystem offers various opportunities – different types of private capital fund stimulate growth at different points in SMEs' development, from start-up (venture capital funds) through growth stages (growth and mid-market private equity funds) and into maturity (large buyout funds), using either equity or debt, and with different risk/return profiles (see Figure 11). Investors looking to generate both returns and UK SME growth nationally and regionally should consider each part, including the less obvious. For example, lower mid-market private equity funds (£15-50m investments) can often demonstrate significant impact on growth, jobs and productivity, alongside strong returns, whilst mid-market private credit can also offer an attractive risk-reward profile.

23. BVCA, Report on Investment Activity 2024, May 2025.
24. Private credit funds align with this long-term, active model, but instead of investing in an ownership position, they provide long-term, flexible debt finance, based on a close understanding of the company's needs and potential.

Private capital investments support businesses' development at different points in their lifecycle from the point that they are founded through growth and into maturity. While no two companies' circumstances are the same, and not all companies seek to pass through each investment stage in sequence, this simplified chart outlines the different investment stages and how private capital firms support businesses they back.

Figure 11: Private Capital Investments



EARLY

- Micro and small business (<50 employees)
- Company not yet profitable
- High risk return target
- 5-10 year hold period

GROWTH AND SCALE-UP

- SMEs (10-249 employees)
- Company at breakeven/profitable
- Moderate risk return target
- 4-6 year hold period

MATURE PLATFORM

- Larger SMEs and large business
- Company is profitable
- Lower risk return target
- 3-5 year hold period

Encouraging a supply of suitable investments will involve building relationships with the supporting eco-system and an understanding of how fund managers, developers, advisors and project originators think about the elements which determine the spatial scale needed for projects and investment vehicles to be commercially viable.

An investment strategy focused on a very specific sector in a very tight geographic boundary is less likely to be achievable due to too few investable opportunities being available than a strategy which enables fund managers and investment partners to configure projects at an efficient scale. Investment programmes within a small area need to be sized to have critical mass but not be so large that the investment distorts the local market. See Figure 14 for examples of the investment opportunities that exist within different sectors.

A key question that arises from the conceptual thinking above is, from a central government perspective, can only assets that are physically located within a local or regional area be counted as 'local' or can 'local' include investments that are outside the region but demonstrated to have positive multiplier effects and benefits for that region? In the Government's response to the FftF consultation it notes that, whilst it is mandating a more explicit focus on local investing,

"There are other aims which AAs may wish to pursue, including boosting UK economic growth and taking into account other environmental, social and governance (ESG) issues. These may contribute to the government's key missions including making Britain a clean energy superpower and accelerating to net zero is one of the key missions of the government." [25]

Hence, our understanding is that what will be counted towards a local investing allocation from a reporting perspective is what is physically located within the defined geography. Investments in a national fund outside of this geography should be monitored and reported, but as part of UK or impact allocations.

25. MHCLG, Local Government Pension Scheme (England and Wales): Fit for the Future, updated 29 May 2025.

3.5 Coordination Between Pools

As a greater share of LGPS capital is directed toward local investment, co-ordination will be needed to avoid the risk of system inefficiency. Without coordination, place-based strategies could potentially lead to unintended consequences, including:

- **Asset price inflation** driven by multiple pools competing for the same local opportunities. However, if investments are place-based and within pool boundaries, this problem is less likely to arise as they will be targeting opportunities in different places.
- **Duplicated due diligence and engagement**, increasing transaction costs and stretching public sector capacity.
- **Geographic imbalances**, as areas with stronger delivery capacity attract more investment while less-resourced places are overlooked. While we recognise that it is primarily the role of government and public bodies, such as the National Wealth Fund, to focus on more deprived areas, we encourage pools to consider how they can co-invest alongside public investment in ways that support inclusive growth. We explore this theme further in Section 4.6.
- **Missed opportunities for economies of scale**, in situations where different pools might be negotiating with the same fund managers in relation to similar mandates but not benefiting from the efficiencies that might thus be created.

These risks are structural – not just operational – and reflect the current absence of a joined-up approach to economic planning, pipeline development and market shaping.

Recommendation: The structural changes needed include pools (as the implementers of investment strategy on behalf of AAs) exploring collective mechanisms that enable collaboration across the LGPS for the benefit of all whilst maintaining fiduciary independence.

Options which could be explored include:

- **Shared origination platforms** that consolidate opportunity sourcing, pre-development work, and market engagement thereby lowering barriers to investability and reducing duplication.
- **Joint procurement** of advisory services, due diligence, or legal counsel for sourcing and structuring local deals to improve efficiency and reduce costs.
- **Establishment of or co-investment in national specialist funds** that can invest locally across the country in specific sectors (see case study on GLIL as an example).
- **Common frameworks for local impact** that allow pools to assess, report and benchmark place-based outcomes in a consistent manner using common standards – see Section 5 for more detail of what this might look like.

Example – GLIL Infrastructure

GLIL Infrastructure stands as a powerful example of successful, large-scale cross-pool collaboration, demonstrating how multiple pension funds can unite to achieve investment goals beyond their individual reach.

Established in 2015 by the Greater Manchester Pension Fund (GMPF) and the London Pensions Fund Authority (LPFA), with a combined initial commitment of £500 million, GLIL was founded on a shared recognition that LGPS funds needed better access to long-term, large-scale infrastructure opportunities. By pooling their capital and expertise, the founding members could invest in major projects that would have been too large or complex for them to undertake alone. This collaborative model allowed them to overcome the limitations of their individual capital while securing stable, inflation-linked returns for their members.

The viability of this model quickly attracted wider participation. In December 2016, the fund's AUM surged to £1.275 billion as Lancashire County Pension Fund (LCPF), Merseyside Pension Fund (MPF), and West Yorkshire Pension Fund (WYPF) joined as members. In 2018, GLIL evolved into an open-ended fund structure to encourage wider participation, which now includes the workplace pension provider, NEST. As of December 31, 2024, GLIL had committed capital of £4.1 billion, with £3.2 billion deployed across 13 assets. LPPI is the Alternative Investment Fund Manager (AIFM) for GLIL.

GLIL's portfolio demonstrates the benefits of this pooled approach, with investments in large national infrastructure projects including:

- **Renewable Energy**
  GLIL has a significant portfolio having invested in onshore wind, offshore wind and solar across the UK and Ireland.
- **Transport Infrastructure**
  Investments in roads, ports (including Forth Ports), and rolling stock through its stake in two fleets of intercity trains.
- **Social and Digital Infrastructure**
  Social infrastructure through a public-private partnership (PPP) portfolio of schools and hospitals, as well as its first investment in the digital sector through a stake in Cornerstone, the UK's leading mobile towers business.
- **Utilities**
  Investments in regulated utility companies.

While GLIL has focused on large national infrastructure, its governance model of pooled capital, joint decision-making and strategic alignment offers a template that could be adapted to create regional or sector-specific local investment platforms. This successful framework proves that collaboration can unlock significant investment opportunities, driving economic growth and delivering long-term value for pension schemes.

3.6 Integrating Local Investing

Having determined a strategic approach to local investing reflecting considerations of economic geography, institutional arrangements and sector specific factors, the next step is to integrate the articulation of that strategy into relevant investment policies, processes and templates.

Foundations: Valuation, Financial Targets and Strategic Asset Allocation

For LGPS funds, investment strategy is grounded in the triennial actuarial valuation, which determines the fund's financial position and sets three interlinked financial levers:

- Employer contribution rates
- Required return targets
- Strategic Asset Allocation (SAA).

The SAA defines the fund's long-term risk-return profile and sets capital allocations across asset classes. It acts as the anchor for all investment decisions to be taken by pools.

To support consistency and transparency, the government has proposed a common SAA template. This provides scope to consider how investing locally might involve multiple asset classes. AAs are required to set a total allocation range for local investing. They are not required to define targets for individual asset classes. However, we expect pools and their partner AAs will consult on their local investment priorities and agree what this looks like across asset classes. Figure 12 below reflects the asset classes most likely to contribute to fulfilling a target range for local investment due to the place-based nature of the underlying assets.

Figure 12: Strategic asset allocation template[26]

Asset class	Strategic Asset Allocation (%)	Tolerance Range (±%)	Main scope for local investing
Listed equity			
Private equity			✓
Private credit			✓
Property / Real estate			✓
Infrastructure			✓
Other alternatives*			✓
Credit**			
UK Government bonds			
Investment cash			

* e.g. Natural capital, social outcomes bonds, venture capital.
** Including credit instruments of investment grade quality, including (but not limited to) corporate bonds and non-UK government bonds.

Operationalising a Local Investment Strategy

AAs will find it helpful to consider their local investment strategy as a subset of their investment objectives. A local strategy will comprise a specific target allocation (or range) to local investment, a clear definition of 'local' (as discussed earlier) which may be agreed collectively between the pool and its partner funds, and an articulation of which types of investments and outcomes are a priority if there are clear local investment preferences.

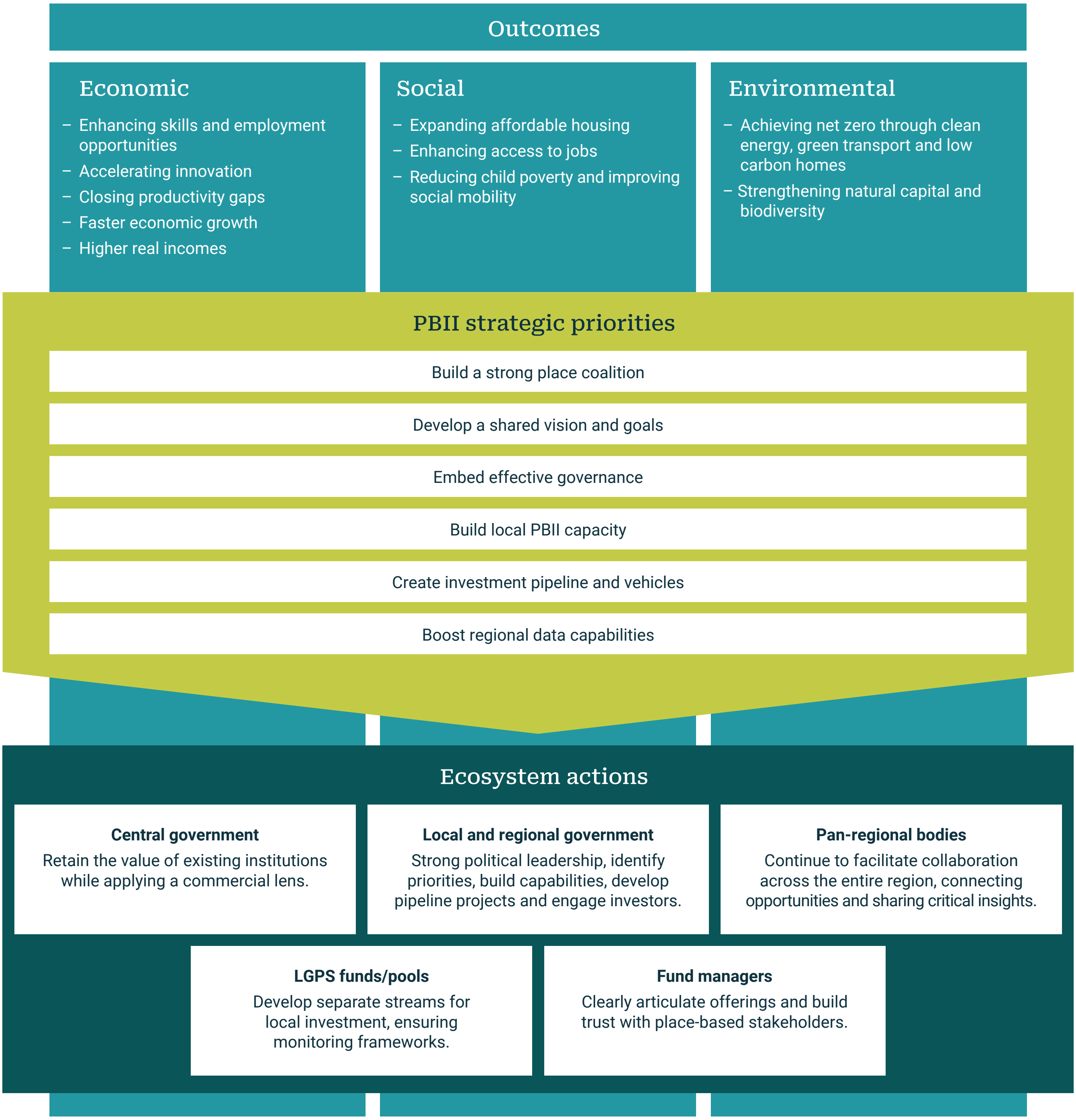
Key steps in operationalising a local strategy include:

- Articulating a high-level objective for local investing.
- Setting an appropriate allocation target range. We are not suggesting what a range should be, given this is the prerogative of individual AAs to decide.
- Determining the financial return profile.
- Defining acceptable risk-return-impact profiles *if any*.
- Agreeing the governance and implementation model – we explore this theme in more detail in Section 4.

