



Haverling

LONDON BOROUGH

LOCAL PENSION BOARD AGENDA

4.00 pm

**Tuesday
3 December 2024**

Microsoft Teams

Members 6: Quorum 3

Mark Holder, Scheme Member Representative
Yasmin Ramjohn, Scheme Member Representative
Joanne Sladden, Scheme Employer Representative
Dionne Corrodus-Weekes, Scheme Member Representative
Jonathan Bunt, Independent
Andrew Frater, Scheme Employer Representative
Clea Holmes, Scheme Employer Representative

**For information about the meeting please contact:
Luke Phimister 01708434619
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 TO RECEIVE FEEDBACK FROM RECENT MEETINGS OF THE PENSIONS COMMITTEE (Pages 3 - 14)

5 PENSIONS ADMINISTRATION AND LEGISLATION UPDATE (Pages 15 - 56)

6 TRAINING UPDATE (Pages 57 - 62)

7 RISK REGISTER UPDATE (Pages 63 - 92)

Zena Smith
Head of Committee and Election Services



LOCAL PENSIONS BOARD

3 December 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
Debbie.ford@havering.gov.uk

Policy context:

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 Pension Committee meetings held on the 1 October 2024 and 5 November 2024.

Reports presented to Pensions Committee provides evidence to the Board as to the Fund's compliance with scheme regulations relating to the governance and administration of the scheme.

RECOMMENDATIONS

1. To note the report.

REPORT DETAIL

1. Background

The papers from the most recent Pension Committee meeting are available online on the council's website: [Pensions Committee 1 October 2024](#) and [Pensions Committee 5 November 2024](#) with the exception of exempt papers, which can be made available on request. **Highlights of all papers are covered below:**

2. 1 OCTOBER 2024 (2 reports):

2.1 Pension Fund Performance Monitoring for the quarter ending 30 June 2024 (Agenda Item 6).

(a) **Report presented to Pensions Committee provides evidence to the Board as to the Fund's compliance with scheme regulations relating to the governance and administration of the scheme and to provide assurances that its monitoring processes are in line with TPR best practice.**

(b) *TPR Best practice includes:*

Having procedures in place to monitor their scheme's investments and performance:

- *these procedures should compare investment performance against the stated investment principles at least quarterly*
- *these procedures should consider fees and costs and whether they are justified*
- *these procedures should consider investment returns both before and after fees, and against relevant benchmarks*
- *these procedures should consider fees and costs and whether they are justified*

Set expectations for their investment managers to:

- *ensure monitoring information is prepared and considered at least quarterly and at shorter intervals as appropriate for the size and complexity of your scheme*
- *compare net investment returns to any relevant market or industry benchmarks*
- *consider environmental, social and governance (ESG) factors, including shareholder engagement,*

(c) The following is a summary of evidence to support the above:

(d) The Committee considered the quarterly investment performance of the Fund covering the quarter as at 30 June 2024.

- (e) The Fund's asset value at 30 June 2024 was £983.70m compared with £932.1m at 31 March 2024; an increase of £13.7m. This movement is attributable to an increase in asset values £8.3m and increase in cash & currency £5.4m.
- (f) The Fund has appointed Northern Trust (NT) as the Fund's custodian and performance measurer. They produce both monthly and quarterly performance reports showing returns against the tactical benchmark (set for each fund manager) and strategic benchmarks (used to assess the expected fund liabilities and gives an indication of whether the funding level has improved or weakened).
- (g) The Fund's performance of 1.25% was slightly behind the tactical benchmark (-0.73%) but remains ahead of the strategic benchmark over the quarter by 2.9% and over the 3-year period by 11.47%.
- (h) The NT performance reports are used by our Investment Advisor (Hymans) and feeds into their quarterly monitoring reports, where performance is also compared against the strategy targets. Hymans report, pages 24 -27 refer. Full details of the Fund's asset allocation and individual manager performance are included within the committee papers pack - Appendix A.
- (i) Hymans attend the Pensions Committee quarterly to present their report and this report also provides an overview of markets and any impacts this has had on performance. In advance of the committee meeting they are sent the presentation pack of the fund manager attending in order to prepare questions and challenges to the fund manager. Hymans will also highlight any performance concerns to the committee and offer advice if any further actions are necessary
- (j) At each reporting cycle meeting the committee will invite a fund manager to attend the meeting. The manager who attended the meeting was **Legal & General Investment Management (LGIM) - Passive Equities Manager**. They manage the **All World Equity Index Fund**, **World Emerging Market Fund** and the **Future World Index Fund**. LGIM report (exempt) has been separately distributed to Board members on the 14 November 2024.
- (k) Total Value of LGIM funds is £192.5m split: All World Equity Index (£42.9m), World Emerging Market (£40.5m) and Future World Fund (£109.1m).
- (l) Whilst the LGIM funds are managed on a passive basis there was some slight underperform over the quarter; All World -0,4%, World -0.5% and Future World Funds -0.1%. LGIM explained to the committee that this is caused by time lags and tax accruals causing performance volatility.
- (m) The Fund Manager also reports on how ESG factors impact the portfolio.

- (n) **London CIV**
The Funds holds 59% of its assets within the London Collective Investment Vehicle (LCIV), five mandates directly managed by LCIV (40%) and three indirectly managed by Legal & General (19%). The governance of investments held within LCIV is their responsibility but it is crucial that the Fund has assurances that the governance arrangements are robust and regular communication and contact is maintained.
- (o) LCIV produce Quarterly Investment reports, which includes an Investment Summary with valuation and performance data for each of our holdings and an update on activities at London CIV, a market update and Fund commentary from the London CIV Investment Team as well as key portfolio data and a summary of ESG activity during the quarter.
- (p) The Fund receives monthly transactions and investment statements from the LCIV custodian which are used to reconcile against the Funds custodian reports.
- (q) The LCIV hosts Virtual weekly “coffee with the Chief Investment Officer (CIO). Opportunity to share news or in-depth discussions on a fund manager or asset classes. Attended by Officers, recordings available.
- (r) LCIV also hosts monthly business update meetings, which include updates from LCIV Chief Officers and includes covering current fund offerings, fund performance; fund updates (including those funds for which enhanced monitoring is in place) and the pipeline for new fund launches. In addition, relevant topical issues are included as appropriate. Attended by Officers, recordings available.
- (s) All Havering investments funds are on ‘normal’ monitoring status.
- (t) In depth reviews are held annually unless there are concerns about performance whereby the reporting cycle is reduced to six months, Closer six monthly monitoring is in place for the Absolute Return Fund, in which Havering invests. Officers attended a performance review meeting on the 11 July 2024 where the review was covered in detail. There are still concerns about performance but remains on normal monitoring and closer monitoring undertaken every six months remains in place. Next review scheduled for Jan 2025.

There was some staffing change with Andrien Meyers joining Sept 2024 in a newly created role as Chief Proposition Officer and Aoifinn Devitt, Chief Investment Officer, will be leaving during Q4 and the role covered by Rob Trieck, Head of Public Markets in the interim

- (u) The Committee was provided with LGPS updates, as follows:
- **Funding Strategy Guidance** – the Scheme Advisory Board has set up a working group and began its review of the guidance. Aiming to release guidance before end of Dec 2024.

- **Pensions Review** - Chancellor announced a Pensions review on the 19 August 2024. Phase one of the review to focus on investments. A call for evidence shortly followed on the 4 Sept 2024 with a deadline set at 25 Sept.

2.2 Public Sector Pensions Act 2013 – Section 13 Report (Agenda item 7)

- (a) **Committee noted the results of the report produced by the Government Actuary Department (GAD) and Hymans accompanied summary.**
- (b) The purpose of the report is to examine whether the separate 87 fund valuations have achieved the four aims set out in the Act: **compliance, consistency, solvency and long-term cost efficiency.**
- (c) Published on the 14 August 2024, this is the third formal section 13 report based on the results of Fund valuations as at 31 March 2022.
- (d) GAD allocates scores using colour classifications of Red (material issues), Amber (potential issue), White (advisory flag) and Green (no material concerns).
- (e) All Funds met the compliance and consistency tests. Havering Pension fund received green flags for the metrics tested under Solvency and Long-Term Efficiency.
- (f) **Report presented to Pensions Committee provides evidence to the Board as to the Fund's compliance with scheme regulations relating to the governance and administration of the scheme**

3 5 November 2024 (Eight reports):

3.1 Pension Fund Annual Report – Year ending 31 March 2024

- (a) **Committee approved the Draft 2023/24 Pension fund Annual Report**
- (b) Regulation 57 of The Local Government Pension Scheme (LGPS) Regulations 2013 mandates the statutory basis for producing LGPS fund Annual report and be published by 1 December following the end of the year. Due to outstanding audits the **2023/24 report was published as unaudited to ensure it met the statutory deadline.**
- (c) In preparing the report Funds must have regard to guidance given by the Secretary State, this being guidance issued by the Scheme Advisory Board

