

REPORT OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES		
London CIV Update - Presentation	Classification PUBLIC	Enclosures None
	Ward(s) affected ALL	AGENDA ITEM NO.
Pensions Committee 25th June 2019		

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. Representatives from the CIV will be presenting at the Committee, providing an update on both the company’s recent personnel changes and its current programme of work, including the development of its approach to Responsible Investment.

2. RECOMMENDATIONS

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

- **Note the report**

3. RELATED DECISIONS

- Pensions Committee 23rd July 2018 – London CIV Update
- Pensions Committee 4th December 2017 – London CIV Update

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 benefits of pooling can be realised. These include reduced investment management fees and the potential for improved investment performance through access to a wider range of investment strategies.

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

5. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE

5.1 The Pensions Committee’s terms of reference sets out its responsibility for management of the Pension Fund, including its responsibility to set the strategic asset allocation for the Fund. Given this responsibility, and the requirement for the Fund to pool its assets, oversight of London CIV Ltd as the Fund’s chosen pool operator would appear to properly fall within the Committee’s remit.

6. BACKGROUND/TEXT OF THE REPORT

- 6.1 The London CIV last attended the Pensions Committee in July 2018 to provide an update on changes to the CIV's governance structures. These changes were made following a formal review by Willis Towers Watson and consultation with the London Boroughs, and included:
- Dissolution of the London Councils Pensions Sectoral Joint Committee and replacement 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.
 - Appointment of two more Non-Executive Directors, representative of the shareholders (e.g. Leaders of London Local Authorities) to the Board, with a Treasurer nominated as an observer (but not a member of the Board).
- 6.2 These arrangements were formally agreed at the London CIV's AGM on 12th 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.
- 6.3 Since July 2018, the London CIV has seen further significant change. Mike O'Donnell has been appointed as the pool company's permanent CEO, with Mark Thompson (currently CIO of HSBC's UK pension scheme) due to join as CIO in September. The post is currently held on an interim basis by Mike Pratten.
- 6.4 Representatives from the CIV will attend the Pensions Committee meeting to provide an update on both the recent personnel changes and the CIV's current programme of work. This includes a number of fund launches in addition to work on the provision of new asset classes, including infrastructure and property. An update on the development of the pool's approach to Responsible Investment will also be provided.

Ian Williams
Group Director of Finance & Corporate Resources

Report Originating Officers: Rachel Cowburn ☎020-8356 2630
Financial considerations: Michael Honeysett ☎020-8356 3332
Legal comments: Sean Eratt ☎020-8356 6012