

## REPORT OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES

<b>London CIV Update - Presentation</b>	<b>Classification</b> <b>PUBLIC</b>	<b>Enclosures</b>  None
	<b>Ward(s) affected</b>  <b>ALL</b>	<b>AGENDA ITEM NO.</b>
<b>Pensions Committee</b> <b>23<sup>rd</sup> July 2018</b>		

### 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. Members of the CIV's Client relationship team will be presenting at the Committee, providing an introduction to the CIV for new Committee members and discussing key changes to the CIV's governance structure.

### 2. RECOMMENDATIONS

- 2.1 **The Pensions Committee is recommended to:**
- **Note the report**

### 3. RELATED DECISIONS

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- Pensions Committee 4<sup>th</sup> December 2017 – London CIV Update
- Pensions Committee 24<sup>th</sup> January 2017 – London CIV Update
- Pensions Committee 27<sup>th</sup> June 2016 – Investment Pooling Update and July Submission

### 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 is 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 OF LEGAL AND GOVERNANCE

- 5.1 The presentation to Committee will consider the ongoing changes to the way in which LGPS investments are managed. Regular engagement with the CIV should help the Fund meet the requirements set out in Government guidance and ensure that it 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 December 2017 to provide an update following a number of significant personnel changes, including the appointment of Mark Hyde-Harrison as interim CEO. Kevin Cullen, the newly appointed Client Relations Director, provided an update on the staff changes as well as progress on a review of the CIV's governance arrangements.

6.2 Since the previous Committee meeting, significant changes have been made to the CIV's governance structures. Following the review of its governance arrangements carried out by Willis Towers Watson, the CIV consulted with Boroughs in early 2018, asking for views on proposed changes to both its governance and its investment offer to Funds.

6.3 Following the consultation, Boroughs and the CIV agreed that the CIV should materially alter its governance arrangements as follows:

- Dissolve the London Councils Pensions Sectoral Joint Committee and replace it with a Shareholders Committee made up of 12 Borough representatives (8 Councillors, 4 Treasurers), along with the Chair of the Board and a Union Representative.
- Appoint two more Non-Executive Directors, representative of the shareholders (expected to be Leaders of London Local Authorities) to the Board, with a Treasurer nominated as an observer (but not a member of the Board).

6.4 These arrangements were formally agreed at the London CIV's AGM on 12<sup>th</sup> July 2018. Cllr Robert Chapman and Ian Williams have both been appointed to the Shareholder's Committee in their roles as Pensions Committee Chair and Borough Treasurer respectively.

6.5 Both Kevin Cullen and Ian Williams will give short presentations at the Committee meeting to provide an introduction to the London CIV and asset pooling to new Members, and to discuss the changes to the governance arrangements in more detail.

Ian Williams

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