- (d) New guidance was issued by the SAB for the Annual Report covering 2023/24. Guidance includes new data requirements and in some instances it has not been possible to provide some of the Key Performance Indicators (KPI) as the administration software cannot be backward configured. Adherence to the guidance is on a best endeavours basis for 2023/24 and **mandatory compliance applies to the 2024/25 Annual Report.**
- (e) Compliance to the new guidance is set out in Appendix B (pages 111 -114 of the report pack).
- (f) Annual Report was distributed to the Local Pension Board for review via email on 10 October 2024.
- (g) **Report presented to Pensions Committee provides evidence to the Board as to the Fund's compliance with scheme regulations relating to the governance and administration of the scheme.**

3.2 Investment Consultancy Service Performance Review – 1 October 2023 to 30 September 2024

- (a) **Committee agreed no changes to the objectives set for the Investment Consultant, noting the reviews of officers on performance against set objectives.**
- (b) **Committee agreed to commence the tendering for a new Investment Consultancy service by joining the LGPS National Framework and also agreed to hold service provider selection interviews with the Committee as part of the further competition process.**
- (c) This report sets out the regulatory requirement to appoint an investment consultant (IC) to ensure the Fund takes advice on investment matters. The report also sets the regulatory requirement to set objectives for investment providers and review performance against those objectives at least annually.
- (d) The regulatory obligations under the order from the Competition and Markets Authority (CMA) transferred to The Pensions Regulator (TPR) (under the scheme administration regulations), and will now be subject to TPR compliance and monitoring processes.
- (e) Officers reviewed the objectives against those set out in the Pensions Regulator (TPR) new General Code of Practice guidance and recommended the committee make no changes to the objectives.
- (f) Appendix A to the report (pages 123-143 of the report pack) sets out the objectives, measure of success and assessment.
- (g) An annual assessment also meets post contract award procedures

- (h) The current IC contract with Hymans expires on the 31 March 2026. The committee agreed to commence the procurement process for a new contract and join the LGPS National Framework for Investment Consultancy Services (cost £5,000). The framework is available for Further Competition until 31 October 2026. New contract to commence 1 April 2026 and cover seven years and estimated to be in the region of £500k.
- (i) Members of the Committee will hold service provider interviews as part of the Further Competition process.
- (j) **Report presented to Pensions Committee provides evidence to the Board as to the Fund's compliance with scheme regulations relating to the governance and administration of the scheme and TPR General Code of Practice for Advisors and Service Providers.**

3.3 Pension Fund Actuarial Performance Review – 1 October 2023 to 30 September 2024

- (a) **Committee noted the performance of the Funds Actuary during the period covering 1 October 23 to 30 September 2024**
- (b) **Agreed an extension to the existing Actuarial Services contract with Hymans to cover from 16 July 2025 to 30 June 2026.**
- (c) **Agreed to commence the tendering for a new Actuarial Services contract by joining the LGPS National Framework**
- (d) This report sets out the regulatory requirement to procure professional actuarial services and must obtain an actuarial valuation every three years.
- (e) An annual assessment of the Actuaries services is in line with TPR General Code of Practice and meeting post contract award procedures
- (f) An extension was sought to the 30 June 2026 as the current contract expiry date of the 15 July 2025 overlaps with the timelines for the 2025 triennial valuation exercise which runs from 1 April 2025 to 31 March 2026. The Fund wanted to avoid the risk of potentially changing actuaries part way the valuation year and the extension will also cover end of year accountancy reporting requirements.
- (g) An extension was granted in line with the Councils contract procedure rules and Regulation 72 of the Procurement Act, an extension is permissible if the costs are not greater than 10% of the existing contract.
- (h) The committee agreed to commence the procurement process for a new contract and join the LGPS National Framework for Actuarial, Benefits and Governance Consultancy Services (estimated cost £3,000). The current framework is only available for Further Competition until 30 June 2025 and

the Fund will join the next reiteration of the framework once released after June 2025. New contract to commence 1 July 2026 and will cover 10 years and estimated to cost in the region of £1m.

- (i) **Report presented to Pensions Committee provides evidence to the Board as to the Fund's compliance with scheme regulations relating to the governance and administration of the scheme and TPR General Code of Practice for Advisors and Service Providers.**

3.4 Pension Fund Risk Register – Updated November 2024

- (a) **Committee approved the updated Pension Risk Register as at November 2024.**
- (b) Please see separate agenda item for more details on this report and feedback
- (c) **Report presented to Pensions Committee provides evidence to the Board as to the Fund's compliance with scheme regulations relating to the governance and administration of the scheme and TPR General Code of Practice – Risk Management**

3.5 Review off Governance Compliance Statement

- (a) **Committee agreed the amendments to the Governance Compliance statement**
- (b) This report sets out the regulatory requirement to prepare a written statement setting out it's governance structure and its operational procedures. Also required to keep the Governance Compliance Statement under review and make revisions where necessary.
- (c) The Governance compliance statement has been reviewed and updated to reflect the change in membership of the Committee and the Local Pension Board. Therefore, in this instance no consultation was carried out.
- (d) Where the Fund is not compliant it must state why. The Fund is not compliant with the requirement to appoint independent observers. The Committee accept that the current monitoring arrangements are sufficient for the size of the Fund. It also considered that the "Good Governance" recommendations of the requirement to undergo a biennial Independent Governance Review will address this issue, once it is introduced into regulation.
- (e) **Report presented to Pensions Committee provides evidence to the Board as to the Fund's compliance with scheme regulations relating to the governance and administration of the scheme**

3.6 Review of Communications Policy

- (a) **Committee agreed the amendments to the Pension Fund Communications Policy for the three-year period to November 2027.**
- (b) Communications Policy was presented to the Local Pension Board at its meeting on the 17 September so no further details included here.
- (c) **Report presented to Pensions Committee provides evidence to the Board as to the Fund's compliance with scheme regulations relating to the governance and administration of the scheme and TPR General Code of Practice – information to Members**

3.7 Review of Overpayment Policy

- (a) **Committee agreed to the continuation of the Policy for the overpayment of pensions following the death of a pensioner or dependent member.**
- (b) **Agreed that the policy be implemented for a three-year period and will be reviewed in 2027 – unless write-offs exceed the expected £5,000.**
- (c) Overpayment Policy was presented to the Local Pension Board at its meeting on the 17 September so no further details included here.
- (d) **Report presented to Pensions Committee provides evidence to the Board as to the Fund's fulfilment with good practice in having the policy in place**

3.8 Introduction of the Policy for Reporting Breaches of Law

- (a) **Committee approved the policy for reporting breaches of law**
- (b) **Noted that there were no reportable for the 12-month period to 31 March 2024**
- (c) Breaches of Law Policy was presented to the Local Pension Board at its meeting on the 17 September so no further details included here.
- (d) During the period 1 April 2023 to 31 March 2024, 12 minor administration breaches were noted. These were not assessed as materially significant and no report to the Pensions Regulator was made.

- (e) **Report presented to Pensions Committee provides evidence to the Board as to the Fund's compliance with scheme regulations relating to the governance and administration of the scheme and TPR General Code of Practice – Reporting Breaches**

IMPLICATIONS AND RISKS

Financial implications and risks:

This report provides feedback from items that have already been presented to the Pensions Committee on the 1 October and 5 November 2024.

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 25 June 24

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 25 June 24

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:

This report provides feedback from items that have already been presented to the Pensions Committee on the 25 June 24

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.

BACKGROUND PAPERS

Background Papers List
None

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LOCAL PENSIONS BOARD

Subject Heading:

Pensions Administration and Legislation
Update

OMT Lead:

James Cocks
Assistant Director of Transactional People
Services

Report Author and contact details:

Caroline Guyon
Pensions Projects and Contracts Manager
caroline.guyon@havering.gov.uk
01708 4323185

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 April to June 2024.

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)
- 1.3 LPPA introduced 3 year Efficiency and Service Improvement Plan that currently has 9 live projects, including the improvement of the monthly returns process and the member and employer portals. July saw the introduction of automated deferred retirement quotes, which enables deferred members to receive a retirement quote instantly via email. Work is underway to introduce similar functionality to active members.
- 1.4 Overall performance against SLA for Q2 is reported at 98.7%. The reported service is achieving results in excess of the required 95% target in all areas. 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 The independent checking of cases completed within the quarter notes a discrepancy with the starting point of the SLAs in some cases. The contract states the SLA will be triggered on the date the last piece of information required to complete a case is received. However examples have been identified where this is not the case. LPPA advised the SLA is triggered on the day the benefit calculation is run as this is when the final check is completed to ensure all information is present and correct. Unfortunately this leaves a lack of transparency regarding the actual time it takes to complete a case, although

Local Pensions Board, 17 September 2024

LPPA are considering working toward elapsed time reporting. The discrepancies are being challenged and discussions with LPPA are ongoing.

1.6 Looking at the 3 highest priority cases, Board 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	123	157	167	113	96.4%
Retirement (Deferred)	5 working days	86	139	168	57	99.1%
Deaths	5 working days	228	245	253	220	98.2%

1.7 There are 499 processes on UPM that are more than 6 months old. The data is broken down in the table below:

Case Type	Number of Cases
Aggregations	91
Bereavements	95
Deferreds	145
Refunds	22
Retirements	20
Transfers In	46
Transfers Out	60
Others	20

The delays in processing can be caused by a number of factors including awaiting information from the members or next of kin, employers or internal processes. Delays caused by an employer can be addressed as part of the Pensions Administration Strategy.

