

Pension Fund Committee

22 March 2023

Title	London CIV update
Report of	Executive Director of Strategy and Resources (S151 officer)
Wards	N/A
Status	Public
Urgent	No
Key	No
Enclosures	Appendix A - London CIV Presentation
Officer Contact Details	David Spreckley, Head of Pensions and Treasury, 020 8359 6264

Summary

London CIV is the Fund's Investment Pooling partner. A successful London CIV will provide efficiencies and cost benefits to Barnet and the people of London and Barnet is looking to develop and strengthen its relationship with the London CIV.

London CIV has a new CEO, Dean Bowden who will make a presentation to the Committee (presentation attached as Appendix A). This paper provides some additional context for information.

Officers Recommendations

The Pension Fund Committee are invited to note this report.

- 1.1 London LGPS CIV Ltd ('London CIV') was established in 2015 and is the pooling partner for London Boroughs. London CIV is one of eight U.K. LGPS asset pooling companies. Barnet Council is one of London CIV's 32 Shareholders.

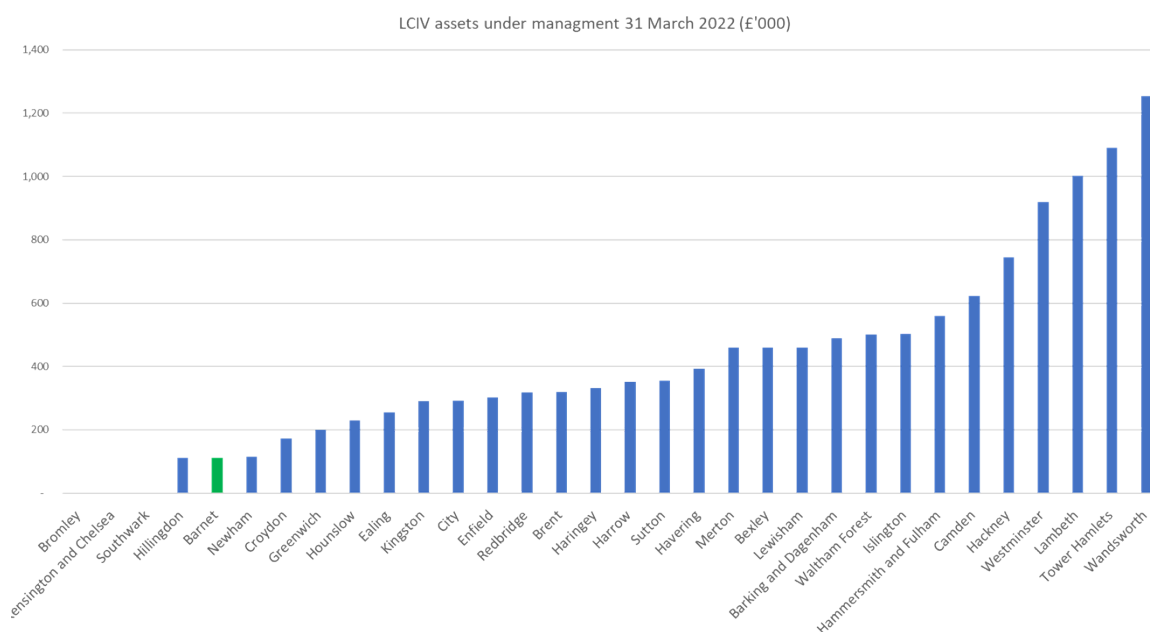
Barnet's Funds held with London CIV

1.2 Barnet currently has funds invested in the following London CIV funds:

Fund	Approx investment (Q1 2023)
LCIV Emerging Markets	£65m
LCIV Sustainable Exclusion Equity*	£40m
LCIV Private Debt*	£45m
LCIV MAC	£60m
LCIV Renewable Infrastructure*	£15m