26. Source: adapted from MHCLG, Local Government Pension Scheme (England and Wales): Fit for the Future, updated 29 May 2025.

Figure 13 below illustrates a possible architecture for linking public priorities with investment.[27] It shows how place-based outcomes can provide a ‘golden thread’ across public and private stakeholders, clarifying shared objectives and supporting a more streamlined impact management and reporting framework.

Figure 13: An outcomes-led architecture for local investing



27. The Good Economy, Place-Based Prosperity: The institutional investment roadmap for Midlands growth, March 2025.

Scale – Enabling Efficiency and Local Outcomes

To implement their strategies, LGPS funds ideally require efficient scalable delivery mechanisms that will support both large, pooled mandates and smaller, catalytic local investments being part of their opportunity set.

Scale is not a prerequisite for delivering local investment impact but the government's response to the FftF consultation sets a clear expectation that all LGPS assets should be managed by pools, with the explicit goal of leveraging scale to improve operational efficiency, reduce duplication and enhance access to high-quality private market investments.

The case for scale includes:

- Funding more specialised resources
- Realising operating efficiencies
- Lower fee drag encouraging enhanced net performance
- Stronger investment governance and influence over mandate design
- Improved access to proprietary or off-market deal flow.

These benefits are reflected in global pension models such as Ontario Teachers' and CPP Investments, as well as domestic initiatives like GLIL Infrastructure.

However, scale does not automatically mean large-ticket investments. It is equally about the ability and cost effectiveness of deploying capital efficiently - whether through major pooled mandates or smaller, catalytic local investments. Many local investment opportunities such as SME growth and finance, community infrastructure and housing projects, or natural capital solutions, may be sub-scale, early-stage, or complex. While not being immediately scalable, these investments can help to seed substantial future institutional pipelines, mitigate early-stage market risk and deliver public value alongside financial returns.

Recommendation: Delivering benefits on a local scale will occasionally need pools to invest in intentionally smaller opportunities. Local investment strategies could combine scalable mandates in sectors like infrastructure, clean energy, and housing with flexible sleeves for smaller, targeted allocations, in sectors such as SME finance and specialist housing or social infrastructure.

Balancing Risk, Returns and Impact

Private markets already play a central role in LGPS investment. They can offer long-duration, often inflation-linked returns, low correlation with public markets, and direct exposure to real economy assets. Real estate, infrastructure, private credit and private equity are particularly well-suited to long-term liabilities and capital stability.

Locally focused strategies in these asset classes are becoming increasingly viable. Sectors such as affordable housing, SME finance and clean energy now offer institutional-grade pipelines capable of delivering both competitive returns and place-based outcomes. The table below provides a summary of the types of opportunities pools should be looking for by sector and their relevance for local priorities.

Figure 14: Types of local investing opportunities by sector

Sector	Description of Investment Opportunities	Place-Based Relevance
Housing	General needs social and affordable housing (including shared ownership), specialist supported housing, temporary accommodation, senior living, student housing, and build-to-rent (BTR).	Addresses local housing need, supports inclusion, health and wellbeing, and anchors regeneration.
Commercial Real Estate	Mixed-use regeneration schemes including town centre renewal and commercial hubs that bring together research, enterprise, and civic functions.	Revitalises local economies, creates jobs, and supports civic and commercial infrastructure.
Infrastructure	Energy, renewables, transport, utilities, digital and social infrastructure, plus environmental and climate resilience assets (e.g. waste, water, flood defences), urban mobility and logistics, and digital-physical convergence (e.g. smart grids, EV charging).	Delivers net zero, improved connectivity, and essential services in underserved areas.
Clean Tech / Energy	Offshore and onshore wind, solar PV, battery storage, EV infrastructure, heat pumps, hydrogen, and smart grids. Mix of mature and high-growth technologies with policy and subsidy support.	Accelerates local energy transition, decarbonisation, energy security, and supports green skills and industries.
SME Finance	Senior debt, mezzanine, venture capital and growth equity for SMEs.	Supports innovation and productivity, local enterprise growth, job creation, and resilient, inclusive local economies.
Healthcare	Health infrastructure (e.g. GPs, diagnostics, care homes), life sciences, health tech, community wellbeing.	Improves population health, supports ageing population, and access to care, especially in underserved regions.
Natural Capital	Enables real estate development through Biodiversity Net Gain.	Carbon and air pollution mitigation; increased climate resilience and adaptation, e.g. flood mitigation.

Several sectors offer clear channels through which LGPS investments could deliver measurable local outcomes across economic, social and environmental dimensions. These include housing, regeneration, infrastructure, clean energy, SME finance and natural capital. Figure 15 suggests how these areas can contribute to local economic, social and environmental outcomes. These align with the description of outcomes that are typically seen within Local Growth Plans and development strategies.

Figure 15: Local investment contributions to local outcomes (examples)

Investment Areas	Economic Outcomes	Social Outcomes	Environmental Outcomes
Housing	**Economic benefits to residents** from being in a home that is affordable and energy efficient so cheaper to run. **Job creation** (direct and indirect), e.g. through construction and operation. **Local business development and economic activity**, e.g. through working with local developers and suppliers.	**Improved individual and community wellbeing** – from affordable, quality homes. **Improved educational outcomes** from children having a stable home. **Increased access to economic opportunities.** **Reduced homelessness.**	**Reduced carbon footprint**, e.g. through retrofit and low carbon new builds.
Commercial Real Estate	**Job creation** (direct and indirect). **Catalytic for local and regional development**, e.g. increased business activity, consumer spending, follow-up investments in the same area. **Enables government-supported regeneration** projects to happen	**Revitalisation of town centres** and high streets. **Improved access to essential services** (retail, health, education, employment opportunities). **Social inclusion**, particularly for underserved groups. **Improved public health**. e.g. active travel, improved green space.	**Reduced carbon footprint**, e.g. through decarbonising of commercial developments.
Infrastructure	**Job creation**. Increase in local and regional connectivity, productivity and competitiveness. Regional productivity and competitiveness.	**Better public service provision**. **Improved wellbeing of local residents**, e.g. through more job opportunities, better transport, digital inclusion and lower pollution.	**Increased provision and efficiency of utilities**. **Transition to low carbon transport** and enabling remote working.
Clean Energy	**Job creation** in manufacturing, construction, operations, and maintenance. **Support for regional supply chains** (engineering, logistics, fabrication, services). **Energy security**.	**Increased future ready skills and job opportunities** for local people. **Reduced energy costs and fuel poverty**. **Health outcomes** from cleaner air. **Community ownership** or benefit sharing models.	**Lower carbon intensity of grid.** **Reduction in emissions**. **Contribution to local climate action plans or Net Zero targets**.
SME Finance	**Local enterprise growth** – Increase in start-up, survival and growth rates of SMEs and related job creation – direct and indirect. **Increased regional productivity**, **innovation**, particularly through Industrial Strategy growth strategies Attracting and retaining high-value firms and highly skilled workers. **Diversification** of the economic base. **Strengthening of foundational economy sectors**, e.g. care, food, construction, retail.	**Inclusive entrepreneurship**, including support for women-, minority-, and youth-led enterprises. **Improved access to skills and employment** through apprenticeships, upskilling, and vocational pathways. **Community wealth building**, with more income and ownership retained in local hands. **Resilience of local communities** to economic shocks by supporting a diverse base of SMEs and strong local business ecosystem.	**Acceleration of green innovation** in clean energy, circular economy, sustainable agriculture, etc. **Adoption of low-carbon practices** (e.g., energy efficiency, sustainable packaging, waste reduction). **Growing businesses in the 'right' way** by building in awareness and best practice in key fundamentals, emphasising decision making for sustainable growth over short term and potentially environmentally damaging short term gains.
Natural Capital	**Fundamental to all economic activity** – negative outcomes if not protected. **Rural job creation and skills development**, e.g. ecologists.	**Health and wellbeing benefits** of access to nature.	**Carbon and air pollution mitigation; increased climate resilience and adaptation**, e.g. flood mitigation, carbon sequestration.

The contributions achievable will differ by place and context but framing them consistently as a guide to local investment strategies will help to embed outcomes-based thinking into investment strategy development, governance and investment process, as well as helping to streamline reporting – a theme we return to in Section 5.

Following publication of this report, TGE intends to publish a set of sector summaries which includes a more in-depth review of these investment opportunities by sector, their investment characteristics and examples of fund managers and other intermediaries active in these markets.

Different investment opportunities will have different levels of risk and return ranges. It will be up to the pools to find ways to have the specialist sector knowledge and capacity to appraise such opportunities from a commercial investment perspective and take a view on which funds and projects they consider investable.

Where impactful investments offer commercial returns in line with pool targets, there is no tension with fiduciary duties. However, we know from experience that some local investment opportunities offer lower financial returns but can deliver high place-based impact. Equally, there may be opportunities that require some form of grant, junior investment or guarantee to make projects viable and provide pools with the confidence they need to invest. We discuss the potential role of public finance in this area further in Section 4.6.

AAs and their pools may wish to consider taking a portfolio approach that balances risk, return and impact. This approach is used by GMPF who have an overall return performance threshold for their local investment portfolio but within the portfolio expect different levels of risk and return in relation to the local impact of the investment opportunity. See Section 5.4 for examples and GMPF's impact report for further detail.

Recommendation: Pools and their AAs should continue to work together to ensure portfolios are primarily constructed to meet target return and funding objectives. At the same time, they may look to seek opportunities to integrate investments that offer exposure to catalytic, innovative, or high-impact opportunities that offer lower but still acceptable returns – provided these do not materially compromise the overarching fiduciary responsibilities of the pool or AAs.

3.7 Summary

Whilst the government has provided a level of clarity on what should be treated as local, there is still room for AAs and pools to shape their own approach to local investing based on their specific circumstances. It should be noted that the new policy will mean that some existing approaches no longer qualify as local – though would still be encouraged if they contribute to key policy priorities. The ongoing realignment between AAs and pools also means it will be some time before a coherent approach can emerge everywhere.

Against this background, it is useful to have some guiding principles to work with such as those proposed here – start with economic geography before layering on the constraints imposed by administrative boundaries and sector-specific factors. It will also be helpful for pools to work closely together as they navigate this new landscape. As they do so, maintaining focus on the ultimate objective of the exercise – improving prosperity in its broadest sense for communities across the country – will be vital.

4 / From Strategy to Implementation

Having outlined principles and potential approaches for setting local investing strategies, this section considers the practicalities of how strategies will be executed, reflecting the split of responsibilities set out in the Fit for the Future proposals.

4.1 Introduction

The FftF proposals represent a significant change in the relationship between AAs and pools in relation to local investing. AAs are being asked to hand over responsibility for delivery of their local investment strategies to pools, and pools are being asked to develop the capacity to do so at scale. Developing a clearly defined operating model setting out the detail of how these new relationships are intended to work in practice is a critical early step in making this work.

To date, AAs have varied greatly in terms of their approach, experience and scale of local investing in part dependent on their size, interest, and team capacity to engage with local investment. Pools have also differed in terms of their involvement in local investment and their geographic coverage.

This Section seeks to provide a set of suggested guidelines for how pools and AAs at all stages of development can establish the building blocks of an effective approach to delivering local investment in line with their strategies. It includes:

- A set of suggested design principles useful to all AAs and pools wherever they start from as they consider and develop an operating model to deliver local investment.
- High-level thoughts on how governance arrangements that enable effective partnership working across the funding ecosystem can be established.
- The types of investment products and vehicles that could be adopted and considerations on how to select and/or design them based on strategic objectives.
- Potential approaches to origination and investment intermediation for local investment, including the need for a healthy pipeline of suitable opportunities.
- Thoughts on how pools can work with public and private sector finance to maximise their impact on local outcomes and ensure local investments are positioned as part of a broader strategy for the places they operate in – reinforcing commercial returns as well as community benefits.

4.2 Design Principles

Whilst it is for individual pools and their partner AAs to establish ways of working that reflect their unique situations, we believe the principles set out below could apply universally.

FIDUCIARY DISCIPLINE

As outlined in Section 3, local investment should remain anchored in fiduciary responsibility, supporting the fund's long-term financial objectives through appropriate risk-adjusted returns at the portfolio level. Implementation by pools is expected to be transparent, well-governed, and aligned with the best interests of their client funds.

STRATEGIC FIT

Also as covered in Section 3, the strategy aligns with and supports Local Growth Plans while safeguarding investment independence (i.e. free from political pressures). Targeted opportunities are grounded in an understanding of the nature of the regional economy and the investment needed to support it, agreed at pool level.

INTEGRATED IMPACT LENS

The strategy's approach to impact should be integrated into all relevant processes where commercial considerations are also assessed. This is discussed further in Section 5.

