

LONDON BOROUGH OF CAMDEN	WARD: All
REPORT TITLE: London Collective Investment Vehicle Progress Report	
REPORT OF: Executive Director Corporate Services	
FOR SUBMISSION TO: Pension Committee	DATE: 17 July 2025
SUMMARY OF REPORT: This report provides a quarterly update on developments at the London Collective Investment Vehicle (CIV) in creating sub-funds for the spectrum of asset classes, on-boarding of assets and development of the CIV's staff resource. Progress with the London CIV contributes to the Government's pooling agenda and drive to reduce costs in the Local Government Pension Scheme (LGPS).	
Local Government Act 1972 – Access to Information No documents requiring to be listed were used in the preparation of this report:	
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RECOMMENDATIONS: The Committee is asked to note the contents of the report.	
Signed by	
Executive Director Corporate Services Agreed
Date: 08/07/2025

1. INTRODUCTION

- 1.1. All Local Government Pension Scheme (LGPS) Pension Funds in England and Wales are participating in the Government's pooling agenda aimed at reducing investment costs, gaining economies of scale, improving governance, and investing in infrastructure in the LGPS. There are six pools for LGPS funds, and the Government has mandated that these should all be established and be FCA regulated.
- 1.2. In London all 32 of the London Borough Funds and the City of London are shareholders in the London Collective Investment Vehicle (LCIV) including this Fund. Committee receives quarterly reports on the establishment and progress of the London CIV and transfer of assets into it. This report covers establishment and procurement of new sub-classes, launches of new sub-funds, assets under management and resource build-out at the CIV.
- 1.3. This will assist the Committee in its responsibility of strategic asset allocation whilst future procurement of funds and day to day management is now the responsibility of the London CIV. In June 2025 our Pension Committee chair, Cllr Madlani, was appointed chair of the Shareholder Committee.
- 1.4. As of 31 March 2025, the Camden Fund currently has 84% of its assets pooled, of which 37% is with the London CIV and 47% is under pool management invested in passive equities with LGIM.

2. CIV Quarterly Update

The total value of Camden's directly pooled assets with London CIV stood at £591.3m at quarter end, spread across three active sub-funds:

Fund	Camden Value	Q1 Return	1-Year Return
LCIV Global Alpha Growth Paris Aligned	£156.0m	-6.87%	-1.07%
LCIV Diversified Growth Fund	£97.4m	+2.20%	+7.11%
LCIV MAC Fund	£338.0m	+1.61%	+8.03%

- 2.1. LCIV Global Alpha Growth Paris Aligned Fund (Baillie Gifford) underperformed due to pro-growth bias and tech sector exposure. The sub-fund returned -6.87% in Q1 vs -4.2% for the benchmark. Ongoing review is scheduled for Q2 2025.
- 2.2. LCIV Diversified Growth Fund posted a +2.2% return, driven by commodities, structured finance, and insurance-linked securities. However, it still underperforms its long-term target over 3 and 5 years.
- 2.3. LCIV MAC Fund returned +1.61% in Q1, under its SONIA+4.5% target. The income stream remains robust with high sub-investment grade exposure, albeit with heightened sensitivity to market volatility.

3. Strategic Developments and Pooling Update

3.1. London CIV submitted its Fit for the Future strategic plan to Ministry of Housing, Communities, and Local Government (MHCLG) in February 2025. The plan was approved by government in April, with praise for pooling collaboration and increased UK private market investments.

3.2. As at 31 March 2025:

- Total pooled AUM: £33.9bn
- LCIV-managed AUM: £19bn (including £2bn in private markets)
- ACS AUM: £17bn
- Passive pooled assets (LGIM + BlackRock): £14.9bn

4. ESG and Climate Reporting

4.1. London CIV introduced a refreshed climate model, improving coverage of fixed income funds by 19–35%.

4.2. Quarterly climate metrics and carbon intensity figures are now reported with clearer alignment to Scope 1, 2, and 3 definitions.

4.3. Camden's exposure to fossil fuels remains negligible in LCIV Paris-Aligned Equity and MAC Funds, reflecting the Fund's low-carbon strategy.

5. LGPS PASS Launch

5.1. In May 2025, London CIV launched the Pension Advisory and Support Service (LGPS PASS), which Camden has already adopted. The service addresses rising consultancy costs and staff retention challenges by offering:

- Investment advisory services include strategic asset allocation, cash flow monitoring support and investment strategy statement preparation.
- Strategy and Policy support include training policy and risk register solutions, as well as responsible investment support.

5.2. Benefits include:

- Up to 50% cost savings on consultancy fees.
- Tailored support aligned to LGPS governance and regulatory requirements.
- Improved consistency and resilience in policy and funding approaches across London boroughs.

5.3. Camden's early participation positions the Fund well to navigate resourcing constraints while enhancing governance standards.

6. Next Steps and Recommendations

6.1. Continue to engage with London CIV on the in-depth reviews of the Global Alpha Growth Paris-Aligned and MAC funds scheduled in Q2.

6.2. Leverage LGPS PASS services in preparation for the 2025 triennial valuation and Committee reporting.

6.3. Monitor the implementation of pooling transition plans as required under government guidance by March 2026.

7. RESPONSIBLE INVESTOR COMMENT

- 7.1. The Fund's engagement with, and commitment to, the London CIV is an important part of how the Fund can act as a responsible investor. Pooling increases the leverage and influence that any individual LGPS fund may have with fund managers, creating more opportunities for RI to be both discussed and practised. The Fund will need to think carefully about how to incorporate Task Force on Nature Related Financial Disclosure (TNFD) requirements in the future.

8. ENVIRONMENTAL IMPLICATIONS

- 8.1. This report covers several of the actions taken by the CIV towards responsible investment, in response to pressure from London Boroughs including Camden. TNFD requirements will ensure that nature-based risks are captured in the Fund's investment approach.

9. FINANCE COMMENTS OF THE EXECUTIVE DIRECTOR CORPORATE SERVICES

- 9.1. There are no finance comments to add.

10. LEGAL COMMENTS OF THE BOROUGH SOLICITOR

- 10.1. The Local Government Pension Scheme (Management and Investment Funds) Regulations 2016 requires all Local Authorities to commit to a suitable pool to achieve benefits of scale. This report demonstrates the adherence to the Regulations by providing details of the approach to pooling, the structure and the governance arrangements and the mechanism by which the CIV can be held to account.