LONDON BOROUGH OF CAMDEN	WARD: All
REPORT TITLE: Property Portfolio – Transition to LCIV Indirect Real Estate Pooling (IREP) Solution	
REPORT OF: Executive Director Corporate Services	
FOR SUBMISSION TO: Pension Committee	**DATE:** 22 October 2025

SUMMARY OF REPORT:

This report seeks Committee approval to replace the Fund's existing contractual arrangement with CBRE and instead enter into a new contractual arrangement with London CIV under the LCIV Indirect Real Estate Pooling Solution, which is also managed by CBRE Investment Management.

The transition will maintain continuity of manager, mandate objectives, and investment style, while achieving full compliance with the pooling requirements under the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

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:

1. Approve the transition of the Fund's existing CBRE UK Property mandate by entering a new contractual arrangement with the London CIV as part of the LCIV Indirect Real Estate Pooling Solution.

Signed by
Director of Finance ……………**Agreed**…………………

Date: …………**10/10/2025**………….……

1. BACKGROUND

1.1 The Camden Pension Fund has been invested with CBRE Investment Management since 2010, with the property mandate representing approximately £95 million (c. 4% of total Fund assets) as at 30 June 2025.

1.2 The Fund's property allocation provides diversification benefits and inflation-linked income through exposure to a diversified portfolio of UK real estate assets.

1.3 In line with the Government's pooling requirements, London CIV has now launched the LCIV Indirect Real Estate Pooling (IREP) Solution, to consolidate London boroughs' existing property holdings under a single pooled structure.

1.4 CBRE Investment Management has been appointed by LCIV, as a strategic partner to manage the solution, ensuring continuity of the investment team, process, and property portfolio characteristics for the Fund.

2. RATIONALE FOR RECOMMENDATION

2.1 Compliance with Pooling Regulations:

The transition enables Camden to maintain property exposure under the same investment managers while meeting the Government's statutory requirement for LGPS assets to be pooled where appropriate and beneficial.

2.2 Continuity of Management and Strategy:

There is no change in underlying investment philosophy, manager, or portfolio composition. CBRE will continue to implement the same diversified property strategy with an emphasis on income generation and active asset management.

2.3 Operational Efficiency:

Moving into the LCIV structure provides enhanced governance, streamlined reporting, and access to shared due diligence and monitoring through LCIV oversight, reducing the administrative burden on individual boroughs.

2.4 Cost and Scale Benefits:

Pooling the Fund's property allocation with other London boroughs provides access to economies of scale, improved fee terms over time, and a more efficient structure for future capital deployment

3. IMPLEMENTATION CONSIDERATIONS

3.1 The transfer will be implemented as a like-for-like transition within CBRE, under guidance from LCIV, minimising transaction costs. Camden's portfolio is naturally being repositioned towards alignment with the UK Best Ideas portfolio, which will take place over time.

3.2 Transition costs are expected to be negligible, limited to minor administrative and legal setup costs borne by LCIV.

3.3 Officers will work with LCIV, CBRE, and JP Morgan to coordinate the transition, expected to complete in Q4 2025, subject to final legal documentation

4. RISK MANAGEMENT AND GOVERNANCE

4.1 Key risks and mitigations are summarised below:

Risk	Mitigation
Administrative / operational delays	Managed collaboratively by LCIV, CBRE and JP Morgan under a formal transition plan.
Documentation or legal delays	LCIV to provide standardised IMA documentation reviewed by Camden Officers.
Accounting / reporting changes	JP Morgan to update Fund records to reflect pooled structure.
Market valuation timing	Transition designed to minimise out-of-market exposure; CBRE to manage timing alignment.

4.2 The Fund will continue to receive performance, ESG, and valuation reports via LCIV in line with its pooled fund reporting cycle.

5. RESPONSIBLE INVESTOR COMMENT

5.1 The transition supports the Fund's Responsible Investment (RI) Policy and aligns with the London CIV's ESG integration framework.

