

Ranking of Cost Saving Structures

Annex 1

Option	Surrey's control over investments	Implementation challenge for Surrey	Costs of Participation: implementation and ongoing	Potential manager fee savings	Potential savings in internal costs	Speed at realising cost savings	New resources required	Extent to which objectives and philosophy are shared	Potential to gather assets	Potential governance benefits
1. Do Nothing: Status Quo	High	Low	n/a	Zero	Zero	Very slow	None	n/a	None	High
2. Collective Purchasing through Framework Agreements	High	Low	Low	Low	Low	Slow	Low	n/a	None	Low
3. Combined Buying in Specific Asset Classes	High	Medium	Low	High - especially in illiquid asset classes	Unclear	Medium	Low	High	None	High - significant internal skill enhancements and improved ability to participate where large lot sizes required
4. Co-investment: Join an Existing FCA Registered Collective Investment Vehicle in Specific Asset Classes	Medium	Low	Medium	Low in passive; medium in active; high in alternatives	Low - need to cover additional administrative costs of CIV	Medium	Low	Low	Better	Additional internal specialist skills (e.g. LDI)
5. Work with Other Authorities in Co-Investment: New FCA Registered CIV Vehicle	Medium	Very high	High	Low in passive; medium in active; high in alternatives	Low - significant costs to create and administer CIV	Slow	Considerable	Low	Lower	Scope for additional internal specialist skills (e.g. LDI)
6. Combined approach with existing FCA registered JV to cover all asset classes	Low	Low	Medium	High	High - combined investment teams	Fast	Medium	High	Better	Improved internal skills and knowledge
7. Work with Other Authorities to create new FCA registered JV to cover all asset classes	Medium/high	Very high	High	High	High - potential to improve internal skills and knowledge but significant costs to create new company	Slow	Considerable	High	Lower	Potential to improve internal skills and knowledge but significant disruption when creating new company

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