

REPORT OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES		
CIV UPDATE – FIXED INCOME PRESENTATION Pensions Committee 24th January 2017	Classification PUBLIC	Enclosures None
	Ward(s) affected ALL	AGENDA ITEM NO.

1. INTRODUCTION

1.1 This report provides the Committee with an update from the London Collective Investment Vehicle (CIV) on progress to date and future planning. Member of the CIV’s investment team will be presenting at the Committee, covering subjects including the Active Global Equity tender and the CIV’s plans for the introduction of fixed income as an asset class.

2. RECOMMENDATIONS

2.1 **The Pensions Committee is recommended to:**

- **Note the report**

3. RELATED DECISIONS

- Pensions Committee 27th June 2016 – Investment Pooling Update
- Pensions Committee 23rd March – Investment Pooling Criteria Update
- Pensions Committee 13th January 2016 - Investment Reform Criteria & Guidance and consultation on amending Investment Regulations

4. COMMENTS OF THE GROUP DIRECTOR OF FINANCE & CORPORATE RESOURCES

4.1 The CIV’s presentation to the Fund will provide an update on progress to date as well as information with regards to future plans. Regular engagement with the London CIV going forwards will be key to the Fund, ensuring that the Pool makes available the strategies and services that Hackney and other London funds require. Successful delivery of these objectives will be crucial in ensuring that the anticipated longer term investment manager fee savings can be delivered.

4.2 There are no immediate financial implications arising from this report.

5. COMMENTS OF THE DIRECTOR, LEGAL

- 5.1 The presentation to Committee will highlight the ongoing fundamental changes to the way in which LGPS investments will be managed following responses to the Government's Investment Reform Criteria and Guidance issued last November. Regular engagement with the CIV should help to ensure that the Fund is able to transition assets over to the Pool in a timely manner

- 5.2 There are no immediate legal implications arising from this report.

6. BACKGROUND/TEXT OF THE REPORT

- 6.1 The London CIV last attended the Pensions Committee in June 2016 to provide an update on the detailed submission being prepared by the Pool in response to the Government's Investment Reform Criteria and Guidance. At the upcoming meeting, members of the Investment team at the CIV will provide an update on progress since their last attendance, covering topics such as the recent active global equity procurement and upcoming work on fixed income.

- 6.2 Since June 2016, the Government's agenda has progressed, with the CIV receiving confirmation from Government that it should proceed as set out in its July 2016 submission. The initial timeframes set out for transition have been queried however, with a suggestion from the Minister that funds must work with the CIV to ensure a faster transition.

- 6.3 Progress has also been made on the CIV's active global equity procurement. This has now reached its final stages, with confirmation of the managers to be appointed due imminently. September is currently the earliest likely date for the opening of new-funds, which remains in line with the draft transition timetable drawn up by the Fund in its response to Government.

- 6.4 Looking ahead, the next major asset class for the CIV to consider is fixed income. A seminar is planned for 19th January and officers from the Fund will be in attendance. The presentation to Committee will cover the CIV's approach to fixed income as an asset class, looking at Borough requirements and how these can be delivered given the current lack of commonality across Funds' fixed income mandates at present.

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