

Report for: Pensions Committee and Board – 4 March 2020

Title: London Collective Investment Vehicle (LCIV) Renewable Infrastructure Fund (RIF) Suitability Advice

Report authorised by: Thomas Skeen, Assistant Director of Finance (Deputy Section 151 Officer)

Lead Officer: Oladapo Shonola, Head of Pensions and Treasury, Oladapo1.shonola@haringey.gov.uk, 020 8489 1860

Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Non Key Decision

1. Describe the issue under consideration

- 1.1. At its meeting on 20 October 2020, the Pensions Committee and Board (PCB) agreed in principle to commit to a top up to its allocation to renewable energy investments of £65m and to do so through the LCIV RIF once it was up and running and subject to further due diligence by officers and the Fund's investment consultant.

2. Cabinet Member Introduction

- 2.1. Not applicable.

3. Recommendations

The Pensions Committee and Board is asked:

- 3.1. To note the London Collective Investment Vehicle (LCIV) Renewable Infrastructure Fund (RIF) Suitability Advice, appended as Confidential Appendix 1 to the report.
- 3.2. To agree that the Haringey Pension Fund commits to invest £65 million in the London Collective Investment Vehicle (LCIV) Renewable Infrastructure Fund (RIF).
- 3.3. To delegate authority to the Assistant Director of Finance to formally notify the London Collective Investment Vehicle (LCIV) of this decision and to implement the decision to invest in the Renewable Infrastructure Fund (if agreed), after consultation with the Chair of the Pensions Committee and Board and Independent Advisor.

- 3.4. To delegate authority to the Assistant Director of Finance to update and republish the Pension Fund's Investment Strategy Statement consistent with the decisions made above.

4. Reason for Decision

- 4.1. The PCB agreed in principle to invest £65m in the LCIV RIF at its meeting of 20 October 2020 subject to completion of further due diligence after sub fund managers have been appointed. The paper attached at confidential appendix 1 of this report sets Mercer's recommendations on the suitability of the LCIV RIF to the Haringey Pension Fund after further due diligence.

5. Other options considered

- 5.1. Not applicable.

6. Background information

- 6.1. In July 2020, the Pensions Committee and Board reviewed the Fund's investment strategy including proposals that would allow the Fund to achieve and maintain 5% allocations to renewable energy as part of a wider review of its investment strategy and strategic asset allocation.
- 6.2. At its meeting in October 2020, the PCB approved a proposal to commit £65m to the London CIV renewable energy strategy once the strategy was in a position to launch so that the Fund's exposure to renewable energy can be maintained at the strategic allocation of 5%. This decision was communicated to LCIV following the October meeting of the PCB and officers have been kept updated on progress on the appointment of sub fund managers to the mandate.

7. Contribution to Strategic Outcomes

- 7.1. Not applicable

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance and Procurement

- 8.1. There are no specific financial implications arising from this report which requests the PCB to agree the implementation of a prior decision made by the Committee and Board.

Comments of the Head of Legal and Governance (Monitoring Officer)

8.2. This report seeks authority to commit a sum of money for investment in renewable energy through the London CIV. The investment must be made in accordance with the Investment Strategy as formulated in accordance with Regulations 7 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

Equalities

8.3. Not applicable.

9. Use of Appendices

9.1. Confidential Appendix 1: LCIV Renewable Infrastructure Fund – Suitability Advice

10. Local Government (Access to Information) Act 1985

10.1. Not applicable.