



London Borough of Enfield

Report Title	Nature Based Solutions and Private debt presentation and training
Report to	Pension, Policy & Investment Committee (PPIC)
Date of Meeting	02 October 2024
Cabinet Member	Cllr Tim Leaver
Executive Director / Director	Fay Hammond
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Classification	Part 1 and Part 2 – Private & Confidential
Reason for exemption	3 Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Purpose of Report

1. To introduce presentations from London CIV on their Nature Based Solutions and Private debt funds.

Recommendations

2. The Committee are asked to note the contents of the report.

Background

3. In 2015, the U.K. government introduced the concept of investment pools to increase the scale of LGPS investments. The main goals were to improve returns through scale and reduced investment costs.
4. London CIV is one of eight U.K. LGPS asset pooling companies. The London Boroughs and City of London who are the 32 shareholders are also clients.
5. The Enfield Pension Fund (the "Fund") has approximately 54% of its assets in the London CIV pool.

6. It is Central Government's intention that new investments should be made through pooling arrangements and any new investments not made through the pool will require a comply or explain statement clearly stating the reasons for not investing through the pool.
7. The London CIV has been successful to date in assisting partner funds, such as Enfield Pension Fund, in achieving cost savings on investment management costs and in addition providing investment management expertise in monitoring, manager selection and governance.
8. This report introduces a presentation form London CIV (Appendix A) which covers two funds:
 - Nature Based Solutions (3 investment managers)
 - Private Debt (4 investment managers)
9. Nature based solutions would fall under the infrastructure asset class. Currently the fund has a 5% actual allocation against a 16% target and although a number of commitments have been made in 2023, this will take time to be fully called and invested. In addition, before the strategic allocation is reached the size of the Fund will grow and other infrastructure funds will start repaying back income and capital meaning that Fund could find itself underinvested in the asset class in a few years if it does not make further investments. A commitment of between £20m-£40m should be considered. An investment in a Nature Based Solution product would also have the added advantage of significant Environmental and Social benefits as well as proving a useful diversifier. One of the investment managers, selected by London CIV and presenting at the meeting, have sent their presentation in advance for PPIC to consider (Appendix B).
10. The fund currently has no investments in Private Debt. As part of the Fixed Income/Bond portfolio review carried out in 2024, PPIC agree to commit 4% of the Fund (approx. £63m) to private debt.

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Appendices

Appendix A: Enfield PPIC London CIV – Private Debt and Nature based solutions –
PART 2 – Private & Confidential
Appendix B: Manulife _Timber and Farmland - **PART 2 – Private & Confidential**