



City of Westminster

# Committee Report

<b>Decision Maker:</b>	<b>PENSION FUND COMMITTEE</b>
<b>Date:</b>	<b>21 October 2021</b>
<b>Classification:</b>	<b>General Release</b>
<b>Title:</b>	<b>London CIV's London Fund</b>
<b>Wards Affected:</b>	<b>All</b>
<b>Policy Context:</b>	<b>Effective control over council activities</b>
<b>Financial Summary:</b>	<b>There are no direct financial implications arising from this report.</b>
<b>Report of:</b>	<b>Phil Triggs</b> <b><i>Tri-Borough Director of Treasury and Pensions</i></b> <a href="mailto:ptrings@westminster.gov.uk">ptrings@westminster.gov.uk</a> <b>020 7641 4136</b>

## 1. EXECUTIVE SUMMARY

- 1.1 This report provides a summary of the London CIV's (LCIV) London Fund, as requested by the Committee at the Pension Fund Committee meeting on 24 June 2021.

## 2. RECOMMENDATIONS

- 2.1 The Committee is recommended to:
  - note the summary on the LCIV's London Fund, as attached at Appendix 1, with a view to exploring this option post the 2022 actuarial valuation.

### **3. BACKGROUND**

- 3.1 Following the Pension Fund Committee on 24 June 2021, Deloitte has prepared a report on The London Fund, as requested by the Committee. The London Fund strategy is offered by the LCIV pool company and managed by Local Pensions Partnerships Investments (LPPI), with a focus on investing within property, infrastructure and capital growth. The real estate holdings are anticipated to account for just over half of the portfolio and will be split between private rented sector, affordable housing and specialist accommodation.
- 3.2 The majority of assets within the mandate is expected to be income generating, with an element of CPI inflation linkage. The London Fund's secondary objective will be to generate social benefit (with 80% of target assets within the Greater London area) through the creation of jobs, regeneration and environmental impact.
- 3.3 The London Fund targets LGPS investors across London and has a close-ended structure, with a 15-year term and fund capacity of circa £500m. Following the second close in July 2021, the Fund has £195m in committed capital and over £22m drawn to date. The target return is CPI + 3% per annum over seven years with 50% of total return expected after building out of the portfolio.

**If you have any questions about this report, or wish to inspect one of the background papers, please contact the report author:**

**Billie Emery** [bemery@westminster.gov.uk](mailto:bemery@westminster.gov.uk)

#### **BACKGROUND PAPERS:**

None

#### **APPENDIX:**

Appendix 1: Deloitte London Fund Summary