



Haverling

LONDON BOROUGH

LOCAL PENSION BOARD AGENDA

4.00 pm

**Tuesday
27 February 2024**

Microsoft Teams

Members 7: Quorum 2

Joanne Sladden, Scheme Employer Representative
Mark Holder, Scheme Member Representative
Yasmin Ramjohn, Scheme Member Representative
Dionne Weekes, Scheme Member Representative

Jonathan Bunt, Independent
Denise Broom, Scheme Employer Representative
Andrew Frater, Scheme Employer Representative

**For information about the meeting please contact:
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luke.phimister@onesource.co.uk**

AGENDA ITEMS

1 CHAIR'S ANNOUNCEMENTS

The Chair will announce details of the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

2 APOLOGIES FOR ABSENCE

(if any) – receive.

3 DISCLOSURE OF INTEREST

Members are invited to disclose any interest in any items on the agenda at this point of the meeting.

Members may still disclose any interest in an item at any time prior to the consideration of the matter.

4 MINUTES OF THE MEETING (Pages 3 - 6)

To approve as correct the minutes of the meeting held on 21 November 2023 and authorise the Chair to sign them.

5 TO RECEIVE FEEDBACK FROM RECENT MEETINGS OF THE PENSIONS COMMITTEE (Pages 7 - 10)

(If any) – receive.

6 COMMUNICATIONS POLICY (Pages 11 - 36)

7 RISK REGISTER (Pages 37 - 68)

8 PENSIONS ADMINISTRATION AND LEGISLATION UPDATE (Pages 69 - 128)

9 PENSIONS ADMINISTRATION STRATEGY MONITORING PLAN 2024-25 (Pages 129 - 148)

10 PENSIONS COMMITTEE PAPERS REVIEW (Pages 149 - 156)

Zena Smith
Head of Committee and Election Services

Public Document Pack Agenda Item 4

**MINUTES OF THE MEETING OF THE
LOCAL PENSION BOARD
MS Teams
21 November 2023 (4.02 - 5.40 pm)**

Present:

Jonathan Bunt (Independent) (Chairman), Denise Broom (Scheme Employer Representative), Andrew Frater (Scheme Employer Representative), Joanne Sladden (Scheme Employer Representative) and Yasmin Ramjohn (Scheme Member Representative)

186 CHAIR'S ANNOUNCEMENTS

The Chairman reminded members of the actions to be taken if they were to be disconnected from the call.

187 APOLOGIES FOR ABSENCE

Apologies were received from Mark Holder and Dionne Weekes

188 DISCLOSURE OF INTEREST

There were no apologies for absence.

189 MINUTES OF THE MEETING

The minutes of the previous meeting were agreed as a correct record.

190 TO RECEIVE FEEDBACK FROM RECENT MEETINGS OF THE PENSIONS COMMITTEE

The Board received a brief update on the previous Pensions Committee.

191 PENSIONS ADMINISTRATION UPDATE

The Board received a report from the Local Pensions Partnership Administration (LPPA) with a Pensions Administration update.

It was explained to Members that the performance for all case types was above the target however the performance for retirements, bereavements and deaths was below the targets. LPPA officers then outlined the helpdesk performance and the Board noted the satisfaction rate was consistently around 80% but LPPA were aiming for a higher score.

Members questioned how LPPA was improving its performance and it was explained that new staff had been recruited to help increase the performance of those case types. LPPA then explained to the Board that it

was undergoing big innovations including validations to check for missing information within cases both before and after the case had been handled. It was explained that the innovations would help to increase performance across all types.

The Board agreed for LPPA to attend a future meeting to elaborate on the learning following the satisfaction scores and comments.

The Board noted the report.

192 **LPPA INTERNAL CONTROL ASSURANCE REPORT**

The Board received an LPPA Internal Control Assurance report.

Board members noted the report outlined control objectives set by LPPA during the year 2022-2023. Members noted the current report would be replaced by an external report by AAF which would be given to LPPA by the end of November 2023 with an annual review process following that. It was also explained that the control objectives set by AAF would be the same as the objectives previously set by LPPA.

It was explained to the Board that the overall assurance of the Pensions Administration had been performing to compliance, however, with challenges with customer services. Members questioned if the migration to the new system had been incorporated into the report of which officers confirmed and explained the auditing of that stalled the report.

Members then questioned the internal auditor at LPPA and officers explained that the internal auditor did have resources to conduct research and investigations, however, there was no consideration to employ more auditors.

Members also questioned why not all areas had been tested to which officers answered that LPPA had a 3 year plan to test all areas so not all areas are tested for each annual report. It was explained that tests are risk-based.

The Board noted the report.

193 **RISK REGISTER**

The Board received a report on the Risk Register.

The Board noted the grammatical errors raised had been corrected and the date on risk 2.2 had been corrected to read March 2026.

Officers explained to the Board that the Pensions Committee had recommended that a risk be added to reflect the financial position of the Council and paying the statutory contribution rates as risk 4.4. It was also explained that the Committee had recommended that risk 5.4 be changed

the post-mitigation score to amber and suggested the Council's internal audit team conduct reviews of the post-mitigation scores to ensure they are reasonable and realistic and to possibly benchmark the scores against neighbouring boroughs. The Board however, suggested the internal audit team may not be best suited and suggested the Council consider an external provider.

The Board agreed for a report from AAF on cyber security to be presented at a future meeting.

The Board noted the report.

Chairman

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**MINUTES OF A MEETING OF THE
PENSIONS COMMITTEE
Council Chamber - Town Hall
24 January 2024 (7.03 - 8.50 pm)**

Present:

COUNCILLORS

Conservative Group Dilip Patel, Viddy Persaud and Joshua Chapman

Havering Residents' Group James Glass and Williams

All decisions were taken with no votes against.

The Chairman reminded Members of the action to be taken in an emergency.

321 APPOINTMENT OF MEETING CHAIR

In the absence of the Chair and Vice-Chair, it was agreed without division that Councillor Patel should chair the meeting.

322 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS

Apologies were received from Councillors Mandy Anderson and Philip Ruck. Councillor Ruck was present via videoconference. Apologies were also received from Derek Scott – Trade Union Observer.

323 DISCLOSURE OF INTERESTS

There were no disclosures of interest.

324 MINUTES OF THE MEETING

It was noted that, under minute 313 – Risk Register Update, the scoring for cyber risk had been amended from D3 to C2. A new risk had also been added – the threat to the level of employer contributions due to budget pressures.

The minutes were otherwise agreed as a correct record.

325 **PENSION FUND VALUATION FUNDING UPDATE FROM MARCH 2022 TO SEPTEMBER 2023**

Officers advised that, in the period under review, performance had increased from 80% to 106% funding levels. The funding level had grown over the last 15 years and the expected return on assets had also been going up. Increases in funding had been driven by the prospect of future returns.

A Member asked if the fund's liability had been lowered due to a change in the discount rate. Precise levels were determined by the actuary via the modelling of expected returns. The level of prudence re uncertainty was set by the Committee every three years.

Funding levels did fluctuate and this needed to be looked at over a longer period of time.

The Committee NOTED the Havering Pension Fund interim funding position updated to 30 September 2023 as set out in appendix A of the report and that no action was required to change the funding plan.

326 **SERVICE REVIEW OF THE PENSION FUND CUSTODIAL & PERFORMANCE MONITORING SERVICE OCT 2022 TO SEP 2023**

It was noted that Northern Trust had been the fund custodian since October 2019 and looked after the investment accounts and reporting for the fund. Red-Amber-Green (RAG) ratings for these services were shown in the report and officers were satisfied with Northern Trust's performance.

Officers discussed with Members the merit of officer assessment RAG ratings for the custodian and felt that no value would be added from independent verification. As part of the annual pension fund audit, external auditors also look at third party internal controls and Northern Trust's internal control reports were also externally audited.

The risk management framework could be considered for independent verification and internal audit could consider this. Benchmarking information for officer assessments of the Risk Register scorings was in the process of being collated and a report would be brought to the Committee on this in due course.

Custodial fees had been reduced although performance management fees had increased due to external index fees charged by providers. Officers have asked the Funds investment advisors if alternative indices can be used.

The Committee noted the report and the views of officers on the performance of the Custodian.

327 EXCLUSION OF THE PUBLIC

It was **AGREED** that, for the relevant section of agenda item 8 only, the public should be excluded from the meeting on the grounds that it was likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the public were present during that item, there would be disclosure to them of exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972.

328 PENSION FUND PERFORMANCE MONITORING FOR THE QUARTER ENDED SEPTEMBER 2023

Officers confirmed that the total value of the fund had decreased in the three months under review by £5.75m. Inflation had started to fall in this period although the economic position remained uncertain. There had not been any strong equity performance over this quarter (ended 30 September 2023).

The fund had delivered slightly negative (0.5%) returns over the quarter. 15% of the fund's assets were in the London Collective Investment Vehicle (CIV) Global Alpha fund. The fund had struggled recently due to investments looking for excess growth. This fund was the largest in the London CIV. Hymans discussed performance regularly with the fund managers.

The Council's investment strategy aimed to deliver stable, long term returns. The Funding Level of the pension scheme was better than in previous years and the advisers did not suggest wholesale changes to investments. The Strategic Director of Finance emphasised that the proposed decision not to top up the pension fund cash account with voluntary contributions did not affect the level of pension contributions. There remained £22m in the cash account and the Council's policy was to seek to keep this at £3m-8m. Officers agreed that the cash balance was unusually high and an item on cash flow policy was currently under review and the policy would be brought to the next meeting of the Committee.

The £22m cash fund was invested by the Treasury Manager and could be withdrawn if required. A good return was currently being achieved on the cash assets.

It was also noted that Royal London Index Linked Gilts had underperformed due to a misjudgement over falling interest rates.

It was agreed that at this point the Committee should go into exempt session for the next part of the item.

On return to the open session, officers explained that, in the annual London CIV return to the Department of Levelling Up, Housing and Communities, Havering had been flagged as having a lower pooling level. This reflected the lower asset value of the fund and not the Fund's approach to pooling.

A training-session would be arranged for Members on nature-related financial disclosures in due course, following the publication of the framework.

Officers updated the committee of the implications of the McCloud judgement following updated regulations that came into force from 1 October 2023.

A Government response on the Next Steps on Investment programme had been received. This would go ahead but would not be mandatory in all areas. Guidance on this was awaited and an update would be brought to the Committee.

The Committee **AGREED**:

- 1. To note the detail in the reports and presentations it had received on this item, including the exempt material.**

Chairman



LOCAL PENSIONS BOARD

Subject Heading:

Havering Pension Fund Communications
Plan 2024/25

SLT Lead:

Kathy Freeman
Section 151 Officer

Report Author and contact details:

Alex McMahon
Alexandra.McMahon@havering.gov.uk

Policy context:

Local Government Pension Scheme
Regulations 2013

SUMMARY

This is the 2024/25 Communications Plan in accordance with the Communications Policy for the London Borough of Havering Pension Fund, in relation to the Local Government Pension Scheme (LGPS) which was agreed/published in November 2021. The Communications Policy will be reviewed again in November 2024.

It details key communications with stakeholders, the method and frequency of the communications.

The actions are reviewed annually and are included in the Pension Fund Annual Report and Accounts.

There is a plan for both Employers and Members.

RECOMMENDATIONS

Board Members to note and feedback on the report.

REPORT DETAIL

1. Regulation 61 of the Local Government Pension Scheme Regulations 2013 requires an Administration Authority to prepare and publish a written statement covering communications with members and scheme employers.
2. The key objectives of the Communication Policy are to communicate in the most appropriate medium for the audience, educate the various stakeholders of the benefits of the LGPS and to improve the service our members receive.
3. There is a Plan for both Members and Employers setting out the information we intend to share on a monthly basis. The Plan will be reviewed with the communications adjusted/amended if required to accommodate any time sensitive updates to scheme legislation.
4. There are some recurring general themes which we will communicate twice annually to raise awareness and education of the LGPS for all stakeholders. For example, the Retirement process for Members and Outsourcing for Employers.
5. As part of the communications to prospective members, we ask Employers to distribute information to all staff detailing the benefits of being a member of the LGPS.

6. The relevant communications plans are attached as Appendices A-C.

IMPLICATIONS AND RISKS

Financial implications and risks:

There is a risk of breaching the Fund's statutory obligations if communications with its scheme members, member representatives, prospective members and scheme employers is not met.

Budgetary provisions are available and any communication costs are met by the Pension Fund either as a direct charge to the fund, via contract costs from the third party administrative provider or as recharge from the Council.

Legal implications and risks:

The relevant legal duties are set out in s 61 The Local Government Pension Scheme Regulations 2013

61.—(1) An administering authority must prepare, maintain and publish a written statement setting out its policy concerning communications with—

- (a) members;
- (b) representatives of members;
- (c) prospective members; and
- (d) Scheme employers.

(2) In particular the statement must set out its policy on—

- (a) the provision of information and publicity about the Scheme to members, representatives of members and Scheme employers;
 - (b) the format, frequency and method of distributing such information or publicity;
- and
- (c) the promotion of the Scheme to prospective members and their employers.

(3) The statement must be revised and published by the administering authority following a material change in their policy on any of the matters referred to in paragraph (2).

There are no other apparent legal implications.

Human Resources implications and risks:

There appear to be no HR implications or risks arising directly as a result of this report.

Equalities implications and risks:

The policy states that requests for documents in alternative font, format and language can be accommodated.

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants. We will ensure that disabled people with sensory impairments are able to access the strategy.



Havering
L O N D O N B O R O U G H

**HAVERING PENSION FUND
COMMUNICATIONS POLICY**

2021-2024

| Contents | Page |
|---|-------------|
| 1. Introduction | 3 |
| Strategy Review, Ownership and Authorisation | 3 |
| Pensions Administration | 3 |
| 2. Legislative Framework | 4 |
| 3. Key Objectives | 4 |
| 4. Communications with Scheme Members | 5-8 |
| 5. Communications with Prospective Scheme Members | 8-9 |
| 6. Communications with Scheme Employers | 10-12 |
| 7. Communications with Representatives of Members | 12-17 |
| A. Pensions Committee | 12-14 |
| B. Local Pensions Board | 14-15 |
| C. Havering and OneSource Managers | 15-16 |
| D. Other Stakeholders | 16-17 |

1. Introduction

An effective communications policy is vital for any organisation which strives to provide a high quality and consistent service to their stakeholders.

Havering Council, as the administering authority for the Havering Pension Fund (the Fund), must maintain a communications policy as required by the Local Government Pension Scheme Regulation 2013.

The provision of timely, relevant information in a suitable format is key to ensuring efficient and effective communications. It is important that we consider the costs in terms of resource and staff time for all communications and work with the LPPA to ensure there are appropriate systems and processes in place to facilitate these communications with our stakeholders.

This policy identifies our key stakeholders and details the different forms and methods of communications required to maintain the successful governance and administration of the Fund.

Every effort is made to ensure all our communications are accessible to all. Documents can be re-produced in different fonts, formats and languages where required by the recipient.

Strategy Review, Ownership and Authorisation

The Havering Pension Fund Communications Policy is effective with effect from November 2021.

The administering authority will review this policy as required to reflect changes in regulations, governance or working practices with a full review every three years

The policy lead is the Pension Projects and Contracts Manager. The document has been developed with approval from the Pensions Committee.

If you have any questions or comments regarding the Pensions Administration Strategy, please contact Caroline Guyon, Pensions Projects and Contracts Manager.
Telephone: 01708 432185 or via email caroline.guyon@havering.gov.uk

Pensions Administration

From 1 November 2017, the London Borough of Havering delegated the pension administration service to Lancashire County Council who have engaged the Local Pensions Partnership Administration (LPPA) to undertake their pension portfolio. The Local Pensions Partnership was formed in 2016 through a collaboration between Lancashire County Council and the London Pensions Fund Authority and provides pension services to the Local Government Pension Scheme, Police and Firefighter Schemes.

LPPA can be contacted via telephone on 0300 323 0260 or via the contact form on the [website](#).

2. Legislative Framework

The Fund is required by regulation 61 of the Local Government Pension Scheme Regulations 2013 to maintain and publish a communications policy statement. Regulation 61 is reproduced below:

61. (1) An administering authority must prepare, maintain and publish a written statement setting out its policy concerning communications with-

- a) Members
- b) Representatives of members
- c) Prospective members
- d) Scheme employers

(2) In particular the statement must set out its policy on-

- a) The provision of information and publicity about the scheme to members, representatives of members and Scheme employers
- b) The format, requery and method of distributing such information or publicity
- c) The promotion of the Scheme to prospective members and their employers

(3) The statement must be revised and published by the administering authority following a material change in their policy on any of the matters referred to in paragraph (2).

In accordance with the Public Sector Pensions Act 2015, the LGPS is regulated by the Pensions Regulator who has provided guidance in Code of Practice 14 on providing good quality communications to Scheme members and other stakeholders.

3. Key Objectives

The key objectives of the communications policy are:

- To improve the understanding of members, their representatives and perspective members of the benefits of the Local Government Pension Scheme
- Assist Scheme employers in understanding their roles and responsibilities within the LGPS and to provide guidance and support
- To improve the service that Pension Fund Members receive
- Use plain English for all communications
- Identify and use the most appropriate communication method to take account of stakeholders' different needs
- To communicate in the most effective and cost efficient way

4. Communications with Scheme Members

Our aims for communicating with our scheme members are:

- to better educate members of the benefits of the scheme to reduce the general queries being directed to the LPPA help desk
- to encourage the use of the pension scheme website and registration to My Pension Online - Member Self Service.

The Key actions will be:

- continual review of employee communication methods to ensure they are effective and efficient
- on-going promotion of the pension websites and Member Self Service
- Working with LPPA to ensure communications are relevant and timely

| Action | Audience | Media | End of Year Review 2022 |
|---|--------------------------------|---------------------|-------------------------|
| Review and update the pension websites and intranet site | All | Web | |
| Promote the pension websites and intranet | All | Web | |
| Promote My Pension Online – Member Self Service | Active, Deferred and Pensioner | Web | |
| Ensure relevant, accurate and timely communications are sent to all members | All | Paper or electronic | |

The Administering Authority will ensure the following communications are provided as required, in addition to day to day individual communications with members.

| Communication | Media | Frequency of Issue | Distribution | Audience |
|------------------------------|-------|--|--|--------------------------|
| Pension Websites | Web | Continually available. Updated as required | Advertised on all communications | All |
| Havering staff intranet site | Web | Continually available. Updated as required | Advertised regularly via internal communications | Havering Corporate staff |

| | | | | |
|--|--|--|--|---------------------|
| Scheme booklet | Web | Continually available. Updated as required | For viewing as required | All |
| Factsheets | Web | Continually available. Updated and replaced as required | For viewing as required | All |
| Newsletters and scheme updates | Web or paper | As required | For viewing as required. Post to home address for targeted communication | All |
| Forms | Web or paper | As required | Available to download or post to home address | All |
| Annual Benefit Statements | Web or paper if opted out of online statements | Continually available. Updated annually | For viewing as required. Members are informed of availability via personal email, email to employers or internal Global News | Active and Deferred |
| Retirement Workshops | Web | Periodically | LPPA run retirement workshops for members nearing retirement. These are advertised via employer communications | |
| Road shows/ Workshops | Face to face in person or virtually | When required | Advertised via email, Global News, Posters and employers | Active |
| Pensioner payslips | Paper | 1 st pension payment and every April, May and October | Post to home address | Pensioner |
| Notice of Pensions Increase | Paper | Annually in April | Post to home address with April payslip | Pensioner |
| Internal Disputes Resolution Procedure | Paper or Web | Continually available. Updated as required | Post to home address or available to download | All |

| | | | | |
|----------------------------|-----|--|--------------------------|-----|
| Annual Report and Accounts | Web | Continually available. Replaced annually | For viewing as required. | All |
|----------------------------|-----|--|--------------------------|-----|

Explanation of communications

Pension Websites - The LPPA website (www.lppapensions.co.uk) provides LGPS information for all of their clients, including forms, guides, newsletters, links to related sites including My Pension Online Member Self Service and contact information. The Havering Pension website (www.havering.gov.uk › info › council_data_and_spending › pension_fund) provides information specific to Havering Fund members such as our retirement process factsheet and planning guide, IDR policy, Annual report and accounts and information about the Local Pensions Board.

Scheme booklet - A booklet providing detailed overview of the LGPS, including who can join, how much it costs, the retirement and death benefits and how to purchase additional pension.

Factsheets – Leaflets that provide information in relation to specific topics, for example automatic enrolment.

Newsletters – General newsletters are issued annually and additionally as required, usually when a significant change to the scheme occurs. Pensions Increase newsletters are sent annually to advise pensioner members of the increase to their pension.

Forms – LGPS forms are available on the pension website such as opt out form, 50:50 or Main Scheme election form and nomination form.

Annual Benefit Statements – For active members these include the current value of benefits and projected benefits to normal retirement date. The associated death benefits are also shown. For deferred members these show the current value of the pension benefits and associated death benefits. These are released by the end of August and are available on My Pension Online – Member Self Service. Members can opt out of the online service and elect to receive a paper copy sent to their home address.

Retirement workshops – LPPA run a programme of retirement workshops held virtually throughout the year. We advertise these via employer and internal communications

Road shows – These are available, when required, providing staff with the opportunity to have a face to face conversation about their pension rights. These can also be held virtually.

Pensioner payslips – The payslips are sent when a member receives their first pension payment, if the monthly amount varies by more than £5, each April and May. They are posted to the pensioner’s home address.

Internal Disputes Resolution Procedure – A formal notification of the procedure to follow in the event that a dispute cannot be resolved by the LPPA or the Havering Pensions Projects or Contracts Manager

Annual Report and Accounts – Detailed document providing information regarding the value of the Pension Fund during the financial year, income, expenditure and other scheme based information such as the number of scheme members and scheme employers. This is published and available on the Havering pension website.

5. Communications with Prospective Scheme Members

Our aims for communicating with our prospective scheme members are:

- to increase the take up of the LGPS
- to better educate members of the benefits of the scheme to reduce the general queries being directed to the LPPA help desk

The Key actions will be:

- review of communication methods to ensure they are effective and efficient
- ensuring automatic enrolment and re-enrolment is well communicated

| Action | Audience | Media | End of Year Review 2022 |
|--|-------------------|---------------------|-------------------------|
| Ensure pension website is included with new employee contracts and information packs | New employees | Paper or electronic | |
| Review and update the pension websites | All | Web | |
| Work with employer to ensure automatic enrolment is correctly communicated | Existing employee | Paper or electronic | |

The pension scheme will work with LPPA and employers to provide the following communication as required.

| Communication | Media | Frequency of Issue | Distribution | Audience |
|-----------------------------|---------------------|--|---------------------------------------|---------------|
| Pensions Joiner Option Form | Paper or electronic | On commencing employment | Via LPPA with new starter information | New employees |
| Pension Websites | Web | Continually available. Updated as required | Advertised on all communications | All |

| | | | | |
|----------------------------|---------------------------|--|-----------------------------|---------------|
| Scheme booklet | Web | Continually available. Updated as required | For viewing as required | All |
| Education Sessions | Face to Face or virtually | As required | Part of induction workshops | New Employees |
| Annual Report and Accounts | Web | Continually available. Replaced annually | For viewing as required. | All |

Explanation of communications

Pensions Joiner Option Form – Form provided to all new employees which provides the details of the pension scheme website and allows them to advise of any previous pension entitlements.

Pension Website - The LPPA website (www.lppapensions.co.uk) provides LGPS information for all of their clients, including forms, guides, newsletters, links to related sites including My Pension Online Member Self Service and contact information. The Havering Pension website (www.havering.gov.uk › info › council_data_and_spending › pension_fund) provides information specific to Havering Fund members such as our retirement process factsheet and planning guide, IDR policy, Annual report and accounts and information about the Local Pensions Board.

Scheme booklet - A booklet providing detailed overview of the LGPS, including who can join, how much it costs, the retirement and death benefits and how to purchase additional pension.

Education sessions – A presentation providing an overview of the benefits of the pension scheme and an opportunity to ask questions.

Annual Report and Accounts – Detailed document providing information regarding the value of the Pension Fund during the financial year, income, expenditure and other scheme based information such as the number of scheme members and scheme employers. This is published and available on the Havering pensions website.