5.2 Both the existing CBRE property portfolio and the LCIV Indirect Real Estate Pooling (IREP) Solution are managed by CBRE Investment Management, which maintains a strong commitment to sustainability and stewardship. CBRE is a signatory to the UN Principles for Responsible Investment (UN PRI) and has achieved consistent GRESB (Global Real Estate Sustainability Benchmark) ratings above the industry average across its property portfolios.

5.3 Through pooling, Camden will benefit from enhanced ESG oversight and reporting. The LCIV structure embeds regular climate risk assessments, portfolio-level carbon performance reporting, and Task Force on Climate Related Financial Disclosures (TCFD)-aligned disclosures, ensuring greater transparency and comparability across participating boroughs.

5.4 The transition also supports Camden's ambition to monitor energy efficiency, embodied carbon, and net zero alignment within the property portfolio. LCIV's centralised stewardship programme will facilitate engagement with tenants and developers on sustainability standards and emissions targets.

5.5 There are no adverse Responsible Investment implications arising from this transition, and the move is expected to strengthen the Fund's overall ESG governance position within the property asset class

6. ENVIRONMENTAL IMPLICATIONS

6.1 Both the current CBRE property portfolio and the LCIV Indirect Real Estate Pooling (IREP) Solution are managed in accordance with CBRE's Responsible Investment Policy and LCIV's ESG framework.

6.2 The transition has no negative environmental impact and supports the Fund's responsible investment objectives by enhancing oversight through LCIV's climate-related reporting structure.

6.3 Future reporting under LCIV will include standardised TCFD-aligned climate metrics across all property holdings.

7. FINANCE COMMENTS OF THE DIRECTOR OF FINANCE

7.1 The transition is expected to be cost neutral with negligible one-off costs.

7.2 A core objective of the IREP solution is deliver meaningful cost savings. By joining the IREP Solution and entering into an IMA with London CIV, Camden will benefit from both immediate and long-term fee reductions – at both the headline level and the underlying fund level.

7.3 The proposal has no impact on the Fund's overall strategic asset allocation or cashflow position and remains consistent with the Investment Strategy Statement.

8. LEGAL COMMENTS OF THE BOROUGH SOLICITOR

8.1 The Council, as the administering authority for the Pension Fund may appoint investment managers to manage and invest an equity portfolio on its behalf (Regulation 9(1) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (SI 2016/946). The authority may only appoint an investment manager if the authority:

a. reasonably believes that the investment manager's ability in and practical experience of financial matters makes that investment manager suitably qualified to make investment decisions for it; and
b. it has taken proper advice in relation to the appointment and the terms on which the appointment is made.

8.2 The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 require administering authorities to include their approach to asset pooling in their Investment Strategy Statement (ISS) and encourage authorities to pool assets to achieve economies of scale. The relevant part of the Guidance on Preparing and Maintaining an Investment Strategy Statement July 2017 reinforces this as it states that 'All authorities must commit to a suitable pool to achieve benefits of scale. Administering authorities must confirm their chosen investment pool meets the investment reform and criteria published in November 2015, or to the extent that it does not, that Government is content for it to continue. Any change which results in failure to meet the criteria must be reported by the administering authority, and/or pool, to the Secretary of State and the Scheme Advisory Board. Administering authorities should set out their approach to pooling and the proportion of assets that will be invested through the pool. This must include the structure and governance arrangements and the mechanisms by which the authority can hold the pool to account. Where services are shared or jointly procured, the administering authority must set out the rationale underpinning this and the cost benefit of this, as opposed to pooling. Administering authorities must provide a summary of assets to be held outside of the pool, and how this demonstrates value for money. The progress of asset transfers to the pool must be reported annually against implementation plans and submitted to the Scheme Advisory Board. Where it is possible that an asset could be pooled in the future, authorities must set a date for review and criteria that need to be met before the asset will be pooled'.

Elected members have a duty under general public law principles to make investment decisions in the best long-term interest of scheme beneficiaries and taxpayers

APPENDICES

APPENDIX A – LCIV (report on) Indirect Real Estate Pooling Solution