CLEAR GOVERNANCE

Transparent decision-making structures to clarify the roles of pool operators, partner funds, and local stakeholders. See below for more detail on this.

ORIGINATION CAPABILITY

Internal (to pools) and external capacity to source, assess, and structure investable opportunities, including through collaborations and partnerships (e.g. with specialist fund managers).

INFORMED CLIENT

Where a pool chooses to use an external partner to deliver elements of its strategy, it must retain sufficient expertise in house to be an effective client to that partner. Similarly, AAs should maintain sufficient in-house capability to ensure their pool is delivering their strategic objectives as efficiently as possible.

VALUE FOR MONEY

Investment processes are designed to deliver demonstrable value relative to risk, cost, and impact, ensuring efficiency and accountability.

RISK MANAGEMENT

Local investments are subject to the same due diligence, compliance, and risk frameworks as mainstream assets. They may also require additional evaluation in the form of a local impact assessment.

IMPACT AND FINANCIAL REPORTING

Dual reporting frameworks to measure and publically report on both financial performance and local impact outcomes. See Section 5 for more detail.

In this section we set out proposals for a model that reflects these principles, building on government policy proposals and good practice already existing within the UK LGPS sector as well as international experience.

4.3 Governance, Roles and Responsibilities

As noted in Section 3, delivering the required step-change in local investment the UK so badly needs will require concerted and co-ordinated effort from multiple stakeholders. From this, it follows that clear and effective governance models setting out roles and responsibilities and decision-making rules between these stakeholders is foundational for an effective operating model. This will create the conditions for scaling-up local investment.

Figure 6 referenced the government's proposed allocation of roles and responsibilities between AAs and pools throughout the investment process. Overall, pools are expected to lead decision-making throughout the implementation phase, with AAs having a monitoring role.

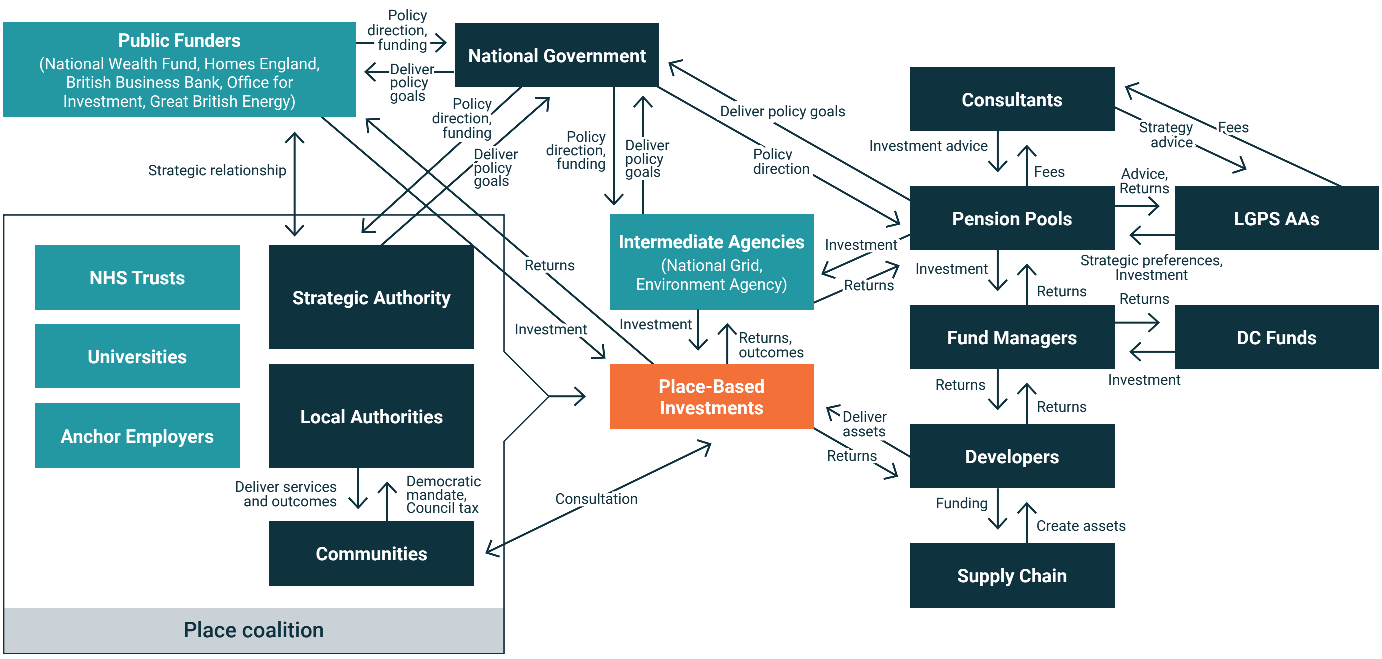
However, successful delivery of local investment requires alignment between a broader range of stakeholders than just AAs and pools. Pools and AAs will be part of a bigger eco-system they are not in control of but will need to influence. Having a clear idea what this looks like and who the different contributors are, what they bring to the table and what they need in return, is the best starting point. Our previous White Paper[28] introduced the concept of a stakeholder ecosystem for local investing. Figure 16 below provides an updated version of this model reflecting the key proposed relationships emerging from the FftF review. In addition to the linkages shown here, Pools, AAs and SAs have a key relationship in ensuring local investing strategies align with LGPs.

Most critical of all is the decision on who will be forming and maintaining relationships – pools or AAs? In practice, it will be a partnership requiring collaboration and coordination. With the ecosystem mapped, the next step will be to put in place arrangements and agreements that encourage productive working relationships to build confidence and clear the pathways for improved collaboration.

An early first step to putting in place the foundations for local investing will be to ensure both the LGPS and SAs have common knowledge and mutual expectations that are aligned. Adopting a Memorandum of Understanding (MoU) can be a useful way of formalising these expectations such as the one adopted between SYPA and SYMCA.[29]

Recommendation: A useful early step for AAs and pools is to map out their own local investing knowledge, experience, capabilities and ecosystem and agree how to build relationships with key partners, developing a thorough understanding of each stakeholder's own strategic priorities, investment capacity and preferences and key constraints.

Figure 16: Local investing ecosystem



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28. The Good Economy, Impact Investing Institute and Pensions for Purpose, Scaling-Up Institutional Investment for Place-Based Impact White Paper, May 2021.
29. SYPA, Memorandum of Understanding on cooperation between South Yorkshire Mayoral Combined Authority and South Yorkshire Pension Authority, 2023.

Memorandum of Understanding (MOU) Between South Yorkshire Mayoral Combined Authority and South Yorkshire Pension Authority

In December 2023, the South Yorkshire Mayoral Combined Authority (SYMCA) and South Yorkshire Pension Authority (SYPA) agreed to form a strategic partnership[30] to collaborate on supporting early stage business finance, local development, housing delivery and progress towards decarbonising the economy. Delivery will be in liaison with, and supported by, the four South Yorkshire Local Authorities in Barnsley, Doncaster, Rotherham and Sheffield districts, where appropriate.

The MoU spells out mutual recognition of the two parties' priorities:

- *"SYMCA recognises that the purpose of SYPA and its pension fund is to provide the resources to ensure that pensions can be paid when due and not to be an instrument of policy."*
- *"Equally SYPA recognises that it is possible for some investments to achieve policy impacts in addition to the required financial return."*

Building on SYPAs announcement of a Place-Based Investment Portfolio, the MoU set out:

"How the two parties will deliver the Productivity and Community missions in the Portfolio to mutual benefit. It sets out the mutual objectives of the respective parties, areas for engagement and nature of engagement."

The MoU makes clear that it does not guarantee any specific opportunities for SYPA, nor does it assume SYPA as being more than a willing partner to support SYMCA with the policy outcomes which the Mayoral Combined Authority is ultimately responsible for delivering.

30. SYPA, Memorandum of Understanding on cooperation between South Yorkshire Mayoral Combined Authority and South Yorkshire Pension Authority, 2023.

4.4 Product and Vehicle Selection and Design

Unlocking LGPS capital for place-based priorities requires investment structures that are **flexible in deployment, robust in governance, and fully aligned with fiduciary duties**. Vehicles must also be scalable and able to accommodate capital from other institutional, private or public investors, not just LGPS pools). LGPS investors are long-term, patient capital providers with a strong emphasis on value for money, cost transparency, and asset-liability matching. Their scale and regulatory flexibility enable them to invest through a wide range of investment structures, including:

- Direct investments (e.g. club deals, joint ventures, separately managed accounts).
- Indirect investments (e.g. closed-end, evergreen, or co-investment funds).
- Listed vehicles (e.g. REITs and investment trusts).

Most LGPS capital is deployed via institutional fund vehicles that are designed and operated by investment management firms at a national or supra-regional scale. Finding routes for local investment via these vehicles may pose challenges, as fund managers typically take an opportunity-led approach and may be unable to commit to fixed geographical allocations unless a credible, investable pipeline is in place.

Accessing local investments will require a pragmatic solution which does not compromise headline investment and fiduciary objectives. **Pools will need to work with asset managers to encourage regional sleeves or establish softer "allocation goals" which avoid compromising diversification or financial performance.** GMPF, for instance, has implemented housing and SME mandates with a strong regional focus, while accepting a degree of national exposure to maintain scale and viability. The box on pages 46 to 47 provides examples of fund managers who have successfully developed funds which provide vehicles for LGPS to invest locally.

It will be important to balance place-based intent with fiduciary discipline in finding routes which make local outcomes viable, while preserving return integrity and risk management. Where the opportunity set for accessing local investments is not being served by existing products from institutional asset managers, setting and fulfilling a target allocation for local investment will involve pools co-ordinating across a variety of other relationships and sourcing routes, establishing their own investment vehicles and scaling up their direct investments.

Effective product design should ensure that capital can be channelled into high-priority local sectors while delivering **acceptable risk-adjusted returns** over long-term investment horizons. This versatility allows pools to tailor exposure to specific sectors, geographies, and impact goals, and to influence key commercial and impact terms.

In delivering on local investment mandates, LGPS pools may assume a variety of roles:

- **Acting as cornerstone investors** to catalyse fund launches or expansions aligned with local investment strategic objectives.
- **Co-designing investment vehicles** with fund managers or mission-driven intermediaries to embed commercial terms and place-based outcomes.
- **Considering direct investment** or co-investment in Local Growth Plan priority projects.
- **Appointing specialist managers** with local origination capacity, due diligence capabilities, and strong regional networks.
- **Collaborating across pools** to share due diligence, scale commitments, and enhance execution.

Due to their ability to operate at scale, pools have the opportunity to include impact considerations in the design of products and vehicles and selection of partners. This can include requiring fund managers to commit to, and report on, their contribution to desired outcomes. This opportunity is discussed further in Section 5.

Common Investment Vehicle Structures

- **Co-Mingled Funds**
  Main advantage being diversification of exposure.

  Includes fund-of-funds, feeder structures, or single-manager funds focused on illiquid assets. These allow customisation by geography or theme, enabling LGPS funds to channel capital into regionally aligned strategies while benefiting from diversification, pooled governance, operational efficiency, and institutional-grade fund terms. Funds are typically set up as limited partnerships or corporate entities in jurisdictions like the UK, Ireland, and Luxembourg. Most place-based investments are likely to be made via these vehicles.

  Given the focus on illiquid assets, most funds are set up as closed-ended with a defined lifespan of typically 10-15 years. However, there are some more liquid alternatives.

- **Evergreen Funds**
  Open-ended structures with permanent capital and rolling deployment.

  These funds are well-aligned with the long-term nature of LGPS liabilities and provide stable exposure to local real assets, often with embedded liquidity management (e.g. gates, redemption cycles, capital recycling). A potential risk is that in times of market stress, investors may rush to redeem but the underlying assets can't be sold quickly or at fair value to meet redemptions, which in turn could undermine investor confidence and cut off funding for local investments.

- **UK-listed Investment Trusts and REITs**
  Combine access to private markets assets with liquidity.

  Provide exposure to illiquid assets such as housing, healthcare, or infrastructure while offering the benefits of public market liquidity, transparency, and regulatory oversight. These vehicles can be particularly attractive for smaller LGPS funds or where a listed solution complements a broader place-based allocation.

- **Co-Investment Platforms**
  Main advantage being access to target assets at reduced or no fees.

  Platforms that allow LGPS funds to co-invest in specific deals alongside fund managers, typically via sidecars or deal-by-deal syndication. These arrangements offer a targeted place-based focus, improve fee efficiency (often with reduced or no fees on the co-investment), and provide greater control over commercial terms. Fund managers often require an investor to commit to the pooled fund to access co-investments, which is beneficial for LGPS as it mitigates concentration risk through diversification via the pooled fund while enabling local targeting via co-investments.

- **JVs and PPPs**
  Main advantage being significant influence over local asset whilst sharing risks/rewards.