6. Communications with Scheme Employers

Our aims for communicating with our scheme employers are:

- to improve relationships
- to assist them in understanding their role as a scheme employer
- to assist them in understanding funding/cost requirements
- to work together to achieve accurate scheme actuary data submissions
- to ensure smooth staff transfers
- to improve the service our pension fund members receive

The Key actions will be:

- offer induction meetings for all new scheme employers
- support employers with training and technical guidance
- on-going promotion of the employer section of the LPPA pension website and use of the YourFund secure portal
- working with relevant parties to admit new employers to the fund

| Action | Audience | Media | End of Year Review 2022 |
|---|-----------|---|-------------------------|
| Meet with all new scheme employers to discuss responsibilities and requirements | Employers | Face to face or virtually | |
| Review and update the employer sections of the pension websites | Employer | Web | |
| Work with LPPA to promote employer training sessions | Employer | Web | |
| Work with LPPA to ensure accurate and timely data submissions | Employer | Email, phone, face to face or virtually | |
| Provide regular updates to employers on key aspects of the scheme | Employer | Web or email | |

The pension scheme will provide the following communication to employers as required.

| Communication | Media | Frequency of Issue | Distribution | Audience |
|-----------------------------------|---------------------------|---|--------------------------------------|--|
| Induction meeting | Face to Face or virtually | On becoming a scheme employer | By email | New scheme employers |
| New employer information pack | Electronic | On becoming a scheme employer | By email | New scheme employers |
| Pension Websites | Web | Continually available. Updated as required | Advertised on all communications | All |
| Tupe Manual and Admissions Policy | Web | Continually available. Updated as required | For viewing as required | Scheme employers and potential admitted bodies |
| Employer roadshows | Face to Face or virtually | When required following scheme changes | Advertised via email to employer | All |
| Annual Report and Accounts | Web | Continually available. Replaced annually | For viewing as required. | All |
| Pension Fund Valuation reports | Electronic | Every three years | Via email | All |
| Funding Strategy Statement | Web | Continually available. Replaced every three years and updated as required | For viewing as required. | All |
| Employer Newsletters | Electronic and Web | Periodically | Via Email or for viewing as required | Scheme employers |

Explanation of communications

Induction Meeting – A meeting offered to all new academies and admitted bodies to discuss roles and responsibilities.

New Employer Information Pack – Email sent to welcome an employer to the Havering LGPS, including all information relevant to being a scheme employer, eg paying contributions and the pensions administration strategy detailing their role and responsibilities.

Pension Website - The LPPA website (www.lppapensions.co.uk) provides LGPS information for all of their clients, including forms, guides, newsletters, links to related sites including My Pension Online Member Self Service and contact information. The Havering Pension website (www.havering.gov.uk › info › council_data_and_spending › pension_fund) provides information specific to Havering Fund members such as our retirement process factsheet and planning guide, IDRPs policy, Annual report and accounts and information about the Local Pensions Board.

Tupe Manual and Admissions Policy – These documents are relevant to Letting Authorities that are looking to outsource a service to a third party supplier

Employer Roadshows – Provided by LPPA/LB Havering as required following a significant change in the scheme

Annual Report and Accounts – Detailed document providing information regarding the value of the Pension Fund during the financial year, income, expenditure and other scheme based information such as the number of scheme members and scheme employers. This is published and available on the pensions website

Pension Fund Valuation Reports – A report issued every three years setting out estimates assets and liabilities of the Fund as a whole and setting individual employer contribution rates for the next three year period

Funding Strategy Statement – A summary of the Fund's approach to funding its liabilities, including reference to the Fund's other policies although it is not an exhaustive statement of policy on all issues.

7. Communications with Representatives of Members

A. Pensions Committee

Our aims for communicating with Pensions Committee are:

- to provide information to enable the Committee to make decisions delegated under the Council's constitution
- to provide information to ensure the Committee are kept informed of pension related matters
- to ensure the Committee are aware of their responsibilities in relation to the Scheme

- to provide training with regards to investment and administration matters
- The Key actions will be:
- to submit Committee reports, which have been reviewed by the relevant Council business partners and senior manager
 - To arrange training sessions with Fund officers, advisors and external experts when required

| Action | Audience | Media | End of Year Review 2022 |
|---|----------------------------|-----------------------------------|-------------------------|
| To submit Committee reports in line with the annual plan and as and when required | Pensions Committee Members | Paper and web | |
| To arrange required training as and when required | Pensions Committee Members | Face to Face, online or virtually | |

The pension scheme will provide the following communication to Pensions Committee Members as required.

| Communication | Media | Frequency of Issue | Distribution | Audience |
|------------------------------|---------------------------|---|--|--|
| Pensions Committee Reports | Paper and Web | Quarterly and as and when required | By email and available on the Havering.Gov website | Pension Committee Members and Trade Union representatives |
| Pensions Committee Briefings | Face to face or Hybrid | Quarterly and as and when required | | Pensions Committee Members and Trade Union representatives |
| Training sessions | Face to face or virtually | When there is a new Pensions Committee and as and when required | By email | Pensions Committee Members and Trade Union representatives |

Explanation of communications

Pensions Committee Reports – Formal reports written by Pension Fund officers and reviewed by Business Partners and a Senior Leadership Team member. Published on the havering.gov.uk website

Pension Committee Briefings – Pension Fund officers attend each Committee meeting and provide a verbal briefing on each Committee report

Training sessions – Provided by Pension Fund officers, advisors or external experts on investment or administration related matters. Training is shared with the Local Pension Board members where applicable

B. Local Pensions Board

Our aims for communicating with the Local Pensions Board are:

- to provide information to enable the board to assist the Scheme Manager in executing their duties
- to provide information to ensure the board are kept informed of pension related matters
- to ensure the board are aware of their responsibilities in relation to the Scheme
- to provide training with regards to investment and administration matters

The Key actions will be:

- to submit reports on areas identified for review by the Board.
- To arrange training sessions with Fund officers, advisors and external experts when required

| Action | Audience | Media | End of Year Review 2022 |
|--|---------------------|-----------------------------------|-------------------------|
| To submit reports in line with the Board work plan and any additional areas identified at meetings | Local Pension Board | Paper and web | |
| To arrange required training as and when required | Local Pension Board | Face to Face, online or virtually | |

The pension scheme will provide the following communication to the Local Pension Board as required.

| Communication | Media | Frequency of Issue | Distribution | Audience |
|---------------|-------|--------------------|--------------|----------|
| | | | | |

| | | | | |
|-------------------------------|---------------------------|---|---|---------------------|
| Local Pension Board Reports | Paper and Web | Quarterly and as and when required | By email and available on the Havering.Gov websites | Local Pension Board |
| Local Pension Board Briefings | Face to face or virtually | Quarterly and as and when required | Fund officers attend each meeting | Local Pension Board |
| Training sessions | Face to face and online | When a new members is appointed. Continual self- development is also required | Face to face, web based or virtually | Local Pension Board |

Explanation of communications

Local Pension Board reports – Written by Pension Fund officers to provide a formal update to a particular area of work

Local Pension Board briefings – Pension Fund officers attend each Board meeting to provide a verbal overview of written reports and to provide updates on any on-going work

Training sessions – Provided by Pension Fund officers, advisors or external experts on investment or administration related matters. Targeted training is also available for Local Pension Board members online via the Pensions Regulator website. Training is shared with the Pensions Committee members where applicable

C. Havering and oneSource Managers

Our aims for communicating with the Havering and oneSource managers are:

- to provide information to be able to make decisions delegated under the Council’s constitution
- to provide accurate, timely and relevant information on request
- to ensure managers are aware of any pension related employer costs

The Key actions will be:

- to submit executive decision reports on areas identified as requiring management approval.
- to ensure that employer requests for pension estimates are monitored against the contractual key performance indicator and include employer costs.

| Action | Audience | Media | End of Year Review 2022 |
|--------|----------|-------|-------------------------|
| | | | |

| | | | |
|--|--------------------------------|----------------|--|
| To write key or non-key executive decision reports as required in line with the Council's constitution | Senior or oneSource Management | Paper or email | |
| To ensure the provision of employer estimates is in line with the contractual agreement | HR and Heads of Service | Paper or email | |

The pension scheme will provide the following communication to managers as required.

| Communication | Media | Frequency of Issue | Distribution | Audience |
|--|---------------------|----------------------|--------------|---|
| Key and non-key executive decision reports and background papers where required | Paper or electronic | As and when required | By email | Officer delegated responsibility under the Council's constitution |
| Employer requested pension estimates, usually for redundancy, flexible retirement or ill health retirement | Paper or electronic | As requested | By email | HR or Head of Service |

Explanation of communications

Key and non key executive decision report - Formal reports written by Pension Fund officers and reviewed by Business Partners and agreed by a Senior Leadership Team member in accordance with the Council's constitution.

Employer requested pension estimates – A detailed statement of the scheme member's pension benefits and any cost to the employer due to the payment of the pension to the member.

D. Other Stakeholders

Pension Fund Manager (Finance)

The Pension Fund Manager (Finance) responds to staff, employer and other enquiries. Skills and knowledge are kept up to date through participation in seminars and conferences.

Pension Projects and Contracts Manager

The Pensions Projects and Contracts Manager is responsible for monitoring the administration contract with the Local Pensions Partnership Administration. Quarterly client reviews take place to monitor the contract and check the service

level agreements are being met. They are also responsible for maintaining relationships with scheme employers, trade unions and other relevant stakeholders.

Investment Fund Managers

Day to day contact between the Pension Fund Manager (Finance) and the investment fund managers is maintained. Each fund manager is required to present their performance reports to the Pensions Committee on a cyclical basis, unless performance concerns override this.

Trade Unions

Trade unions in the London Borough of Havering are valuable ambassadors for the Pension Scheme. They ensure that details of the Local Government Pension Scheme's availability are brought to their members' attention and assist in negotiations under TUPE transfers in order to ensure, whenever possible, continued access to the Scheme.

LB HAVERING PENSION FUND - EMPLOYER COMMUNICATION PLAN 2024/25

Our aims for communicating with our scheme employers are: 1) to improve relationships 2) to assist them in understanding their role as a scheme employer 3) to assist them in understanding funding/cost requirements 4) to work together to achieve accurate scheme actuary data submissions 5) to ensure smooth staff transfers 6) to improve the service our pension fund members receive

| Timeline: | Date Sent | Audience: | Overview: | Detail: | Links: |
|-----------|-----------|------------------|---|--|---|
| April | | EXTERNAL PAYROLL | REMINDER for Monthly Return No 12 submission - New EOY process - and to clear any existing queries. | Reminder to employers to submit final Monthly Return. | https://www.lppapensions.co.uk/employers/ |
| May | | ALL | Introduction of Employer Handbook and reminder of PAS and Charging Schedule. Offer early engagement and assistance. | Draft a return document for employers to declare their understanding and agreement. Collect contact details and any other useful info from employers. Including Automatic Enrolment dates in order to create a register for future monitoring. | |
| June | | SCHEDULED BODIES | Tupe & outsourcing and Havering website | Havering Pension website provides information specific to Havering Fund members such as our retirement process factsheet and planning guide, IDR policy, Annual report and accounts and information about the Local Pensions Board. | LGPS Pension Administration The London Borough Of Havering |
| July | | ALL | Get members on PensionPoint, expression of wish | Follow up with LPPA to measure success | Forms & documents • Local Pensions Partnership Administration (lppapensions.co.uk) |
| August | | ALL | See what LGA training on offer. Pensions websites and LPPA Contact details | Refer employers to LGPS website for LGA bitesize training. Also included contact details for LPPA | https://www.lgpsregs.org/employer-resources/employer-bite-size-training.php |
| September | | ALL | Reminder ABS's are online. Encourage contact with members to complete expression of wish. Flyer for EoW produced and sent | Martin Lewis has recently discussed the importance of this. Follow up with LPPA to measure success | |
| October | | ALL | Discretions - Annual Review | Review existing Discretions and confirm if still appropriate, email is sufficient. If changes needed, request new document. | Discretions • Local Pensions Partnership Administration (lppapensions.co.uk) |
| November | | ALL | Employer Forum | The LPPA website provides specification, guides and links to training | https://www.lppapensions.co.uk/employers/ |
| December | | | to follow | | |
| January | | | to follow | | |
| February | | ALL | Year End. New Financial Year Info - LGA. Contributions Rates | Attach new pay and contrubutions schedule and new contribution bands for employee contributions. Reminder - Your employer rate may change from 01/04/2025 therefore please check your Rates and Adjustment Certificate for the correct percentage. | |
| March | | | to follow | | |

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LB HAVERING PENSION FUND - MEMBER COMMUNICATION PLAN 2024/25

The key objectives of the communications policy are:

- To improve the understanding of members, their representatives and perspective members of the benefits of the Local Government Pension Scheme
 - Assist Scheme employers in understanding their roles and responsibilities within the LGPS and to provide guidance and support
 - To improve the service that Pension Fund Members receive
 - Use plain English for all communications
- Identify and use the most appropriate communication method to take account of stakeholders' different needs
 - To communicate in the most effective and cost efficient way

| Time line: | Date Requested/Sent: | Audience: | Method of distribution: | Overview: | Detail: | Links: |
|------------|----------------------|---------------------------|--|--|--|---|
| April | | LBH CORPORATE | GlobalEmail | Useful Links and Contact details: LPP Contact details - reminder that pensions administration is outsourced. Expressions of Wish | Provide details of latest LPPA newsletter (Contact Judith Richards at LPPA for latest). PensionPoint, LPPA Contact Us. LGPS Members website | PensionPoint - Log in to your LPPA online portal - Home (lppapensions.co.uk) Forms & documents • Local Pensions Partnership Administration (lppapensions.co.uk) Contact us • Local Pensions Partnership Administration (lppapensions.co.uk) |
| | | Scheduled/Admitted Bodies | Email to employer to be distributed | | | |
| | | LA Schools | HES Newsletter | | | |
| May | | LBH CORPORATE | GlobalEmail | Benefits of LGPS - encouraging new members | Share 10 Good Reasons to join LGPS and details on 50/50 scheme. | |
| | | Scheduled | Email to employer to be distributed | | | |
| | | LA Schools | HES Newsletter | | | |
| June | | LBH CORPORATE | GlobalEmail | Corporate LBH email - get our own staff on pensionpoint, expressions of wish | Follow up with LPPA to measure success | Forms & documents • Local Pensions Partnership Administration (lppapensions.co.uk) |
| July | | LBH CORPORATE | GlobalEmail | Planning for Retirement | Link in any online training LPPA are offering at the time. Retirement Planning Guide, Retirement Factsheet. | |
| | | Scheduled/Admitted Bodies | Email to employer to be distributed | | | |
| | | LA Schools | HES Newsletter | | | |
| Aug | | | | to follow | | |
| Sept | | Public | Website Update | ABS's ONLINE REMINDER & Expression of Wish | Pensions Awareness Day feels like a great opportunity to remind you about the benefits of being a member of the Local Government Pension Scheme. Etc | |
| | | LBH CORPORATE | GlobalEmail | | | |
| | | Scheduled/Admitted Bodies | Email to employer to be distributed | | | |
| | | LA Schools | HES Newsletter, or email to Headteachers for cascade | | | |
| Oct | | Affected Staff | Targeted Email | Annual Allowance - Pension Savings Statements go out | | |
| Nov | | LBH CORPORATE | GlobalEmail | Register for PensionPoint | | |
| | | Scheduled/Admitted Bodies | Email to employer to be distributed | | | |
| | | LA Schools | HES Newsletter | | | |
| Dec | | LBH CORPORATE | GlobalEmail | Useful Links and Contact details: LPP Contact details - reminder that pensions administration is outsourced. Expressions of Wish | Provide details of latest LPPA newsletter (Contact Judith Richards at LPPA for latest). PensionPoint, LPPA Contact Us. LGPS Members website | PensionPoint - Log in to your LPPA online portal - Home (lppapensions.co.uk) Forms & documents • Local Pensions Partnership Administration (lppapensions.co.uk) Contact us • Local Pensions Partnership Administration (lppapensions.co.uk) |
| | | Scheduled/Admitted Bodies | Email to employer to be distributed | | | |
| | | LA Schools | HES Newsletter | | | |
| Jan | | LBH CORPORATE | GlobalEmail | Planning for Retirement | Link in any online training LPPA are offering at the time. Retirement Planning Guide, Retirement Factsheet. | |
| | | Scheduled/Admitted Bodies | Email to employer to be distributed | | | |
| | | LA Schools | HES Newsletter | | | |
| Feb | | LBH CORPORATE | GlobalEmail | Benefits of LGPS - encouraging new members | Share 10 Good Reasons to join LGPS and details on 50/50 scheme. | |
| | | Scheduled | Email to employer to be distributed | | | |
| | | LA Schools | HES Newsletter | | | |
| March | | | | to follow | | |

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LOCAL PENSIONS BOARD

27 February 2024

Subject Heading:

PENSION FUND RISK REGISTER

SLT Lead:

**Kathy Freeman, Strategic Director
Resources**

Report Author and contact details:

Debbie Ford
Pension Fund Manager (Finance)
01708432569

Policy context:

Debbie.ford@onesource.co.uk

Financial summary:

SUMMARY

The Local Pension Board review the current Risk Register at **Appendix A**, which details the potential risks the Fund is exposed to and the controls in place to manage those risks.

RECOMMENDATIONS

The Local Pension Board:

1. Review the process for ongoing monitoring of the Risk Register
2. Recommend any updates to the Risk Register

REPORT DETAIL

1. Background

1.1 Risk management is a key responsibility of those charged with Pension Fund Governance and the need for effective risk management is reflected throughout Local Government Pension Scheme (LGPS) guidance and regulation, including:

- Regulation 7 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (Regulation 12(2) of the Local Government Pension Scheme
- The Pensions Regulator's Code of Practice 14 (which includes a section on internal controls and managing risks).
- The CIPFA Publication Delivering Good Governance in Local Government: Framework (2016 Edition) based upon the CIPFA/SOLACE Code of Corporate Governance and the later version Managing Risk in the Local Government Pension Scheme (2018 Edition).
- Statutory guidance under Regulation 58 of the LGPS Regulations 2013 (Regulation 56 of The Local Government Pension Scheme (Scotland) Regulations 2018).
- Preparing and Maintaining a Funding Strategy Statement in the LGPS, 2016 Edition.
- CIPFA's guidance on Investment Pooling and Governance Principles, published in 2016.

1.2 The effective management of risk is also an area which is covered within the CIPFA Knowledge and Skills framework recognising the importance that those charged with governance have an understanding of the risks that could impact on the Fund and steps taken to mitigate such risks.

1.3 It should be recognised that it may not be possible to eliminate all risks but accepting and actively managing risk is crucial to fulfilling the governance of the Fund.

1.4 The Risk Register is a 'live' document and therefore all risks are reviewed quarterly by the Local Pension Board to ensure that they remain relevant and that appropriate controls are in place to manage risks where feasible. Any recommendations for change are reported to the Pensions Committee annually.

- 1.5 The Fund uses a matrix to plot risk likelihood and risk impact. 'green' shaded area on the matrix show the risks where there is adequate control. Risks in the 'amber' and 'red' zones are those over which closer control is required.
- 1.6 **The Risk Register was last reported to the Pensions Committee on the 7 November 2023, where the committee:**
- a) Approved the updated Pension Fund Risk Register dated September 2023.
 - b) Noted a correction in the register under risk 2.2 which should read "with the option to extend to 31 March 2026."
 - c) Recommended adding a new risk concerning employer's ability to meet contribution rates as determined by the Actuary in the Valuation Rates and Adjustment certificate due to budget pressures,
 - d) Change the cyber risk rating under risk 5.4 to C/2,
 - e) Members asked for the matrix of risks to be reviewed and simplified and also for an independent body, such as the Council's Internal Audit team to review the post-mitigation risk assessment scores to ensure they are correct.
 - f) Benchmarking be carried out against other boroughs to see how our fund compares in relation to how our risks/ risk assessment compare.
- 1.7 **Actions taken following the 7 November Pensions Committee meeting:**
- a) Risk No.2.2 - amended to reflect that the contract, which ended on 31 March 2024, has an option to extend to 31 March 2026
 - b) New risk added No. 4.4 - "Employers ability to meet contribution rates determined by the Actuary in the Valuation Rates and Adjustment certificate due to budget pressures"
 - c) Risk No 5.4 - Cyber Risk has been changed to C/2 (likely/serious) from D/3 (possible/moderate),
 - d) The Risk matrix has been updated to include words along with letters and numbers to easily identify its risk likelihood and risk impact category without having to refer to the key at the top of the document.
 - e) The amended version to reflect the above is attached as **Appendix A.**
 - f) Benchmarking exercise is currently being undertaken and as part of this exercise we are also comparing how other Funds assess their risk

assessment scores. A verbal update on progress will be provided at the meeting.

IMPLICATIONS AND RISKS

Financial implications and risks:

There are no immediate direct financial consequences arising as a result of this report. However, understanding the risks that are present in the Fund and how they are managed is essential to the overall strategic management of the Fund and the governance role of the Board.

Legal implications and risks:

Ongoing review and monitoring of the Risk Register will enable the Board to meet its responsibilities in securing compliance with the LGPS regulations and other legislation relating to the governance and administration of the LGPS

Human Resources implications and risks:

None arise from this report

Equalities implications and risks:

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment/identity.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the

Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

An EqHIA is not considered necessary regarding this matter as the protected groups are not directly or indirectly affected

BACKGROUND PAPERS

Background Papers List

None

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Havering Pension Fund

Risk Register

September 2023

Generic Pension Fund Risk Register

The pension fund uses a 4 x 6 matrix to plot risk likelihood and impact and has set its risk appetite. The Risk Likelihood/Impact score shows in the column “Risk Likelihood / Impact Prior to controls” and the column “Risk Likelihood / Impact Post Controls.” The green shaded area on the matrix shows the risks where there is good control and the Council is comfortable with the risk. Risks in the amber and red zones are those over which closer control is needed.

Page 43

| | | | | | |
|------------|--------|-------|-------|-------|-------|
| Likelihood | A | Green | Amber | Red | Red |
| | B | Green | Amber | Amber | Red |
| | C | Green | Green | Amber | Amber |
| | D | Green | Green | Green | Amber |
| | E | Green | Green | Green | Green |
| | F | Green | Green | Green | Green |
| | | 4 | 3 | 2 | 1 |
| | Impact | | | | |

Risk Likelihood

F = Very Unlikely

E = Unlikely

D = Possible

C = Likely

B = Very likely

A = Certainty

Risk Impact

4 = Negligible

3 = Moderate

2 = Serious

1 = Major

| Abbreviations | Description |
|---------------|---|
| CMO | Contract Monitoring Officer - Caroline Guyon |
| CIPFA | Chartered Institute of Public Finance and Accountancy |
| DLUHC | Department for Levelling UP, Housing & Communities |
| DWP | Department for Work and Pensions |
| ESG | Environmental, Social and Governance |
| FCA | Financial Conduct Authority |
| GAD | Government Actuary's Department |
| ICT | Information and Communications Technology |
| LCIV | London Collective Investment Vehicle |
| LGPS | Local Government Pension Scheme |
| LPB | Local Pension Board |
| LPPA | Local Pensions Partnership Administration |
| PFM | Pension Fund Manager, Finance – Debbie Ford |
| SAB | Scheme Advisory Board |
| SLA | Service Level Agreement |
| SLT | Society of London Treasurers |
| TCFD | Task Force on Climate-related Financial Disclosures |
| tPR | The Pensions Regulator |

| Risk No. | Risk Owner | Details of Risk | Consequences (Effect) of not addressing the risk | Risk Likelihood / Impact prior to Controls | Controls / Mitigations | Risk Likelihood / Impact post Controls | Actions / Recommendations | Review of Actions taken to date and further actions identified |
|---|-------------------|--|---|--|--|--|---|--|
| RISK TITLE | | | | | | | | |
| No 1. Risk of Inaccurate three yearly actuarial valuation | | | | | | | | |
| Upper Level: S151 Officer/Director of Exchequer and Transactional Services | | | | | | | | |
| 1.1 | Lower Levels: PFM | Inappropriate assumptions used by actuary in calculations for valuation. | Inappropriate investment risk may be adopted and deficit not reduced. | AMBER B/2 Very Likely/ Serious | Assumptions for valuation are compliant with regulation. | GREEN E/3 Unlikely/ Moderate | | Officer meeting October 2022. Valuation training for pensions Committee members delivered by Hymans December 22. Valuation 2022 process completed by March 2023 deadline. Risk and Controls Reviewed by LPB July 23. GAD S13 report for 2022 not expected until 2024 – Officers to assess results and report to Committee on the outcomes. |
| | | | | | Actuarial assumptions are open to challenge by officers, members during training and as part of the Funding Strategy Statement consultation with stakeholders. | | | |
| | | | | | Valuation results are checked for consistency across LGPS funds via GAD S13 report. | | GAD S13 report measures valuations using 4 criteria: <ul style="list-style-type: none"> • compliance • constituency • solvency • long-term cost efficiency. GAD S13 report on 2019 valuations resulted in the Fund receiving “white” flag under the solvency measure – meaning no overall concerns. | |
| | | | | | Local Government benchmarking/comparisons of assumptions. | | | |

| Risk No. | Risk Owner | Details of Risk | Consequences (Effect) of not addressing the risk | Risk Likelihood / Impact prior to Controls | Controls / Mitigations | Risk Likelihood / Impact post Controls | Actions / Recommendations | Review of Actions taken to date and further actions identified |
|----------|------------|--|---|--|---|---|--|--|
| | | | Potential for Council Tax increases to plug funding gap. | | Asset/Liability review following Valuation and consideration by members. | | | |
| | | | | | Valuation completed by a qualified professional actuary. | | | Risk and Controls Reviewed by LPB July 23. |
| | | | | | Robust, open procurement process in place for appointment of actuary. | | | 22/23 Service Review due to be presented to Pensions Committee in November 2023. |
| | | | | | Annual review of actuary performance undertaken by Pensions Committee. | 21/22 Service Review submitted to Pensions Committee 08 November 2022. Current contract extended to 2025, in line with framework agreement. | | |
| 1.2 | PFM / CMO | Poor quality data provided /personal data not maintained (gaps/incorrect). | Poor quality or incomplete data could result in an increase to employer contributions/ inappropriate contribution percentages calculated. | AMBER B/2 Very Likely/ Serious | Data cleansing/Controls in place to ensure accuracy and completeness of data. Data accuracy measured against the Pensions Regulator scoring criteria with a requirement to achieve 100% accuracy on common data. An annual data improvement plan is in place with agreement from LPPA to ensure identified areas for improvement are recorded and dealt with. | GREEN E/3 Unlikely/ Moderate | Risk and Controls Reviewed by LPB July 23. | |
| | | | | | Annual Data Improvement plan implemented with agreement from LPPA and regular checking of the Pensions Regulator data | | | |

