

Title of Report	Buckinghamshire Pension Fund Admission to the LCIV Pool
For Consideration By	Pensions Committee
Meeting Date	21 January 2026
Classification	Open (Exempt Appendices)
Ward(s) Affected	All
Group Director	Naeem Ahmed, Group Director Finance & Corporate Resources

1. Introduction

- 1.1. This report seeks approval for Buckinghamshire Pension Fund to join the London CIV.

2. Recommendations

- 2.1. **The Committee is asked to:**
- 2.2. **Note the report and appendices**
- 2.3. **Approve the admission of Buckinghamshire Pension Fund as a new member of the Company**
- 2.4. **Agree changes to the Shareholder Agreement**
- 2.5. **Agree the changes in share capital (including issuing shares)**
- 2.6. **Agree changes to the Company's Articles which are shareholder rights**

3. Reasons for decision

- 3.1. Over the past year, the Government has set out to reform the Local Government Pension Scheme (LGPS) as part of the UK Pension Reforms. The Government required all pools as part of the Fit for the Future Consultation to submit business plans showing how they would implement the Government's proposal. Two of the asset pools ACCESS and Brunel were then deemed not to meet the Government's core minimum standards and vision for the LGPS. As a result, the Government required all 21 funds

participating in those pools to declare which of the other asset pools they would join, with a deadline set for 30 September 2025.

- 3.2. Buckinghamshire Pension Fund which stood at £4.1bn approached the London CIV pool and expressed their preference to join the London pool.

4. **Introduction**

- 4.1. As part of the Government's LGPS Fit for the Future reforms, LGPS asset pools were asked to demonstrate compliance with new minimum standards for governance, scale and full pooling of assets by March 2026. London CIV's submission was one of the six pools business plans endorsed by the Government in May 2025. Business Plans for the ACCESS and Brunel asset pools were not approved by the Government, their partner funds were instructed to identify alternative approved asset pools by 30 September 2025. Following this reduction of asset pools to six, the London CIV will have the largest number of partner funds with thirty-three and be the fourth largest pool by asset under management at circa £55.3bn.
- 4.2. In September 2025, Buckinghamshire Pension Fund, which was part of the Brunel Pension Partnership, approached London CIV (LCIV) and expressed their preference to join the London Pool.
- 4.3. The Business Case for Buckinghamshire Pension Fund joining London CIV
 - Economic Sense
 - Scale
 - Geography and identity
 - Product alignment
 - Local Investment
 - Management and resourcing capability
- 4.4. The proposal was discussed with the London CIV Board and by the Society of London Treasurers (SLT). LCIV prepared a business case with all 32 Partner Funds receiving unanimous agreement in principle, subject to due diligence and formal approval. A copy of the full business case is attached as Appendix 5 to this report. LCIV subsequently confirmed the formal next steps to progress with the proposed admission of Buckinghamshire Pension Fund. This included the updated Shareholder Agreement and Shareholder resolution.
- 4.5. LCIV does not envisage any change to the existing governance arrangements of the London CIV. The existing Shareholder Agreement ("SHA") permits the admission of new members to the CIV if the relevant approvals are obtained from the LCIV Board and Shareholders.

Document changes to be made by LCIV

- Shareholder Agreement (“SHA”) - A table of changes are included in this report, and the updated SHA is attached at appendix 2 for execution. The changes are all non-material to:
 - consolidate changes to the SHA agreed with shareholders between 2015 and 2024; update for the joining shareholder;
 - remove references to the Pensions CIV Sectoral Joint Committee and to outdated legislation.
- Articles of Association - The changes are all non-material and have been made to:
 - reflect current practices;
 - update for the joining shareholder;
 - and remove outdated references.
- Share Issuance: New Shareholder Shareholder approval is required to issue shares to the new shareholder. LCIV will be issuing 1 A share and 220,312 B shares. The B shares will be issued at a premium to avoid any reduction in the value of the investment held by existing shareholders.
- Pension Guarantee and Recharge Agreement As part of admittance as a member, Buckinghamshire will sign the Pension Recharge Agreement. Shareholders are required to bear an equal share of any potential costs relating to a future deficit that requires additional funding, or costs incurred in winding down the London CIV LGPS Scheme. The Scheme’s position is reported to shareholders annually in the financial accounts. No shareholder action is required – this is for information only.

Legal Due Diligence

- 4.6. The Hackney Legal Team reviewed documentation circulated by London CIV Limited (the “Company”) and have not identified any material issues of concern arising from the entrance of the Council into the revised shareholder’ agreement or its signature of of the shareholder resolution (which aligns with the content of the executive summary circulated by the Company detailing the changes made to the existing articles and the shareholder agreement).

Risk Management

- 4.7. LCIV actual future growth may not meet its forecast growth expectations and forecasts. Adding a non-London fund may lead to differing local priorities and stretch on London CIV resources. LCIV in its January 2026 GM reported staffing number growth of 10 and another 10 posts to be recruited to in 2026.

Next Steps

4.8. The proposal is subject to formal approval by the London CIV Board and Shareholders under the A-List Reserved Matter process, followed by Government sign-off.

5. **Comments of the Group Director of Finance and Corporate Resources.**

5.1. There is no financial detriment to existing partner funds, although LCIV may require additional resources to manage Buckinghamshire assets. The business case confirms that the new Partner fund will contribute proportionally to share capital and service charges, ensuring no dilution of existing shareholders' value or increase in Hackney's costs. The LCIV 2026/27 identifies some increase in revenue as a result of Buckinghamshire Pension Fund joining the London CIV.

6. **Comments of the Director of Legal, Democratic and Electoral Services**

6.1. It is appropriate that the Pensions Committee is kept informed of developments and made aware of the decisions being taken which could have an impact on future decisions that it may wish to make in respect of its investments and asset allocation decisions.

6.2. London CIV is a regulated company under the Financial Conduct Authority (FCA). The existing Shareholder Agreement (SHA) permits the admission of new partner fund members to London CIV if the relevant approvals are obtained from the Board and shareholders. The admittance of any entity is an 'A List Reserved Matter' requiring prior approval in writing of all Shareholders. An approval from Shareholders would need to include approval of the new member, approval of an increase of share capital, approval to amend the company's articles of association to reflect the revised share capital.

Appendices

Appendix 1 - Paper for Shareholders (Exempt)

Appendix 2 - LCIV Shareholders Agreement (Exempt)

Appendix 3 - Shareholder Resolution Bucks Allotment (Exempt)

Appendix 4 - LCIV Articles of Association 2025 Final (Exempt)

Appendix 5 - Buckinghamshire Pension Fund Business Case to Join London CIV (Exempt)

Background documents

None

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