  Joint ventures (JVs) and public-private partnerships (PPPs) enable LGPS funds to partner directly with developers, local authorities or private investors on projects such as housing, regeneration or infrastructure. They provide scope to negotiate bespoke commercial terms and give LGPS greater control over governance and, in some cases, a direct role in project decision-making. Capital requirements and operational risks are shared among partners, making these structures well-suited to complex, capital-intensive projects.

- **Blended Finance Vehicles**
  Main advantage being downside protection whilst being first mover in innovative or emerging opportunities.

  Public-private partnerships that use concessional or first-loss capital to de-risk investments and attract institutional capital (including LGPS). These structures are especially relevant for early-stage or socially complex opportunities where commercial returns may otherwise be insufficient.

4.5 Origination and Investment Intermediation

Once appropriate investment products and vehicles have been established, the next step is to identify potential investment opportunities. Depending on the vehicle chosen, responsibility for this activity may sit with a fund manager or other specialist partner, or with an in-house team within the pool.

Successful local investment depends on a steady supply of investment-ready opportunities that are both commercially viable and aligned to local economic, social and environmental goals. It is likely that a key constraint to scaling local investment will be the limited availability of ready-to-invest opportunities, meaning suitable projects may require additional catalytic capital or co-development. **This is not simply a result of market inefficiency but reflects deeper structural challenges in the UK's sub-national investment ecosystem.**

Unlike countries with regional development banks or integrated municipal finance institutions (e.g. Germany's KfW or Landesbanken), the UK has a fragmented system. Investment delivery is split across combined authorities, councils, housing associations and other bodies, often with limited technical capacity and long-term funding sources. As a result, few public institutions can independently originate, structure and advance complex investment opportunities to market.

The challenge of fragmentation is compounded by the limited regional footprint of many fund managers, advisers, and consultants outside London, leading to a lack of existing local market intelligence and networks. Notable exceptions to this include regional SME fund managers, such as Mercia and Foresight Group, which have offices across the country and firms such as CBRE and L&G (including their partnership with Muse and Homes England) who work with LGPS to originate and due diligence investment opportunities in partnership with local and strategic authorities.

The creation of SAs should go some way to addressing this challenge by enabling a critical mass of long-term strategic planning and project development capability to be established – though this will take time to be fully functional. An important catalyst for a stronger eco-system is demand, which will be strengthened by the LGPS, government and investment partners placing emphasis on:

- **SAs and delivery bodies** co-ordinating to develop investable propositions – potentially with support including grants, technical assistance and / or strategic partnerships.
- **Fund managers** recruiting regional staff or building local origination and delivery networks. GMPF, for example, has encouraged its fund managers to recruit local staff when making regional allocations which in turn has improved local insight and sourcing.
- **Advisers and consultants** being encouraged to develop regional and place-based expertise and capacity.

Over time, these measures and effective partnership working can catalyse a more decentralised and joined-up investment ecosystem, improving the pipeline and flow of projects, enhancing delivery quality and unlocking new scalable opportunities.

The government has set out a number of ways in which it plans to support the development of a pipeline of investable local opportunities – see box. Local Growth Plans are clearly intended to be the nexus through which many such opportunities are identified.

Appendix A and the accompanying Annex provide case studies with details of individual arrangements which demonstrate models that have already been deployed and their commercial and impact performance to date.

Government Proposals to Boost Pipeline Development

The government's Final Report on the PIR includes a set of proposals in relation to developing a strong pipeline of opportunities to invest in – key elements of which are summarised below.

Improving our Investment Environment

Strategic reforms to accelerate infrastructure readiness:

- Revisions to the grid connection process, plus ensuring projects can access power and progress at pace.
- Fast-tracking of 16 Nationally Significant Infrastructure Projects, including clean energy and digital infrastructure.
- Regulatory transformation via the Regulation Action Plan, which prioritises growth and innovation alongside risk management. Regulators are now expected to act as enablers of enterprise, not just guardians of compliance.
- The expanded National Wealth Fund, with £7 billion in economic capital, aims to unlock over £70 billion in private finance for clean energy and growth sectors.
- Complementing this, the British Business Bank is actively closing finance gaps for SMEs and scale-ups, helping them access the capital they need to grow.

A New Approach to Infrastructure

- A long-term approach to infrastructure investment: 10-year infrastructure strategy; National Infrastructure and Service Transformation Authority; planning changes; Planning and Infrastructure Bill.
- Housing: 1.5m new homes target; The government will also publish a Long-Term Housing Strategy and set out further details of government investment in social and affordable housing at the Spending Review. The government will also provide certainty for a next generation of new towns – a transformative programme of building.
- Transport: TransPennine Route Upgrade, Euston Station, Lower Thames Crossing, Airports (Luton, Gatwick, South Yorks).
- Energy: Clean Power 2030; The government will work to deliver an estimated £40 billion investment per year between 2025-2030. This demands working in tandem with the private sector to deliver unprecedented levels of clean infrastructure. Planning and grid connection reforms will provide greater certainty to projects and speed up delivery.

Business Growth

- Modern Industrial Strategy now published – focusing on eight key sectors, including advanced manufacturing, clean energy and life sciences, and clearly linked to Local Growth Plans.
- Long-term investment for Technology and Science (LIFTS).
- British Growth Partnership (BGP).

Empowering Our Regions to Boost Investment

- Government working with MSAs and other local / regional stakeholders to support regional investment.
- Build on existing LGPS experience.
- Widening and deepening devolution with Local Growth Plans as key vehicle, including desire to drive public and private sector coordination.
- Also English Devolution Bill devolving powers covering economic development, housing, employment and skills, transport.
- NWF will have key supporting role focused on early-stage project development – updating its own strategy this autumn.
- Identifying industrial clusters to channel investment into sectoral and place-based opportunities – including AI Growth Zones and the Oxford-Cambridge Growth Corridor.
- Enhanced role for Office for Investment.

4.6 Working with Public Sector Finance

As noted earlier, AAs and pools need to seek acceptable risk-adjusted returns to deliver pensions for their members. Whilst there are many cases in which this requirement is entirely consistent with also delivering positive economic, social and environmental outcomes, there are also instances where the investment needed to achieve such outcomes does not meet commercial thresholds. In this situation, it is useful to consider whether pension fund money could be deployed alongside public funding to unlock opportunities which would otherwise struggle to receive funding from either private or public sources alone.

Investments which are expected to deliver commercial risk-adjusted returns can be realised using institutional finance without the need for public support. Those which are commercially marginal may require some public support to enable institutional finance to engage. There will also be areas which are not capable of delivering any commercial return, but where the non-commercial benefits are significant enough that public funding alone should be deployed.

To the extent that public funding does have a role, the route through which it is deployed is also usefully viewed through a place lens. The more co-benefits are anchored in place, the stronger the case for co-investment being negotiated at place level.

Note that the nature of public support can also vary depending on the nature of the opportunity. Models can include:

- **Catalytic finance** – seeks high levels of impact by catalysing (or 'crowding in') private capital investment and action by relevant stakeholders for a clear impact objective.
- **Blended finance** – more broadly, different sources of capital can be brought together to enable investments to be funded that might otherwise struggle based on either a public (outcomes-focused) or private (returns-focused) business case alone. e.g. Resonance Homelessness Property Funds.
- **Subsidy** – in some situations where the outcomes case is well established and commercial returns are sub-market but consistent, a subsidy model can be established to enable commercial investors to participate e.g. Homes England grant funding to subsidise affordable housing.
- **Shared savings / outcomes finance** – where an investment is likely to result in a saving to the public purse, this can be used to create a revenue stream to help make the model more commercially attractive. This could include addressing homelessness in a way that reduces local authority spend on Temporary Accommodation, for example, Bridges Outcomes Partnerships' outcomes-based, person-centred housing support.

Depending on the sector and the chosen funding model, the source of public funding can vary. SAs, different central government departments and intermediaries such as Homes England, National Wealth Fund and British Business Bank are all potential partners in different areas.

Recommendation: Pools should ensure they are aware of the various ways in which public and private funding can be brought together to increase the pipeline of investable, impactful propositions, and be open to building relationships with the public bodies who are the main channels through which public funding is distributed – starting with SAs.

4.7 Working with Private Investment

Whilst LGPS Funds can bring a significant volume of capital to the table, even a 5% allocation of AUM (approx. £20 billion at current values) can only ever make a modest contribution to addressing the investment gap in England and Wales. Pools should consider how they can work alongside private capital to maximise their combined impact. There are two broad sources of capital to consider here.

Defined Contribution Pensions

In its Final Report on the Pensions Investment Review, the government makes clear that it sees Defined Contribution (DC) schemes also having a key role in supporting prosperity in the UK through private markets investment.

In the Mansion House Accord, seventeen of the largest defined contribution pension providers pledged to invest 10% of their main default funds in private markets, including 5% in the UK specifically. There are already examples of DC schemes investing alongside LGPS funds, including notably the Nest investment in GLIL.

Working with private DC funds also unlocks opportunities for greater deployment of public private partnerships. **Under current Treasury policy, LGPS funding is treated as public investment, so investing alongside other sources of public funds is not recognised as 'crowding in' of additional money.** This could act as a bottleneck to scaling-up local investing unless other private funders get involved.

Recommendation: Pools should continue to explore opportunities to achieve impactful investment at scale by working in partnership with Mansion House Accord signatories and DC funds more broadly.

Enabling Inward Investment

Most of this paper is concerned with institutional investment. However, inward investment is also important in driving regional prosperity:

- **Institutional Investment** refers to funds invested by large entities such as pension funds, insurance companies, and investment firms. It typically targets assets like real estate, infrastructure, or businesses within a region to generate long-term returns for investors.
- **Inward Investment** involves capital inflows from external sources, often foreign companies or investors, into a region. It may include setting up new operations, acquisitions, or joint ventures, and is often aimed at creating jobs, boosting local industries, or enhancing regional infrastructure.

Many of the criteria used by prospective inward investors when deciding where to locate are directly related to areas that benefit from institutional investment, such as infrastructure, regeneration and housing. Thus well-targeted institutional investment can be a powerful enabler of inward investment. Local Growth Plans are the logical place for this enabling opportunity for LGPS investment to be articulated in each region.

Recommendation: Pools should seek out opportunities to invest in ways that are supportive of the inward investment ambitions of the local government bodies in their regions.

4.8 Summary

Delivering local investment effectively requires AAs and pools to move from strategic intent to a well-defined and operationally robust delivery model. This section has set out the key principles and design features that should underpin implementation. Success depends on clearly defined roles and responsibilities, transparent decision-making, and strong, trust-based relationships with a broad range of stakeholders.

As stewards of long-term capital, pools should be proactive in designing innovation investment products and building new partnerships beyond existing networks – aligning capital deployment with local economic priorities. This must be done while maintaining discipline on achieving financial returns, value for money and risk management. Government reforms and Local Growth Plans will play a central role in shaping investable pipelines. By working alongside public funders and private capital providers, pools can unlock co-investment opportunities and amplify local impact.

Ultimately, successful implementation depends on combining institutional investment rigour with place-sensitive strategies, positioning pools as long-term capital providers but also active partners in local investment ecosystems.

5 / Impact Reporting

This section focuses on how LGPS can respond to the government's requirement to report on the impact of their local investments.

5.1 Introduction

Under the new pension policy framework, responsibility for execution of local investing strategies sits squarely with the pools, with individual AAs primarily having a monitoring and accountability role in addition to expressing their local investment preferences. In this context, it is critically important that pools adopt a robust, consistent reporting framework to allow them to report on the scale and impact of the investments they make on behalf of AAs in addition to their financial performance. In its response to the FftF consultation exercise, the government has stated the following:

*"The government will require AAs to report on their local investments, including the total in relation to their target range, and on their impact in their annual reports, as proposed. However, following consideration of responses, **pools will now be required to report annually on total local investments made on behalf of their AAs and their impact. The government does not intend to prescribe metrics or other methods for assessing and reporting local impact** by either pools or AAs. This will simplify reporting for AAs, who will not need to undertake or commission their own report on their local investments but can draw on the pool's report. It will also enable costs associated with impact reporting to be shared."*[31]

This impact reporting requirement raises several considerations for the pools and their AAs:

- The objectives and scope of reporting, balancing the granularity and accuracy of impact reporting particularly addressing the challenges of reporting impact at the local "place" level, with practicality and costs.
- The format and level of detail of reporting.
- The methodology, data collection and analysis process.

The government has made clear that at this point in time they are happy with a pragmatic, realistic and transparent reporting approach that does not place a major resourcing or cost burden on the LGPS.

Below, we set out principles to guide strategic thinking on impact reporting, along with a practical approach for developing a **common LGPS impact reporting standard** – one that can evolve and improve over time.