| Risk No. | Risk Owner | Details of Risk | Consequences (Effect) of not addressing the risk | Risk Likelihood / Impact prior to Controls | Controls / Mitigations | Risk Likelihood / Impact post Controls | Actions / Recommendations | Review of Actions taken to date and further actions identified |
|---------------------------------|--|--|---|--|---|--|---|---|
| | | | | | <p>scores to identify areas to be fed into the plan.</p> <p>Pensions Administration Strategy implemented with effect from 01/10/21 to clarify employer responsibilities regarding data accuracy and timeliness.</p> | | | |
| Page 46 | RISK TITLE | | | | | | | |
| | No 2. Risk of Incorrect / Inappropriate Investment Strategy | | | | | | | |
| Upper Level:S151 Officer | | | | | | | | |
| 2.1 | Lower Levels: PFM | Lack of or poor professional investment advice given or not taken. | Potential for financial loss. | AMBER C/2 Likely/Serious | Investment Advisor appointed to advise the Fund who is instrumental in setting Investment Strategy. | GREEN D/3 Possible/Moderate | | Risk and controls reviewed September 23. No changes required to current controls. |
| | | | Loss of investment opportunities and adverse performance. | | Investment Advisor is FCA regulated so is required to evidence that they meet the required standards. | | | |
| | | | Growth opportunities are not maximised. | | | | | |
| 2.2 | PFM | Poor governance of Investment Advisor. | Potential for financial loss. | AMBER C/2 Likely/Serious | Robust, open procurement process in place for appointment of Investment Advisor. | GREEN E/3 Unlikely/Moderate | Contract ends 31 March 2024 with the option to extend to 31 March 2026. | Risk and controls reviewed September 23. |

| Risk No. | Risk Owner | Details of Risk | Consequences (Effect) of not addressing the risk | Risk Likelihood / Impact prior to Controls | Controls / Mitigations | Risk Likelihood / Impact post Controls | Actions / Recommendations | Review of Actions taken to date and further actions identified |
|----------|------------|--|--|--|---|--|--|--|
| 2.3 | PFM | Lack of understanding and awareness (Pension Committee). | More investment risk may be taken to bridge a gap that does not actually exist and could generate inefficiencies and unintended risks if not fully understood. | AMBER C/2 Likely/Serious | Investment Advisor performance is annually reviewed by the Pensions Committee and conforms to Competitive Markets Order. | | 21/22 Service review presented to Pensions Committee 13 December 2022. | No changes required. 22/23 Service review due to Pensions Committee November 2023. Officers to recommend extension of contract to 31 March 2026. |
| | | | | | Option to appoint an Independent advisor to undertake a health check and add robustness to the investment strategy as required. | | | |
| 47 | | | | | Investment strategy /risks continually assessed as part of the quarterly monitoring process by the Pensions Committee. | GREEN D/2 Possible/ Serious | | Risk and controls reviewed September 23. |
| | | | | | Investment Advisor attends each quarterly Pension Committee meeting. | | | Hymans LOLA Version 2 to go live 1 October 2023. |
| | | | | | Knowledge and skills training of LPB and Committee Members / Inductions carried out for new LPB and Pension Fund Committee members. | | Pensions Committee & LPB -Training / Awareness ongoing - working towards full compliance with CIPFA Knowledge and Skills framework. Signed up to Hymans online learning | Continue to monitor completion of modules |

| Risk No. | Risk Owner | Details of Risk | Consequences (Effect) of not addressing the risk | Risk Likelihood / Impact prior to Controls | Controls / Mitigations | Risk Likelihood / Impact post Controls | Actions / Recommendations | Review of Actions taken to date and further actions identified |
|---|----------------------|---|--|--|--|--|-----------------------------------|---|
| | | | | | | | platform (LOLA) from August 2022. | |
| 2.4 | PFM | Concentration risk by asset, region and sector/Lack of clear risk appetite. | Potential for a more risk averse Investment Strategy when more risk is required or more investment risk may be taken to bridge a gap that does not actually exist. | AMBER C/2 Likely/Serious | Investment Strategy Statement (ISS) /risks continually assessed as part of the quarterly monitoring process by the Pensions Committee. Diverse portfolio to reduce concentration. Members are informed of risk vs return consequences on any proposal to change the ISS. | GREEN E/3 Unlikely/ Moderate | | Risk and controls reviewed September 23. No changes required. |
| 2.5 | PFM | Based upon inaccurate actuarial valuation. | Pension deficit not reduced and potential for Council Tax increases. | AMBER C/2 Likely/Serious | Liabilities analysed during inter-valuation period in addition to every three years. | GREEN E/3 Unlikely/ Moderate | | Risk and controls reviewed September 23. No changes required. Inter-valuation report as at 30 September 2023 due in December 2023. Officers to report outcomes to Pensions Committee. |
| | | | | | A close working relationship is encouraged between the actuary and the investment advisor in the development of the investment strategy. Thus made easier as both services undertaken by the same firm. | | | |
| RISK TITLE | | | | | | | | |
| No 3. Risk of Failure of Investments to Perform In-Line with Growth Expectations | | | | | | | | |
| Upper Level: S151 Officer | | | | | | | | |
| 3.1 | Lower Levels: PFM | Poor Fund Manager selection. | Potential for losses to be incurred. | AMBER C/2 Likely/Serious | Fund Manager selection now undertaken by LCIV. LCIV is FCA regulated | GREEN E/3 Unlikely/ | | Risk and controls |

| Risk No. | Risk Owner | Details of Risk | Consequences (Effect) of not addressing the risk | Risk Likelihood / Impact prior to Controls | Controls / Mitigations | Risk Likelihood / Impact post Controls | Actions / Recommendations | Review of Actions taken to date and further actions identified |
|----------|------------|--|---|--|--|--|--|--|
| | | | Reputational risk from poor investments. | | Product reviews and due diligence are undertaken by the Investment Advisor before the Fund invests. A robust Fund Manager selection process is in place (Non LCIV where required). | Moderate | | reviewed September 23. No changes required. |
| 3.2 | PFM | Underperformance by Fund Manager. | Deficit reduction targets not met/Increased employer contributions. | AMBER C/2 Likely/Serious | Fund Managers and LCIV attend Pension Committee to present quarterly performance reports and are challenged by the Committee and Fund Investment Advisor. | GREEN D/3 Possible/Moderate | | Risk and controls reviewed September 23. No changes required. |
| 3.3 | PFM | Poor investment advice provided to the Fund or not taken. | Deficit reduction targets not met. | AMBER C/2 Likely/Serious | Investment Advisor performance is annually reviewed by the Pensions Committee and close working relationship are maintained with officers. | GREEN D/3 Possible/Moderate | 21/22 Service Review submitted to Pensions Committee 13 December 2022. | Risk and controls reviewed September 23. No changes required. 22/23 Service review due to Pensions Committee November 2023. |
| 3.4 | PFM | A negative financial market impacts/external factors/increased market volatility (i.e. Recession, COVID 19 Pandemic, inflation). | Economy downturn could result in general fall in investment values. | RED B/1 Very Likely/Major | Diverse portfolio to reduce effects from market volatility. Close monitoring of Markets by the Fund's investment Advisor. | GREEN D/3 Possible/Moderate | | Risk and controls reviewed September 23. No changes required. |

| Risk No. | Risk Owner | Details of Risk | Consequences (Effect) of not addressing the risk | Risk Likelihood / Impact prior to Controls | Controls / Mitigations | Risk Likelihood / Impact post Controls | Actions / Recommendations | Review of Actions taken to date and further actions identified |
|----------|------------|---|---|--|--|---|---|---|
| | | | | | Investment Advisor produces monthly market updates. | | | |
| 3.5 | PFM | Delays in the implementation of the strategy will reduce the effectiveness of the strategy and may impact growth. | The Fund's assets are not sufficient to meet its long-term liabilities. | AMBER C/2 Likely/Serious | Investment advisor/Pensions Committee and officers review fund performance and asset class targets quarterly. | GREEN D/3 Possible/ Moderate | | Risk and controls reviewed September 23. No changes required. |
| 3.6 | PFM | Delays in compliance with capital calls/FX Hedges on new illiquid mandates could result in penalty payments. | Penalty payments are charged to the Fund. | GREEN D/3 Possible/ Moderate | Robust processes in place to ensure capital calls/FX cash settlements are funded in a timely manner. | GREEN D/4 Possible/ Negligible | No penalty charges or missed capital calls to date. | Risk and controls reviewed September 23. No changes required. |
| 3.7 | PFM | Underperformance of LCIV Fund manager. Failure to achieve Asset Under Management (AUM) Target. | The Fund's assets are not sufficient to meet its long-term liabilities. | AMBER C/1 Likely/Major | Officers attend LCIV monthly business meetings to ensure the Fund is up to date with LCIV events. Summaries are reported back to the Pensions Committee quarterly. | GREEN D/3 Possible/ Moderate | | Risk and controls reviewed September 23. No changes required to current controls. |
| | | | | | LCIV arrange regular "meet the manager" sessions that are open to Officers and Committee members. | | | |
| | | | | | LCIV attend Pension Committee, as part of the reporting cycle, to report on sub fund manager performance and LCIV updates. Open to challenge by the Pensions Committee and Fund Advisor. | | | |

| Risk No. | Risk Owner | Details of Risk | Consequences (Effect) of not addressing the risk | Risk Likelihood / Impact prior to Controls | Controls / Mitigations | Risk Likelihood / Impact post Controls | Actions / Recommendations | Review of Actions taken to date and further actions identified |
|----------|------------|--|--|--|---|--|---|--|
| | | | | | LCIV sub fund manager performance is monitored by LCIV – monitoring status awarded “normal”, “enhanced” or “on-watch”. Deep dives undertaken annually or more frequently if on “enhanced” monitoring or “on watch | | LCIV Diversified Growth Fund currently classified as “enhanced” monitoring Next review: December 2023. | This Fund is in the process of being fully divested, proceeds to fund LCIV Global Bond Fund. |
| | | | Failure to meet AUM target may impact LCIV service delivery. | | Development charges and ad valorem fees are reported at the LCIV General Shareholder meetings - attended and challenged by shareholder reps i.e. Councillors from each borough, SLT. | | | |
| | | | Annual charges may not decrease in line with MTFS expectations. | | | | | |
| 3.8 | PFM | Fund Managers – noncompliance to the Code of Transparency. | Failure to disclose full management fees in the Pension Fund Annual Report and accounts and being overcharged. | GREEN C/3 Likely/Moderate | Fund Managers complete the Code of Transparency compliance template annually. Officers have access to the Byhiras client portal to check submission of templates. | GREEN D/3 Possible/Moderate | All fund managers now submit data so further analysis can be undertaken. | Risk and controls reviewed September 23. No changes required. |
| 3.9 | PFM | Climate Risk /ESG Considerations. | Failure to consider the extent of climate change could impact negatively on financial outcomes e.g. stranded assets, carbon taxes etc. | AMBER C/2 Likely/Serious | The Committee have developed a set of Investment beliefs that recognises that climate change and the expected transition to a low carbon economy represents a long –term financial risk to Fund outcomes. | GREEN D/2 Possible/Serious | Climate Risk Policy agreed by Pensions Committee on 25 July 2023. | Risk and controls reviewed September 23. No changes required. Workshops to be arranged to assess |

| Risk No. | Risk Owner | Details of Risk | Consequences (Effect) of not addressing the risk | Risk Likelihood / Impact prior to Controls | Controls / Mitigations | Risk Likelihood / Impact post Controls | Actions / Recommendations | Review of Actions taken to date and further actions identified |
|----------|------------|--|---|--|---|--|---|---|
| | | | Could also result in the Fund missing out on investment opportunities associated with Climate change. | | Investment beliefs incorporated as part of the ongoing implementation of investment strategy and some funds have switched to less carbon intensity products. | | | progress against action plan. |
| | | | | | The Pensions Regulator has set up a working party to consider guidance for pension schemes. The SAB is also expected to incorporate climate change considerations into its guidance for LGPS funds during 2020. climate scenario stress testing is now included in the contribution modelling exercise for the local authority as at the 2022 valuation. | | Consultation "LGPS Governance & Reporting of Climate change Risk" closed in Nov 2022. Officers will monitor progress of regulations and guidance- yet to be issued. | |
| 3.10 | PFM | Risk that MATS Consolidate existing Pension Fund memberships funded within various Local Authorities into a Pension Fund outside Havering. | If a request to transfer out from the Fund is granted by DLUHC, this could set a precedent for the sector and the potential wider impact on other employers who may also seek to transfer out. There will be an impact on cash flow and the | AMBER C/2 Likely/Serious | The Fund has responded to the consultation issued by DLUHC opposing the transfer on the grounds of the wider risks faced by the Fund. If the Transfer request is granted the Fund will ensure data is correct and work with the actuary to ensure that the settlement of the transfer is valued correctly for exit. | AMBER C/2 Likely/Serious | To monitor DLUHC actions re Transfer request from Oasis Community Learning. To ensure contact with the Actuary regarding transfers and exit valuations. | DLUHC continuing to consider the Oasis application, no update as at September 2023- officers awaiting decision. |

| Risk No. | Risk Owner | Details of Risk | Consequences (Effect) of not addressing the risk | Risk Likelihood / Impact prior to Controls | Controls / Mitigations | Risk Likelihood / Impact post Controls | Actions / Recommendations | Review of Actions taken to date and further actions identified |
|--|---|--|---|--|---|--|---------------------------|--|
| Page 53 | | | Investment Strategy, as it is estimated that 10% of the Fund's assets and liabilities would transfer out, if all existing MATS followed precedent | | | | | |
| | RISK TITLE No 4. Risk of Failure to comply with Legislative requirements | | | | | | | |
| Upper Level for All Risks S151 Officer/Director of Exchequer and Transactional Services | | | | | | | | |
| 4.1 | Lower Levels: PFM / CMO | Lack of appropriate skills/knowledge of tPR, DLUHC and CIPFA Guidance, Financial Regulations and accounting standards. Unaware of legislative changes/poor/inaccurate interpretation of the regulations. | Potential for breach of legislation resulting in incurring financial penalties from the tPR/legal challenges/reputational damage. | AMBER C/1 Likely/Major | <p>Local Pension Board is in place to oversee adherence to the Regulations and guidance.</p> <p>Statutory policy documents reviewed annually to ensure compliance with legislation.</p> <p>Officers are members of the CIPFA Pensions Network and participate in the CIPFA Pensions Network/Peer forums to share knowledge & awareness.</p> <p>Active participation in Legislative Consultations where appropriate.</p> | GREEN E/3 Unlikely/ Moderate | | Risk and controls reviewed September 23. No changes required. |

| Risk No. | Risk Owner | Details of Risk | Consequences (Effect) of not addressing the risk | Risk Likelihood / Impact prior to Controls | Controls / Mitigations | Risk Likelihood / Impact post Controls | Actions / Recommendations | Review of Actions taken to date and further actions identified |
|----------|------------|-----------------------|--|--|--|--|--|--|
| 4.2 | PFM / CMO | Key person dependency | Loss of corporate knowledge and expertise in both administration and finance management. | RED B/1 Very Likely/Major | Legislative changes are reported to the Pensions Committee where required. | GREEN | | Risk and controls reviewed September 23. No changes required. |
| | | | | | Induction carried out for new Pension Fund Committee and Local Pension Board members. | GREEN | | |
| | | | | | External and in house training provided where required. Continual personal development for all Committee/LPB members and Officers. | GREEN | Personal development for all Committee/LPB members and officers is on-going. | |
| | | | | | Access to specialist pension media sources. | GREEN | A K&S questionnaires to be completed by Local Pension Board and Pensions Committee members. Fed up to Hymans online learning platform (LOLA) from August 2022. | |
| | | | | | Financial requirements are subject to external and internal audit with no qualifications. | GREEN | | |
| | | | | | | GREEN | | |
| 4.2 | PFM / CMO | Key person dependency | Loss of corporate knowledge and expertise in both administration and finance management. | RED B/1 Very Likely/Major | Experienced personnel in place at present. | GREEN D/2 Possible/ Serious | One Source is undergoing a restructure. Having Pension Fund finance will be returning to sovereign borough. Succession planning scheduled. | Risk and controls reviewed September 23. No changes required. OneSource restructure ongoing. |

| Risk No. | Risk Owner | Details of Risk | Consequences (Effect) of not addressing the risk | Risk Likelihood / Impact prior to Controls | Controls / Mitigations | Risk Likelihood / Impact post Controls | Actions / Recommendations | Review of Actions taken to date and further actions identified |
|----------|------------|---|--|--|--|--|--|--|
| 4.3 | PFM / CMO | Failure/inability to administer the pension scheme in accordance with regulations. | Non-compliance could result in an adverse external audit report. | AMBER C/2 Likely/Serious | Local Pension Board in place to oversee adherence to the Regulations and guidance. | GREEN E/3 Unlikely/ Moderate | | Risk and controls reviewed September 23. No changes required. |
| | | | | | tPR undertook a review of the Fund's day-to-day practices and operations in 2019 with no overall concerns and officers have since implemented recommendations arising from their review. | | | Continued monitoring against tPR recommendations. |
| | | | | | Experienced personnel in place at present. | | Risk and controls reviewed September 23. No changes required. | |
| | | | | | Attendance at seminars/training to ensure up to date regulatory requirements. | | | |
| | | | | | Financial statements are subject to external and internal audit with no qualifications. | Outstanding - audit sign off for the 20/21 accounts (audit completed). Outstanding -Pension Fund audit for 21/22 accounts (audit commenced September 2023). Outstanding -Pension Fund audit 22/23 - not commenced. | | Officers currently complying with 21/22 audit requests. |
| 4.4 | PFM | Employers ability to meet contribution rates determined by the Actuary in the Valuation | Potential loss of Income to the Pension Fund and target | AMBER C/2 Likely/Serious | The Administrating Authority has a policy included within its FSS, setting out its approach to | GREEN D/2 Possible/ Serious | Officers to keep under review the risk of employer's ability to meet their obligations | |

| Risk No. | Risk Owner | Details of Risk | Consequences (Effect) of not addressing the risk | Risk Likelihood / Impact prior to Controls | Controls / Mitigations | Risk Likelihood / Impact post Controls | Actions / Recommendations | Review of Actions taken to date and further actions identified |
|--|------------------------|---|--|--|--|--|--|---|
| | | Rates and Adjustment certificate due to budget pressures | funding level not met. Potentially leading to higher employer contributions rates set in future. | | reviewing contribution rates between triennial valuations. This has been adopted in line with regulations. | | and liaise with the Fund's actuary as appropriate. | |
| RISK TITLE No 5. Risk of inability to Manage/Govern the Pension Fund and Associated Services. | | | | | | | | |
| Upper Level for all Risks: S151 Officer/Director of Exchequer and Transactional Services. | | | | | | | | |
| 5.1 | Lower levels: PFM /CMO | Staffing issues: Loss of corporate knowledge/expertise. Long-term sickness absence. Increase in staff turnover. Lack of resource (Staffing/financial). No knowledge base to store experiences/information. | Negative impacts upon service provision. Potential for Time delays. Increased costs due to "buying in" external expertise. | AMBER B/1 Very Likely/Major | The London Borough of Havering delegated the pension administration service to Lancashire County Council who have engaged the Local Pensions Partnership Administration (LPPA) to undertake their pension portfolio. LPPA have case type dedicated teams to ensure expertise is maintained. Continuous pension training for LPB, Pensions Committee members and staff. | GREEN D/2 Possible/ Serious | | Risk and controls reviewed September 23. No changes required. LOLA v2 to go live from 1 October 2023. Completion of modules to continue to be monitored. |

| Risk No. | Risk Owner | Details of Risk | Consequences (Effect) of not addressing the risk | Risk Likelihood / Impact prior to Controls | Controls / Mitigations | Risk Likelihood / Impact post Controls | Actions / Recommendations | Review of Actions taken to date and further actions identified |
|----------|------------|--|--|--|---|--|---|--|
| Page 57 | | | | | Participates in the CIPFA Pensions Network/ Peer forums to share knowledge & awareness. | | | Risk and controls reviewed September 23. No changes required. |
| | | | | | oneSource has introduced a knowledge sharing platform (the Finance Academy). | | Pension Fund officers to maintain and ensure procedure notes in place for key activities. | |
| | | | | | Guidance from external agencies (some will be at a cost). | | | |
| | | | | | Members of Local Authority Pensions Web. | | | |
| 5.2 | PFM | LCIV resourcing – LCIV staff turnover. | Undermines investor confidence in the LCIV. | AMBER C/2 Likely/Serious | Continued monitoring of LCIV in place. | GREEN D/3 Possible/Moderate | | Risk and controls reviewed September 23. No changes required. |
| 5.3 | PFM / CMO | ICT failure/Disaster Recovery. | Loss of infrastructure. Failure of all ICT services. | RED B/1 Very Likely/Major | ICT/ Disaster Recovery in place. Regular security upgrades to computer systems at both Havering and LPPA. | GREEN D/3 Possible/Moderate | | Risk and controls reviewed September 23. No changes required. |
| | | | | | Implementation of COVID-19 working restrictions has maintained service continuity. | | | |
| | | | | | Use protected portals to send personal information. | | | |
| | | | | | Internal Firewalls recommended. | | | |
| | | | | | GDPR good practice is undertaken. | | | |

| Risk No. | Risk Owner | Details of Risk | Consequences (Effect) of not addressing the risk | Risk Likelihood / Impact prior to Controls | Controls / Mitigations | Risk Likelihood / Impact post Controls | Actions / Recommendations | Review of Actions taken to date and further actions identified |
|----------|------------|--|---|--|---|--|--|--|
| 5.4 | PFM / CMO | Cyber Security Risk. | Ransomware risk. | RED B/1 Very Likely/Major | Internal Audit for oneSource Cyber Security carried out in Oct 2018. | AMBER C/2 Likely/Serious | | Risk and controls reviewed September 23. No changes required. |
| | | | | | LPPA hold a current Cyber Essentials Certificate, issued 13/07/2021. They also undertake regular penetration testing with a CREST accredited company with any vulnerabilities being remediated. | | | |
| 5.5 | PFM / CMO | Functionality of Oracle Cloud causes pension fund system issues. | Pension Fund Accounts system malfunction. | AMBER C/2 Likely/Serious | Oracle team aware of Pension fund system requirements. | GREEN D/2 Possible/Serious | Monitoring ongoing with regard to system reconciliations and balance sheet requirements. | Risk and controls reviewed September 23. No changes required. |
| | | | | | Systems tested at each stage of implementation. Pension Finance staff undertook testing of General Ledger Revenue codes. | | | |
| 5.6 | CMO | Poor Pension fund administration by the outsourced service LPPA. | Service Delivery failure leading to client/customer complaints and reputational damage. | RED B/1 Very Likely/Major | Formal agreement in place with administrator, including SLA's. | GREEN E/3 Unlikely/Moderate | | Risk and controls reviewed September 23. No changes required. |
| | | | | | CMO in post to monitor the administration work of LPPA. | | | |
| | | | | | Service is subject to external auditor report of pension's admin processes. LPPA supply an annual internal assurance report where the control | | | |

| Risk No. | Risk Owner | Details of Risk | Consequences (Effect) of not addressing the risk | Risk Likelihood / Impact prior to Controls | Controls / Mitigations | Risk Likelihood / Impact post Controls | Actions / Recommendations | Review of Actions taken to date and further actions identified | |
|----------|------------|---|---|--|--|--|---|--|--|
| | | | | | objectives link in to the Pensions Regulator Code of Practice 14. | | | | |
| 5.7 | CMO | Poor administration by the employers/payroll providers in the fund. | Service delivery failure leading to client/customer complaints and reputational damage. | AMBER C/2 Likely/Serious | Local Pension Board is in place to assist the administering authority in effective and efficient governance of the Havering Pension Fund. | GREEN E/3 Unlikely/ Moderate | | Risk and controls reviewed September 23. No changes required. | |
| | | | | | Pensions Administration Strategy in place to clarify the responsibilities of scheme employers and provide timescales for the submission of data. | | | | |
| | | | | | LPPA have a programme of employer training and a dedicated employer engagement team to provide support. | | | | |
| | | | | | CMO maintains regular contact with scheme employers to provide support. | | | | |
| | | | | | Inaccurate data provided give rise to inaccurate data and financial reputational consequences such as actuary to set contribution rates with a high margin of error. | | CMO in post to monitor the administration work of LPPA. | | |
| | | | | | Actuary undertakes data checks/cleaning as part of triennial review process. | | | | |
| | | | | | Data cleanse checks undertaken as part of the year end pensions administration process. | | | | |
| | | | | | Annual data improvement plan implemented with agreement from LPPA and | | | | |