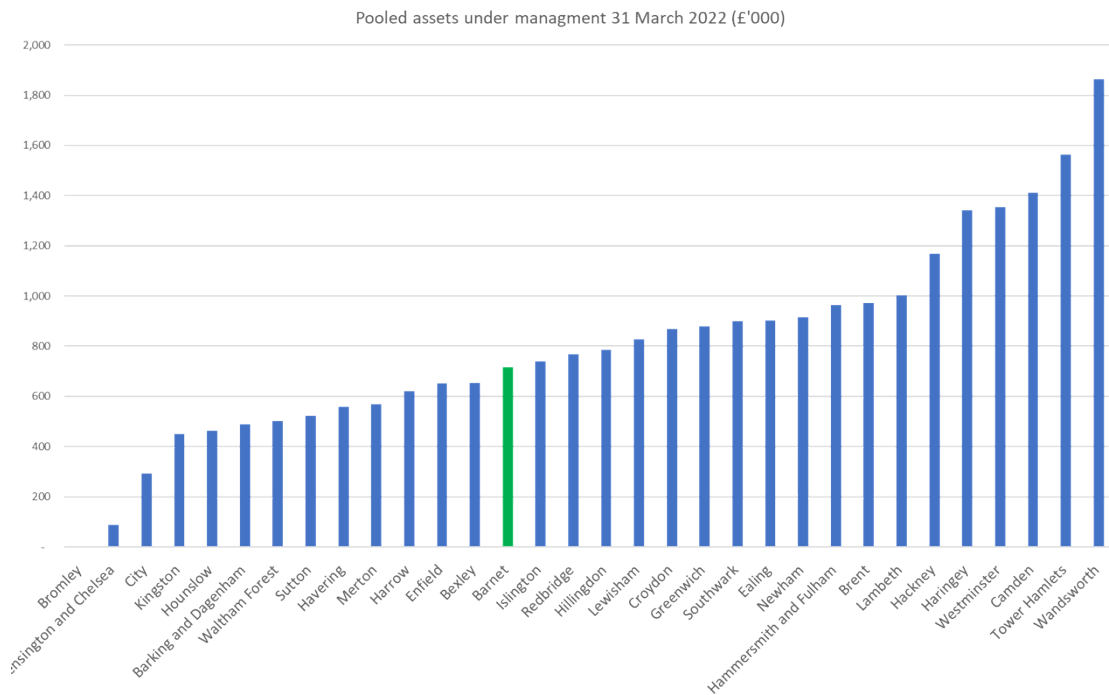
*Further capital committed

1.3 A summary of how Barnet's pooling status with London CIV compares with other London Boroughs is summarised below (measured at 31 March 2022):



1.4 Note that whilst Barnet's commitments to London CIV is low relative to other boroughs (as at 31 March 2022), Barnet's commitments to pooled investment vehicles is more in line with other boroughs (note that Barnet's passive equity allocations are held in pooled funds with LGIM).

1.5 A summary of Barnet's pooling status relative to other London Boroughs is summarised on the next page (measured at 31 March 2022):



New London CIV CEO

- 1.6 On November 2022 Dean Bowden was appointed as the new CEO of London CIV in succession to Mike O'Donnell, the previous CEO. Dean's background is working in financial services (asset management and broader investment and savings industry).
- 1.7 In February, the Pensions Team hosted Dean Bowden in Barnet, where we visited the RAF Museum, Colindale, Middlesex University campus and Hendon Town Hall and discussed how we could collaborate further with the London CIV.

Barnet's Commitment to London CIV

- 1.8 There are reports that one other London Borough is seeking to leave the London CIV.
- 1.9 Barnet Officers are committed to working with London CIV and can see the wider benefits of making London CIV a success, both for Barnet and the people of London.
- 1.10 Therefore, through the strategic investment review we will seek to work closely with the London CIV so that they are fully aware of our objectives and so that we can identify any gaps relative to Barnet's future strategic direction.
- 1.11 It will be important for the London CIV to be nimble and work at pace as any delay in implementing a new investment strategy could jeopardise the benefits of taking forward that strategy – e.g. if bond yields move significantly.
- 1.12 The London CIV provides very valuable and rich support to Barnet's recent Responsible Investment Day and are focused on expanding their services in this area.

- 1.13 The London CIV hold monthly Business Updates. All Committee members are encouraged to join these as they are generally very interesting and provide an important channel to communicate on their funds (previous updates are recorded and can be viewed by accessing the London CIV portal).

Future Direction of Pooling

- 1.14 The requirement for LGPS funds to pool was introduced in 2015. The government is expected to consult on expanding the requirements of pooling this year. Officers will update the Committee on any developments when any consultation is published.

2. REASONS FOR RECOMMENDATIONS

- 2.1 N/A – Report is for noting

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 None necessary for this report.

4. POST DECISION IMPLEMENTATION

- 4.1 Consideration of London CIV funds will be made when an investment strategy decision is being made.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 Supporting the London CIV and having a more influential voice should provide longer term efficiencies and opportunities for Barnet.

5.2 Resources (Finance and Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 None for this report.

5.3 Social Value

- 5.3.1 The Public Services (Social Value) Act 2012 came into force on 31 January 2013. It requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits.

- 5.3.2 Before they start the procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders.

- 5.3.3 The Act is a tool to help commissioners get more value for money out of procurement. It also encourages commissioners to talk to their local provider market or community to design better services, often finding new and innovative solutions to difficult problems.

5.3.4 There are no specific social value issues arising out of this report, however membership of the Pension Fund ensures the long-term financial health of contributing employees on retirement.

5.4 Legal and Constitutional References

5.4.1 There are no legal references.

5.4.2 The Council's Constitution – Article 7 – includes within the responsibilities of the Pension Fund Committee the appointment of various service providers. Monitoring is an essential element of the appointment and re-appointment process.

5.5 Risk Management

5.5.1 Risk management is central to the LGPS; which are in themselves risk management tools, managing the risk that future employer income streams will be able to meet future pensions liabilities by creating a reserve from which future liabilities will be met.

5.5.2 The Committee relies on its service providers and good performance from these will help to avoid problems.

5.6 Equalities and Diversity

5.6.1 Pursuant to the Equality Act 2010, the Council is under an obligation to have due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between persons who share a relevant 'protected characteristic' and those who do not share it; and fostering good relations between persons who share a relevant 'protected characteristic' and persons who do not share it. The 'protected characteristics' are: age, disability, gender reassignment, pregnancy, and maternity, race, religion or belief, sex and sexual orientation. The Council also has regard to the additional protected characteristic of marriage and civil partnership even though this does not apply to the public-sector equality duty.

5.7 Corporate Parenting

5.7.1 Not applicable in the context of this report.

5.8 Consultation and Engagement

5.8.1 Not applicable.

5.9 Insight

5.9.1 Not applicable

6. ENVIRONMENT CONSIDERATIONS

6.1 None

7. BACKGROUND PAPERS

7.1 None