Impact reporting should ideally form part of a **broader impact management process**, where impact considerations are integrated at every stage of the investment cycle – from origination and screening, to due diligence and final decision-making. The *Operating Principles for Impact Management*, hosted by the Global Impact Investing Network (GIIN), offers a clear step-by-step framework for this process and can serve as a valuable reference point, even if LGPS do not define themselves strictly as "impact investors".[32]

31. MHCLG, Local Government Pension Scheme (England and Wales): Fit for the Future, updated 29 May 2025, paragraph 199.
32. The Impact Principles provide an end-to-end framework of best practices that investors can use in the design, implementation and continuous improvement of their impact management systems and processes, ensuring that impact considerations are integrated throughout the investment lifecycle.

5.2 Principles

Principle 1 – Align impact reporting with locally defined objectives and targets, particularly as defined in Local Growth Plans

Our starting point for local investment impact reporting is that it should align with, and clearly evidence, the investment's contribution to **locally defined objectives and priorities**. Traditionally, many investors have aligned their impact reporting with global frameworks such as the Sustainable Development Goals (SDGs). While these provide a useful common language, they can feel abstract. Local investing is about connecting capital to **place-specific development goals**, rooted in the needs and opportunities of particular communities.

As outlined in Section 3, Local Growth Plans (LGPs) are expected to become the central framework linking LGPS and private capital with local development strategies, including priority projects.

Although LGPs are only beginning to be published – and it may take two to three years for full coverage and the envisaged institutional and commercial pathways to develop – we recommend that AAs and their pools act now. This means building relationships with SAs and relevant local authorities, and familiarising themselves with existing local plans and strategies, prioritising LGPs where available.

Taking these steps early can help shape local investment objectives, define priority investment opportunity areas, and identify appropriate outcomes and impact metrics, for example, in relation to housing, infrastructure and SME finance. Figure 15 illustrated the types of outcomes that strategic and local authorities, alongside other stakeholders, are likely to seek from investments across different asset classes. What matters now is to focus on cultivating the stakeholder relationships and local knowledge that will create the enabling conditions for more LGPS investment to connect to investments that contribute to local growth and prosperity.

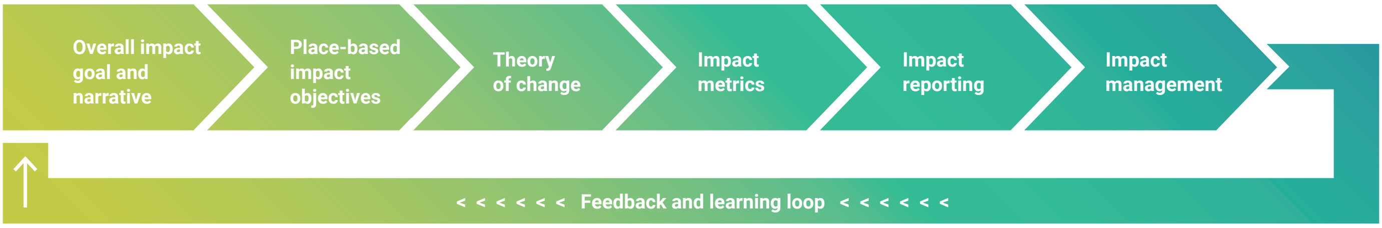
Principle 2 – Aim for consistency wherever practical to improve efficiency and make impact reporting accessible

While impact reporting for local investments is expected to be undertaken at the pool level, it is essential that the data can be disaggregated to reflect each partner AA's local investment allocations and priorities. Reporting should still align with the goals of LGPs, where possible, but there is a strong case for adopting a **common language and reporting standard** to describe and measure impact across the LGPS ecosystem.

As illustrated in Figure 17, pools could work with their AAs to set shared impact objectives and KPIs for local investing, informed by the relevant SAs' LGPs within their geographic footprint and by sector-standard reporting frameworks. These objectives and KPIs would be passed to specialist (sector-focused) fund managers – many of whom work with multiple pools – who would then request relevant impact data from their investees and underlying assets. Fund Managers report this back to pools, which in turn can provide both aggregate pool-level reporting and disaggregated data for individual AAs to share with their members and stakeholders.

Good impact reporting should go beyond compliance, serving as a **strategic tool** for guiding investment decisions, understanding positive impacts, and mitigating negative impact risks. Establishing consistent ways to describe and measure key areas of impact benefits all parties – LGPS as asset owners, central government, SAs, fund managers, project delivery partners, other investors, and other stakeholders. Such consistency still allows for local flexibility: different pools and places can reflect their priorities through weightings applied to goals, with scope for bespoke measures where appropriate.

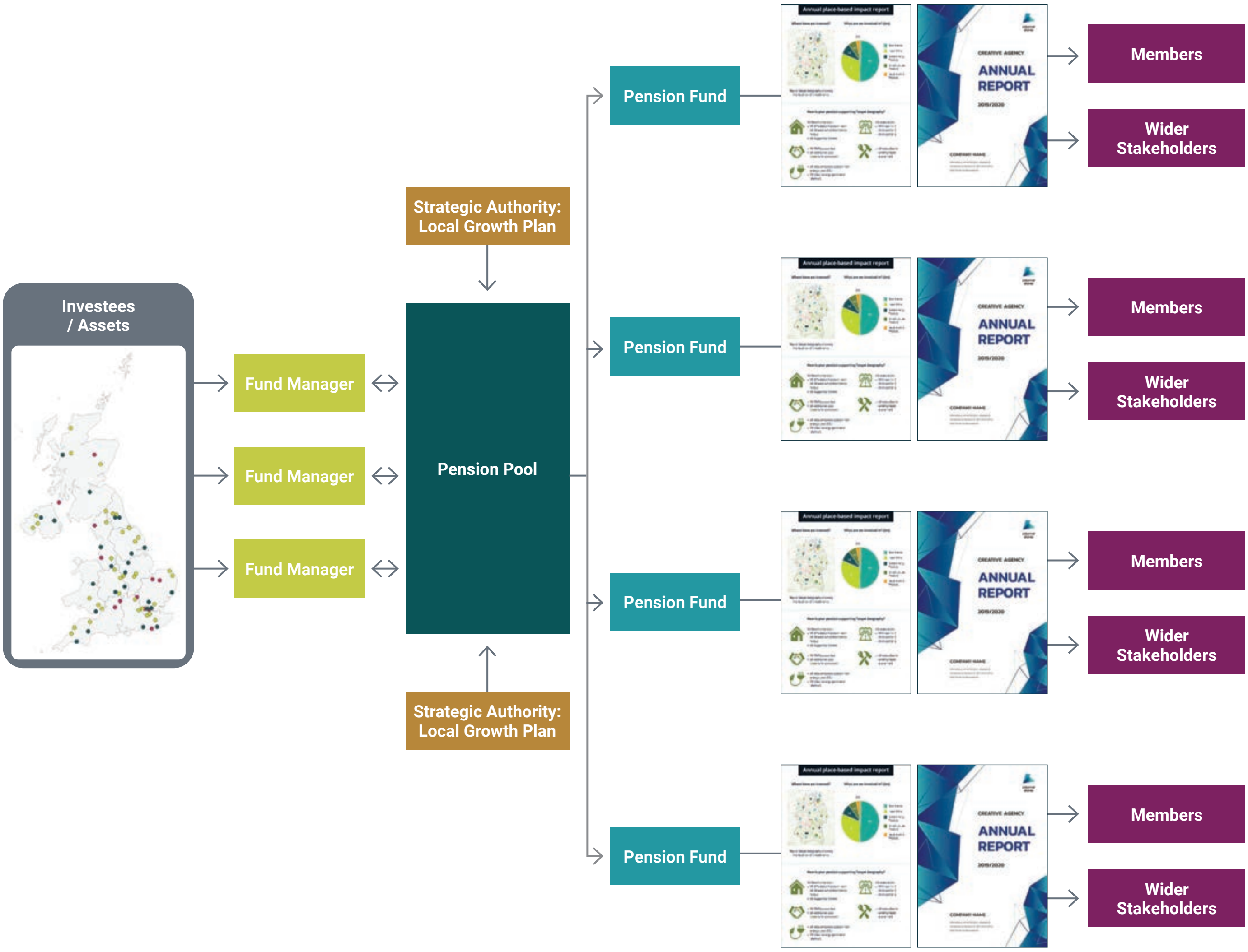
Impact reports should be designed as tools for **transparency and accountability**. LGPS AAs and pools are ultimately answerable to their pension holders, so reports should be shared with underlying employer funds and made accessible to any interested members. Clear, engaging presentation is key – using high-level metrics, concise case studies, and compelling graphics to make findings easy to understand and act upon. This approach aligns with insights from Pensions for Purpose's recent Impact Lens report, commissioned by Impact Frontiers, which explores how to advance impact reporting and management in pension funds.[33] The broader work of Impact Frontiers – particularly the **Five Dimensions of Impact** and the **Impact Reporting Norms** – also offers valuable guidance for the LGPS sector.



33. Pensions for Purpose, Impact integration – advancing reporting and management practices in pension funds, 2025.

While impact reporting for local investments is expected to be undertaken at the pool level, it is essential that the data can be disaggregated to reflect each partner AA's local investment allocations and priorities.

Figure 17: Information Flows



Principle 3 – Leverage the knowledge and expertise of in-house responsible investment teams, and ESG integration policies and assessment frameworks

Many AAs have published Responsible Investment policies which explain their approach to ESG integration or have collaborated with their pool and partners on responsible investment policy. Existing policies will guide the consideration of material ESG factors within the investment process, from a risk and opportunity perspective, as part of active stewardship which is defined by the UK Stewardship Code (2026) as "the responsible allocation, management and oversight of capital to create sustainable value for clients and beneficiaries".

The requirement to set a target for local investment means some AAs will be entering this space for the first time, whilst others who are already investing locally will need to consider if the new requirements involve some reorientation of existing strategies. Local investment will require focused sourcing, due diligence, monitoring and reporting activity, but these are an extension of existing investment management, monitoring and reporting processes which will need to accommodate having a local investment portfolio.

Existing knowledge, metrics and data collection processes may well already be aligned with supporting local investment needs, particularly where there has been a focus on Net Zero and the Task Force on Climate-Related Financial Disclosures (TCFD). However, there is likely to be more work to be done on **economic and social impact analysis, measurement and reporting**. Currently, ESG policies often focus more generically on good business practices e.g. health and safety and labour practices, rather than the contribution of enterprises and investment to **societal, place-based outcomes**.

It is important to note that local investment will largely be done via private markets – both intermediated and direct investments. These markets are recognised as being more opaque than public listed markets in terms of published data. An increasing number of private market fund managers do publish ESG and impact reports, including the fund manager sponsors of this report, and this trend is expected to continue. TGE's own impact reporting work has focused on developing methodologies and data that enables LGPS and other pension funds to gather data from their direct investments and underlying fund managers on their portfolios and specific underlying businesses or projects to analyse the scale, geography and contribution to place-based impact of local investment portfolios based on the information flow in Figure 17.

Local investing can act as a catalyst for greater transparency, consistency, and data-sharing in private markets – setting higher standards that benefit both investors and the communities their capital serves.

5.3 Methodological Considerations and Challenges

As noted above, over time it would be beneficial for the LGPS, SAs and other partners to adopt a common approach to impact reporting – reducing duplication, minimising burdensome data collection, and improving comparability. Currently, public sector bodies and private sector investors take different approaches.

Public sector bodies focus on delivering value for money and making the public sector business case for which projects receive funding. All public sector investments are appraised in line with Green Book guidance, underpinned by cost–benefit analysis, and evaluated post-investment using Magenta Book principles (see Box).

Investors, by contrast, are often motivated by reputational risk management and, for some, a values-driven commitment to impact investing. Their impact management and reporting practices draw on international norms such as the Operating Principles for Impact Management, the Five Dimensions of Impact (what, who, how much, contribution, risk), and the Impact Reporting Norms referenced earlier. The GIIN also supports investors through IRIS+ – a suite of frameworks, tools, and metrics for impact reporting across sectors.[34]

Additional investor-relevant requirements include disclosure frameworks such as the **TCFD** (Task Force on Climate-related Financial Disclosures), **TNFD** (Task Force on Nature-related Financial Disclosures), and emerging social and inequality disclosure guidelines. Since July 2024, some investment managers have also opted to apply for labels under the FCA's **Sustainability Disclosure Requirements (SDR)** to signal their sustainability or impact credentials.

Recommendation: There would be significant value in a systemic review of reporting requirements to reduce duplication and reconcile the overlapping needs of public sector bodies and investors. Establishing common approaches would help ensure that time and resources are directed towards **delivering outcomes**, rather than being consumed by multiple layers of measurement and reporting.

Green Book Reform and the Role of the Magenta Book

The **Green Book** is HM Treasury's official guidance for appraising public sector investments, used to assess whether projects deliver value for money (VfM) through structured economic, financial, and strategic evaluation. It underpins how government departments, arms-length bodies, and local authorities develop and assess business cases using the Five Case Model.

A major review published alongside the 2025 Spending Review identified systemic issues in the way the Green Book was applied. These included an over-reliance on rigid Benefit-Cost Ratios (BCR), insufficient place-based analysis, limited treatment of transformational change, and inconsistent use by local partners with varying technical capacity.