Reports to provide member journeys have not yet been received so these will follow when available.

1.8 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 Q2 responses:

	Surveys Issued	Surveys Taken	Satisfied	Neutral	Dissatisfied
Ret from Active	28	10	3	4	3
Ret from Deferred	39	12	6	1	5

1.9 LPPA received 8 complaints during Q2 and carried forward 3 complaints from Q1. Of the 7 cases completed in the quarter, 6 were upheld and 1 was not upheld. 4 cases will carry forward to Q3.

Local Pensions Board, 17 September 2024

- 1.10 Calls into the LPPA's contact centre are now recorded at a client level with 1022 calls being answered during the quarter. The average wait time for callers across the quarter was 2 minutes 28 seconds with 8 people having to wait more than 15 minutes.
- 1.11 Members are directed to the contact centre survey on the completion of their call. Satisfaction levels are shown below:

	Surveys Taken	Satisfied	Neutral	Dissatisfied
Contact Centre Overall	52	40	6	6
Contact Centre Agent	57	55	1	1

- 1.12 The report details the data quality and the Pension Regulator data scores for common and scheme specific data. At the end of Q2 our common data score was 97.6% (previously 97.7%) and the scheme specific data score was 89.4% (previously 73.6%). The scheme specific score has returned to its previous level following the seasonal fall in the last quarter, relating to the processing of Pensions Increase and Annual Allowance calculations.
- 1.13 LPPA is partnering with Civica and Intellica to improve data quality ahead of the 2025 valuation and in readiness for Pension Dashboards. The project is being scoped and the creation of system test environments is underway. Delivery dates are to be finalised and an update is now expected during Q3.

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 All McCloud flagged cases will need to be reviewed by August 2025. UPM system functionality to enable previously completed cases to be revisited is due in October 2024.
- 2.1.3 LPPA are now calculating the underpin for all active cases with a McCloud flag and whose data has been verified as being present and correct. Early results show, across all clients, the underpin is driving a small increase in benefits of approximately £300 on average to circa 4% of cases. These are generally where a member had a significant pay increase during the remedy period and/or retired early. LPPA will report the additional costs of the McCloud remedy for the Havering Fund in due course.
- 2.1.4 We are currently reviewing the Scheme Advisory Board guidance to establish the correct method of dealing with potentially 'missing data' for members who were on the Havering payroll during the remedy period.

2.2 The Pension Regulator's General Code of Practice

- 2.2.1 tPR's new General Code of Practice came 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 We are required to undertake a gap analysis to identify any areas of partial or non-compliance and have a plan in place to address the shortcomings. There is no official deadline for having the plan in place but the LGA felt 6 months would be reasonable.
- 2.2.3 Work is well underway to assess Havering's compliance with the code and we are working with LPPA to gather the final pieces of evidence and address some formatting issues with Hymans within the checker tool.
- 2.2.4 The full report will be presented at the March 2025 Board meeting

2.3 Tax Changes on Death Benefits

- 2.3.1 Death benefits paid by the LGPS are currently out of scope for inheritance tax. Following the October budget, the Government is consulting on changes that mean death grants paid by the LGPS would form part of a member's estate for inheritance tax purposes. The change is planned to take place from April 2027. The consultation is open until 22 January 2025.

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:

Havering 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.

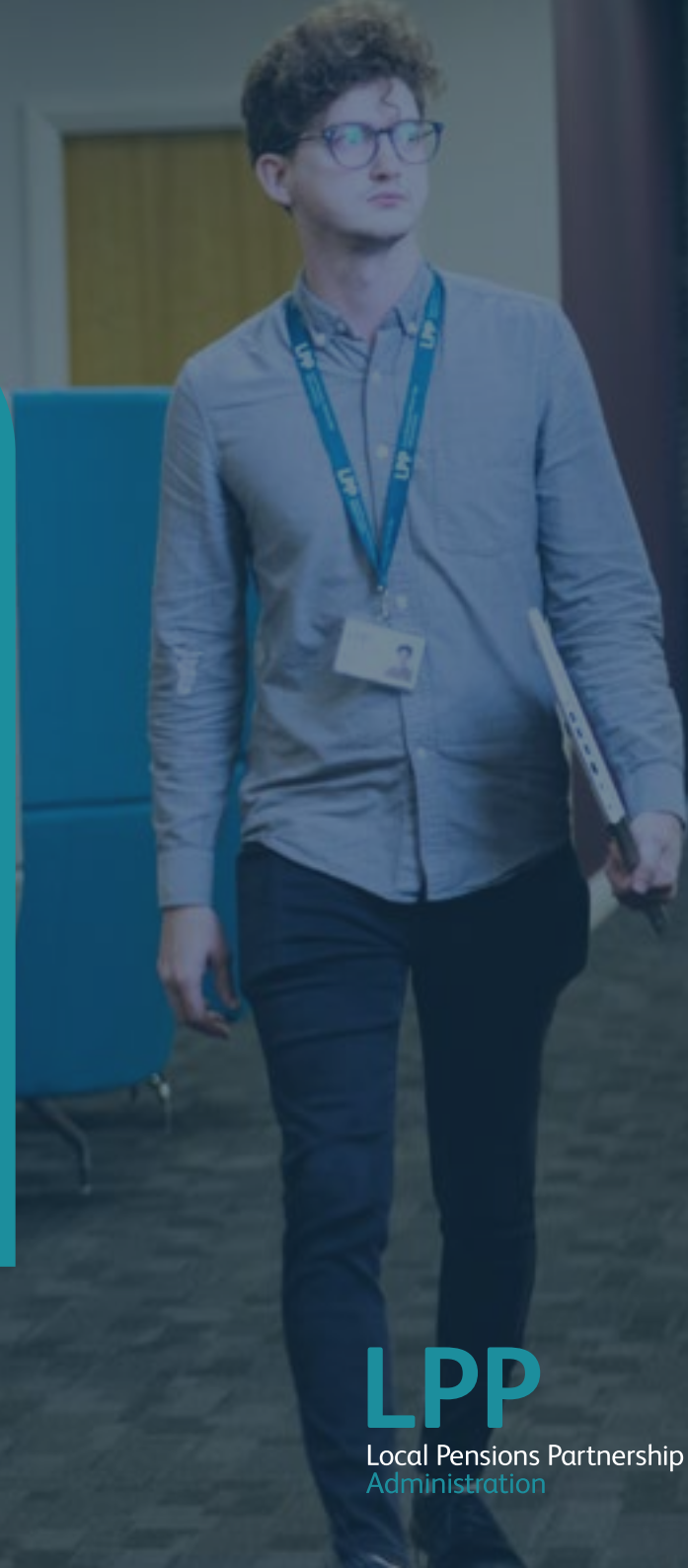
Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

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.

Quarterly Administration Report

Havering Pension Fund

1 July - 30 September 2024



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DEFINITIONS

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Total Fund Membership

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

Page 10 & 11

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.

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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 14

Casework Performance - Standard

'Deaths' are included as a specific process, but it is important to highlight that processing can take a significant amount of time to complete fully. Furthermore, there can be seasonal aspects which impact case volumes ie. higher mortality rates during winter.

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
- Ill Health Reviews
- Complaints

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.

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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 are not limited to, the deletion of a process, or changes to the process category that a case is assigned to).

From Q1 2024/25, "Deaths" include over / under payments, and updates to pension and payroll processes (multiple associated processes can be triggered within a case, including the setup of multiple beneficiaries, and making multiple payments to individuals).

Page 21 & 22

Contact Centre Performance

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

Page 24 & 25

Contact Centre Call Satisfaction

Members are given the option to answer two questions, following a call with the LPPA Contact Centre (these relate to general satisfaction with LPPA, and satisfaction with the adviser they have spoken to – both responses follow a three-point rating scale).

Page 26 & 27

Retirement Satisfaction

Graphs show a breakdown of quarterly retirement surveys (emails issued and responses received).

- Retirements processed / completed - members can have multiple process counts.
- Surveys issued - does not equal retirement processes for several reasons; ill health retirements do not receive a survey; not all members provide an email address; members with multiple retirement processes only receive one survey email; there is a planned delay in issuing surveys to allow for initial payments to be paid).

Satisfaction / Dissatisfaction is included as a % of email surveys issued. This demonstrates that a significant number of surveys are not completed (work is ongoing to encourage an increase in the number of responses to email surveys issued).

The Satisfaction Scores highlighted in green and red compare the satisfied / dissatisfied responses received, as a % of total survey responses - this is the true measure of member satisfaction.

Satisfied responses include satisfied (with the service) and very satisfied.

Dissatisfied responses include dissatisfied and very dissatisfied.

Neutral responses are not included in the data tables.

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Member Online Portal

The number of member records by status, that are registered for LPPA's member self-service portal, PensionPoint.