| Risk No. | Risk Owner | Details of Risk | Consequences (Effect) of not addressing the risk | Risk Likelihood / Impact prior to Controls | Controls / Mitigations | Risk Likelihood / Impact post Controls | Actions / Recommendations | Review of Actions taken to date and further actions identified |
|----------|------------|--|--|--|---|--|--|--|
| | | | | | regular checking of the Pensions Regulator data scores to identify areas to be fed into the plan | | | |
| | | | Pension costs and payments delayed or incorrect. | | Monthly reconciliations to monitor cash flow carried out. CMO monitors benefit payments from the Fund. | | | |
| | | | Admission agreements not completed by the transfer date. | | Employer on boarding process in place. Service handover completed when the process of admitting bodies to the fund transferred from LPPA to in-house on 1 April 2021. | | Strengthens the process for on boarding new employers and Bond reviews. Staff member appointed September 2022. | |
| | | | | | Bond or guarantee reviews in place and reviewed every three years as part of valuation process. | | | |
| 5.8 | PFM | Failure/inability to undertake the accounting of the pension scheme appropriately. | Qualified opinion on the accounts by external auditor. | AMBER C/2 Likely/Serious | Pension Fund accounts subject to external audit. | GREEN E/3 Unlikely/ Moderate | Outstanding audit sign off for the 20/21 accounts (audit completed). Outstanding Pension Fund audit for 21/22 accounts (audit commenced September 2023). Outstanding Pension Fund audit 22/23 - not commenced. | Risk and controls reviewed September 23. No changes required. Officers currently complying with 21/22 audit requests. |
| | | | | | Experienced personnel in place. | | | |
| | | | | | Pension Fund uses the service of an external | | | |

| Risk No. | Risk Owner | Details of Risk | Consequences (Effect) of not addressing the risk | Risk Likelihood / Impact prior to Controls | Controls / Mitigations | Risk Likelihood / Impact post Controls | Actions / Recommendations | Review of Actions taken to date and further actions identified |
|----------|------------|--|--|--|--|--|---------------------------|--|
| 5.9 | PFM / CMO | Poor communications with stakeholders. | Disaffection and actions against the Council. | GREEN C/3 Likely/Moderate | custodian to verify asset values and performance. | | | Risk and controls reviewed September 23. No changes required. |
| | | | | | Fund Managers performance is monitored quarterly. Fund Managers present at Pension Fund Committee meetings. | | | |
| | | | | | Monitoring of internal control reports of fund managers to ensure operations administered correctly. | | | |
| | | | | | Attendance at accounting seminars/training to ensure adherence to guidance and regulations. | | | |
| | | | | | The Council has in place a complaints system to address complaints via the website that goes all the way up to the pension's ombudsman. | GREEN E/3 Unlikely/ Moderate | | |
| | | | | | The Pension Fund has a communications strategy that is updated annually and reviewed every 3 years. The strategy is reviewed by the local pensions board and approved by the Pensions Committee. | | | |
| | | | | | LPPA has an LGPS dedicated website that contains all relevant information for scheme members and employers. | | | |

| Risk No. | Risk Owner | Details of Risk | Consequences (Effect) of not addressing the risk | Risk Likelihood / Impact prior to Controls | Controls / Mitigations | Risk Likelihood / Impact post Controls | Actions / Recommendations | Review of Actions taken to date and further actions identified |
|---|-------------------------|--|--|--|---|--|---|--|
| | | | | | The Fund has a pensions dedicated page within the Havering Council website where fund specific information is published and where the Fund publishes an Annual Report. | | | |
| 5.10 | PFM / CMO | Excessive charges by suppliers. | Fund incurring unnecessary costs. | AMBER C/2 Likely/Serious | Third Party Fee Invoices checked prior to payment. | GREEN E/4 Unlikely/Negligible | | Risk and controls reviewed September 23. No changes required. |
| 5.11 | CMO | The Data migration from Altair to UPM (Universal Pensions Management) in November 2022 is not complete and accurate. | Member's records may not be accurate which would leave LPPA unable to calculate the correct level of pension benefits. | RED B/1 Very Likely/Major | LPPA have a dedicated project team and robust project plan in place that includes rigorous testing of data migration and calculations. The project risk register has been presented to the Local Pensions Board. | GREEN D/2 Possible/Serious | Havering data migrated to UPM in November 2022. | Continued monitoring in place to ensure accurate transfer. |
| RISK TITLE | | | | | | | | |
| No 6. Risk of failure to on board or exit employers/members effectively. | | | | | | | | |
| Upper Level for all Risks: S151 Officer/Director of Exchequer and Transactional Services | | | | | | | | |
| 6.1 | Lower Levels: PFM / CMO | Delays in internal processing of documentation/ admission agreements. | Contribution delays from the employers & members until on-boarding has | AMBER C/2 Likely/Serious | Monthly contribution schedules maintained by the Havering Pensions Team. | GREEN E/3 Unlikely/Moderate | | Risk and controls reviewed September 23. |

| Risk No. | Risk Owner | Details of Risk | Consequences (Effect) of not addressing the risk | Risk Likelihood / Impact prior to Controls | Controls / Mitigations | Risk Likelihood / Impact post Controls | Actions / Recommendations | Review of Actions taken to date and further actions identified |
|--|------------|-----------------|--|--|---|--|---------------------------|--|
| | | | been completed impacts cash flow. | | Reconciliations between the General Ledger and contribution schedules undertaken monthly. | | | No changes required. |
| | | | | | Reconciliations between General Ledger and Altair undertaken quarterly with any queries referred to LPPA/CMO for investigation. | | | |
| | | | | | Pensions Administration Strategy in place to clarify the responsibilities of scheme employers and provide timescales for the submission of contribution payments. | | | |
| | | | Late payments of pension benefits | | CMO works closely with LPPA. Carries out spot checks to review LPPA work on a regular basis. | | | |
| | | | | | Pensions Administration Strategy in place to clarify the responsibilities of scheme employers and provide timescales for the submission of data. | | | |
| | | | Adverse External Audit Opinion on internal controls. | | Service handover completed when process of admitting bodies to the fund transferred from LPPA to in-house on 1 April 2021. | | | |
| LPPA performance report presented to the Local Pension Board at every meeting. | | | | | | | | |

| Risk No. | Risk Owner | Details of Risk | Consequences (Effect) of not addressing the risk | Risk Likelihood / Impact prior to Controls | Controls / Mitigations | Risk Likelihood / Impact post Controls | Actions / Recommendations | Review of Actions taken to date and further actions identified |
|----------|------------|--|---|--|--|--|---------------------------|--|
| | | | | | Escalation to Heads of Service where required. | | | |
| 6.2 | PFM / CMO | Poor communications with stakeholders/ lack of understanding by employers with regard to their responsibilities. | Potential breach of regulations and member entitlement. Potential for litigation. | AMBER C/2 Likely/Serious | Script in place to deliver to new Academy employers, with feedback process in place. | GREEN E/3 Unlikely/ Moderate | | Risk and controls reviewed September 23. No changes required. |
| | | | | | Admission policy and manual completed in November 2017. | | | |
| | | | | | TUPE manual completed in November 2017. | | | |
| | | | | | Pensions Administration Strategy in place to clarify the responsibilities of scheme employers. | | | |
| | | | | | CMO maintains contact with employers to provide dedicated point of contact. | | | |
| | | | | | Database maintained on all contact details for LGPS communications. | | | |
| | | | Employer's liabilities may fall back onto other employers and ultimately local taxpayers. | | | | | |
| 6.3 | CMO | Member data incomplete or incorrect. | Incorrect member data causes processing delays. | AMBER B/2 Very Likely/ Serious | LPPA raise queries with scheme employers. | GREEN E/3 Unlikely/ Moderate | | Risk and controls reviewed September 23. No changes required |
| | | | | | Member self-service – online tool for members to | | | |

| Risk No. | Risk Owner | Details of Risk | Consequences (Effect) of not addressing the risk | Risk Likelihood / Impact prior to Controls | Controls / Mitigations | Risk Likelihood / Impact post Controls | Actions / Recommendations | Review of Actions taken to date and further actions identified |
|----------------|------------|---|--|--|---|--|---------------------------|---|
| 6.4 Page 65 | PFM / CMO | Government white paper on academies, which sets out that it wants all LEA's to convert to academy status within the next 8 years. | There are 42 schools currently with the LEA that may need to convert, which could impact existing resources to on-board and administer. Cost implications for the Administration contract due to increased levels of employers and employees to manage. | AMBER D/3 Possible/Moderate | check and update personal data. | | | Risk and controls reviewed February 23. Update – The Government has scrapped the schools bill and the aim to convert all LEA schools to Academies by 2030 will not go ahead. A regulatory review will continue. |
| | | | | | Annual data cleansing and checks are undertaken as part of the year end administration process. | | | |
| | | | | | Data is reviewed as part of the triennial valuation exercise. | | | |
| | | | | | Reconciliations between General Ledger and UPM undertaken quarterly identifies member mismatches. | | | |

| Risk No. | Risk Owner | Details of Risk | Consequences (Effect) of not addressing the risk | Risk Likelihood / Impact prior to Controls | Controls / Mitigations | Risk Likelihood / Impact post Controls | Actions / Recommendations | Review of Actions taken to date and further actions identified |
|--|----------------------|--|---|--|---|---|---------------------------|--|
| RISK TITLE | | | | | | | | |
| No 7. Risk of Pension Fund Payment Fraud | | | | | | | | |
| Upper Level for all Risks: S151 Officer/Director of Exchequer and Transactional Services. | | | | | | | | |
| 7.1 | Lower Levels: CMO | Pension overpayments arising because of non-notification in change of circumstances. | Financial loss. Reputational damage of Pension Administration and the Council. | GREEN C/3 Likely/Moderate | Participate in the National Fraud Initiative (bi-annually). | GREEN E/4 Unlikely/ Negligible | | Risk and controls reviewed September 23. No changes required |
| | | | | | Signed up for DWP database Tell us Once – DWP inform Havering of deaths relating to members of the Havering LGPS fund. Monitored on a daily basis | | | |
| | | | | | September 20 – Mortality Screening outsourced to an external supplier. Checks carried out monthly. | | | |
| | | | | | Address checked for deferred pensions prior to payment. | | | |
| | | | | | Process is in place to investigate return of payment by banks. | | | |
| | | | | | Internal audit checks carried out. | | | |
| | | | | | | | | |
| 7.2 | PFM / CMO | Internal staff fraud/ Staff acting outside of their levels of authorisation. | Potential for financial loss. | AMBER C/2 Likely/Serious | Segregation of duties. | GREEN E/3 Unlikely/ Moderate | | Risk and controls reviewed September 23. No changes required |
| | | | | | Pension Fund bank account reconciled to General Ledger monthly. | | | |
| | | | | | Internal audit checks carried out. | | | |

| Risk No. | Risk Owner | Details of Risk | Consequences (Effect) of not addressing the risk | Risk Likelihood / Impact prior to Controls | Controls / Mitigations | Risk Likelihood / Impact post Controls | Actions / Recommendations | Review of Actions taken to date and further actions identified |
|----------|------------|-----------------------|--|--|---|--|---------------------------|--|
| | | | | | Internal disciplinary process in place. | | | |
| 7.3 | PFM / CMO | Conflict of interest. | Inappropriate decision making. | AMBER C/2 Likely/Serious | Register of interest declarations are covered within the agenda at all Local Pensions Board/Committee meetings. | GREEN E/3 Unlikely/ Moderate | | Risk and controls reviewed September 23. No changes required |

LOCAL PENSIONS BOARD

Subject Heading:

Pensions Administration and Legislation
Update

SLT Lead:

Kathy Freeman
Section 151 Officer

Report Author and contact details:

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Policy context:

Local Government Pension Scheme
Regulations 2013.

SUMMARY

This report reviews the performance of the Local Pensions Partnership Administration (LPPA) against the agreed service levels for the period October to December 2023.

It also provides an update on recent developments within the Local Government Pension Scheme (LGPS) regulatory environment.

RECOMMENDATIONS

It is recommended that members note the report.

REPORT DETAIL

1. Administration Update

1.1 From 1 November 2017, the London Borough of Havering delegated the pension administration service to Lancashire County Council who have engaged the Local Pensions Partnership Administration (LPPA) to undertake their pension portfolio. The Local Pensions Partnership was formed in 2016 through a collaboration between Lancashire County Council and the London Pensions Fund Authority and provides pension services to the Local Government Pension Scheme, Police and Firefighter Schemes

1.2 LPPA provide a quarterly performance report (attached as Appendix A) and interim monthly reports (attached as Appendix B, C and D).

1.3 LPPA continue to work to resolve process and performance issues following the migration to the Civica UPM pension administration system in November 2022.

1.4 Overall performance against SLA for Q3 is reported at 97.8%, The service is improving but is still falling below the SLA in some areas. LPPA are committed to improving performance and have introduced an Efficiency and Service Improvement Plan. Regular client meetings are held to discuss performance and challenge the service levels reported in line with the independent monitoring of completed cases by the Havering Pensions Team.

1.5 Looking at the 3 highest priority cases, members should note the following:

| Case Type | SLA Target | Brought Forward | Received in Period | Completed | Carried Forward | Completed on time |
|-----------------------|----------------|-----------------|--------------------|-----------|-----------------|-------------------|
| Retirement (Active) | 5 working days | 97 | 114 | 148 | 63 | 95% |
| Retirement (Deferred) | 5 working days | 124 | 135 | 166 | 93 | 98.6% |
| Deaths | 5 working days | 153 | 170 | 171 | 153 | 93.1% |

Local Pensions Board, 27 February 2024

1.6 When looking at retirement satisfaction surveys, the results remain disappointing with a limited number of members responding. The table below provides the breakdown of the Q3 responses

| Calendar Month | Satisfied | Neutral | Dissatisfied | Surveys Taken |
|----------------|-----------|---------|--------------|---------------|
| October 23 | 33.3% | 11.1 | 55.6% | 9 |
| November 23 | 60.0% | 0.0% | 40.0% | 5 |
| December 23 | 25% | 75.0% | 0.0% | 4 |

1.7 LPPA received 8 complaints during Q3 and carried forward 11 complaints from Q2. 10 cases were upheld where the complaint is justified due to errors or omissions in processing, 2 case was not upheld and no error or omission had been made and 1 case was partially upheld where LPPA acknowledge part of the complaint is justified. 6 cases will carry forward to Q4.

1.8 Calls into the LPPA's helpdesk are now recorded at a client level with 823 calls being answered during the quarter. The majority of calls are answered in under 5 minutes with a small percentage having to wait over 15 minutes.

1.9 Helpdesk satisfaction levels are shown below:

| Calendar Month | Satisfied | Neutral | Dissatisfied | Surveys Taken |
|----------------|-----------|---------|--------------|---------------|
| October 23 | 58.3% | 8.3% | 33.3% | 12 |
| November 23 | 90.0% | 0.0% | 10.0% | 10 |
| December 23 | 80.0% | 10.0% | 10.0% | 10 |

1.10 The report details the data quality and the Pension Regulator data scores for common and scheme specific data. Corrections have been made following the identification of a system related error that meant a drop in the Q2 scores. At the end of Q3 our common data score was 98.2% (previously 98.2%) and the scheme specific data score was 89.2% (previously 78.1%).

2. Legislation Update

2.1 The McCloud Remedy

2.1.1 The Regulations were laid on 8 September 2023, coming into force on 1 October 2023 to allow underpin protections to be extended to all members of the scheme who meet the relevant criteria.

2.1.2 Civica, who provide the pensions administration platform to LPPA, have installed the latest functionality to identify all McCloud eligible members, give the ability to process active retirements to include the provisional benefits and underpin amounts for those under age 65. LPPA will provide further information regarding the number of affected members in due course.

2.1.3 LPPA are validating the data held and will be contacting employers where they believe data is missing. Havering pensions team is confident the data held at a whole fund level regarding our members working hours is accurate and was reviewed as part of each year end process. There may be some instances where breaks in service are missing from member records which will need to be addressed where the data is still available. However these are expected to affect only a small number of members with minimal impact on their pension benefits.

2.2 The Pension Regulator's General Code of Practice

- 2.2.1 tPR's new General Code of Practice will come into force on 27th March 2024. The code contains new governance requirements and sets out tPR's expectations of how occupational pension schemes should be managed and the policies, practices and procedures that should be in place.
- 2.2.2 There are 5 areas within the new code: Governing Body; Funding and Investment; Administration, Communication and Disclosure and Reporting to tPR. There are multiple modules within each of these sections, including 2 new key points of focus of Cyber Controls and Pension scams. However most of the modules applicable to the LGPS were already within the Code of Practice 14.
- 2.2.3 The next step is for the team to assess our current position and make a clear action plan to address any identified areas of non-compliance or partial compliance.
- 2.2.4 Having pensions team are currently considering resources available from Hymans Robertson to assist with the gap analysis.

IMPLICATIONS AND RISKS

Financial implications and risks:

The Administering Authority must ensure the Shared Service Agreement is working efficiently, providing value for money and meeting the statutory requirements of the Fund via the monitoring of the work of LPPA.

Legal implications and risks:

Having as the Administering Authority must ensure the Local Government Pension Scheme Regulations are adhered to however there are no specific legal implications within the report.

Human Resources implications and risks:

There appear to be no HR implications or risks arising directly as a result of this report.

Equalities implications and risks:

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants. We will ensure that disabled people with sensory impairments are able to access the strategy.

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OUR



Page 75



TO BE
THE PENSION
ADMINISTRATOR
OF CHOICE
TO THE
PUBLIC SECTOR

LPP

Local Pensions Partnership
Administration

Havering Pension Fund

Quarterly Administration Report

1st October - 31st December 2023

lppapensions.co.uk

CONTENTS

| Section | Page |
|---|------|
| Definitions | 3 |
| Our Core Values | 4 |
| Annual Plan | 5 |
| Executive Summary | 6 |
| Fund Membership | 7 |
| Casework Performance | 9 |
| Helpdesk Calls Performance | 13 |
| Customer Satisfaction Scores | 16 |
| PensionPoint : Member Online Portal | 19 |
| Employer Engagement & Member Communication Activity | 22 |
| Data Quality | 26 |



DEFINITIONS

Page 8

Total Fund Membership

Total Fund Membership is the number of Member records held on the LPPA pensions administration system that are contributing to, awaiting benefits, or receiving benefits from the pension fund.

Current Age Demographic

The age profile of the Membership is split across three types of status:

Active Members – Members who are currently contributing toward their pension benefits.

Deferred Members – Members who hold a deferred benefit in the fund.

Pensioner Members – Pensioners and Dependants who are currently receiving a pension.

Page 10

Casework Performance - All Cases

Performance is measured once all information is made available to LPPA to enable them to complete the process. Relevant processes are assigned a target timescale for completion, and the performance is measured as the percentage of processes that have been completed within that timescale.

Page 11

Casework Performance - Standard

The category of 'Other' on this page covers processes including, but not limited to:

- APC/AVC Queries
- Additional Concs Cessation
- Change of Hours
- Change of Personal Details
- Under Three Month Opt-Out
- Main to 50/50 Scheme Changes
- Divorce Quotes
- Divorce Settlement
- Ill Health Reviews

Please note that this page includes cases that have met the SLA target, but the stop trigger may also have been actioned before the process has been completed.

Page 12

Ongoing Casework at the end of the Reporting Quarter

Please note the number of processes brought forward, does not match the corresponding number of outstanding processes reported in the previous quarter (due to various reasons which can include; but not limited to, the deletion of a process or changes in assigned categories).

Page 14 & 15

Helpdesk Performance

Average wait time measures the time taken from the caller being placed into the queue, to them speaking with a Helpdesk adviser.

Page 20 & 21

Member Online Portal

The number and percentage of member records by status, that are registered for LPPA's Member Self-Service facility, PensionPoint.

Page 28

Common/Scheme Specific Data Fails

The Pensions Regulator requires Administrators to keep Member data up to date to ensure benefits are accurately paid. This is split by Common Data (details that are specific to the Member) and Scheme Specific Data (data that is related to the pension).

Individual Fails shows the total number of unique Members that have a single or multiple number of Common Data or Scheme Specific Data fails. On both charts, the Accuracy Rate (%) then compares the number of Individual Fails to the total number of Scheme Members.

For more detail on the Data Items / Error types presented in these charts, please visit either the [TPR](#) or [PASA](#) (The Pension Administration Standards Association) websites.

OUR CORE VALUES

This administration report is produced in accordance with the Service Level Agreement (SLA) for the provision of pension administration services.

The report describes the performance of Local Pensions Partnership Administration (LPPA) against the standards set out in the SLA.

Within LPPA, our values play a fundamental role in guiding our behaviour as we grow our pensions services business and share the benefits with our Clients.



ANNUAL PLAN

✓ COMPLETED 📅 DUE

Page 79

| | Apr 23 | May 23 | Jun 23 | Jul 23 | Aug 23 | Sep 23 | Oct 23 | Nov 23 | Dec 23 | Jan 24 | Feb 24 | Mar 24 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Annual Benefit Statement and Newsletter to Deferred Members | | | | ✓ | | | | | | | | |
| Pension Increases | | ✓ | | | | | | | | | | |
| P60s and Newsletter to Pensioners | | ✓ | | | | | | | | | | |
| Annual Benefit Statement and Newsletter to Active Members | | | | | ✓ | | | | | | | |
| Pension Saving Statements | | | | | | | ✓ | | | | | |
| HMRC Scheme Returns | | | | | | | ✓ | | | | | |
| IAS19 data | | | | ✓ | ✓ | | | | ✓ | | | 📅 |

EXECUTIVE SUMMARY

Forward thinking...
Working together...
Doing the right thing...
Committed to excellence...

This performance report covers the reporting period of Q3 2023/24 (October – December 2023)

Casework and Helpdesk performance metrics continue to trend in the right direction.

Payroll

All pensioner payroll and lump sum payments due in the reporting period were made on time (this equates to over £100m, across all clients, in pension payments per month).

Statutory deadlines

All regulatory and statutory deadlines due in the reporting period were met.

- Pension Saving Statements
- HMRC Scheme Returns

Casework SLA performance

Overall performance against SLAs is above the targeted 95% and has been consistently achieved since May 2023. Performance is above or close to the 95% target in the key areas of Bereavements and Retirements.

Satisfaction scores

Helpdesk and Retirement satisfaction scores are now reported at client level as a rolling 12 month view. Moving away from the reporting across all LPPA clients will result in a reduced number of surveys completed and will affect the visual of the graphs but provides a clear view of the satisfaction in respect of your members.

Pensions Helpdesk

Helpdesk performance for average call wait time and number of answered calls is now reported at a client level, abandoned rate remains across all LPPA clients as we do not know which client a member was calling from until after a call has been accepted.



Fund Membership

In this section...