As a result, the Treasury committed to six core reforms:

1. **Place-based business cases** reflecting regional priorities
2. Improved guidance on **transformational and long-term impacts**
3. More flexible and proportionate use of **BCRs and VfM thresholds**
4. **Simplified guidance** and shorter templates
5. Greater **support for local capacity-building**; and
6. **Increased transparency**, including publication of business cases.

A revised Green Book is due in **early 2026**, enabling more strategic, spatially aware investment decisions aligned with levelling-up, climate, and resilience goals.

Alongside this sits the **Magenta Book**, HM Treasury's guidance for evaluation. While the Green Book focuses on appraisal (i.e. before investment decisions), the Magenta Book ensures robust monitoring and evaluation post-investment – critical for measuring outcomes, learning from delivery, and demonstrating long-term public value. The two are increasingly seen as complementary, with evaluation plans now expected as part of major project business cases.

Together, the Green and Magenta Books provide the backbone for evidence-based public investment – ensuring that capital and programme spending delivers measurable, place-specific, and socially valuable returns.

There is an opportunity for the public sector, LGPS and private sector investors to join-up public sector appraisal and evaluation approaches and ESG and impact management and reporting approaches. This would help ensure local investments are underpinned by shared visions, objectives and performance reporting frameworks.

34. See https://iris.thegiin.org/.

Measuring place-based impact poses unique methodological challenges due to the complexity and context-specific nature of places.

Key issues include:

Attribution vs Contribution
It's often impossible to isolate a single intervention's impact, requiring methods that assess contribution to broader outcomes.

System Complexity
Places are dynamic systems with interdependent factors, demanding systems-thinking approaches rather than linear models.

Data Gaps and Granularity
Local data is often inconsistent or unavailable at the right scale, limiting the ability to measure change accurately.

Contextual Relevance
Standard metrics may overlook what matters locally; indicators should ideally be co-designed with communities.

Time Lags
Meaningful place-based change can take years, requiring longitudinal evaluation approaches and early outcome proxies.

These challenges call for flexible, mixed-method evaluation designs that balance rigour with local relevance and learning – telling credible, context-rich stories of change that support both accountability and learning.

Ultimately, it is for the SAs who are responsible for delivering their LGPs to evaluate and report on the results achieved. LGPS investment will only make a modest – albeit potentially critical – contribution to achieving these plans, as well as wider impact.

5.4 From Principles to Practice

The challenge now is to move from principles to practice by embedding them in everyday investment decisions. This means translating high-level commitments into clear policies, processes, tools, and metrics that can guide investment choices, track progress, and demonstrate results. The following sections set out practical steps and example templates to support this integration.

Impact Assessment

As noted earlier, place-based impact should be treated as a **third investment lens alongside risk and return**. To support this, we provide below an **impact assessment template** for potential investments, structured around the **Five Dimensions of Impact – what, where, who, how much, contribution, and risk**. The template sets out practical indicators under each dimension – for example, alignment with local priorities, the relevance of the investment to the AA or pool area, the profile of beneficiaries, and the scale, depth, and additionality of impact. It also incorporates measures of fund manager intentionality, reporting quality, and impact risk. Each indicator is accompanied by a simple **0–3 scoring guide**, enabling AAs and pools to assess both the strength of local fit and the credibility of delivery in a consistent and transparent way. This template is a basic foundation for more consistent, comparable assessment of local investment opportunities that could be developed into a common framework, tailored to the specifics of different asset classes and investment opportunity types.

Figure 18: Impact assessment scoring tool example

Dimension	Indicator	Scoring guide (0–3)
WHAT **(strategic fit)**	1. Alignment with local priorities 2. Targeting unmet need/inequalities 3. Fund manager intentionality 4. Impact reporting quality 5. Environmental/ESG alignment	0: No alignment or intent 1: Minimal or indirect alignment 2: Clear alignment and intent 3: Strong strategic fit and reporting
WHERE **(place-based relevance)**	1. Target AA local area(s) 2. Targets pool area or relevant region 3. UK wider	0: No UK/place-based focus 1: Generic UK coverage 2: Targeted areas in line with "local" definition 3: Local targeting possible
WHO **(target beneficiaries)**	1. Vulnerable/underserved groups 2. Local people within local investment geography 3. Systems change organisations	0: No group focus 1: General benefit 2: Local people benefit 3: Deep measurable support
HOW MUCH **(scale and depth)**	1. Direct beneficiaries 2. Indirect/systemic impact 3. Depth of change 4. Time to impact	0: Minimal impact 1: Limited/delayed benefit 2: Broad/moderate impact 3: Transformative/near-term
CONTRIBUTION **(additionality)**	1. Catalytic role of capital 2. Unlocks new opportunities 3. Evidence of added value 4. Collaboration potential	0: No additionality 1: Limited differentiation 2: Moderate value-add 3: Clearly catalytic
IMPACT RISK	1. Outcome achievement risk 2. Unintended negative outcomes 3. Misalignment with needs 4. Delivery/execution risks	0: High/unmanaged risk 1: Some risk exposure 2: Partially mitigated 3: Robust risk management

Some local investment opportunities – including affordable housing or specialist social infrastructure, such as residential or care homes – are underpinned by public funding. It is therefore critical that LGPS funds carry out robust due diligence on fund managers and their counterparties to ensure responsible governance, sound financial management, and fair value. Excessive profiteering in these largely unregulated markets risks undermining both social outcomes and public trust. There is an opportunity to establish clearer norms and standards by learning from the strengths and failings of previous public sector investments. **As publicly accountable bodies, LGPS funds have a distinctive role to play in setting expectations that safeguard public value while supporting long-term, socially responsible investment.**

Impact Metrics

Since 2021, TGE has worked with the LGPS to develop a **common impact reporting approach** – an industry-led standard created in partnership with a working group comprising LGPS AAs, fund managers, and local authorities.[35] A growing number of AAs have now adopted this approach, including Avon, Clwyd, Cornwall, Greater Manchester, LPFA, South Yorkshire, and West Midlands Pension Funds, as well as all Welsh AAs through the Wales Pension Partnership.

The table on the following page illustrates example metrics, ranging from high-level targets – such as total allocations and value of local investment – through to sector-specific outputs. These metrics provide insight into the **scale** of a pool or AA's local investments, **portfolio composition** by asset class, and key output measures. While outputs begin to indicate potential impacts – especially when benchmarked against place-specific targets – the framework also captures **investor contributions**, such as the LGPS' catalytic role in enabling projects.

GMPF has the longest track record of working in partnership with its combined authority. Its forthcoming annual impact assessment of local investment portfolios directly references how the fund contributes to relevant targets in the GMCA's ten-year strategic growth plan.[36] This alignment of objectives and reporting offers a strong early model, though it will need to evolve as LGPS and strategic authorities build governance structures, investment processes, and robust place-based impact analysis.

Over time, as data collection and reporting become more sophisticated, we expect a **shift from output-focused metrics to outcome measurement**, enabling a clearer understanding of long-term changes where LGPS investment has played a role. However, as explained above, such measurement comes with methodological and data challenges.

One challenge will be developing the ability to develop monetary estimates of impact which would allow reconciliation with public sector pre-investment business cases and provide the information for informed decisions on future resource allocation. Currently, the quality of the local economic and social data available means that in most cases this level of analysis is not practical. Over time, greater investor focus, and more public and private investment in local data production will create the opportunity for more detailed reporting.

35. LGPS members: Clwyd Pension Fund, GMPF, Merseyside Pension Fund, Strathclyde Pension Fund, Surrey Pension Fund and West Yorkshire Pension Fund. Investment managers: Bridges Fund Management, Foresight Group, Igloo, Impax Asset Management, M&G, Matter, St Bride's and Triple Point. Impact Investing Institute.
36. GMCA, Greater Manchester Strategy 2025-2035, 2025.

Figure 19: Example local investing impact reporting metrics

Local Investment Impact Reporting Metrics		
Total Local Allocation		Target allocation (% of AUM)
Total Local Committed		£ committed (X% of AUM)
Total Local Investment		£ invested in live assets (Local Investment as % of AUM) £ invested in live assets in past year Number of assets Number of assets invested in past year Number of assets realised in past year
Output Metrics[37]		
Housing	Investment amount	£ invested (% of Local Investment)
	Output metrics	# of assets # of homes # of residents By type of asset (affordable, supported living, PRS etc) By transaction type (forward fund new build, acquisition etc) By sustainability credentials
SME	Investment amount	£ invested (% of Local Investment)
	Output metrics	# of businesses # of businesses (by funding type (debt, equity), by sector) # of jobs supported (by sector) # of jobs created (by sector) % businesses reporting job growth £ current revenue % reporting revenue growth % businesses exporting % businesses paying Real Living Wage # of apprentices supported
Real Estate / Regeneration	Investment amount	£ invested (% of Local Investment)
	Output Metrics	# real estate assets (by real estate class, by transaction type) Employment space created Employment space supported Jobs capacity (actual or estimated) By sustainability credentials % brownfield land developments
Infrastructure	Investment amount	£ invested (% of Local Investment)
	Output Metrics (sector specific)	# infrastructure assets (by sector) e.g. households served (digital infrastructure) e.g. households connected (digital infrastructure) e.g. bedspaces supported/created (healthcare) % healthcare assets by quality measures (e.g. CQC rating)
Clean Energy	Investment amount	£ invested (% of Local Investment)
	Output Metrics	# clean energy assets (by sector) # clean energy produced (e.g. GW) # homes powered (equivalent) Carbon emissions (scope 1, 2, 3) Carbon emissions avoided

The following pages present sample extracts from LGPS impact reports, using graphics, maps, and infographics to convey complex information clearly and concisely. These examples highlight:

- The geographic distribution of investments
- The types of projects supported across sectors, and
- Key output metrics such as jobs created, housing units delivered, and renewable energy capacity installed.

Visual formats help stakeholders quickly grasp the scale and scope of local investments, and when paired with concise commentary, they provide a compelling narrative of how capital is contributing to place-based priorities.

37. All investment and output metrics can be disaggregated by place (local, regional, national), sector/subsector, transaction type (new vs acquisition), time of investment (e.g. within the past year), relevant geographic focus/target (e.g. areas of deprivation, investment zones, clusters, etc) and strategic importance (e.g. identified LGP pipeline).

Figure 20: Example excerpts from LGPS local investment impact reports[38]

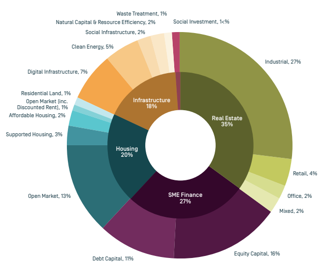
HEADLINE RESULTS

As of 31 December 2023

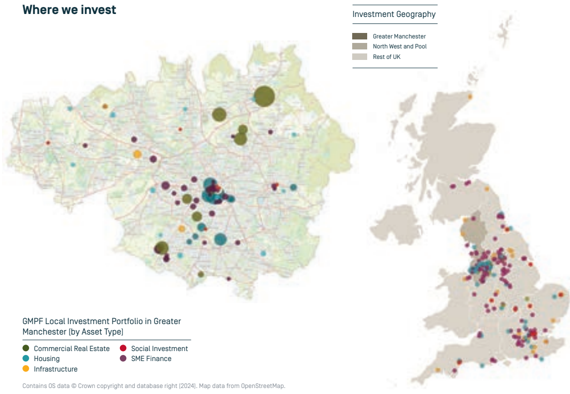
Greater Manchester Pension Fund (GMPF) makes a 5% allocation to local investments that aim to positively benefit Greater Manchester and the North West.