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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 (basic details that are specific to the Member) and Scheme Specific Data (data that is related to a member's data and specific circumstances surrounding their record).

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](#) (The Pensions Regulator) 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.



STATUTORY DEADLINES

✓ COMPLETED 📅 DUE

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	Apr 24	May 24	Jun 24	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25
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							📅					

EXECUTIVE SUMMARY

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

This performance report covers the reporting period of Q2 2024/25 (July – September 2024)

Casework SLA performance

Overall operational casework performance was 98.7% against overall Service Level Agreements (SLAs) for the quarter. Focus continues to be on driving further improvements to the member experience.

Contact Centre

Contact Centre wait times have been consistently under the targeted 4-minute wait time with an average wait time over the quarter of 2 minutes 29 seconds.

Satisfaction scores

The majority of those surveyed about their retirement experience do not respond. Of those that responded to the survey, customer satisfaction was 30.0% for Actives into Retirement and 50.0% for Deferred into Payment. Low survey responses can lead to high volatility in the satisfaction scores.

Contact Centre satisfaction now includes both overall satisfaction and satisfaction with the individual call handler that the member spoke to. Satisfaction with the individual call handler is typically higher than overall satisfaction, with satisfaction rates for the quarter at 96.5% and 76.9% respectively.

Statutory deadlines

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

- Production and distribution of Annual Benefit Statements (ABS) for active and deferred members for the 31 August deadline.

Outlook

Activity levels are, and are expected to remain high, due to:

- Embedding of monthly returns for all employers and managing the associated spikes in work driven by the late and concentrated submission of monthly return files from some employers
- Efficiency and Service Improvement Programme (ESIP) of work.
- Activity to continue to improve the member experience in key areas.
- Significant regulatory change including implementation of McCloud remedy and the Pensions Dashboard.
- Preparation for LG valuation data submission in 2025.



LPPA PROJECTS - UPDATE

McCloud Remedy

Following the McCloud judgment, changes to all public service pension schemes that provided transitional protections to older members, including the LGPS came into force on 1 October 2023. The changes were designed to rectify unlawful discrimination against younger scheme members. In the LGPS, the impact is an extension of the underpin to all eligible members. The national timeline for revisiting all member cases is Oct 23 – Aug 25.

A dedicated project manager and team remains in place overseeing and delivering all the key areas of the project including:

- Data capture and data cleanse from employers to ensure that hour changes and service breaks have all been recorded correctly.
- System design and development is thoroughly tested prior to release into the live environment.
- Appropriate communication plans are in place and delivered.
- Contact Centre and Operational colleague training & business readiness.

Current Position

- Eligibility flags are in place to identify all members in scope for remedy.
- We are now calculating benefits and applying the underpin for active members retiring (for those members with a McCloud eligible flag, and whose data has been verified as being present and correct).
- Of those cases where the underpin applies, early results show that the underpin is driving a small increase in benefits (c.£300pa on average) in a small number of cases (c.4% of cases) and those cases are where the member had a significant salary increase in the remedy period and/or retired early.

Efficiency and Service Improvement Programme

LPPA mobilised an Efficiency and Service Improvement Programme (ESIP) shortly after the move to the new administration system (UPM). ESIP is designed to leverage the investment in UPM, delivering automation and improved self-service capability. ESIP currently has 9 projects in flight. ESIP's automation of Deferred Retirement Quote was launched in July (this is the third process automation and enables members to receive deferred retirement quotes instantly by email). Work is underway on similar functionality for active members. Other activity in flight includes work to improve the monthly returns process and the member and employer online portals.

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

Data Project

LPPA is partnering with Civica and Intellica on a data project to improve data quality ahead of valuation and the introduction of the Pensions Dashboard. Work on the creation of test environments is complete. Data Validation Checks (DVCs) that we will check the integrity of member data against have been scoped and built. The results from the DVCs will be shared with Funds in Q3.

The project is working towards producing a series of dashboards to give us clear visibility of the integrity and accuracy of the data that we hold to comply with regulatory change and to enable us to launch more self-service and automation for members and employers.

Pensions Dashboard

The Pensions Dashboard will enable individuals to access their pensions information online, securely and all in one place. The connection date for public sector schemes to connect to the Pensions Dashboard is 31 October 2025. The dashboard project is in flight with a full-time project manager. Work is well underway on the project, including:

- Systems requirements (including the rules for partial matching of records and the treatment of AVCs); and
- the business readiness aspects of the project (e.g. readiness to deal with new inbound enquiries relating to dashboard).

Civica are LPPA's Integrated Service Provider (ISP) for dashboard connection.

Fund Membership

In this section...