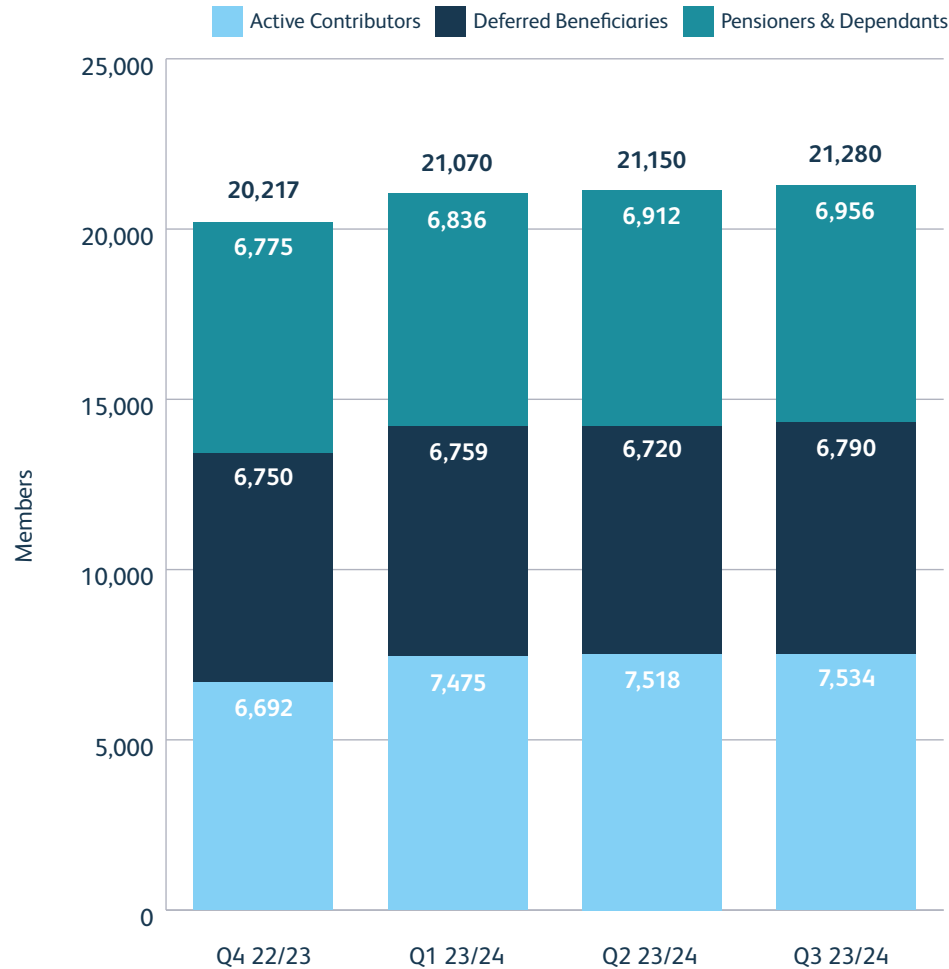
- Total fund membership
- Current age demographic

TOTAL FUND MEMBERSHIP



TOTAL FUND MEMBERSHIP

CLIENT SPECIFIC

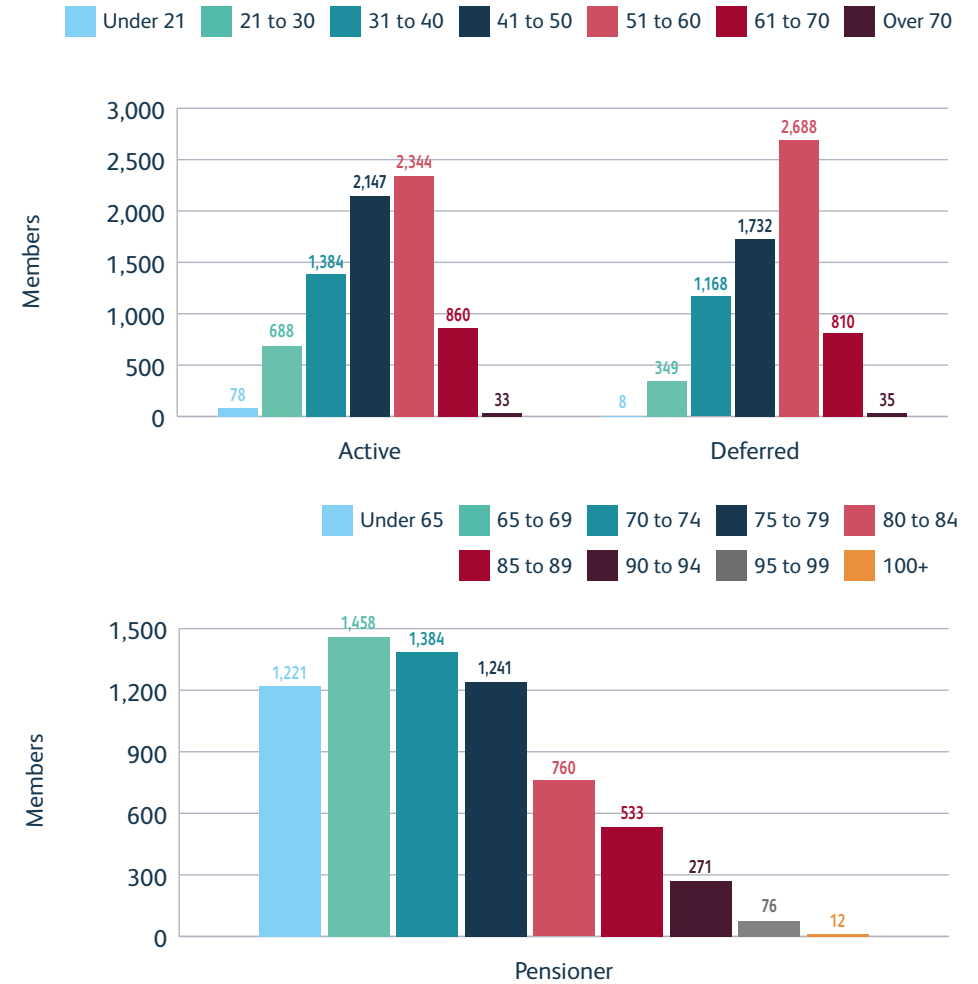


Page 82



CURRENT AGE DEMOGRAPHIC

CLIENT SPECIFIC



Casework Performance

In this section...

- Performance – all cases
- Performance standard
- Ongoing casework at end of reporting quarter

CASEWORK PERFORMANCE

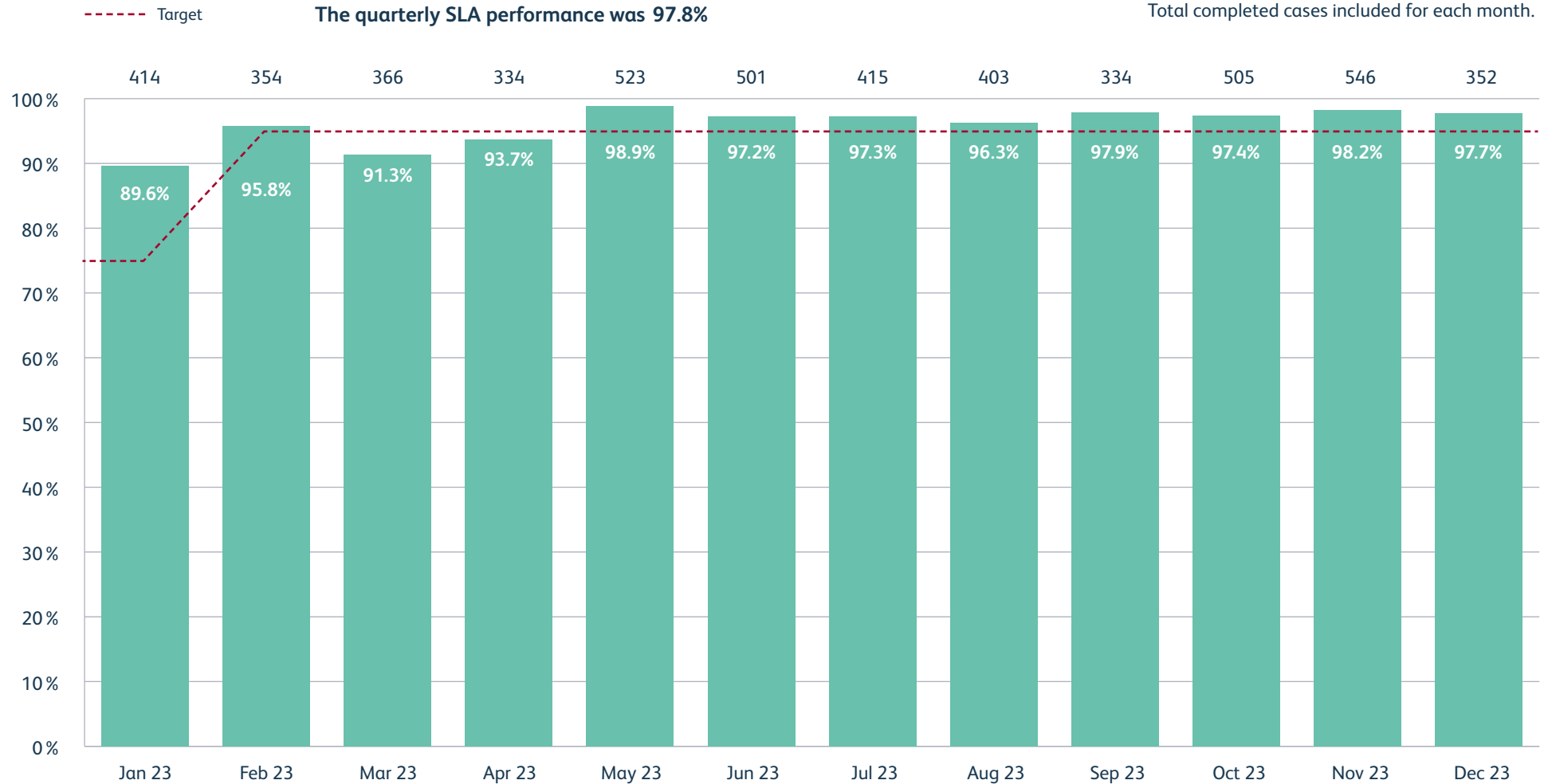
Please note:

Agreed with clients that LPPA's monthly operational targets would be relaxed from Nov 22 to Jan 23, in line with UPM migration timings (22/23).



PERFORMANCE – ALL CASES

CLIENT SPECIFIC



CASEWORK PERFORMANCE

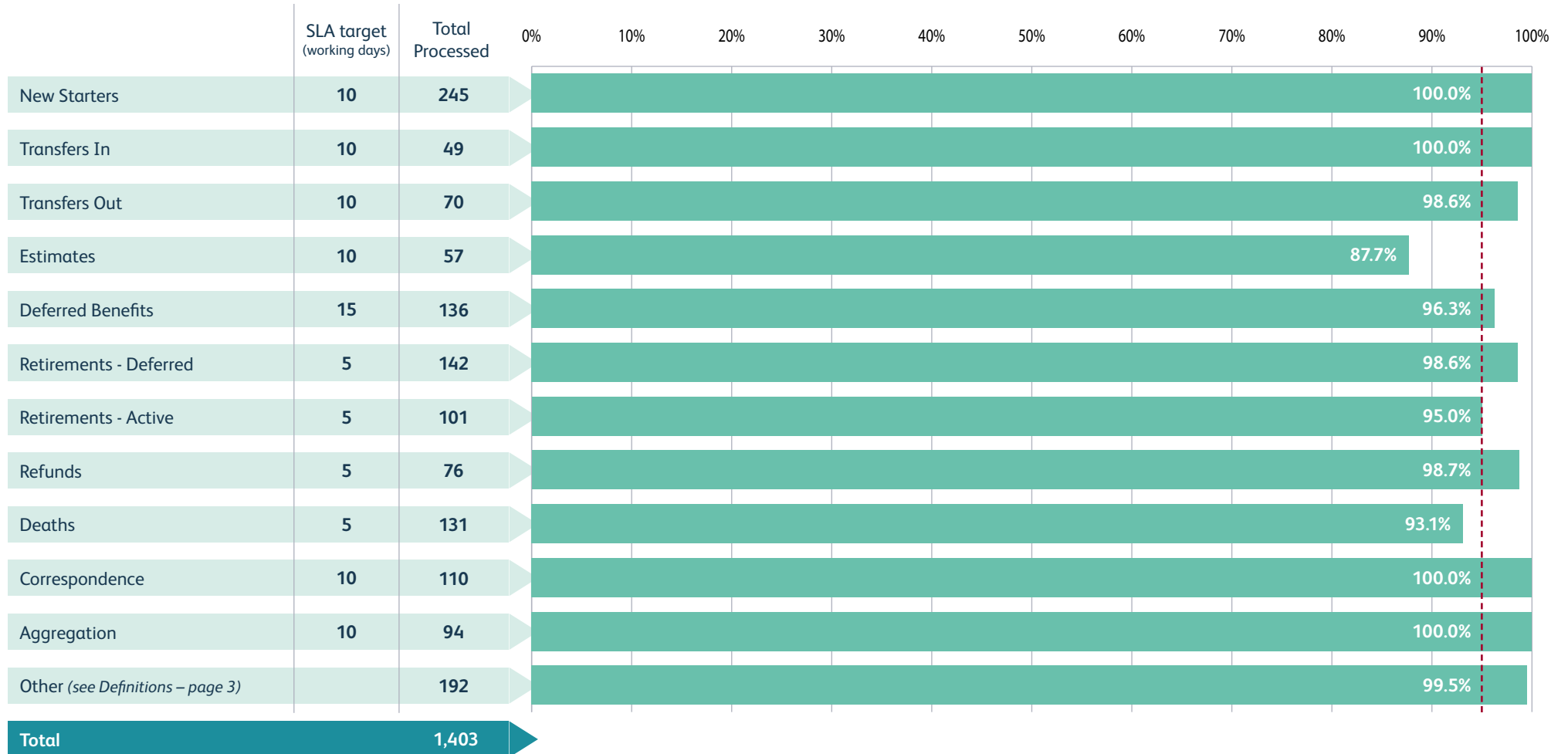


PERFORMANCE STANDARD

CLIENT SPECIFIC

----- Target (95%)

Page 85



CASEWORK PERFORMANCE

ONGOING CASEWORK AT THE END OF THE REPORTING QUARTER CLIENT SPECIFIC

The following table is created by identifying all reportable casework within UPM, and includes those that have subsequently Completed / Aborted / Remain Outstanding within the quarter. The figures in this table cannot be compared to those in the previous slide for a number of reasons including: the table includes aborted cases, but the horizontal bar graph does not; the SLA 'stop trigger' can be actioned before the process has been completed.

Page 86

| | Brought Forward at 01/10/23 | Received (Inbound) | Completed (Outbound) | Outstanding as of 31/12/23 |
|---|-----------------------------|--------------------|----------------------|----------------------------|
| New Starters | 51 | 210 | 254 | 7 |
| Transfers In | 146 | 73 | 84 | 135 |
| Transfers Out | 147 | 105 | 89 | 163 |
| Estimates | 35 | 50 | 62 | 23 |
| Deferred Benefits | 277 | 182 | 191 | 268 |
| Retirements - Deferred | 124 | 135 | 166 | 93 |
| Retirements - Active | 97 | 114 | 148 | 63 |
| Refunds | 73 | 79 | 96 | 56 |
| Deaths | 153 | 170 | 171 | 152 |
| Correspondence | 68 | 95 | 117 | 46 |
| Aggregation | 183 | 250 | 171 | 262 |
| Other <i>(see Definitions – page 3)</i> | 67 | 274 | 257 | 84 |
| TOTALS | 1,421 | 1,737 | 1,806 | 1,352 |

Helpdesk Calls Performance

The Helpdesk deals with all online enquiries and calls from Members for all funds that LPPA provide administration services for.

In this section...

- Wait time range
- Calls answered

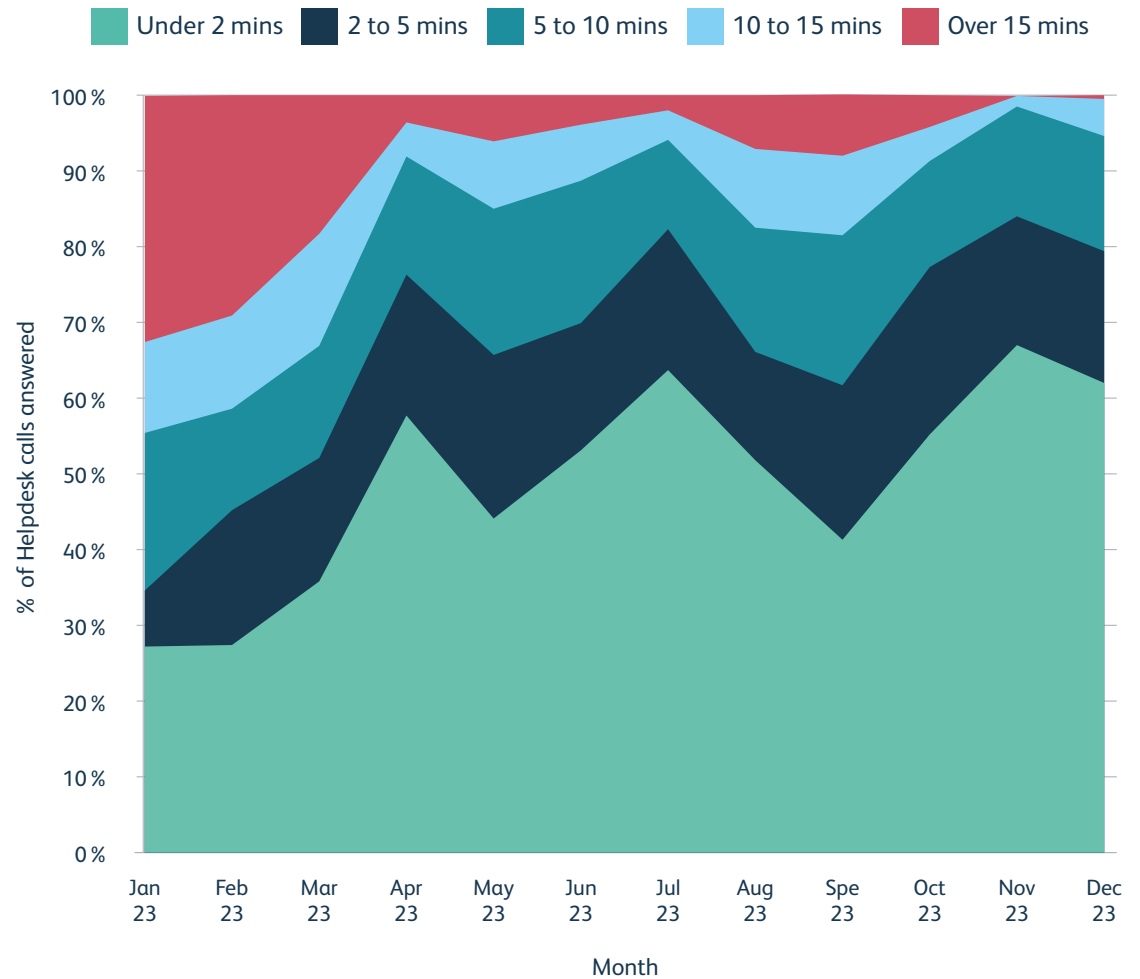
HELPDESK CALLS PERFORMANCE



WAIT TIME RANGE

CLIENT SPECIFIC

| | Under 2 mins | 2 to 5 mins | 5 to 10 mins | 10 to 15 mins | Over 15 mins |
|--------|--------------|-------------|--------------|---------------|--------------|
| Jan 23 | 27.2% | 7.4% | 20.8% | 12.0% | 32.5% |
| Feb 23 | 27.4% | 17.8% | 13.4% | 12.3% | 29.1% |
| Mar 23 | 35.8% | 16.3% | 14.8% | 14.8% | 18.3% |
| Apr 23 | 57.7% | 18.6% | 15.6% | 4.5% | 3.6% |
| May 23 | 44.1% | 21.6% | 19.3% | 8.9% | 6.1% |
| Jun 23 | 53.1% | 16.8% | 18.8% | 7.4% | 3.9% |
| Jul 23 | 63.7% | 18.6% | 11.8% | 3.9% | 2.0% |
| Aug 23 | 51.8% | 14.3% | 16.4% | 10.4% | 7.1% |
| Sep 23 | 41.3% | 20.4% | 19.8% | 10.5% | 8.1% |
| Oct 23 | 55.2% | 22.1% | 14.0% | 4.5% | 4.2% |
| Nov 23 | 67.0% | 17.0% | 14.5% | 1.4% | 0.0% |
| Dec 23 | 62.0% | 17.4% | 15.2% | 4.9% | 0.5% |



HELPDESK CALLS PERFORMANCE

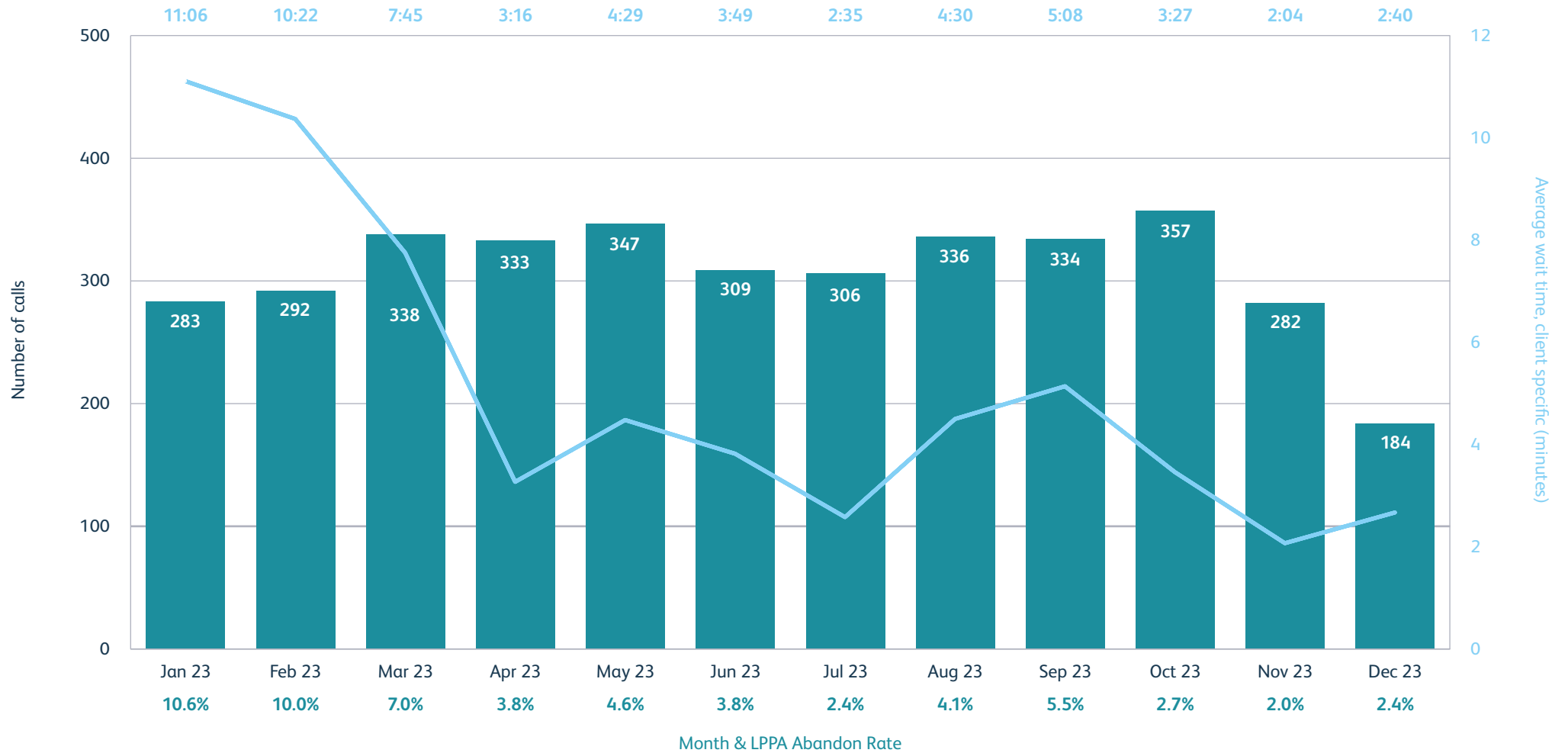


CALLS ANSWERED

CLIENT SPECIFIC

— Average wait time (mm:ss)

Page 89



Customer Satisfaction Scores

In this section...