- £1.42 billion committed to the Local Investment portfolio, accounting for 4.8% of GMPF value
- £858.2 million invested
- 44 funds, including:
  - 19 predominantly targeting the North of England
  - 11 of which are regional investment vehicles exclusively for GMPF

What we invest in



Where we invest



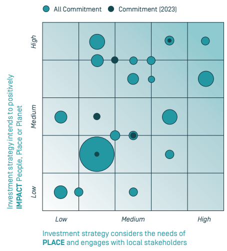
How our investments support the Region

Supporting jobs through SME finance
- **16,141** jobs supported, 30% by businesses in the North West
- A further **2,563** jobs supported in the operations of sustainable infrastructure assets
- **6,372** jobs created, 33% by businesses located in the North West
- **3 out of 4** businesses that have received funding demonstrate job growth

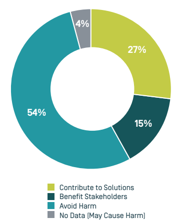
Property-led economic development
- **21** commercial real estate assets supporting **7,545** jobs, 83% in the North West

Supporting place-based priority development needs
- **3,541** homes completed, in development or planned, of which 64% are in the North West
- **6** nurseries with 586 childcare spaces
- **1** SEN school with capacity for 60 children
- **1** primary healthcare facility in Greater Manchester
- **3** digital infrastructure assets, **2** of which operate in the North West serving nearly 9,000 customers
- **8** clean energy and **5** sustainable infrastructure assets including a habitat bank with 23 sites

How our investments align with the traits of Place Based Impact Investing



Alignment with IMP considerations
(% of value invested)



Based on The ABC of Impact, Impact Frontiers

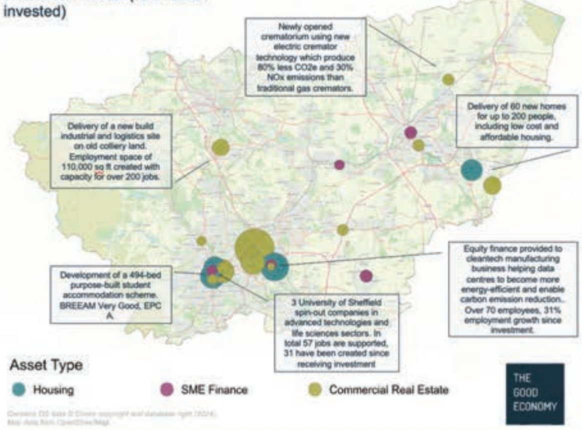
South Yorkshire: As of 31st March 2024

South Yorkshire Pensions Authority (SYPA) is committed to making investments that contribute to inclusive and sustainable development in the UK, with a focus on South Yorkshire and the region.

- £532.5 million has been committed to investments intended on generating a positive impact alongside providing a financial return (4.9% of SYPA value)
- Of this, £299 million is currently invested in 628 business, housing and real estate assets (£158 million FY22/23[1]).
- £37.3 million has been invested across 71 assets in the past year.
- £104.9 million is invested in South Yorkshire across 24 assets, £6.9 million invested in the past year.

How we invest (% of value invested)

Where we invest (% of value invested)



Contributing to South Yorkshire's sustainable economic growth through Investing in Real Estate and Businesses

- 5 directly funded new-build / redevelopment strategic projects intended to remediate and regenerate brownfield and old colliery land, support local advanced manufacturing businesses and unlock sites to encourage further inward investment.
  - **667,000** sq. ft. high quality employment space being developed.
  - Creating employment space for an estimated **1,322** jobs.
  - Attracting an additional **£60 million** private sector co-investment.
  - 1 further project yet to draw capital intends to deliver 82,500 sq. ft. and support **160 jobs** in advanced manufacturing.
  - In the past year one project has completed unlocking **94 acres** of old colliery land through remediation and provision of infrastructure.
- 7 real estate assets acquired since 2013 via three investment funds.
  - 5 assets have been refurbished or had environmental improvements made since investment.
- 7 investee businesses supporting at least **232 jobs** in advanced technologies (see case study), manufacturing and professional services.

Contributing to the delivery of high quality and affordable housing stock in South Yorkshire

- 2 direct housing developments.
  - **97 homes** for up to **164 people** to be delivered on the regeneration of a previous steel works site including conversion of 46,255 sq. ft. building and development of **1.25 acres** of brownfield land.
  - Development of high-quality purpose-built accommodation for **494** students.
  - **£27.5 million** additional private co-investment across both schemes.
  - In the past year one direct housing scheme completed, delivering **52 low carbon homes** in walking distance from Sheffield City Centre.
- **3** housing developments financed through a partnership between SYPA and specialist investment manager.
  - **310** homes to be delivered for over **1,000 people.**
  - All developments provide low-cost ownership opportunities for first- and second-time buyers, four schemes provide affordable housing.

PBII Reporting Framework © The Good Economy 2024

38. The Good Economy, Annual Assessment of the Place-Based Impact of GMPF's Local Investment Portfolio, 2024, page 4, and SYPA, Annual Report 2022-2023, 2023.

These reports showcase examples of analysis and impact reporting that are achievable today. Several of the LGPS involved have made efforts to share these reports with their underlying members and pension holders, notably:

- GMPF publishes its Impact Report and invites the TGE team to present the findings to its annual Management/Advisory panel, which is made up of the local council and trade union member representatives.
- South Yorkshire Pension Authority incorporates the fact sheet and case studies from their Local Investing Impact Report within their overall Annual Report.
- LPFA has launched an interactive Investing in the UK map, providing key metrics and a searchable overview of its investments by sector and sub-sector.

Recommendation: As a next step following the publication of this report, it is recommended that the pools work collectively to develop a vision and roadmap to establish a common reporting standard. This will ensure consistency, comparability, and transparency across impact reports, enhancing their value for members, pension holders, and other stakeholders. A unified approach will also streamline the reporting process and support best practice sharing among pools.

5.5 Summary

By adopting a **common reporting standard**, the pools can build on the progress already demonstrated in initial reports and move toward a more consistent and credible impact measurement framework. Such alignment will not only reduce duplication but also promote greater **clarity, accountability, and comparability** across funds. This, in turn, will foster increased confidence and engagement from members, policymakers, and other stakeholders. Importantly, it positions the LGPS to set new benchmarks for transparency in private markets, creating a platform for continuous improvement and more effective communication of the **social, economic, and environmental value** generated by pension investments.

6 / Final Reflections

The UK needs to build a stronger domestic economy – one underpinned by long-wave growth drivers that deliver inclusion and wellbeing for all. Achieving this requires a socially efficient allocation of capital: productive investment that benefits society as a whole.

Institutional investment in private markets has matured significantly, and now has the potential to be both a force for good and a driver of long-term returns. The LGPS can play a distinctive role here, but it cannot act alone. Building wider investor confidence will be essential if all private investors are to see the opportunity of aligning capital with societal outcomes as well as financial ones. That means reducing risk and uncertainty in key investment areas, and creating new institutional and commercial pathways through stronger collaboration between government and the private sector.

For pools and AAs, the challenge set by the Fit for the Future review may appear daunting. Yet as this White Paper has shown, nobody is starting from scratch. Good practice already exists – from established local investment strategies to innovative local investment fund models – and these examples provide a foundation for scaling.

The task ahead is to turn this momentum into a coordinated response. Pools and AAs will need to work together to interpret their new responsibilities, set and monitor targets for local investment, and connect these with the broader processes of strategy, portfolio construction, implementation, and reporting.

What is required now is the confidence to act, the discipline to embed impact alongside risk and return, and the commitment to work in partnership. If embraced with urgency, LGPS local investing can set new norms for responsible private market investment, delivering not only robust returns for members but also long-term economic and social value for communities across the UK.

Appendix A – Fund Manager Case Studies

Private Markets Fund Managers are a Critical Enabler of Local Investing at Scale: Fund Manager Case Studies

The UK has developed one of the largest and most sophisticated private markets fund management sectors globally. It spans venture capital, private equity, private credit, infrastructure, and real estate. Between 2010 and 2023, assets under management in UK private market funds almost trebled to £1.2 trillion. More than 3,300 firms are headquartered here – two to three times the number in peer European markets.[39]

This depth and maturity represent a significant institutional capability that can be mobilised for local investing. More managers are integrating ESG and impact considerations into their strategies, and a growing number are designing and executing local investment approaches. They bring specialist expertise, robust governance, and operational efficiency that can enable local investment at scale.

In parallel, the UK has cultivated a well-established social and impact investment ecosystem, supported by Better Society Capital and a network of specialist intermediaries. These funds have long prioritised positive social outcomes, and in some cases (e.g. Resonance) have attracted LGPS capital. Their significance lies less in scale and more in the lessons they offer for Place-Based Impact Investing (PBII): deep local knowledge, close alignment with community needs, strong engagement with social enterprises, and rigorous approaches to impact measurement.

Together, these two segments form a complementary ecosystem. Mainstream private market managers can provide scale, diversification, risk management, and institutional-grade structures, with a growing number already offering PBII-aligned products. Impact specialists bring deep engagement with local communities, innovative fund models, and robust impact practices that ensure capital is both locally relevant and socially additional. By working in tandem, they enable LGPS investors to deliver financial returns alongside place-based outcomes.

Looking ahead, PBII opportunities are expanding across asset classes. Private credit managers are growing in SME finance, supporting regional productivity. Infrastructure funds are scaling renewable energy, digital connectivity, and transport upgrades linked to net-zero and regional growth. Housing and real estate funds are moving into affordable and supported housing, often with local authority partners. Venture and growth equity investors are backing life sciences and manufacturing clusters across the UK. This convergence of market growth and investable subsectors, underpinned by long-term structural demand, positions private markets fund managers as critical local investment delivery partners over the next decade.

The following section provides a summary of case studies drawn from the sponsors of this report, with detailed versions included in the separate Annex. These cases demonstrate how experienced fund managers, across multiple asset classes, are already executing local investment strategies in practice, serving as proof of concept for scalable local investment implementation within institutional portfolios.

Disclaimer
The investment case studies included in this report have been provided by the relevant fund managers and are presented for illustrative purposes only. The Good Economy has not independently verified the accuracy, completeness or fairness of the information contained herein, and no representation or warranty, express or implied, is made as to its accuracy or completeness. The inclusion of these case studies does not constitute, and should not be construed as, investment advice, a recommendation, an offer or solicitation to buy or sell any security or investment product. Past performance is not a reliable indicator of future results. The Good Economy is not authorised or regulated to provide investment advice. Recipients should form their own independent judgment and seek professional advice as appropriate before making any investment decision.

39. Deloitte, Private market investments, January 2025.

AMBER INFRASTRUCTURE

Amber Infrastructure is an international investment manager with £5bn FUM and a strong track record in public–private impact funds. Since 2011, Amber has launched four impact investment funds in collaboration with the public sector, with the Mayor of London, Scottish Government and the North East Combined Authority. Most recently Amber has been appointed, subject to final contracts, to manage the **Green Growth West Fund**, a partnership with the West of England Combined Authority targeting renewable energy, energy efficiency, sustainable transport and nature recovery. The Fund will work closely with the investment readiness advisory service, delivered by Bristol and Bath Regional Capital (BBRC).

BRIDGES SOCIAL OUTCOMES FUND

Bridges Fund Management is a specialist private markets investor, investing in solutions that support the transition to a more sustainable and inclusive economy. Bridges has raised £2 billion across its strategies including Property and Private Equity and is also a pioneer in outcomes-based commissioning via its not-for-profit arm, Bridges Outcomes Partnerships. It manages a **Social Outcomes Fund** which provides working capital for services addressing homelessness, unemployment and family breakdown and has attracted LGPS investment. As well as greater innovation in public services, outcomes-based commissioning enables improved cross-government funding and delivery; a place-based, person-centred approach; and an increased focus on early prevention through community-based delivery. A flagship initiative, the Greater Manchester Pathfinder in partnership with the Greater Manchester Combined Authority, has prevented youth homelessness for over 2,100 young people.

FORESIGHT GROUP

Foresight Group is a listed infrastructure and private equity investment manager. The firm manages £13.2 billion AUM, across 46 funds, including infrastructure, natural capital, private equity and venture capital vehicles. Foresight Group has a strong regional presence with 13 offices across the UK and Ireland. It manages 15 regional funds including the **Regional Investment Fund Series** designed to close SME finance gaps and deliver local investment strategies for investors including LGPS that support job creation, skills development and sustainable local economic growth, often in underserved areas. The series to date has proven its ability to deliver attractive returns for investors as well as positive outcomes. The Foresight Regional Investment Fund I was the first in this series launched in 2015, focused on SMEs in the North West. Since then, Foresight Group has launched Regional Investment Funds in the East, North East and South West of England, Scotland and Northern Ireland, as well as a second fund in the North West.

CIVITAS INVESTMENT MANAGEMENT

Civitas is a specialist investment manager focusing on structurally underserved sectors – healthcare housing, specialist education and affordable housing. Civitas advises on over £3.5 billion in assets and works with 240+ local authorities, 230 care providers and five specialist education providers. It aims to deliver inflation-linked returns and measurable outcomes focused on supporting independent living and reducing reliance on hospitals or institutions; expanding access to specialist education for neurodiverse young people; delivering energy-efficient buildings aligned with Net Zero goals; and strengthening local employment, including for carers, educators, and support staff.

GRESHAM HOUSE

Gresham House is a specialist alternatives asset manager offering funds, direct investments and tailored opportunities to a wide range of investors with £8.7 billion AUM, including from 25 LGPS funds. Gresham applies place-based impact investing principles across four flagship UK strategies: **Sustainable Infrastructure** targets sub-£50m greenfield projects in decarbonisation and regeneration; **Shared Ownership Housing** delivers affordable homeownership to low and middle-income earners; **Forestry** invests in a combination of unplanted land for productive woodland creation and established forests; and **Small Cap & Mid-Market Private Equity** backs high-growth companies from early-stage to micro and small-cap companies. Together, these strategies combine scalable institutional investment with measurable contributions to regional economies, net zero goals and local development goals.

L&G AFFORDABLE HOUSING FUND

FOR PROFESSIONAL INVESTORS ONLY. CAPITAL AT RISK.