- Total fund membership
- Current age demographic

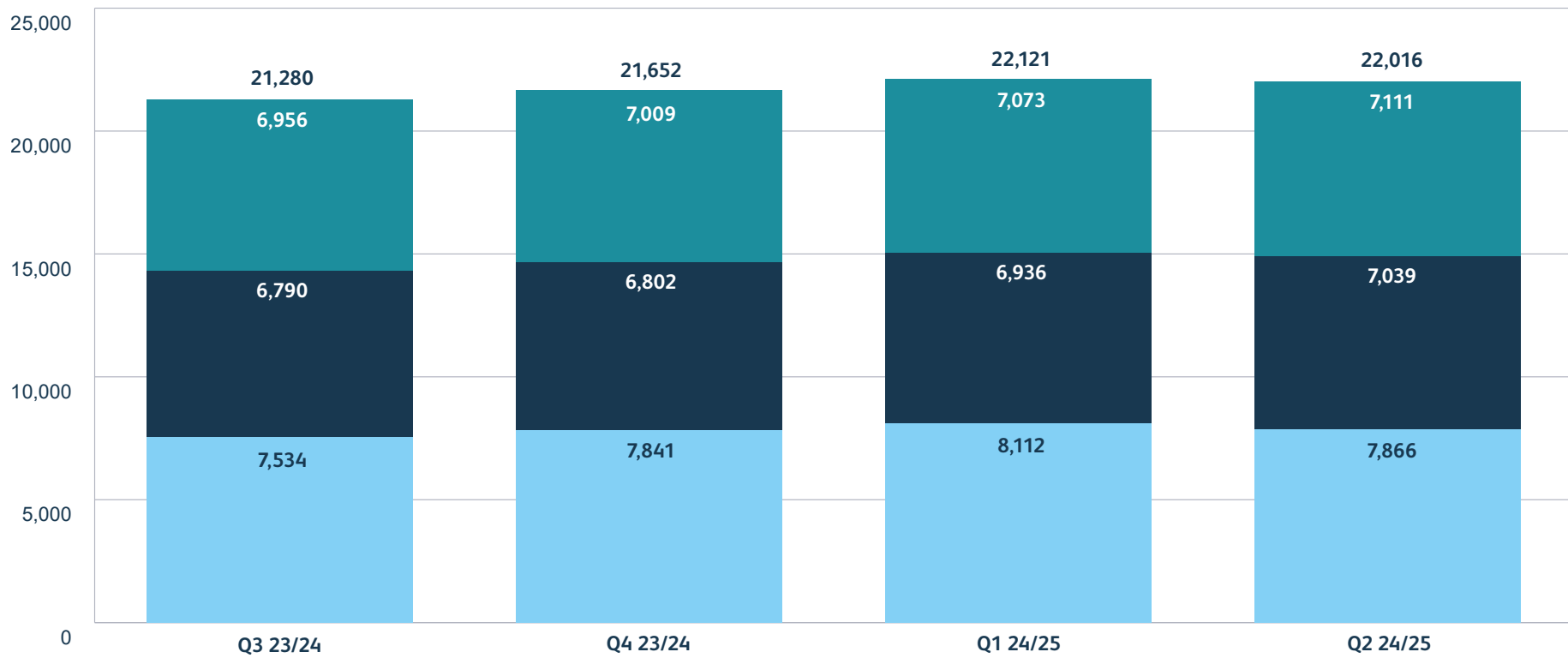
TOTAL FUND MEMBERSHIP



TOTAL FUND MEMBERSHIP

CLIENT SPECIFIC

Active Contributors Deferred Beneficiaries Pensioners & Dependants



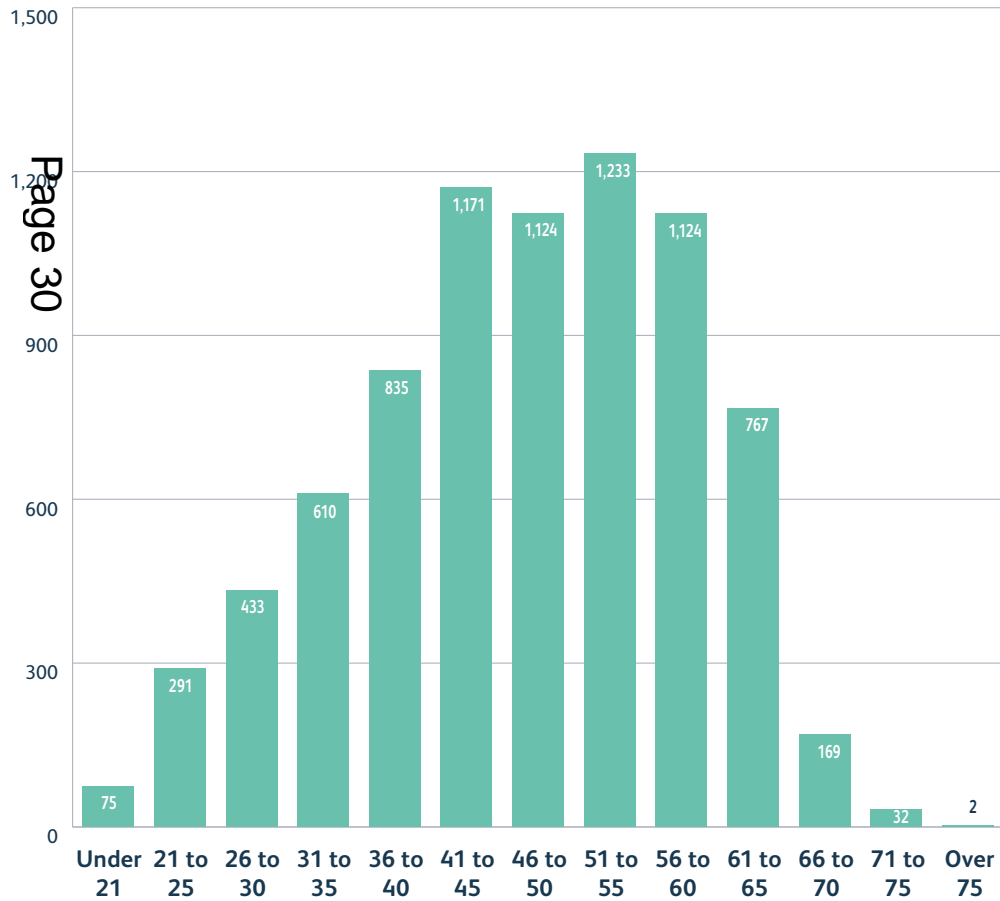
TOTAL FUND MEMBERSHIP



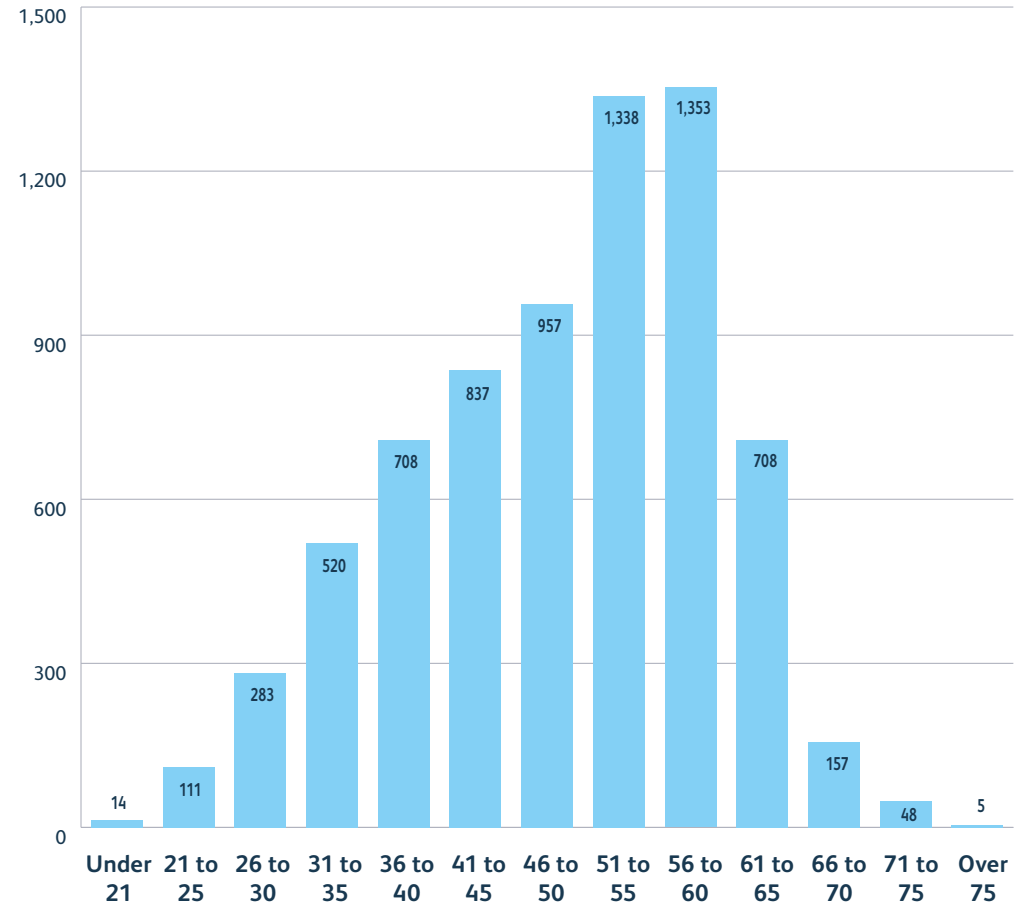
CURRENT AGE DEMOGRAPHIC

CLIENT SPECIFIC

Active



Deferred

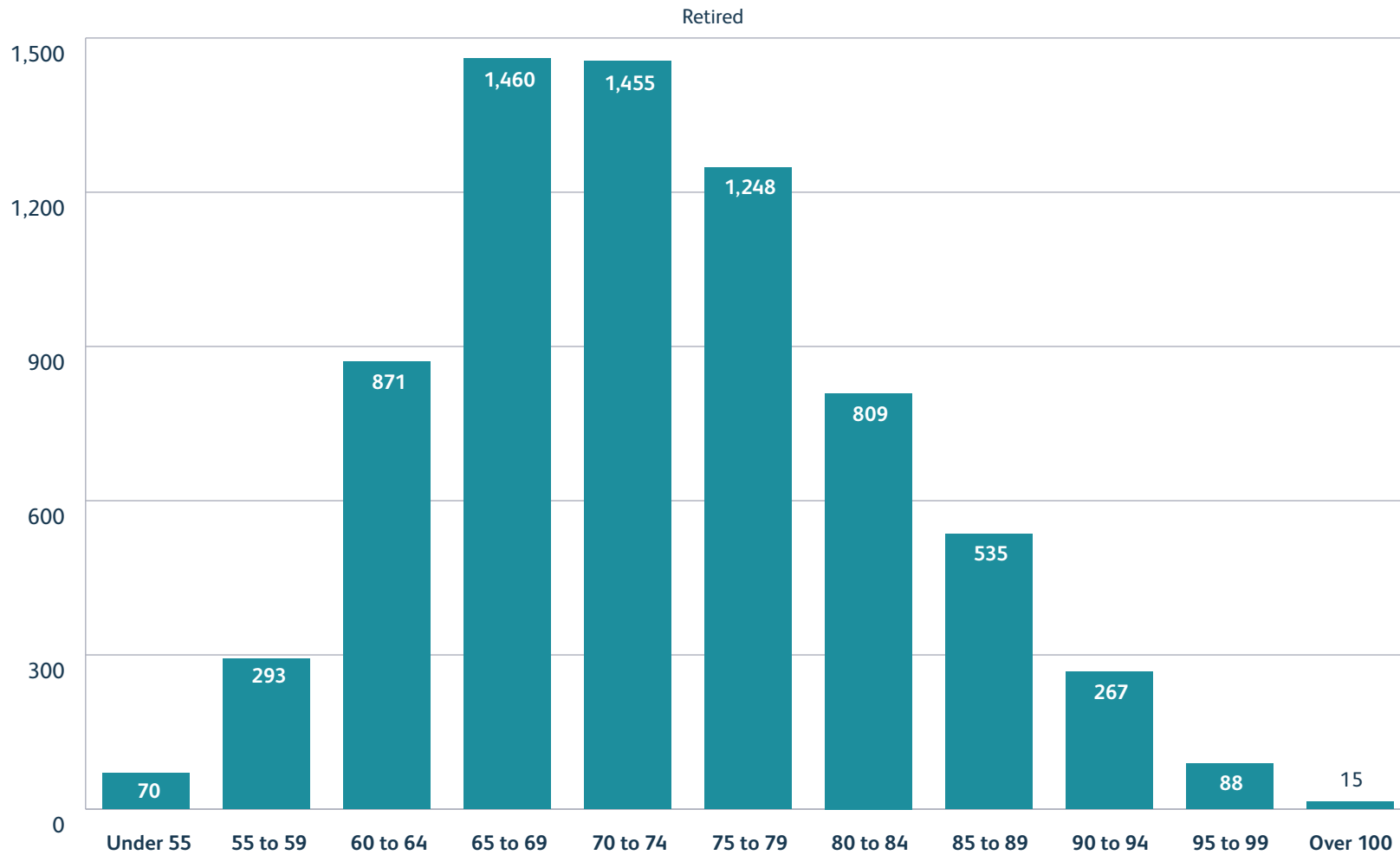


TOTAL FUND MEMBERSHIP



CURRENT AGE DEMOGRAPHIC

CLIENT SPECIFIC



Casework Performance

In this section...