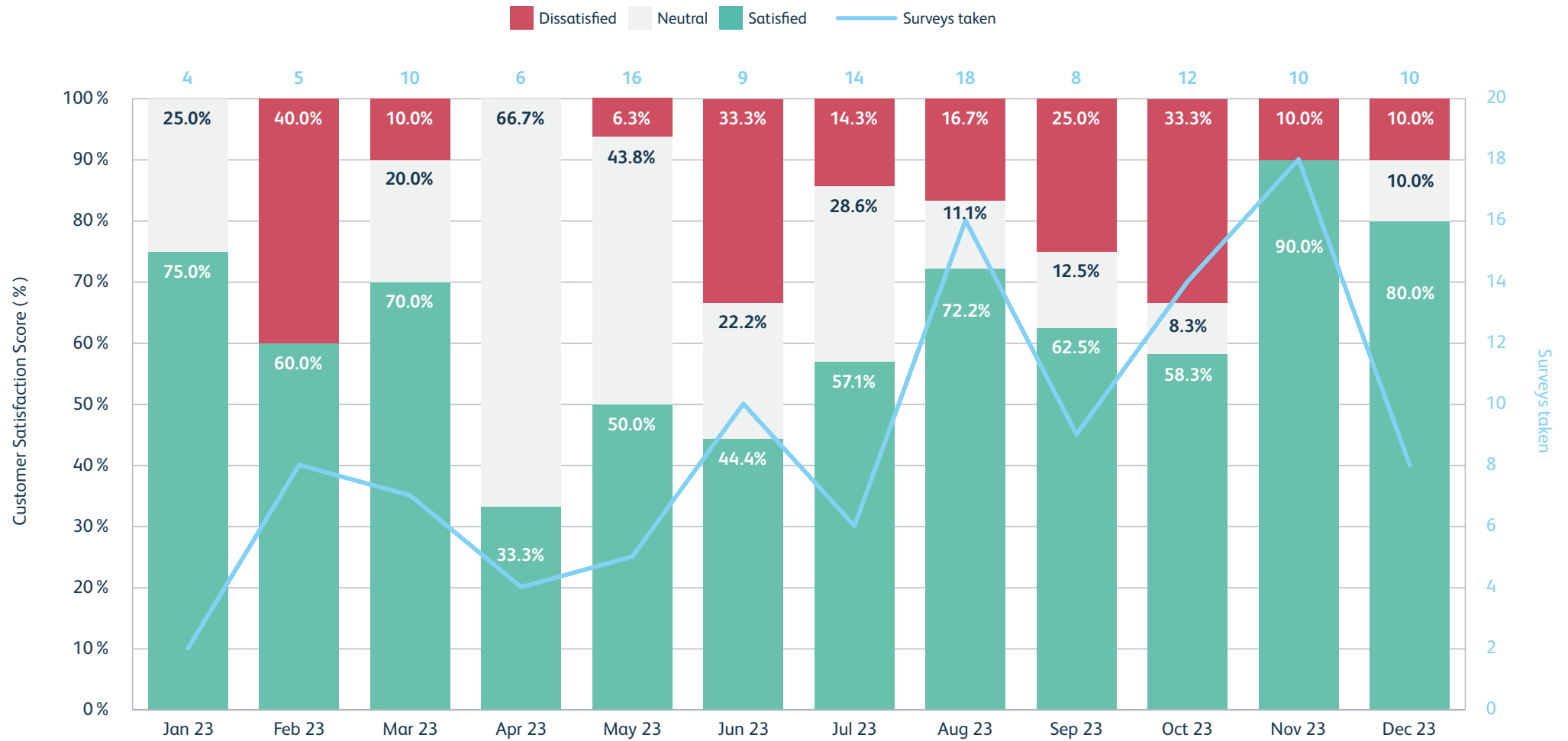
- Helpdesk calls satisfaction
- Retirements

CUSTOMER SATISFACTION SCORES



HELPDESK CALLS SATISFACTION

CLIENT SPECIFIC



CUSTOMER SATISFACTION SCORES

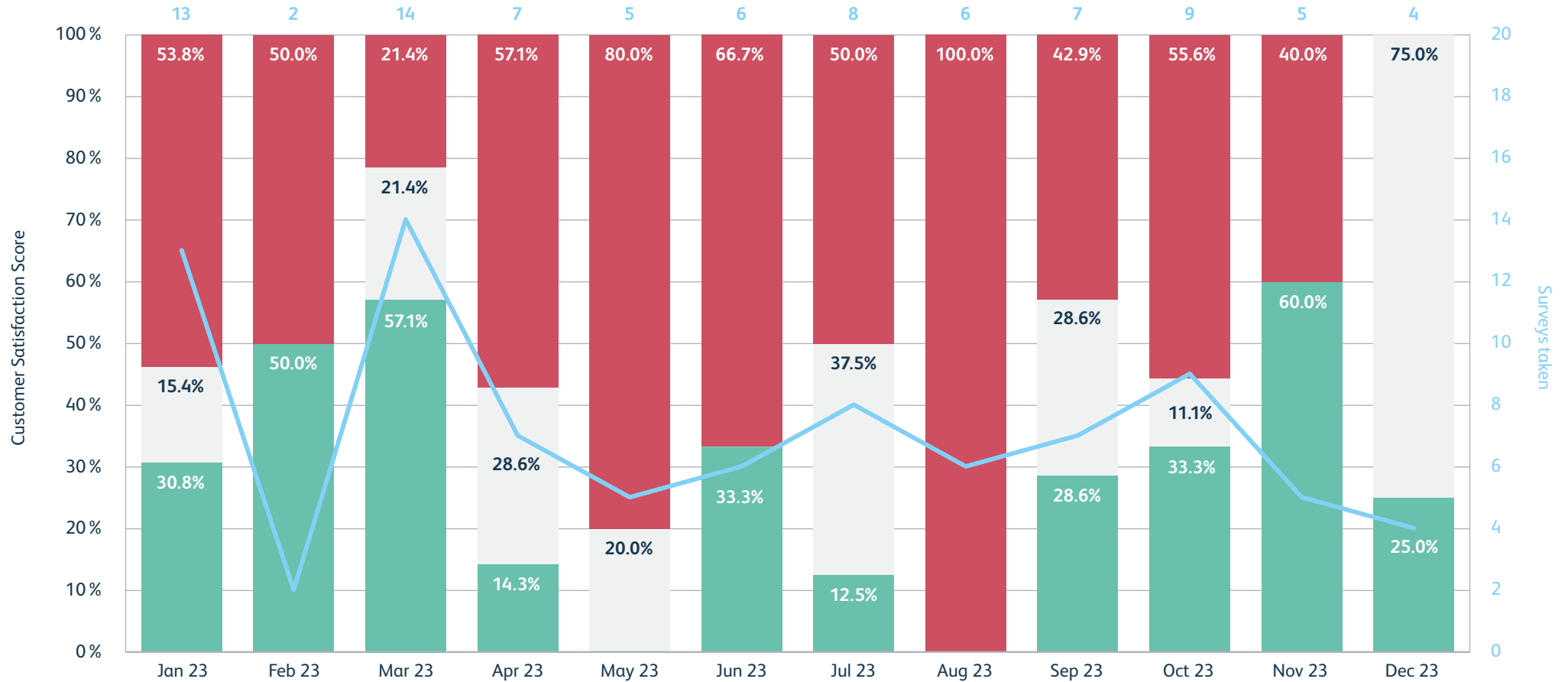
Please note:

Surveys were paused in February and reinstated in March, following a review of the process. Some surveys were being issued before payment had been made to the member – the timing of the survey has now been updated to correct this.

These figures do not correspond with those previously reported due to a data issue which has now been resolved

RETIREMENTS CLIENT SPECIFIC

Dissatisfied Neutral Satisfied Surveys taken





Member Online Portal

In this section...

- Total members registered
- Members registered (%)

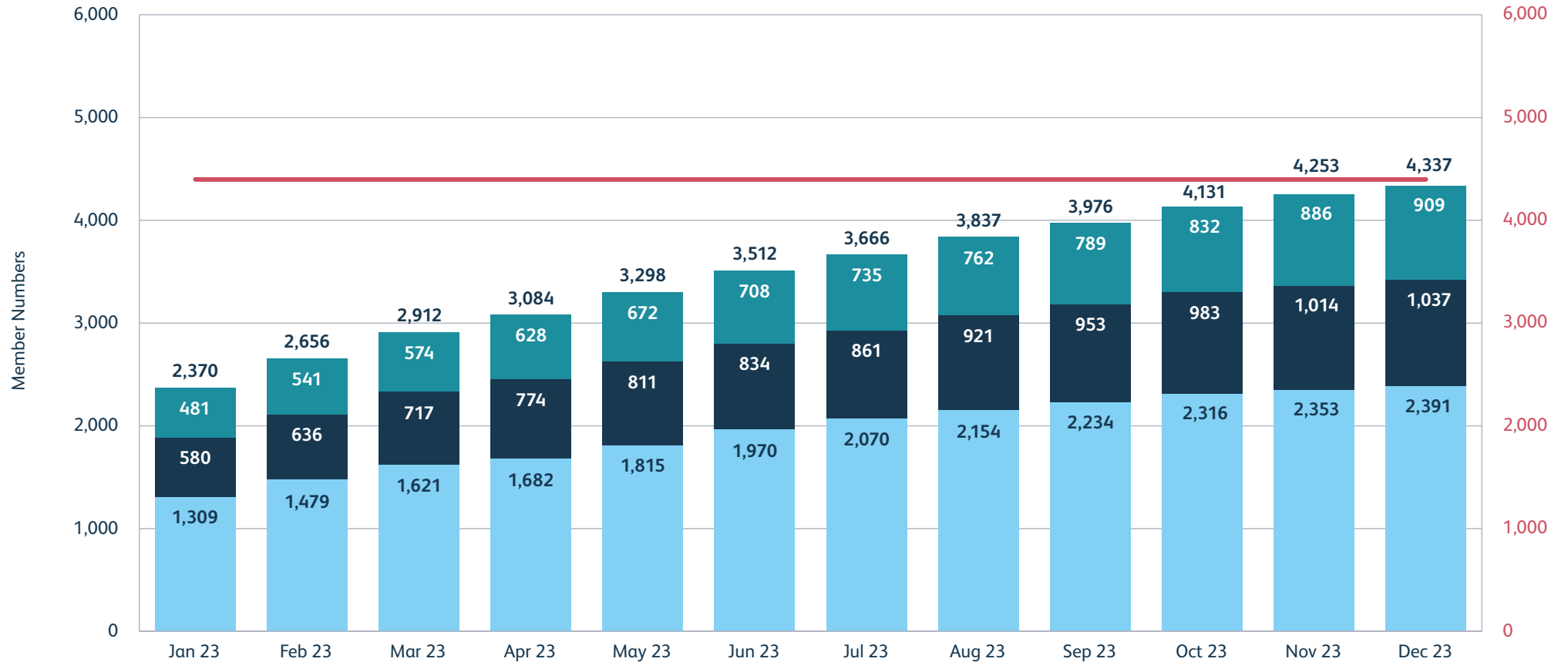


TOTAL MEMBERS REGISTERED

CLIENT SPECIFIC

Active Deferred Pensioner

4,395 (previous My Pension Online registrations as of October 2022)

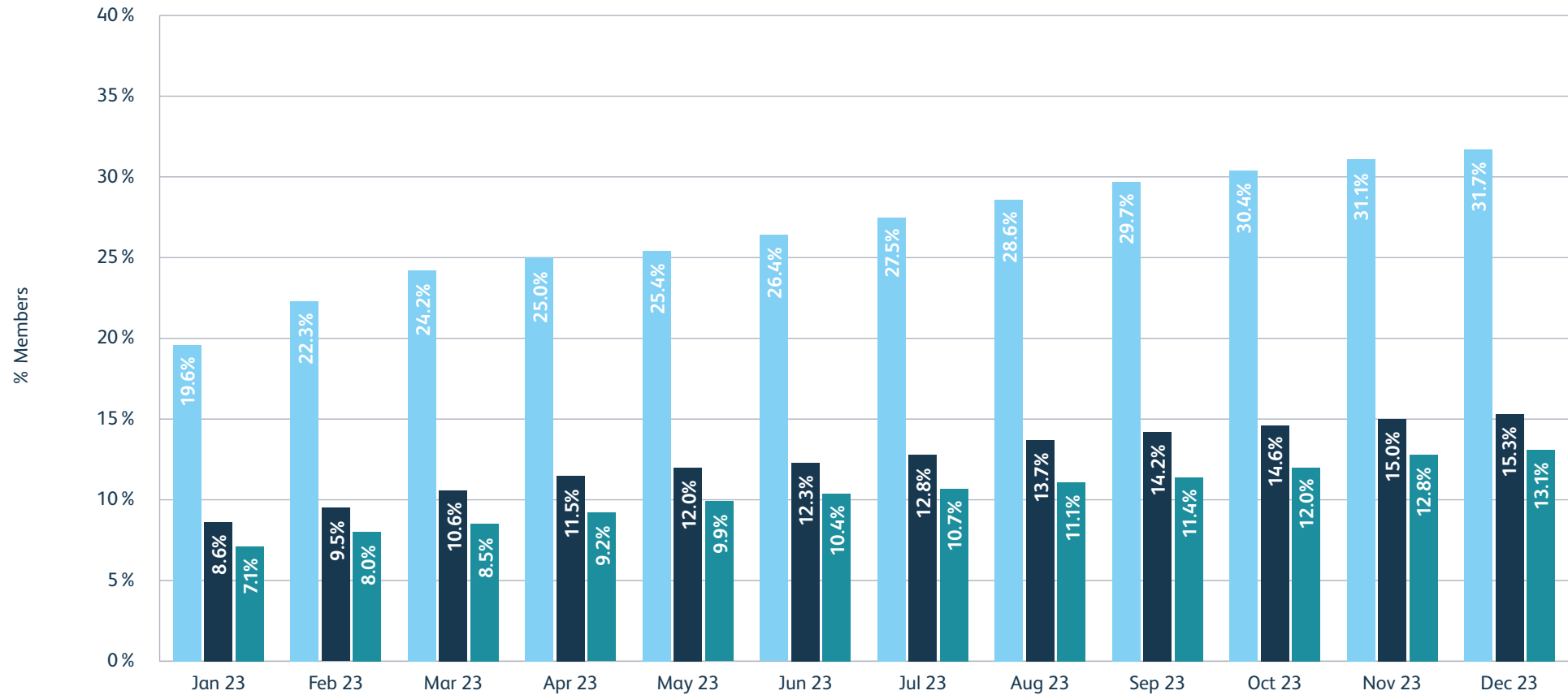




MEMBERS REGISTERED (%)

CLIENT SPECIFIC

Active Deferred Pensioner



Employer Engagement & Member Communication Activity

In this section...

- Delivered
- Scheduled
- Engagement communications (Employers & Members)

EMPLOYER ENGAGEMENT & COMMUNICATION ACTIVITY



DELIVERED

ALL LPPA

- The [member contact form](#) was improved to assist member self-service requests for information contained on the LPPA website – this has resulted in more member visits to retirement and PensionPoint pages (FAQ's, how to videos etc).
- Monthly return files - reminder [emails](#) and telephone calls to non-submitting employers were issued / actioned, to ensure that support is provided, as well as highlighting the impact if files are not up-to-date, ready for the production of ABS documents in 2024.
- An employer email promoting [Get Online week](#) was issued.
- A McCloud (LGPS) client round table was facilitated by LPPA to provide a business (project) and communications update, together with a discussion on employer data requirements, followed by a Q&A.
- The [Employer toolkit](#) page was updated (simplified) on the LPPA website
- An [email invite](#) was issued promoting the virtual LPPA Employer Forum (23 November 23)
- [Pension Pulse](#) (newsletter) was issued to employers and focused on the LPPA Employer Forum (including a link to the session recording), the employer toolkit and a reminder that member estimates can be generated in the employer portal.

Page 97

- Several new resource pages were added to the LPPA website:

[Increasing your pension benefits](#) - provides members with information on taking out an AVC, APC or added pension.

[Age discrimination remedy pages](#) – explaining how members are affected by the McCloud judgement.

New [Forms, documents and scheme information](#) page added.



SCHEDULED

ALL LPPA

- The LPPA Communications team are working on planned improvements to the retirement section of the LPPA website.
- Communications will be issued to employers to ensure that the 'reasons for leaving' are as specified (for leavers included in the monthly return file), to help facilitate a move towards bulk submission of leavers later in the year.
- Communications are planned to employers to highlight the importance of 'on-time retirement notifications' to LPPA, and how the leaver process can support them to ensure the member retirement experience is enhanced.
- Email communications and telephone calls will continue to non-submitting (monthly return file) employers, and updates will be provided to clients.

EMPLOYER ENGAGEMENT & COMMUNICATION ACTIVITY



ENGAGEMENT COMMUNICATIONS

CLIENT SPECIFIC

- Absence and Ill Health training was delivered with 1 employer attending
- 1 employer attended LGPS Scheme Essentials Training
- UPM employer portal training was delivered with 5 employers attending
- Employer Responsibilities training was delivered with 1 employer attending
- Submitting monthly returns training was delivered and 2 employers attended
- 5 employers attended Scheme Leavers Training
- 4 people from Havering employers attended our Employer Forum
- Monthly member sessions were delivered, with 3 Havering Fund members attending the Making Sense of your Pension sessions and 4 attended Making Sense of your Retirement sessions

Page 98



EMPLOYER ENGAGEMENT & COMMUNICATION ACTIVITY

EMPLOYERS

CLIENT SPECIFIC

| Date | Employer | Activity | Number in attendance |
|--------|------------------------------|--------------------------------------|----------------------|
| 04 Oct | EPM Payroll Provider | Submitting Monthly Returns | 1 |
| 10 Oct | EPM Payroll Provider | Employer Responsibilities | 1 |
| 17 Oct | LB Havering | UPM Employer Portal | 1 |
| 17 Oct | Civica | UPM Employer Portal | 1 |
| 17 Oct | Oasis Academy Pinewood | UPM Employer Portal | 1 |
| 17 Oct | EPM Payroll Provider | UPM Employer Portal | 1 |
| 17 Oct | Lime Trust | UPM Employer Portal | 1 |
| 18 Oct | LB Havering | Scheme Leavers - UPM employer portal | 1 |
| 18 Oct | Civica | Scheme Leavers - UPM employer portal | 1 |
| 18 Oct | Drapers' Multi-Academy Trust | Scheme Leavers - UPM employer portal | 1 |
| 18 Oct | EPM Payroll Provider | Scheme Leavers - UPM employer portal | 1 |
| 18 Oct | Lime Trust | Scheme Leavers - UPM employer portal | 1 |
| 02 Nov | Lime Trust | Absence and Ill Health | 1 |
| 07 Nov | Civica | Submitting Monthly Returns | 1 |
| 21 Nov | Civica | LGPS Scheme Essentials | 1 |
| 23 Nov | Drapers' Multi-Academy Trust | Employer Forum | 1 |
| 23 Nov | Oasis Academy Pinewood | Employer Forum | 1 |
| 23 Nov | Oasis Community Learning | Employer Forum | 1 |
| 23 Nov | SFAET | Employer Forum | 1 |

Page 99

MEMBERS

CLIENT SPECIFIC

| Date | Employer | Activity | Number in attendance |
|--------|------------------------|------------------------------|----------------------|
| 23 Oct | All Havering Employers | Making sense of retirement | 2 |
| 24 Oct | All Havering Employers | Making sense of your pension | 2 |
| 14 nov | All Havering Employers | Making sense of retirement | 2 |
| 16 Nov | All Havering Employers | Making sense of your pension | 1 |



Data Quality

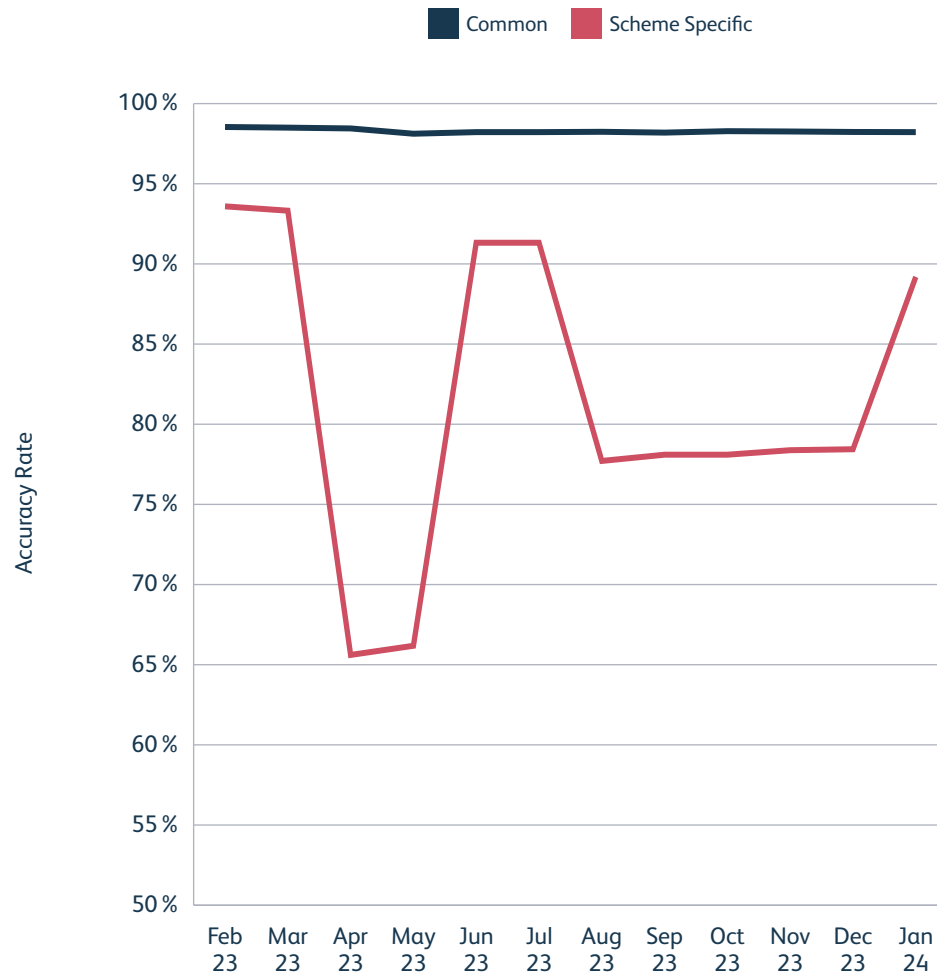
In this section...

- TPR data scores
- Common data
- Scheme specific data

DATA QUALITY

TPR DATA SCORES

CLIENT SPECIFIC



Please note:

Fall in April's Conditional Data score is seasonal, and specifically related to Annual Allowance calculations (which follow employer submission of data returns and ABS processing).

| | Common (Target 95%) | Scheme Specific (Target 90%) |
|--------|------------------------|---------------------------------|
| Feb 23 | 98.54% | 93.59% |
| Mar 23 | 98.50% | 93.32% |
| Apr 23 | 98.45% | 65.61% |
| May 23 | 98.12% | 66.18% |
| Jun 23 | 98.22% | 91.32% |
| Jul 23 | 98.22% | 91.32% |
| Aug 23 | 98.24% | 77.71% |
| Sep 23 | 98.19% | 78.10% |
| Oct 23 | 98.28% | 78.10% |
| Nov 23 | 98.26% | 78.38% |
| Dec 23 | 98.23% | 78.44% |
| Jan 24 | 98.22% | 89.19% |

END OF QUARTER DATA QUALITY

(TPR SCORES)



COMMON DATA

CLIENT SPECIFIC

| Data Item | Active | Deferred | Pensioner / Dependant |
|--|--------------|--------------|--------------------------|
| Invalid or Temporary NI Number | 0 | 5 | 15 |
| Duplicate effective date in status history | 0 | 13 | 5 |
| Gender is not Male or Female | 17 | 0 | 0 |
| Duplicate entries in status history | 9 | 20 | 13 |
| Missing (or known false) Date of Birth | 0 | 0 | 0 |
| Date Joined Scheme greater than first status entry | 4 | 1 | 0 |
| Missing Surname | 0 | 0 | 0 |
| Incorrect Gender for members title | 0 | 0 | 0 |
| Invalid Date of Birth | 5 | 0 | 0 |
| No entry in the status history | 3 | 0 | 0 |
| Last entry in status history does not match current status | 43 | 11 | 4 |
| Member has no address | 26 | 145 | 23 |
| Missing Forename(s) | 0 | 0 | 0 |
| Missing State Retirement Date | 17 | 0 | 0 |
| Missing postcode | 26 | 165 | 51 |
| Missing Date Joined Pensionable Service | 2 | 1 | 0 |
| Total Fails | 152 | 361 | 111 |
| Individual Fails | 100 | 199 | 80 |
| Total Members | 7508 | 6822 | 6961 |
| Accuracy Rate | 98.7% | 97.1% | 98.9% |
| | | | 98.2% |

Page 102



SCHEME SPECIFIC DATA

CLIENT SPECIFIC

| Data Item | Fails |
|-------------------------------|---------------|
| Divorce Records | 0 |
| Transfer In | 25 |
| AVCs/Additional Contributions | 13 |
| Deferred Benefits | 5 |
| Tranches (DB) | 21 |
| Gross Pension (Pensioners) | 2 |
| Tranches (Pensioners) | 135 |
| Gross Pension (Dependants) | 9 |
| Tranches (Dependants) | 19 |
| Date of Leaving | 252 |
| Date Joined Scheme | 263 |
| Employer Details | 3 |
| Salary | 290 |
| Crystallisation | 80 |
| CARE Data | 878 |
| CARE Revaluation | 4 |
| Annual Allowance | 588 |
| LTA Factors | 168 |
| Date Contracted Out | 5 |
| Pre-88 GMP | 153 |
| Post-88 GMP | 328 |
| Total Fails | 3,241 |
| Individual Fails | 2,302 |
| Total Members | 21,291 |
| Accuracy Rate | 89.2% |

Please note:

The increase in Annual Allowance and CARE errors is linked to the year-end data return process and outstanding leavers, which is subject to ongoing work between employers and LPPA. The scores are expected to improve over the coming months as queries are resolved and leavers are processed

LPP

Local Pensions Partnership
Administration

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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LOCAL PENSIONS BOARD

Subject Heading:

Pensions Administration Strategy
Monitoring 2024/25

SLT Lead:

Kathy Freeman
Section 151 Officer

Report Author and contact details:

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Policy context:

Local Government Pension Scheme
Regulations 2013

SUMMARY

This report provides a summary of the monitoring the Havering Pension Team will perform during 2024/25 against the Pensions administration Strategy (PAS).

The PAS has been reviewed and amended to reflect the changes to the pensions administration system and the new employer portal that is now in use.

The PAS is due to be formally reviewed and agreed at the November 2024 Pensions Committee meeting.

RECOMMENDATIONS

It is recommended that members note and provide feedback on the report.

REPORT DETAIL

1. Regulation 59 of the Local Government Pension Scheme Regulations 2013 allows an administering authority to prepare a Pensions Administration Strategy (PAS) for the purpose of improving administrative processes to enable provision of a cost-effective, high quality pension administration service.
2. The use of a PAS is not currently mandatory although this is expected to change with the introduction of the Good Governance Guide in the future.
3. The Havering Pension Fund introduced a PAS (Attached as Appendix A) in 2021 to provide clear guidelines on the responsibilities of being a part of the LGPS for scheme employers and the administering authority. It provides a clear set of performance standards that the administering authority and scheme employers should meet and an escalation process for any unsatisfactory performance.
4. As part of our commitment to improving our member experience and maintaining good quality data we are reminding employers of their responsibilities and proposing to monitor performance against the published standards as detailed in the monitoring log spreadsheet attached as Appendix B
5. Havering Pensions Team is currently working with Hymans to review current documentation and introduce a new employer guide to help support our Scheme Employers and their payroll teams.

6. Performance against the PAS will be reported at each Local Pension Board meeting.
7. The PAS has been amended to reflect the changes to the pensions administration system and the new employer portal that is now in use and is due to be formally reviewed and agreed at the November 2024 Pensions Committee meeting

IMPLICATIONS AND RISKS

Financial implications and risks:

There are no financial implications arising directly from this report

Legal implications and risks:

There are no financial implications arising directly from this report

Human Resources implications and risks:

There are no HR implications arising directly from this report

Equalities implications and risks:

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants. We will ensure that disabled people with sensory impairments are able to access the strategy.