L&G's Asset Management business is a major global asset manager across public and private markets, with £1,117 billion in AUM.[1] L&G has been investing in Affordable Housing since 2018, providing both social housing and Shared Ownership homes across the UK. Since then, we have invested £1 billion and have over 8,000 homes in operation or development.[2] L&G Launched the L&G Affordable Housing Fund in July 2024. The Fund is part of L&G's £64.8bn[3] Private Markets platform, raising £510m as at Q2 2025,[4] primarily from LGPS investors, and already includes over 1,000 homes.[5] It targets the development and acquisition of high-quality, energy-efficient affordable homes across England, with a focus on areas of acute housing need. The Fund exemplifies how Local Government Pension Scheme (LGPS) capital can be deployed to potentially deliver strong financial returns alongside measurable local impact.

Sources

1. L&G's Asset Management business internal data as at 30 June 2025. The AUM disclosed aggregates the assets managed by L&G's asset management divisions in the UK, US and Hong Kong (2018-2019 only), and Singapore from July 2023. Excludes joint ventures and assets managed by associates.
2. Source: L&G, as of 2025.
3. L&G's Asset Management business internal data as at 30 June 2025. Includes assets from associates and is based on managed AUM, including £2.7bn from multi-asset strategies.
4. In July 2024, L&G launched its L&G Affordable Housing Fund, and as of January 2025 L&G had raised a total of £510m to invest nationally as part of its affordable housing strategy.
5. As of 30 Jun 2025. Source: Gareth Francis, LGAH.

Key risks

The value of an investment and any income taken from it is not guaranteed and can go down as well as up, and the investor may get back less than the original amount invested. Past performance is not a guide to future performance. The details contained here are for information purposes only and do not constitute investment advice or a recommendation or offer to buy or sell any security. The information above is provided on a general basis and does not take into account any individual investor's circumstances. Any views expressed are those of L&G as at the date of publication. Not for distribution to any person resident in any jurisdiction where such distribution would be contrary to local law or regulation. Please refer to the fund offering documents which can be obtained from your client relationship manager.

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IGLOO PLATFORM

Founded in 2001 with the belief that there was a better way to do development, igloo is the UK's first B Corp in the real estate sector. It has continuously strived to set new standards for place-based, regenerative development – an approach guided by its Footprint® process that prioritises positive impacts for People, Place and Planet. Now part of Thriving Investments / Places for People, igloo works with partners and local communities to understand the future needs of our towns and cities and to deliver impactful regeneration, at scale, across the UK. Projects include Dundashill, Glasgow (a 600-home climate-resilient neighbourhood), Founders Place, Newcastle (a mixed-use hub around the historic Pattern Shop), and Central Winchester (a new creative quarter with homes and workspaces).

MERCIA ASSET MANAGEMENT

Mercia Asset Management is a UK-based private markets investor with over £2 billion AUM across venture, private equity, and private debt, supported by 11 regional offices. With roots in the Midlands, Mercia focuses on regional opportunities outside London. Its specialist private debt arm, Frontier Development Capital (FDC), was established in 2010 to support regional SMEs through tailored funding solutions. FDC recently concluded deployment of its fourth Private Debt fund which provided £1m–7.5m 'Stretch Senior' debt for Management Buyouts, growth capital, and shareholder restructures. Its successor, the **Evolution Fund**, provides flexible debt and equity-warrant financing to SMEs, particularly in the Midlands and North with the aim to support job creation and local economic growth.

NEWCORE CAPITAL

Newcore is a management-owned, B-Corp certified specialist in social infrastructure real estate, including education, healthcare, waste and transport, leasing them to a broad range of operators and enhancing them to deliver both financial and social returns. The firm manages £600 million AUM on behalf of institutional and family office clients, including LGPS clients. Newcore has launched the **Swansea Social Infrastructure Partnership** design with the City Council and City and County of Swansea Pension Fund. The fund seeks to improve the quantity and quality of social infrastructure, social housing and social care – areas currently facing acute shortages in the Swansea region, including nearly 8,000 households on the housing waiting list. CEO Hugo Llewelyn has co-invested in the partnership and pledged profits from his stake to local causes for at least five years, with Newcore performance fees also waived, showcasing how targeted private capital can deliver social infrastructure and community benefit.

SAVILLS INVESTMENT MANAGEMENT

Savills IM is a leading real estate investment manager. It has launched the **Simply Affordable Homes Fund**, which invests in affordable rental and shared ownership housing in partnership with local developers and housebuilders across England. Guided by a Theory of Change, it focuses on increasing housing supply and delivering high-quality, sustainable homes with a net-zero-by-2040 target. Through its own registered provider, the fund has already supported projects such as Heyford Park in Oxfordshire which has transformed a former airforce based into a vibrant new community, with more than 1,000 homes and excellent amenities.

THRIVING INVESTMENTS

Thriving Investments a fund manager that is owned by a social enterprise (and Registered Provider of social housing). Its mission is to channel institutional investment into creating thriving communities and delivering high-quality, sustainable homes. Thriving manages the **New Avenue Living** strategy, spanning two place-based funds in Scotland and Greater Manchester. The fund forward-funds energy-efficient housing for essential workers and the "squeezed middle." To date it has delivered 794 homes (397 under construction), housed 1,100 residents, created 2,480 jobs and £45.8m in GVA, while embedding affordable rents, community cohesion and net zero outcomes.

Appendix B – List of Contributors

This paper was greatly enriched by the expertise and feedback of many individuals. While we are immensely grateful for their contributions, the final analysis and opinions expressed here are ours alone. Therefore, one should not assume that any individual contributor agrees with every aspect of this document.

Organisation	Name	Role
LGPS Pools		
Border to Coast	Mark Lyon	Deputy Chief Investment Officer
Border to Coast	Ewan McCulloch	Chief Stakeholder Officer
Border to Coast	Ian Sandiford	Senior Portfolio Manager
Border to Coast	Simon Cunnington	Portfolio Manager
Border to Coast	Chris Blackwood	Head of Communications
Border to Coast	James Reed	Policy and Public Affairs Manager
Border to Coast	Louise Hill-Ord	Communications Manager
Brunel Pension Partnership	Faith Ward	Chief Responsible Investment Officer
Brunel Pension Partnership	Alex Monro	Head of Communications
LGPS Central	Patrick O'Hara	Director of Responsible Investment and Engagement
LGPS Central	Nadeem Hussain	Head of Private Markets
Northern LGPS	Paddy Dowdall	Assistant Executive Director, GMPF
Northern LGPS	Euan Miller	Managing Director, WYPF
Local Pensions Partnership Investments	Matthew Graham	Chief Business Development Officer
Local Pensions Partnership Investments	Richard Tomlinson	Chief Investment Officer
Local Pensions Partnership Investments	Frances Deakin	Head of Responsible Investment
Local Pensions Partnership Investments	James Fernandes	Portfolio Manager – Investment Strategy
Local Pensions Partnership Investments	Emma Hill	Head of Marketing and Communications
London CIV	Jenny Buck	Chief Investment Officer
London CIV	Christopher Osborne	Head of Real Estate
Wales Pension Partnership	Rachel Barrack	Associate Responsible Investment (Hymans Robertson)
LGPS Administering Authorities		
Oxfordshire Pension Fund	Mark Smith	Head of Pension Fund
Greater Manchester Pension Fund	Andrew Hall	Senior Investment Manager
Greater Manchester Pension Fund	Alex Jones	Investments Manager (Local)
Merseyside Pension Fund	Owen Thorne	Investment Manager
South Yorkshire Pensions Authority	George Graham	Director
West Midlands Pension Fund	Shiv Sivanesan	Director of Investment Management & Stewardship
West Sussex Pension Fund	Rachel Wood	Head of Pensions
West Yorkshire Pension Fund	Euan Miller	Managing Director
Fund Managers		
Amber Infrastructure	Dan Watson	Head of Sustainability
Amber Infrastructure	Jo Patrick	Head of UK Impact Funds
Bridges Fund Management	Maggie Loo	Partner
Bridges Fund Management	Olivia Prentice	Partner
Bridges Outcomes Partnerships	Mila Lukic	Founder and CEO
Civitas IM	Andrew Dawber	Founding Partner
Civitas IM	Tayo Bilewu	Investment Director
Foresight Group	Emma Hardcastle	Director, PE Investor Relations
Gresham House	Heather Fleming	Managing Director, Institutional Business
Gresham House	Claire Glennon	Head of UK Institutional Sales

Organisation	Name	Role
Fund Managers		
Igloo Regeneration	John Long	Director
Thriving Investments	Cath Webster	Chief Executive Officer
Thriving Investments	William Kyle	Fund Director
Knight Frank IM	John Styles	Chief Investment Officer
Knight Frank IM	Alistair Dryer	Partner
Legal & General	Shuen Chan	Head of Responsible Investment and Sustainability
Legal & General	Nadine Jenkins	Sustainability Manager
Mercia Asset Management	Bansi Dhillon	Sustainability Manager
Newcore Capital	Hugo Llewelyn	Chief Executive Officer
Newcore Capital	Lucy MacEwan	Associate Director
Newcore Capital	Kate Sandle	Director of Sustainability
Savills IM	Dominic Curtis	Affordable Housing Fund Manager
Savills IM	Emily Hamilton	Chief Sustainability Officer
Savills IM	Joey Aoun	Director – Net Zero and Sustainability Lead
Industry and Advisory Bodies		
BVCA	Tom Taylor	Head of Policy, Legal and Regulatory
BVCA	Karen Hurst	Policy Manager, Access to Capital
LGPS Scheme Advisory Board	Jeremy Hughes	Deputy Board Secretary
LGPS Scheme Advisory Board	Becky Clough	Board Support and Policy Officer
Pensions UK	Simon Sarkar	Head of Research
Pensions UK	Maria Empadinha	Policy Lead
Pensions UK	George Dollner	Policy Lead
Pensions UK	Tiffany Tsang	Head of DB, LGPS and Investment
Pensions UK	Krista D'Alessandro	Policy Lead
Public Sector		
North East Combined Authority	Mandi Cresswell	Policy and Economy Adviser (Social Economy)
Rochdale Development Agency	Levi Rickell	CEO
Others		
Great South West Pan-Regional Partnership	Sajid Butt	Deputy Director – Business Insights
Great South West Pan-Regional Partnership	Professor Dame Judith Petts DBE	Chair of the Energy Security Programme Board
Independent	Mike Weston	Independent Advisor
Impact Investing Institute	Jamie Broderick	Deputy Chair
Isio	Steve Simkins	Public Services Leader
Regen	Grace Millman	Senior Energy Analyst
Tech South West	Ben Cooper	Director, Funding and Finance

Appendix C – List of References

The following resources were used to inform the content of this paper.

Resource	Author / source	Year published
Scaling up Institutional Investment for Place-Based Impact: White Paper	The Good Economy, Impact Investing Institute and Pensions for Purpose	2021
Annual Report 2022-2023	South Yorkshire Pension Authority	2023
Capitalism divided? London, financialisation and the UK's spatially unbalanced economy	Ron Martin and Peter Sunley	2023
Fostering impact: An investor guide for engaging communities in place-based impact investing	Impact Investing Institute	2023
Memorandum of Understanding on cooperation between South Yorkshire Mayoral Combined Authority and South Yorkshire Pension Authority	South Yorkshire Pension Authority	2023
Annual Assessment of the Place-Based Impact of GMPF's Local Investment Portfolio	The Good Economy	2024
Local government pension scheme funds for England and Wales: 2023 to 2024	Ministry of Housing, Communities and Local Government	2024
Pension Fund Investment and the UK Economy	Department for Work and Pensions	2024
Rock bottom: Low investment in the UK economy	IPPR	2024
Pension Schemes Bill	UK Parliament	2024-2025
Achieving critical mass – How Master Trusts can use scale to enhance member outcomes in private market assets	Toby Nangle for The People's Pension	2025
Consultation outcome, Local Government Pension Scheme (England and Wales): Fit for the future	Ministry of Housing, Communities and Local Government	2025
Delivering Government missions using impact-led venture capital and private equity	City of London Corporation, with input from the Impact Investing Institute, Better Society Capital and BVCA	2025
Guidance for Mayoral Strategic Authorities on developing Local Growth Plans	Ministry of Housing, Communities and Local Government	2025
Greater Manchester Strategy 2025-2035	Greater Manchester Combined Authority	2025
Impact integration – Advancing reporting and management practices in pension funds	Pensions for Purpose	2025
Pensions Investment Review: Final Report	HM Treasury, Department for Work and Pensions and Ministry of Housing, Communities and Local Government	2025
Performance Measurement Survey 2024	BVCA	2025
Place-Based Prosperity: The institutional investment roadmap for Midlands growth	The Good Economy	2025
Report on Investment Activity 2024	BVCA	2025
Unlocking UK growth: Do productive assets hold the key?	Border to Coast	2025

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