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

CASEWORK PERFORMANCE



PERFORMANCE – ALL CASES

CLIENT SPECIFIC

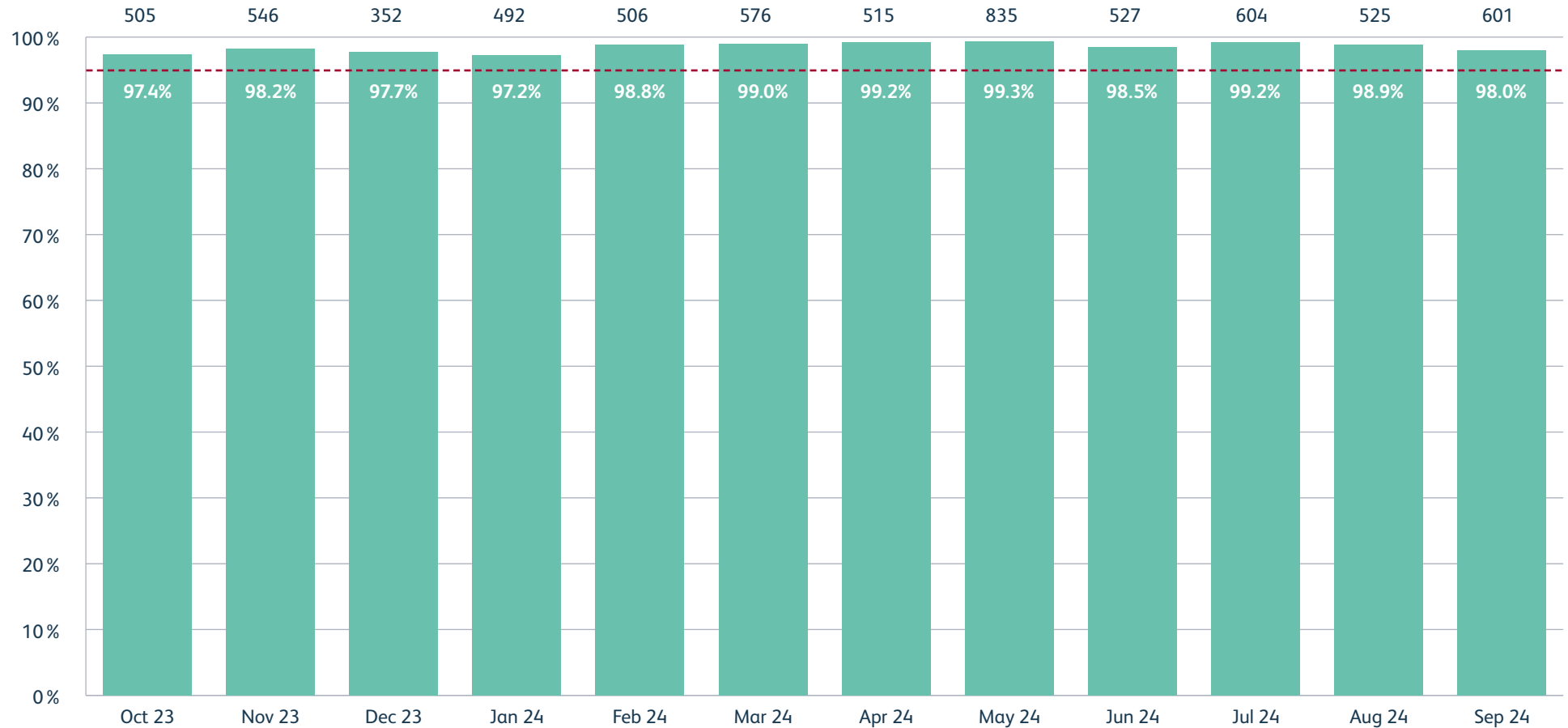
----- Target

The quarterly SLA performance was **98.7%**

Total completed cases included for each month.

Page 33

Performance



CASEWORK PERFORMANCE

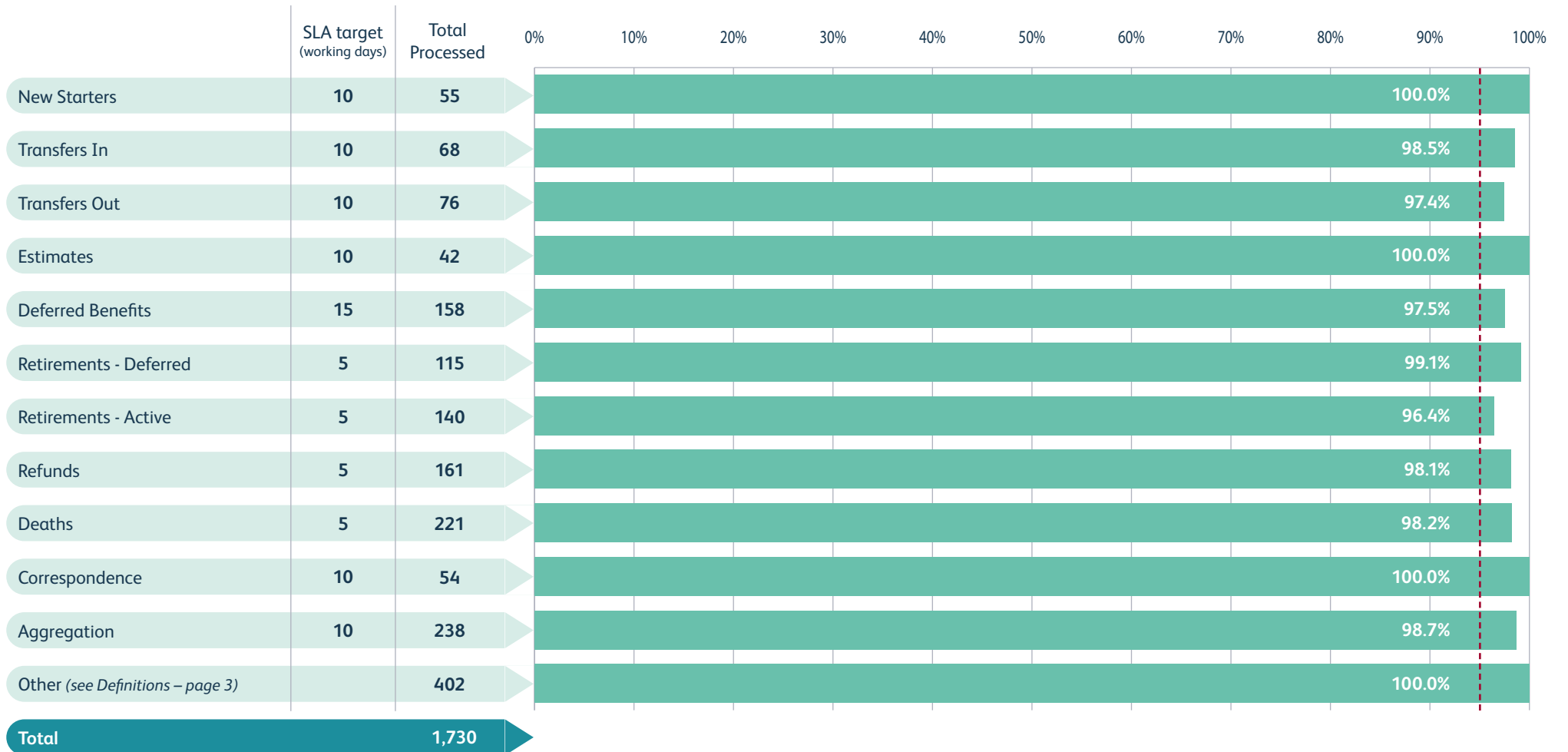


PERFORMANCE STANDARD

CLIENT SPECIFIC

----- Target (95%)

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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.

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	Brought Forward at 01/07/24	Received (Inbound)	Completed (Outbound)	Outstanding as of 30/09/24
New Starters	26	35	60	1
Transfers In	154	115	92	177
Transfers Out	166	108	114	160
Estimates	20	40	45	15
Deferred Benefits	407	323	376	354
Retirements - Deferred	86	139	168	57
Retirements - Active	123	157	167	113
Refunds	161	207	253	115
Deaths	228	245	253	220
Correspondence	45	125	132	38
Aggregation	370	296	317	349
Other	61	425	426	60
Total	1,847	2,215	2,403	1,659

Active to Retirement Processes - Cases Processed Within 30 Days

In this section...