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Havering
L O N D O N B O R O U G H

HAVERING PENSION FUND

PENSIONS ADMINISTRATION STRATEGY

Effective from 1 December 2024

| Contents | Page |
|---|-------------|
| 1. Introduction | 3 |
| Strategy Review, Ownership and Authorisation | 3 |
| Pensions Administration | 3 |
| 2. Legislative Framework | 4 |
| 3. Key Objectives | 4 |
| 4. Roles and Responsibilities: Administering Authority | 5 |
| Roles and Responsibilities: Scheme Employer | 5 |
| 5. Performance Standards | 5 |
| 6. Monitoring Performance | 6 |
| 7. Feedback from Employers | 6 |
| | |
| Appendix 1 – Regulations and Disclaimer | 7 |
| Appendix 2 – Performance Standards (Administering Authority) | 8 |
| Appendix 3 – Performance Standards (Scheme Employer) | 10 |
| Appendix 4 – Pensions Administration Service Level Agreements | 13 |
| Appendix 5 – Escalation Procedure | 14 |

1. Introduction

This is the Pension Administration Strategy (PAS) of the London Borough of Havering Pension Fund in relation to the Local Government Pension Scheme (LGPS).

The Strategy is made under Regulation 59 of the Local Government Pension Scheme Regulations 2013 which allows an administering authority to prepare a Pensions Administration Strategy for the purpose of improving administrative processes to enable provision of a cost-effective, high quality pension administration service.

The PAS provides clarity on the key roles and responsibilities of the administering authority and scheme employers and confirms the expectations and standards that need to be achieved. It will help to ensure all parties provide the best possible service to scheme members and other relevant stakeholders. The actions that may be taken if employers do not meet the requirements are also defined within the strategy.

The PAS applies to all employers in the Havering Pension Fund. The administering authority and scheme employers must have regard to the pension administration strategy when carrying out their functions under the LGPS Regulations

Strategy Review, Ownership and Authorisation

The Pensions Administration Strategy is effective from 01 December 2024.

The administering authority will review this strategy as required to reflect changes in regulations, governance or working practices with a full review every three years. Employers will be consulted in the event of any changes.

The strategy lead is the Pension Projects and Contracts Manager. The document has been developed in consultation with scheme employers and the Local Pensions Board and with approval from the Pensions Committee.

If you have any questions or comments regarding the Pensions Administration Strategy, please contact Caroline Guyon, Pensions Projects and Contracts Manager.

Telephone: 01708 432185 or via email caroline.guyon@haverling.gov.uk

Pensions Administration

From 1 November 2017, the London Borough of Havering delegated the pension administration service to Lancashire County Council who have engaged the Local Pensions Partnership Administration (LPPA) to undertake their pension portfolio. The Local Pensions Partnership was formed in 2016 through a collaboration between Lancashire County Council and the London Pensions Fund Authority and provides pension services to the Local Government Pension Scheme, Police and Firefighter Schemes.

2. Legislative Framework

Local Government Pension Scheme Regulations (LGPS) 2013

The administering authority and scheme employers must have regard to the PAS when carrying out their Scheme functions and Regulation 59 sets out a number of requirements to facilitate best practice and efficient customer service in respect of the following:

- Administration standards
- Performance measures
- Communication with scheme employers

In addition, Regulation 70 of the LGPS Regulations allows an administering authority to recover additional costs arising from scheme employers where, in its opinion, they are directly related to the poor performance of that scheme employer. Where this situation arises the administering authority is required to give written notice to the Scheme employer, setting out the reasons for believing that additional costs should be recovered, the amount of the additional costs, together with the basis on which the additional amount has been calculated.

Regulation 71 gives the administering authority the ability to apply interest on late payments by scheme employers.

Havering Pension Fund has a published Charging Policy that covers the fees that may be applied.

In accordance with the Public Sector Pensions Act 2015, the LGPS is regulated by the Pensions Regulator. The administering authority and its employers are also required to comply with regulatory guidance or Code of Practice issued by the Pensions Regulator.

Appendix 1 provides Additional information regarding the relevant regulations and guidance

3. Key Objectives

The key objectives of the PAS are:

- To set out the performance standards expected of the administering authority, its Scheme Employers and payroll providers and to promote good working relationships and improve efficiencies
- To ensure that the Havering Pension Fund operates in accordance with the LGPS Regulations and relevant Pensions Regulator Codes of Practice for governance and administration of the fund
- To promote open communication between the administering authority, its scheme employers and payroll services
- To achieve accurate record keeping to ensure a high quality service to our pension scheme members

4. Roles and Responsibilities

The Administering Authority's Roles and Responsibilities

The key responsibilities for the administering authority (most of which are discharged by the Local Pensions Partnership Administration under the shared service agreement) are to:

- Administer the LGPS in respect of all scheme members in accordance with Regulations
- Communicate and engage with Employers on LGPS matters
- Provide support/training to Employers
- Maintain and review Strategies, Policies and Reports and all other matters relating to the governance of the LGPS

The Scheme Employer's Roles and Responsibilities

The key responsibilities for the Employer are to:

- Ensure that LGPS information is communicated to eligible staff and participating members of the LGPS
- Ensure timely collection, payment and reporting of the correct levels of pension contributions
- Report member information and data as set out in this PAS or on request.

5. Performance Standards

The administering authority and scheme employers have decision-making and administrative duties under the LGPS regulations and other relevant legislation. Employer performance has a significant impact on the overall level and quality of service provided to scheme members.

A key purpose of the PAS is to set performance standards of the administration function. The performance measures which will be monitored are outlined in Appendix 2 (administering authority) and 3 (employer), with the outcomes subject to scrutiny by the Local Pension Board, with a summary published in the Fund's Annual Report & Accounts.

The PAS is linked to the Charging Policy that can be found on the website LGPS Pension Administration | The London Borough Of Havering. This details the penalties that can be charged to an employer for persistent and unresolved poor performance. This includes the re-charge of any interest due to a member if the late payment of benefits is a direct result of the employer not meeting the specified standard.

6. Monitoring Performance

To ensure the key objectives are being met, the performance measures will be monitored by the Pensions Projects and Contracts Manager and subject to scrutiny by the Local Pensions Board. A summary published in the Fund's Annual Report and Accounts.

The preferred route to resolution in regard to shortfalls in the performance standards is to support and work closely with employers via the Pensions Projects and Contracts Manager and the LPPA employer engagement team. This will allow an opportunity to correct the issue.

However, where persistent failure (which is defined as an ongoing failure to positively engage with the administering authority) occurs in relation to meeting the performance standards, the escalation procedure (Appendix 5) and Charging Policy may be invoked.

If unsatisfactory performance impacts the administering authority's ability to perform statutory functions or provide a high quality administration service to LGPS members and measures are not being taken by the employer to address this the administering authority will consider reporting the employer to the Pension Regulator.

7. Feedback from Employers

The Scheme Manager (or their representative) will monitor the performance of the Local Pensions Partnership Administration and the London Borough of Havering in its role as administering authority against the standards in the PAS.

Employers who wish to provide feedback on the performance of LPPA or the administering authority against the standards in the PAS should send their comments to the Pensions Projects and Contracts Manager.

Any feedback received will be responded to and considered for incorporation into the reports provided to the Local Pension Boards.

Regulations

Overriding Legislation

In performing the role of administering the LGPS, the administering authority, scheme employers and the LPPA must comply with all overriding legislation including:

- The Occupational Pension Schemes (Disclosure of Information) Regulations 2015
- The LGPS Scheme (Amendment) (Governance) Regulations 2015
- The Pensions Act 1995, 2004 and 2014
- The Pension Schemes Act 2021
- The Finance Act 2004, 2006 and 2014
- Public Service Pensions Act 2015
- Data Protection Act 2018
- HMRC legislation

This list is not exhaustive and other Legislation and Regulations may and will apply in certain circumstances.

In accordance with the Public Sector Pensions Act 2015, the LGPS is regulated by the Pensions Regulator. The administering authority and scheme employers are required to comply with regulatory guidance or Code of Practice issued by the Pensions Regulator.

The Local Government Pension Scheme Regulations

The LGPS Regulations 2013 (Regulation 59 (1)) enables an administering authority to prepare a written statement of the Administering Authority's policies in relation to such matters mentioned in Regulation 59 (2) that it considers appropriate.

The regulation says that this written statement shall be known as the "Pension Administration Strategy"

In addition Regulation 59 (3-7) sets out the requirements for the review and revision of the PAS.

Regulation 70 of the Local Government Pension Scheme Regulations 2013 enables the administering authority to recover additional costs from a Scheme employer when, in the opinion of the administering authority, it has incurred additional costs because of the poor performance of the scheme employer in relation to the PAS.

Regulation 71 gives the administering authority the ability to apply interest on late payments by scheme employers.

The full Regulations can be viewed on:

<https://www.lgpsregs.org/schemeregs/lgpsregs2013/timeline.php>

Disclaimer

Overriding legislation dictates the minimum standards that pension schemes should meet. The LGPS regulations also identify a number of requirements for the administering authority, the LPPA and scheme employers. The PAS is designed to highlight the key areas for providing high quality administration of the LGPS but does not cover all regulatory requirements. Nothing in the PAS overrides or negates the duties of the administering authority, the Local Pensions Partnership Administration or scheme employers of their obligations under the LGPS or overriding legislation.

Appendix 2**Performance Standards- Administering Authority**

This section outlines the responsibilities of the Administering Authority of the Havering Pension Fund and the performance standards they are expected to meet to enable the provision of an efficient, quality pension administration service.

| 1.1 Administering Authority - Governance | | |
|--|---|---|
| | Function/Task | Performance Standard |
| 1.1.1 | Regularly review the pension administration strategy and consult with all scheme employers | To review at least triennially and revise following any material change in policies that relate to the PAS |
| 1.1.2 | Review the Funding Strategy Statement following consultation with scheme employers and the Fund's actuary where required | To review following each Fund valuation or following material change in policy or regulation. Publish by 31 March following the valuation date or as required |
| 1.1.3 | Review the Communication Policy | Triennial review and publish within 30 days of the policy being agreed by Pension Committee. An annual update of actions taken to be included in the pension fund annual report |
| 1.1.4 | Review the Governance and compliance statement | Annual review and publish within 30 days of any revision being agreed by Pension Committee |
| 1.1.5 | Formulate and publish policies in relation to all areas where the administering authority may exercise a discretion within the Regulations | Review following a material change in policy or regulation and publish within 30 days of any revision being agreed by Pension Committee |
| 1.1.6 | Maintain the Internal Disputes Resolution Procedure Policy and register of IDRP appeals | To review policy following any change in policy or regulation. Register to be updated within 7 days of receiving notification |
| 1.1.7 | Notify scheme employer of issues relating to unsatisfactory performance under the PAS | When performance issues are noted |
| 1.1.8 | Notify scheme employer of decision to recover additional costs associated with unsatisfactory performance | Within 10 working days of scheme employer failure to improve performance by notified timescale |
| 1.1.9 | Ensure continued and open communications channels are maintained between the Local Pensions Board and Pensions Committee | Each meeting to include relevant updates and actions |
| 1.2 Administering Authority – Fund Administration | | |
| | Function/Task | Performance Standard |
| 1.2.1 | Consult with employers on the outcomes of the triennial valuation | Within 30 days of receiving the draft Rates and Adjustment Certificate from the Fund Actuary |
| 1.2.2 | Notify employers of contribution requirements for 3 years effective from April following the actuarial valuation date | Within 30 days following sign off of the final Rates and Adjustment Certificate |
| 1.2.3 | Notify new scheme employers of their contribution requirements | Within 7 days of receipt of the Contribution Rate Report from the Fund Actuary |
| 1.2.4 | Carry out termination valuations on scheme employers ceasing participation in the Fund | Within 60 days of receipt of notification of termination |
| 1.2.5 | Invoice strain cost payments in relation to early payment of benefits following flexible, redundancy, efficiency, employer consent or ill health retirements | Within 60 days of payment of members benefits or upon notification that the charge is due |
| 1.2.6 | Invoice any other charges in respect of work carried out on behalf of the employer by the accounts team, administration team or Fund actuary in line with the charging policy | Within 60 days of work being carried out or, in the case of a re-charge, receipt of the relevant invoice by the Fund |

1.3 Administering Authority – Outsourcing

| | Function/Task | Performance Standard |
|-------|---|---|
| 1.3.1 | Action requests for a Pensions Information Memorandum for inclusion in Invitation to Tender Packs | Each step to be actioned within 7 days of receipt of the relevant information |
| 1.3.2 | Ensure Admission Agreements are in place for relevant new scheme employers | Within 90 days of receipt of all required information dependent on timely responses from other stakeholders |
| 1.3.3 | Arrange a risk assessment to be carried out by the Fund Actuary for all new admitted bodies to establish the level of bond or guarantee required in order to protect other scheme employers participating in the Fund | To be completed prior to the body being admitted |
| 1.3.4 | Undertake a review of the level of bond/guarantee | Annual review each year end or on extension of a contract or as advised by the Fund Actuary |

1.4 Administering Authority – Data Quality and Administration

| | Function/Task | Performance Standard |
|-------|---|---|
| 1.4.1 | Provide support for employers in conjunction with the LPPA engagement team through a dedicated employer section of the website, forums, employer newsletters and training program | Ongoing support as required |
| 1.4.2 | Notify scheme employers and scheme members of changes to the scheme regulations | As soon as possible following confirmation/receipt of guidance regarding the change with a target of within 60 days of the regulatory change |
| 1.4.3 | Provide good quality data to the Fund Actuary for the purposes of performing the triennial fund valuation exercise. | All data to be submitted by the Actuary's deadline and queries responded to within 14 days of receipt of the initial query or within 14 days of information being received from a scheme employer if required |
| 1.4.4 | Produce annual benefit statements to active and deferred members as at 31 March each year | By 31 August following the year-end |
| 1.4.5 | Produce and issue pension saving statements each year to members who have exceeded their annual allowance | By 6 October following the end of tax year (subject to receipt of all relevant information from the scheme employer) |
| 1.4.6 | Monitor administration work in line with the Service Level Agreement that forms part of the shared service agreement with Lancashire County Council | On receipt of each quarterly performance report. Discussed at the quarterly client meeting and presented to the Local Pension Board |

Performance Standards- Scheme Employer

This section outlines the responsibilities of scheme employers in the Havering Pension Fund and the performance standards they are expected to meet to enable the provision of an efficient, quality pension administration service. All information must be provided in the format prescribed by the Fund within the prescribed timescales.

A scheme employer remains responsible for carrying out the requirements in this section even if that employer decides to outsource some of its functions to a third-party provider. An employer must ensure that the third-party provider can meet the employer's duties and obligations.

| 2.1 Scheme Employers - Governance | | |
|---|---|--|
| | Function/Task | Performance Standard |
| 2.1.1 | Designate a named individual to act as a Pensions Liaison Officer who is the main contact with regards to any aspect of administering the LGPS | Within 30 days of becoming a scheme employer or a change of named contact |
| 2.1.2 | Formulate, publish and keep under review policies in relation to all areas where the employer may exercise a discretion within LGPS | A copy of the policy document is to be supplied to the administering authority within 30 days of becoming a scheme employer or a change in policy |
| 2.1.3 | Appoint person for stage 1 internal dispute process (IDRP) and ensure this is noted within the discretions policy | Within 30 days of becoming a scheme employer or a change of appointed person |
| 2.1.4 | Notify the administering authority of a receipt of a complaint under IDRP | Within 7 days of receipt of the complaint |
| 2.1.5 | Notify the administering authority that the stage 1 IDRP decision has been made | Within 7 days of making the determination |
| 2.1.6 | Distribute any information provided by the administering authority or administrators to scheme members/potential scheme members | Individual requirement within timescale specified in each instance |
| 2.2 Scheme Employers – Fund Administration | | |
| | Function/Task | Performance Standard |
| 2.2.1 | Ensure correct employee contribution rate is applied and reviewed in line with the contribution bands | Immediately on commencing scheme membership and in line with employer discretion |
| 2.2.2 | Ensure correct employer contribution rate is applied as advised by the administering authority and determined by the Fund Actuary | Immediately as directed in line with the Rates and Adjustments certificate |
| 2.2.3 | Ensure correct deduction of employee contributions | Each payroll cycle |
| 2.2.4 | Arrange the deduction of any employee additional contributions and any amendments as required | Each payroll cycle as required |
| 2.2.5 | Arrange the deduction of Additional Voluntary Contributions (AVCs) and payment to the relevant AVC provider | Each payroll cycle as required |
| 2.2.6 | Remit the employer and employee contributions to the Fund and provide a monthly report, to include details of any additional contributions and AVCs, in the format specified by the administering authority | Payment via BACS by 22 nd of the month following the deduction. The monthly report must be sent as specified in the completion notes by the same deadline |
| 2.2.7 | Refund any employee contributions when an employee opts out of the pension scheme within 3 months of joining | From the earliest available payroll after the opt out form is received |
| 2.2.8 | Remit strain cost payments to the Fund in relation to early payment of benefits following flexible, redundancy, efficiency, employer consent or ill health retirements | Within 30 days of receipt of the Fund's invoice |
| 2.2.9 | Remit any other charges to the Fund in respect of work carried out on behalf of the employer by the accounts team, administration team or Fund actuary in line with the charging policy | Within 30 days of receipt of the Fund's invoice |

| 2.3 Scheme Employers – Restructures and Outsourcing | | |
|--|---|--|
| | Function/Task | Performance Standard |
| 2.3.1 | Notify the administering authority of any services that are being outsourced and will involve a Tupe transfer of staff to another organisation | Immediately at the decision to tender and prior to the launch of the tender process. A Pensions Information Memorandum must be obtained to include with Invitation to Tender documentation to potential bidders, to confirm pension costs. |
| 2.3.2 | Respond to requests for information from the administering authority or LPPA | Within 21 days of receipt |
| 2.3.3 | Work with the administering authority to arrange for an Admission Agreement to be completed and Fund security to be established | At least 90 days in advance of the contract commencement date |
| 2.3.4 | Notify the administering authority of any decision to extend existing outsourced contracts beyond the initial end date | Within 30 days of the decision to extend |
| 2.3.5 | Notify the administering authority that the contract is due to cease | At least 90 days before the end of the contract |
| 2.4 Scheme Employers – Data Quality and Scheme Administration | | |
| | Function/Task | Performance Standard |
| 2.4.1 | Provide a monthly return as specified by the administering authority to update member records, feed into valuation/GAD cost sharing exercise and annual benefit/annual allowance statements | Completed and validated return to be submitted by the specified deadline (usually the 10 th of the month) via the LPPA Portal |
| 2.4.2 | To resolve queries resulting from the monthly return process | As soon as possible but no later than 21 days from date of receipt. In circumstances where an employer submits a late monthly return shorter timescales may be required as advised by the administering authority or LPPA. |
| 2.4.3 | To action all requests for data, information or delayed forms | To fully answer all queries from the administering authority or LPPA within 21 days of receipt of the query |
| 2.4.4 | Ensure Automatic Re-enrolment requirements are met | Engage with payroll department as soon as notification is received from the Pensions Regulator |
| 2.4.5 | Notify new joiners/additional employments in the format specified by the administering authority | Within 14 days of the member's first pensionable pay run after contractual or automatic enrolment date via the new joiner form or monthly return on the LPPA Portal. |
| 2.4.6 | Direct all eligible new employees to the pension scheme website www.lppapensions.co.uk | At date of employee appointment |
| 2.4.7 | Action and notify movement between the main and 50:50 scheme following member election or automatic re-enrolment in the format specified by the administering authority | Action from the next available payroll and notify via the scheme movements form on the LPPA Portal within 30 days of the change |
| 2.4.8 | Notify all child related absence, reserved forces leave or periods of unpaid authorised or unauthorised leave without pay in the format specified by the administering authority | Within 30 days of the start of the leave and confirmation that the member has returned within 30 days via the absence/return from absence notification forms on the LPPA Portal |
| 2.4.9 | Notify of a change to members contractual hours or weeks | Within 30 days of the pay run implementing the change via the change of hours form on the LPPA Portal |
| 2.4.10 | Notify of any new/revised additional contribution elections | Within 30 days of the pay run implementing the additional contributions via the employer contact form on the pensions website |
| 2.4.11 | Notify of early leavers or opt outs in a format specified by the administering authority | Within 30 days of the members final pensionable pay run via the leaver form on the LPPA Portal |

London Borough of Havering Pension Administration Strategy Statement

| | | |
|--------|---|---|
| 2.4.12 | Notify of retirements (age, redundancy, efficiency, ill health or flexible) in a format specified by the administering authority | Within 7 days of the members final pensionable pay run via the leaver form on the LPPA Portal |
| 2.4.12 | Notify of the relevant tier for an ill health retirement in a format specified by the administering authority | The relevant ill health certificate should be completed by the Occupational Health Practitioner and uploaded with the leaver form on the LPPA Portal |
| 2.4.13 | Notify of the death of an employee and provide next of kin details in a format specified by the administering authority | Within 3 working days of knowledge of the death of the employee via the bereavements form on the LPPA website. Followed by the leaver form on the LPPA Portal within 7 days of the final pay run. |
| 2.4.14 | Notify of the revision to a member's leaver information following a payment after leaving in a format specified by the administering authority | Within 30 days of the pay run via the leaver form on the LPPA Portal |
| 2.4.15 | To Notify of intent to request a bulk estimate retirement calculations to seek both member pension details and employer strain costs | As soon as practical to allow time to consider resource planning via email to the Pensions Projects and Contracts Manager |
| 2.4.16 | Request estimate retirement calculations to seek member pension details and employer strain costs (where applicable) in a format specified by the administering authority | With as much notice as possible but at least 30 days prior the date figures are required via the estimate request form on the LPPA Portal |

The administration for the Havering LGPS is performed by the Local Pensions Partnership Administration (LPPA). Their website www.lppapensions.org.uk is a valuable source of information for both members and employers and can be used to submit queries, download the bereavement forms and view guides and scheme information.

The LPPA Portal can be found via the employer login page of the above website and should be used to submit member related forms and information. Guides and videos on how to use the UPM portal are also available on the website.

Pensions Administration Service Level Agreements

This section provides an abridged version of the service level agreements set out in Schedule 1 of the Shared Service Agreement with Lancashire County Council (LCC). LCC have delegated the pensions administration function to the Local Pensions Partnership Administration (LPPA) and it is their responsibility to ensure the data collected from employers is accurate and received in a timely manner. Any requests for information or queries raised by LPPA should be responded to in line with the PAS.

The SLA's below are those directly reflected within the PAS.

| ACTIVITY TYPE | DESCRIPTION | TARGET (WORKING DAYS) |
|--------------------------|---|-----------------------|
| New Members | Admissions/new employment | 10 |
| Transfers In | LGPS to LGPS or Other scheme to LGPS (actual or estimate) | 10 |
| Additional Contributions | Additional contributions (actual or estimate/AVC) | 10 |
| Change of Circumstances | Maternity Leave/LWOP | 10 |
| | Change of hours | 10 |
| Leavers | Deferred Benefits | 15 |
| | Refunds | 5 |
| Retirements | Retirements from active | 5 |
| | Retirements from deferred | 5 |
| Transfers Out | LGPS to LGPS or LGPS to Other scheme (actual or estimate) | 10 |
| Deaths | Death in service | 5 |
| Estimates | Estimates (individual) | 10 |
| | Estimates (employer) | 5 |
| Miscellaneous | Scheme movement to 50:50 scheme | 10 |
| | Scheme movement to main scheme | 10 |

Escalation Procedure

Scheme Employer

This section confirms the escalation procedure that will be applied following the identification of any unsatisfactory performance by a scheme employer.

The preferred route to resolution is to support and work closely with employers via the Pensions Projects and Contracts Manager and the LPPA employer engagement team.

However, where persistent failure (which is defined as an ongoing failure to positively engage with the administering authority) occurs in relation to meeting the performance standards, the following steps may be taken

- Write to the scheme employer, setting out area(s) of non-compliance with performance standards offering support and where appropriate request attendance at a training session. Deadline for response to be agreed between the administering authority and the employer.
- If no improvement has been demonstrated or where there has been a failure to take agreed action the employer will be requested to attend a meeting with representatives of the Fund to agree an improvement plan.
- If no improvement is evident or the employer is unwilling to attend a meeting to resolve the issue a formal notice will be issued setting out; the area(s) of non-compliance with performance standards that have been identified. At this point charges will be levied against the employer in line with the charging policy.
- A report will be presented to the Local Pension Board detailing charges levied against scheme employers and outstanding payments.

If unsatisfactory performance impacts the administering authority's ability to perform statutory functions or provide a high quality administration service to LGPS members and measures are not being taken by the employer to address this the administering authority will consider reporting the employer to the Pension Regulator.

Administering Authority

Where a scheme employer believes the administering authority is not meeting the performance standards set out in the strategy, the preferred route is to raise this with the Scheme Manager via the Pensions Projects and Contracts Manager.

