

London Borough of Enfield

PENSION POLICY AND INVESTMENT COMMITTEE

Meeting Date: 5 October 2022

Subject: London Collective Investment Vehicle (CIV) Quarterly Update as of June 2022 and Cost Savings for 2021/22

Cabinet Member: Cllr Leaver

Executive Director: Fay Hammond

Key Decision: []

Purpose of Report

1. This report provides a summary of London Collective Investment Vehicle (CIV) updates on investment, new products and governance arrangements.

Proposal(s)

2. The Pension Policy and Investment Committee are recommended to note the content of this report.

Reason for Proposal(s)

3. This report introduces an update on LCIV governance arrangements, Fund launches, ESG and Enfield investments with London CIV.
4. For effective and efficient management of the Fund as regular engagement with the London CIV is crucial to the Fund, to ensure that the Pool makes available the strategies and services that Enfield Pension Fund 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.

Relevance to the Council's Corporate Plan

5. Good homes in well-connected neighbourhoods.
6. Build our Economy to create a thriving place.
7. Sustain Strong and healthy Communities.

Background

8. London CIV was established in 2015 as a collaborative vehicle to pool LGPS pension fund assets for a more effective investment and value adding

operation. The purpose of the company is **“to be the LGPS pool for London to enable the London Local Authorities (LLAs) to achieve their pooling requirements”**.

9. Pool members are both shareholders and investors. Beyond the practical purpose to deliver pooling, LCIV aspires to be **“a best in class asset pool delivering value for Londoners through long term sustainable investment strategies.”** This statement has been updated to emphasise their commitment to responsible investment and stewardship.
10. The attached appendices have the current update for London CIV as of end of August 2022, the London CIV - Enfield Quarterly Investment Report for June 2022 and the cost savings report for Enfield Pension Fund for 2021/22.
11. The attached Appendix 3 has the breakdown of total cost savings from investing with London CIV for financial year 2021/22, which was £514,587 as shown below:

Fund Value	£301,643,519.00
Northern Trust Fees	£61,512.00
Investor Advisor Fees	£976,239.00
Professional Fees	£20,932.00
LCIV Management Fees	£68,489.00
Fees paid within underlying pooled fund	£194,205.00
Sub-Total	£1,321,377.00
Estimate of management fees to be paid if invested directly outside of LCIV	£1,719,951.00
Estimate of other fees to be paid if invested directly outside of LCIV	£116,013.00
Sub-Total	£1,835,964.00
Indicative Saving	£514,587.00

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Date of report 16th September 2022

Appendices

Appendix 1 – London CIV Business Update **(Confidential & exempt Report)**

Appendix 2 – London CIV - Enfield Quarterly Investment Report June 2022
(Confidential & exempt Report)

Appendix 3 – London CIV Cost Savings Report for Enfield Pension Fund For 2020/21 **(Confidential & exempt Report)**

Background Papers - None