- Employer retirement notifications - notified on-time vs. late
- On-time notification - cases processed
- Late notification - cases processed

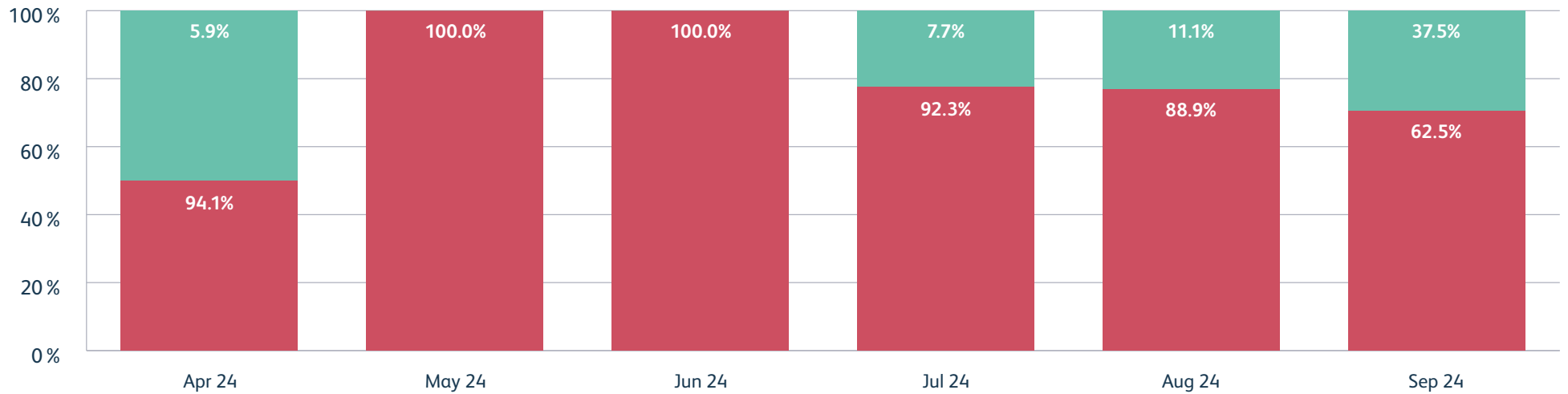
ACTIVE TO RETIREMENT

Please note:

LPPA require at least 30 days notice prior to an active member retirement date, to be able to pay a member their first payment within 30 days of their retirement date. The chart below shows the number / % of on-time notifications vs. the number / % of late notifications from employers in the month (late being received within 30 days or after the retirement date).

EMPLOYER RETIREMENT NOTIFICATIONS CLIENT SPECIFIC

Page 37



	Apr 24	May 24	Jun 24	Jul 24	Aug 24	Sep 24
Retirement Notifications	12	5	16	9	13	17
Received Late (Number)	6	5	16	7	10	12
Received Late (%)	50.0%	100.0%	100.0%	77.8%	76.9%	70.6%
Received On-Time (Number)	6	0	0	2	3	5
Received On-Time (%)	50.0%	0.0%	0.0%	22.2%	23.1%	29.4%

Data based on retirement notifications received from employers in the month.

ACTIVE TO RETIREMENT

Please note:

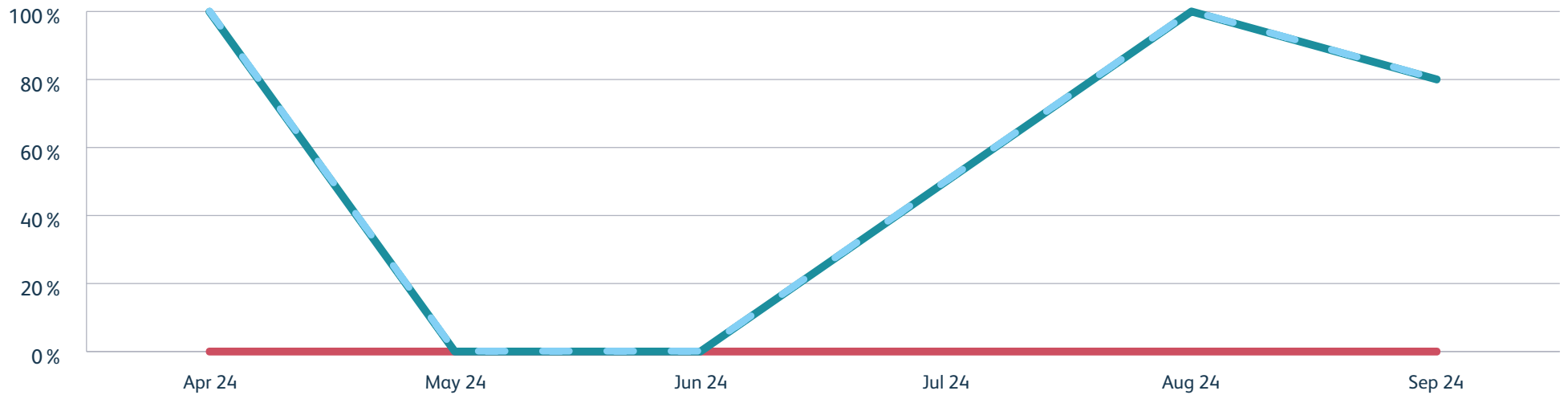
% of cases processed within 30 days of retirement date – where LPPA receives the leaver notification from the employer with at least 30 days notice.



ON-TIME NOTIFICATION - CASES PROCESSED

CLIENT SPECIFIC

Page 38



	Apr 24	May 24	Jun 24	Jul 24	Aug 24	Sep 24
No. of cases where member has an AVC	0	0	0	0	0	0
No. of cases processed with no AVC	6	0	0	2	3	5
% of cases processed within 30 days – with AVC	N/A	N/A	N/A	N/A	N/A	N/A
% of cases processed within 30 days – no AVC	100.0%	N/A	N/A	50.0%	100.0%	80.0%
% of cases processed within 30 days – combined	100.0%	N/A	N/A	50.0%	100.0%	80.0%

Data based on processes completed in the month.

ACTIVE TO RETIREMENT

Please note:

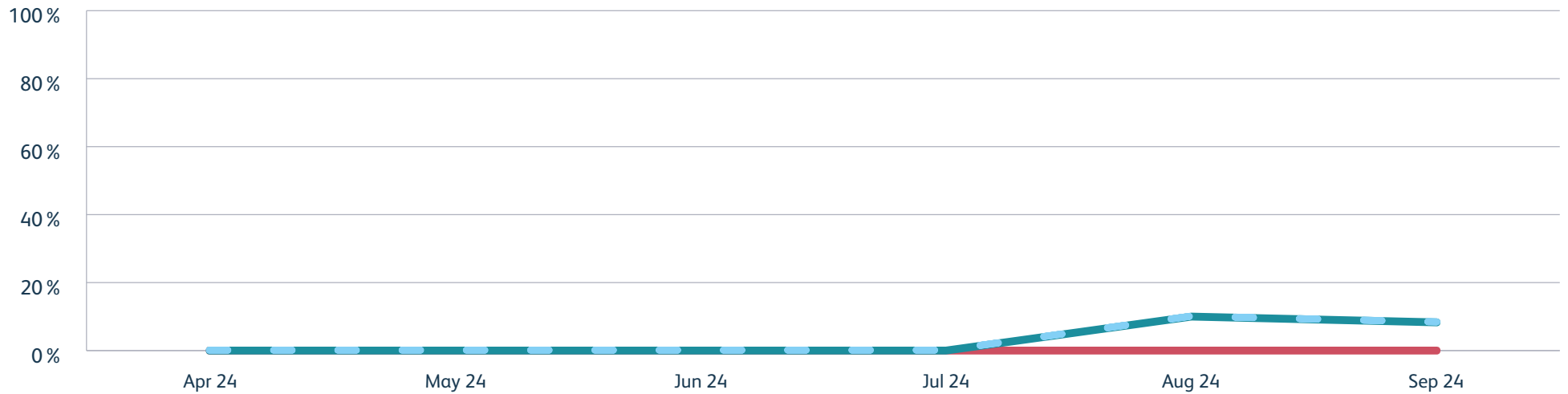
% of cases processed within 30 days of retirement date – where LPPA receives the leaver notification from the employer with less than 30 days notice, or after the actual retirement date.



LATE NOTIFICATION - CASES PROCESSED

CLIENT SPECIFIC

Page 39



	Apr 24	May 24	Jun 24	Jul 24	Aug 24	Sep 24
No. of cases where member has an AVC	0	0	0	0	0	0
No. of cases processed with no AVC	6	5	16	7	10	12
% of cases processed within 30 days – with AVC	N/A	N/A	N/A	N/A	N/A	N/A
% of cases processed within 30 days – no AVC	0.0%	0.0%	0.0%	0.0%	10.0%	8.3%
% of cases processed within 30 days – combined	0.0%	0.0%	0.0%	0.0%	10.0%	8.3%

Data based on processes completed in the month.

Contact Centre Calls Performance

The Contact Centre deals with all online enquiries and calls from Members for all funds that LPPA provides administration services for.

In this section...