Alternatively, a scheme employer may speak to an employer representative on the Local Pensions Board. Details of the Board members can be found on the haverling.gov.uk website.

| PAS Code | Function/Task | Performance Standard | Frequency | Record | Comments/Progress |
|--|---|---|-------------------------------------|---|-----------------------------|
| 1.1 Administering Authority - Governance | | | | | |
| 1.1.1 | Regularly review the pension administration strategy and consult with all scheme employers | To review at least triennially and revise following any material change in policies that relate to the PAS | Triennially or as and when required | Maintain a Governance Log | |
| 1.1.2 | Review the Funding Strategy Statement following consultation with scheme employers and the Fund's actuary where required | To review following each Fund valuation or following material change in policy or regulation. Publish by 31 March following the valuation date or as required | Triennially or as and when required | Maintain a Governance Log | |
| 1.1.3 | Review the Communication Policy | Triennial review and publish within 30 days of the policy being agreed by Pension Committee. An annual update of actions taken to be included in the pension fund annual report | Triennially or as and when required | Maintain a Governance Log | |
| 1.1.4 | Review the Governance and compliance statement | Annual review and publish within 30 days of any revision being agreed by Pension Committee | Annually | Maintain a Governance Log | |
| 1.1.5 | Formulate and publish policies in relation to all areas where the administering authority may exercise a discretion within the Regulations | Review following a material change in policy or regulation and publish within 30 days of any revision being agreed by Pension Committee | As and When Required | Maintain a Governance Log | |
| 1.1.6 | Maintain the Internal Disputes Resolution Procedure Policy and register of IDRPs | To review policy following any change in policy or regulation. Register to be updated within 7 days of receiving notification | As and When Required | Maintain a Governance Log | |
| 1.1.7 | Notify scheme employer of issues relating to unsatisfactory performance under the PAS | When performance issues are noted | Monthly | Maintain a PAS monitoring log | |
| 1.1.8 | Notify scheme employer of decision to recover additional costs associated with unsatisfactory performance | Within 10 working days of scheme employer failure to improve performance by notified timescale | Monthly | Maintain a PAS monitoring log | |
| 1.1.9 | Ensure continued and open communications channels are maintained between the Local Pensions Board and Pensions Committee | Each meeting to include relevant updates and actions | As and When Required | Noted within the meeting minutes | |
| 1.2 Administering Authority – Fund Administration | | | | | |
| 1.2.1 | Consult with employers on the outcomes of the triennial valuation | Within 30 days of receiving the draft Rates and Adjustment Certificate from the Fund Actuary | Triennially | Maintain an employer database | |
| 1.2.2 | Notify employers of contribution requirements for 3 years effective from April following the actuarial valuation date | Within 30 days following sign off of the final Rates and Adjustment Certificate | Triennially | Maintain an employer database | |
| 1.2.3 | Notify new scheme employers of their contribution requirements | Within 7 days of receipt of the Contribution Rate Report from the Fund Actuary | As and When Required | Maintain an employer database | |
| 1.2.4 | Carry out termination valuations on scheme employers ceasing participation in the Fund | Within 60 days of receipt of notification of termination | As and When Required | Maintain an employer database | |
| 1.2.5 | Invoice strain cost payments in relation to early payment of benefits following flexible, redundancy, efficiency, employer consent or ill health retirements | Within 60 days of payment of members benefits or upon notification that the charge is due | | | Remove as we do not monitor |
| 1.2.6 | Invoice any other charges in respect of work carried out on behalf of the employer by the accounts team, administration team or Fund actuary in line with the charging policy | Within 60 days of work being carried out or, in the case of a re-charge, receipt of the relevant invoice by the Fund | | | |
| 1.3 Administering Authority – Outsourcing | | | | | |
| 1.3.1 | Action requests for a Pensions Information Memorandum for inclusion in Invitation to Tender Packs | Each step to be action within 7 days of receipt of the relevant information | As and When Required | Maintain an employer database | |
| 1.3.2 | Ensure Admission Agreements are in place for relevant new scheme employers | Within 90 days of receipt of all required information dependent on timely responses from other stakeholders | As and When Required | Maintain an employer database | |
| 1.3.3 | Arrange a risk assessment to be carried out by the Fund Actuary for all new admitted bodies to establish the level of bond or guarantee required in order to protect other scheme employers participating in the Fund | To be completed prior to the body being admitted | As and When Required | Maintain an employer database | |
| 1.3.4 | Undertake a review of the level of bond/guarantee | Annual review each year end or on extension of a contract or as advised by the Fund Actuary | Annually or as and when required | Maintain an employer database | |
| 1.4 Administering Authority – Data Quality and Administration | | | | | |
| 1.4.1 | Provide support for employers in conjunction with the LPPA engagement team through a dedicated employer section of the website, forums, employer newsletters and training program | Ongoing support as required | As and When Required | Maintain an employer database | |
| 1.4.2 | Notify scheme employers and scheme members of changes to the scheme regulations | As soon as possible following confirmation/receipt of guidance regarding the change with a target of within 60 days of the regulatory change | As and When Required | Record as part of the communications campaign | |
| 1.4.3 | Provide good quality data to the Fund Actuary for the purposes of performing the triennial fund valuation exercise. | All data to be submitted by the Actuary's deadline and queries responded to within 14 days of receipt of the initial query or within 14 days of information being received from a scheme employer if required | Triennially or as and when required | Maintain a Valuation Monitoring Log | |
| 1.4.4 | Produce annual benefit statements to active and deferred members as at 31 March each year | By 31 August following the year-end | Annually | Maintain a Governance Log | |
| 1.4.5 | Produce and issue pension saving statements each year to members who have exceeded their annual allowance | By 6 October following the end of tax year (subject to receipt of all relevant information from the scheme employer) | Annually | Maintain a Governance Log | |
| 1.4.6 | Monitor administration work in line with the Service Level Agreement that forms part of the shared service agreement with Lancashire County Council | On receipt of each quarterly performance report. Discussed at the quarterly client meeting and presented to the Local Pension Board | Quarterly | Maintain a contract monitoring log | |

| PAS Code | Function/Task | Performance Standard | Frequency | Record | Comments/Progress |
|--|---|--|-----------------------|---|---|
| 2.1 Scheme Employers - Governance | | | | | |
| 2.1.1 | Designate a named individual to act as a Pensions Liaison Officer who is the main contact with regards to any aspect of administering the LGPS | Within 30 days of becoming a scheme employer or a change of named contact | Annually | Maintain an employer database | April employer communications will cover PAS/Discretions and include a contact sheet for completion |
| 2.1.2 | Formulate, publish and keep under review policies in relation to all areas where the employer may exercise a discretion within LGPS | A copy of the policy document is to be supplied to the administering authority within 30 days of becoming a scheme employer or a change in policy | Annually | Maintain an employer database | April employer communications will cover PAS/Discretions and include a contact sheet for completion |
| 2.1.3 | Appoint person for stage 1 internal dispute process (IDRP) and ensure this is noted within the discretions policy | Within 30 days of becoming a scheme employer or a change of appointed person | Annually | Maintain an employer database | April employer communications will cover PAS/Discretions and include a contact sheet for completion |
| 2.1.4 | Notify the administering authority of a receipt of a complaint under IDRP | Within 7 days of receipt of the complaint | Quarterly | Include in the IDRP log | |
| 2.1.5 | Notify the administering authority that the stage 1 IDRP decision has been made | Within 7 days of making the determination | Quarterly | Include in the IDRP log | |
| 2.1.6 | Distribute any information provided by the administering authority or administrators to scheme members/potential scheme members | Individual requirement within timescale specified in each instance | Quarterly | Record as part of the communications campaign | |
| 2.2 Scheme Employers – Fund Administration | | | | | |
| 2.2.1 | Ensure correct employee contribution rate is applied and reviewed in line with the contribution bands | Immediately on commencing scheme membership and in line with employer discretion | Annually | Maintain an employer reconciliation log | |
| 2.2.2 | Ensure correct employer contribution rate is applied as advised by the administering authority and determined by the Fund Actuary | Immediately as directed in line with the Rates and Adjustments certificate | Annually | Maintain an employer reconciliation log | |
| 2.2.3 | Ensure correct deduction of employee contributions | Each payroll cycle | Monthly | Maintain an employer reconciliation log | |
| 2.2.4 | Arrange the deduction of any employee additional contributions and any amendments as required | Each payroll cycle as required | Monthly | Maintain an employer reconciliation log | |
| 2.2.5 | Arrange the deduction of Additional Voluntary Contributions (AVCs) and payment to the relevant AVC provider | Each payroll cycle as required | | | Remove as we do not monitor? |
| 2.2.6 | Remit the employer and employee contributions to the Fund and provide a monthly report, to include details of any additional contributions and AVCs, in the format specified by the administering authority | Payment via BACS by 22 nd of the month following the deduction. The monthly report must be sent as specified in the completion notes by the same deadline | Monthly | Maintain an employer reconciliation log | |
| 2.2.7 | Refund any employee contributions when an employee opts out of the pension scheme within 3 months of joining | From the earliest available payroll after the opt out form is received | | | Remove as we do not monitor? |
| 2.2.8 | Remit strain cost payments to the Fund in relation to early payment of benefits following flexible, redundancy, efficiency, employer consent or ill health retirements | Within 30 days of receipt of the Fund's invoice | | | |
| 2.2.9 | Remit any other charges to the Fund in respect of work carried out on behalf of the employer by the accounts team, administration team or Fund actuary in line with the charging policy | Within 30 days of receipt of the Fund's invoice | | | |
| 2.3 Scheme Employers – Restructures and Outsourcing | | | | | |
| 2.3.1 | Notify the administering authority of any services that are being outsourced and will involve a Tupe transfer of staff to another organisation | Immediately at the decision to tender and prior to the launch of the tender process. A Pensions Information Memorandum must be obtained to include with Invitation to Tender documentation to potential bidders, to confirm pension costs. | Continuous monitoring | Maintain an employer database | |
| 2.3.2 | Respond to requests for information from the administering authority or LPPA | Within 21 days of receipt | Monthly | Maintain a PAS monitoring log | |
| 2.3.3 | Work with the administering authority to arrange for an Admission Agreement to be completed and Fund security to be established | At least 90 days in advance of the contract commencement date | Continuous monitoring | Maintain an employer work monitoring report | |
| 2.3.4 | Notify the administering authority of any decision to extend existing outsourced contracts beyond the initial end date | Within 30 days of the decision to extend | Continuous monitoring | Maintain an employer work monitoring report | |
| 2.3.5 | Notify the administering authority that the contract is due to cease | At least 90 days before the end of the contract | Continuous monitoring | Maintain an employer work monitoring report | |
| 2.4 Scheme Employers – Data Quality and Scheme Administration | | | | | |
| 2.4.1 | Provide a monthly return as specified by the administering authority to update member records, feed into valuation/GAD cost sharing exercise and annual benefit/annual allowance statements | Completed and validated return to be submitted by the specified deadline (usually the 10th of the month) via the LPPA Portal | Monthly | Maintain a PAS monitoring log | |
| 2.4.2 | To resolve queries resulting from the monthly return process | As soon as possible but no later than 21 days from date of receipt. In circumstances where an employer submits a late monthly return shorter timescales may be required as advised by the administering authority or LPPA. | Monthly | Maintain a PAS monitoring log | |
| 2.4.3 | To action all requests for data, information or delayed forms | To fully answer all queries from the administering authority or LPPA within 21 days of receipt of the query | Monthly | Maintain a PAS monitoring log | |
| 2.4.4 | Ensure Automatic Re-enrolment requirements are met | Engage with payroll department as soon as notification is received from the Pensions Regulator | Quarterly | Maintain an employer database | |
| 2.4.5 | Notify new joiners/additional employments in the format specified by the administering authority | Within 14 days of the member's first pensionable pay run after contractual or automatic enrolment date via the new joiner form or monthly return on the LPPA Portal. | Quarterly | Maintain a PAS monitoring log | |
| 2.4.6 | Direct all eligible new employees to the pension scheme website www.lppapensions.co.uk | At date of employee appointment | | | Remove as we do not monitor? |
| 2.4.7 | Action and notify movement between the main and 50:50 scheme following member election or automatic re-enrolment in the format specified by the administering authority | Action from the next available payroll and notify via the scheme movements form on the LPPA Portal within 30 days of the change | Monthly | Maintain a PAS monitoring log | |
| 2.4.8 | Notify all child related absence, reserved forces leave or periods of unpaid authorised or un-authorised leave without pay in the format specified by the administering authority | Within 30 days of the start of the leave and confirmation that the member has returned within 30 days via the absence/return from absence notification forms on the LPPA Portal | Monthly | Maintain a PAS monitoring log | |
| 2.4.9 | Notify of a change to members contractual hours or weeks | Within 30 days of the pay run implementing the change via the change of hours form on the LPPA Portal | Monthly | Maintain a PAS monitoring log | |
| 2.4.10 | Notify of any new/revised additional contribution elections | Within 30 days of the pay run implementing the additional contributions via the employer contact form on the pensions website | Monthly | Maintain a PAS monitoring log | |
| 2.4.11 | Notify of early leavers or opt outs in a format specified by the administering authority | Within 30 days of the members final pensionable pay run via the leaver form on the LPPA Portal | Monthly | Maintain a PAS monitoring log | |
| 2.4.12 | Notify of retirements (age, redundancy, efficiency, ill health or flexible) in a format specified by the administering authority | Within 7 days of the members final pensionable pay run via the leaver form on the LPPA Portal | Monthly | Maintain a PAS monitoring log | |
| 2.4.12 | Notify of the relevant tier for an ill health retirement in a format specified by the administering authority | The relevant ill health certificate should be completed by the Occupational Health Practitioner and uploaded with the leaver form on the LPPA Portal | Monthly | Maintain a PAS monitoring log | |
| 2.4.13 | Notify of the death of an employee and provide next of kin details in a format specified by the administering authority | Within 3 working days of knowledge of the death of the employee via the bereavements form on the LPPA website. Followed by the leaver form on the LPPA Portal within 7 days of the final pay run. | Monthly | Maintain a PAS monitoring log | |
| 2.4.14 | Notify of the revision to a member's leaver information following a payment after leaving in a format specified by the administering authority | Within 30 days of the pay run via the leaver form on the LPPA Portal | Monthly | Maintain a PAS monitoring log | |
| 2.4.15 | To Notify of intent to request a bulk estimate retirement calculations to seek both member pension details and employer strain costs | As soon as practical to allow time to consider resource planning via email to the Pensions Projects and Contracts Manager | Monthly | Maintain a PAS monitoring log | |
| 2.4.16 | Request estimate retirement calculations to seek member pension details and employer strain costs (where applicable) in a format specified by the administering authority | With as much notice as possible but at least 30 days prior the date figures are required via the estimate request form on the LPPA Portal | Monthly | Maintain a PAS monitoring log | |



LOCAL PENSIONS BOARD

27 February 2024

Subject Heading:

Review of Pension Committee Papers

SLT Lead:

Kathy Freeman Strategic director of Resources

Report Author and contact details:

Debbie Ford
Pension Fund Manager (Finance)
01708432569

Policy context:

Debbie.ford@onesource.co.uk
Oversight and Scrutiny with respect to decisions taken by the Pension Committee

Financial summary:

None directly

SUMMARY

The Pension Board is invited to note the reports from the most recent Pension Committee meeting held on 24 January 2024 (This is a reconvened meeting from the 12 December 2023, which was adjourned due to illness of the Chair and Vice Chair).

RECOMMENDATIONS

To note the report.

REPORT DETAIL

1. Background

The papers from the most recent Pension Committee meeting are available online for the December meeting on the council's website: [Pensions Committee 24 January 2024 Agenda pack](#) with the exception of exempt papers, which can be made available on request. **Highlights of all papers are covered below:**

2. Pension Fund Performance Monitoring for the quarter ending September 2023 (Agenda Item 8).

- 2.1 The Committee considered the quarterly investment performance of the Fund as at 30 September 2023.
- 2.2 The market value of the Fund's assets at 30 September 2023 was £899.23m, a decrease of £5.75m compared with June 23. Movement is attributable to a decrease in asset values (-£12.45m) and increase in cash (£6.70m).
- 2.3 Fund underperformed the tactical benchmark by -1.56% and outperformed the strategic benchmark by 3.74%.
- 2.4 The decrease in valuation can be primarily attributed to the Fund's allocation to the LCIV Global Alpha Paris Aligned Fund managed by Bailie Gifford specifically. This was then followed by the Fund's allocation to index-linked gilts which continued to decrease in value as real gilt yields rose over the longer terms as the BoE raised interest rates, despite the downward trend in UK inflation over the period.
- 2.5 Full details of the Fund's asset allocation and individual manager performance are included within Appendix A (Pensions Committee 24 January 2024 Document pack – item 8), provided by the Fund's investment advisers, Hymans.
- 2.6 At each reporting cycle, the Committee will see a different fund manager until members have met them all unless there are performance concerns that demand a manager be brought back again for further investigation. The fund manager attending the meeting was CBRE – Global Property Manager. (report exempt from public).
- 2.7 Investment strategy movements from the June report:

- completed £6.3m of capital draw down requests, funded with cash received from investment income held with the Custodian.
- As agreed at the 25 July 23 Pensions Committee meeting, £13m was paid to JP Morgan to rebalance the Infrastructure allocation. This was funded by a divestment from LCIV Diversified Growth Fund.
- As agreed at the 12 September 2023 Pensions Committee meeting, £45m was invested in the LCIV Global Bond Fund on the 10 November 2023. This was funded by a full redemption of the LCIV Diversified Growth Fund. Residual cash balance from the full redemption of the LCIV Diversified Growth Fund will be held pending future investment decisions or to fund outstanding capital call.
- At 31 October 2023 there was £59.1m of outstanding capital commitments.

2.8 LCIV Updates:

- DLUHC Return September 2023 - Each year the Department for Levelling Up, Housing and Communities (DLUHC) requests information from partner funds regarding their pooling intentions over the forthcoming three years. Havering was identified as one of 6 funds showing an allocation that reduced (from 62% to 60%). This reflects lower asset values and the transfer out of the LCIV DGF and a lower allocation to its replacement LCIV Global Bond. Officers have advised LCIV that this should not be viewed as a reduction in our commitment to asset pooling.
- LVIC Diversified Growth Fund remains on enhanced monitoring. The Fund fully divested from this fund on 8 November 2023

2.9 LGPS General Updates:

- Taskforce on Nature-related Financial Disclosures (TNFD) - formally launched its framework and final recommendations on 18 September 2023. TNFD reporting mirrors that of the Taskforce on Climate Related Financial Disclosures (TCFD) with recommended disclosures across the same four themes, **Governance, Strategy, Risk Management** and **Metrics and Targets**. Across these four themes, there are 14 disclosures (11 in the TCFD). It should be noted that this is about protecting the Fund's investments from risks related to habitat loss and loss of biodiversity. TNFD is currently voluntary and the committee will be given an opportunity to assess its adoption at a future education session.
- McCloud update - On 8 September, DLUHC announced the outcome of the consultation on McCloud issues. It also laid before Parliament "The Local Government Pension Scheme (Amendment) (No. 3) Regulations 2023", which came into force on 1 October 2023. The LGPS Regulations 2013 as amended to include the new definition of the underpin and extend it to those groups who were previously excluded but are now in scope.

Statutory guidance is expected shortly, providing funds with more information on how to implement the new underpin including advice on prioritising cases.

- Next Steps on Investment Consultation – Government response released on the 22 November 2023. Government received 152 responses indicating its intention to implement the proposals as set in the consultation. Not mandatory – more along the lines of comply or explain basis and includes:
 - transfer all assets to the pool by 31 March 2025.
 - set a training policy for pensions committee members and to report against the policy.
 - funds to set a plan to invest 5% of assets in levelling up the UK, and to report annually on progress against the plan.
 - require funds to consider investments to meet the governments ambition of a 10% allocation to private equity
 - set objectives for investment consultants
 - DLUHC will work closely with the Scheme Advisory Board to develop changes to regulations and revised guidance

3. Pension Fund Valuation Funding Update from 31 March 2022 to 30 September 2023

- 3.1 The estimated funding level has increased from 80% at last valuation date 31 March 2022 to 106% at 30 September 2023. Employer contributions will not be reviewed until the next valuation as at 31 March 2025. The purpose of the funding update was to assess whether the funding plan is on track and take actions where necessary.
- 3.2 The updated funding position provides an illustrative funding position and not designed to meet regulatory requirements for valuations.

Table 1

| Ongoing funding basis | 30 Sep 2023 | 31 Mar 2022 | 31 Mar 2019 |
|------------------------------|--------------------|--------------------|--------------------|
| | £m | £m | £m |
| Assets | 891 | 920 | 733 |
| Liabilities | 842 | 1,149 | 1,054 |
| Surplus/(deficit) | 49 | (229) | (321) |
| Funding level | 106% | 80% | 70% |

- 3.3 Increased funding level has been driven by a fall in the liabilities. The fall in liabilities is a consequence of higher than expected real discount rate used to value the current cost of future pension obligations (accrued liabilities).

- 3.4 If the real discount rate used to value the accrued liabilities was lower, then the value placed on those liabilities would increase. For example, if the real discount rate at 30 September 2023 was 1.0% pa lower, then the liabilities on the Ongoing basis at that date would increase by 18.3%.
- 3.5 No actions are required to change the current funding plan.
- 3.6 The next formal valuation date is 31 March 2025.

4 Service Review of the Pension Fund Custodial & Performance Monitoring service – 1 October to 30 September 2023

- 4.1 This report reviews the performance of the Custodial and Performance Measurement services provided by Northern Trust, for the period 1 October 2022 to 30 September 2023.
- 4.2 Northern Trust was appointed to commence Custodial and Performance Measurement Services from 1 October 2019 until the 30 September 2023. A new contract was awarded via a direct award for a further three years commencing on 1 October 2023 and will expire on the 30 September 2026.
- 4.3 This period of review covers the custodial and performance measuring services delivered by Northern Trust for the period 1 October 2022 to 30 September 2023.
- 4.4 Services are reviewed annually to ensure that the Fund is receiving best value for money and is benefiting from all the services the custodian has to offer. Monitoring the contract also meets post contract award procedures and ensures services are being delivered in accordance to the contract.

Table 2

| CRITERIA | ASSESSMENT | Rating |
|---|---|---|
| Safe Keeping and Custody of Assets | | |
| It is important that the Pensions Committee and officers have confidence that all assets are secure and properly accounted for. | Officers review the custodians audited System and Organisation Control (SOC1) report produced annually. No concerns were raised in their latest report covering the 12 months to 30 Sept 2022. The Sept 23 report will not be available until approximately 6 months after the period end date. | GREEN: Officers have confidence that the assets are accounted for correctly. |
| Investment Accounting and Reporting | | |
| It is important that accurate accounting | Officers run detailed reports from the custodian’s website | GREEN: Officers are satisfied that accurate |

| CRITERIA | ASSESSMENT | Rating |
|---|--|---|
| records are maintained and appropriate reconciliations can be made against the Fund's investment managers records. | using their "passport" tool. These reports are reconciled to individual fund manager reports and any differences investigated. This provides assurances that accurate records are maintained. Officers also use the additional reporting functionality that contributes to reconciling the accounts. | accounting records are maintained with no audit issues identified to date. |
| Prompt and responsive service | Reponses to queries are dealt with promptly. | GREEN: Officers are very satisfied and appreciative of the responsive service |
| Good communication and support | Officers communicate frequently with the custodian covering general day-to-day operations and to obtain assistance in ensuring investment instructions templates are completed correctly. | GREEN: Communications and support continue to be very satisfactory. |
| Provision of data for the Office of National Statistics (ONS) Returns | The Fund uses the custodians ONS service and they complete the investment sections within the return and answer/resolve any queries raised by ONS. These have been delivered within the required timescales. | GREEN: Officers are very satisfied with this service |
| Performance Measurement | | |
| It is important that the Pensions Committee and officers understand whether the investment objectives of the Fund are being met and if the fund managers are achieving their targets. | Northern Trust performance measurement service produce monthly and quarterly reports setting out performance returns versus benchmarks for each manager and the whole fund over a number of time periods that cover 1 month, 3 months, 1 year, 3 years, 5 years and inception. Performance reports are available via the custodian's website using the "RADAR" tool. | GREEN Performance reports are received within specified timescales and officers are very satisfied with this service. |

- 4.5 Officers are satisfied with the provision of safekeeping and custody functions.
- 4.6 Officers are satisfied with the overall investment accounting and reporting functions.
- 4.7 Officers are satisfied with the performance monitoring service.

IMPLICATIONS AND RISKS

Financial implications and risks:

This report provides feedback from items that have already been presented to the Pensions Committee on the 24 January 2024 (previously scheduled for the 12 December 2023).

Report clearance was achieved as part of that process and no new recommendations are necessary. Therefore, there are no direct financial implications arising from the recommendations in this report to the Local Pension Board.

Legal implications and risks:

This report provides feedback from items that have already been presented to the Pensions Committee on the 24 January 2024 (previously scheduled for the 12 December 2023).

Report clearance was achieved as part of that process and no new recommendations are necessary. Therefore, there are no legal implications arising from the recommendations in this report to the Local Pension Board.

Human Resources implications and risks:

This report provides feedback from items that have already been presented to the Pensions Committee on the 24 January 2024 (previously scheduled for the 12 December 2023).

Report clearance was achieved as part of that process and no new recommendations are necessary. Therefore, there are no Human Resources implications arising from the recommendations in this report to the Local Pension Board.

Equalities implications and risks:

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment/identity.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

An EqHIA is not considered necessary regarding this matter as the protected groups are not directly or indirectly affected

BACKGROUND PAPERS

Background Papers List

None