- Wait time range
- Calls answered

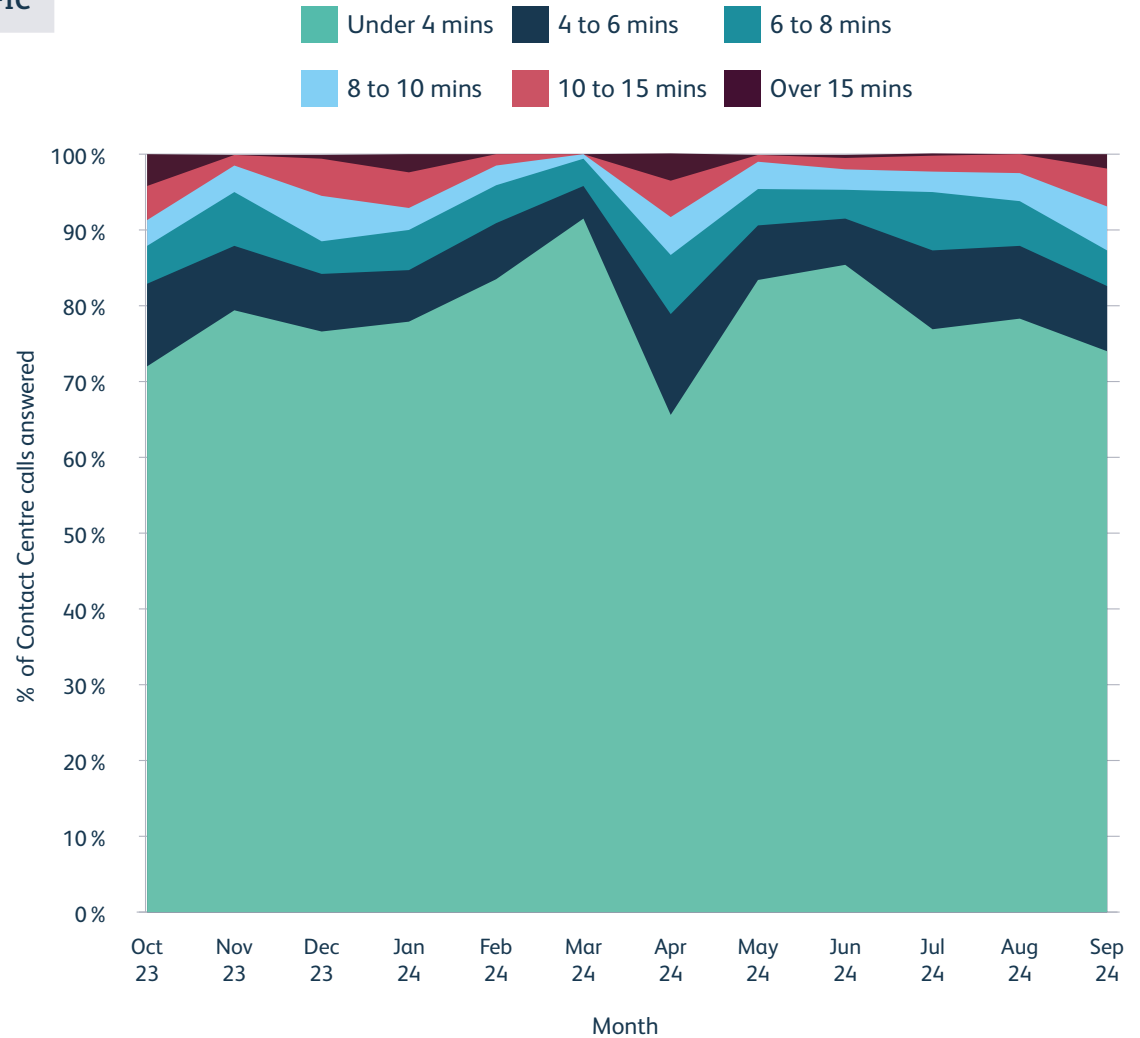
CONTACT CENTRE CALLS PERFORMANCE



WAIT TIME RANGE

CLIENT SPECIFIC

	Under 4 mins	4 to 6 mins	6 to 8 mins	8 to 10 mins	10 to 15 mins	Over 15 mins
Oct 23	72.0%	10.9%	5.0%	3.4%	4.5%	4.2%
Nov 23	79.4%	8.5%	7.1%	3.5%	1.4%	0.0%
Dec 23	76.6%	7.6%	4.3%	6.0%	4.9%	0.5%
Jan 24	77.9%	6.8%	5.3%	2.9%	4.7%	2.4%
Feb 24	83.5%	7.4%	5.0%	2.6%	1.5%	0.0%
Mar 24	91.5%	4.3%	3.6%	0.6%	0.0%	0.0%
Apr 24	65.6%	13.3%	7.8%	5.0%	4.8%	3.6%
May 24	83.4%	7.2%	4.8%	3.6%	0.9%	0.0%
Jun 24	85.4%	6.1%	3.8%	2.7%	1.5%	0.4%
Jul 24	76.9%	10.4%	7.7%	2.7%	2.1%	0.3%
Aug 24	78.3%	9.6%	5.9%	3.7%	2.5%	0.0%
Sep 24	74.0%	8.6%	4.7%	5.8%	5.0%	1.9%



CONTACT CENTRE CALLS PERFORMANCE



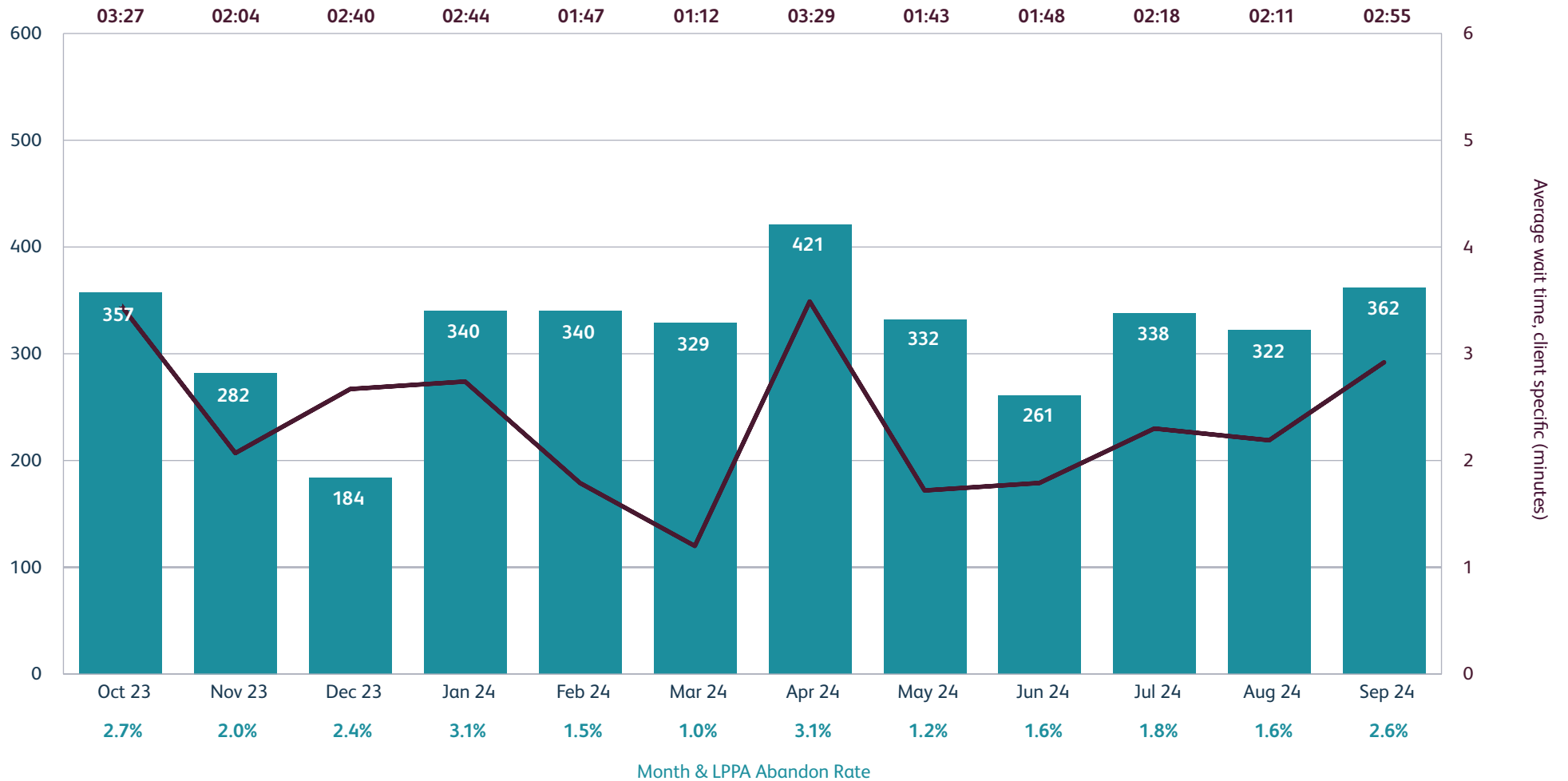
CALLS ANSWERED

CLIENT SPECIFIC

— Average wait time (mm:ss)

Quarterly average wait time was 2 minutes 29 seconds

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Average wait time, client specific (minutes)

Customer Satisfaction Scores

In this section...

- Contact Centre calls satisfaction
- Contact Centre calls satisfaction - Agent
- Retirements - Active
- Retirements - Deferred

CUSTOMER SATISFACTION SCORES

Please note:

The graph measures monthly member satisfaction with LPPA (“How satisfied are you with the overall service you have received from LPPA?”).

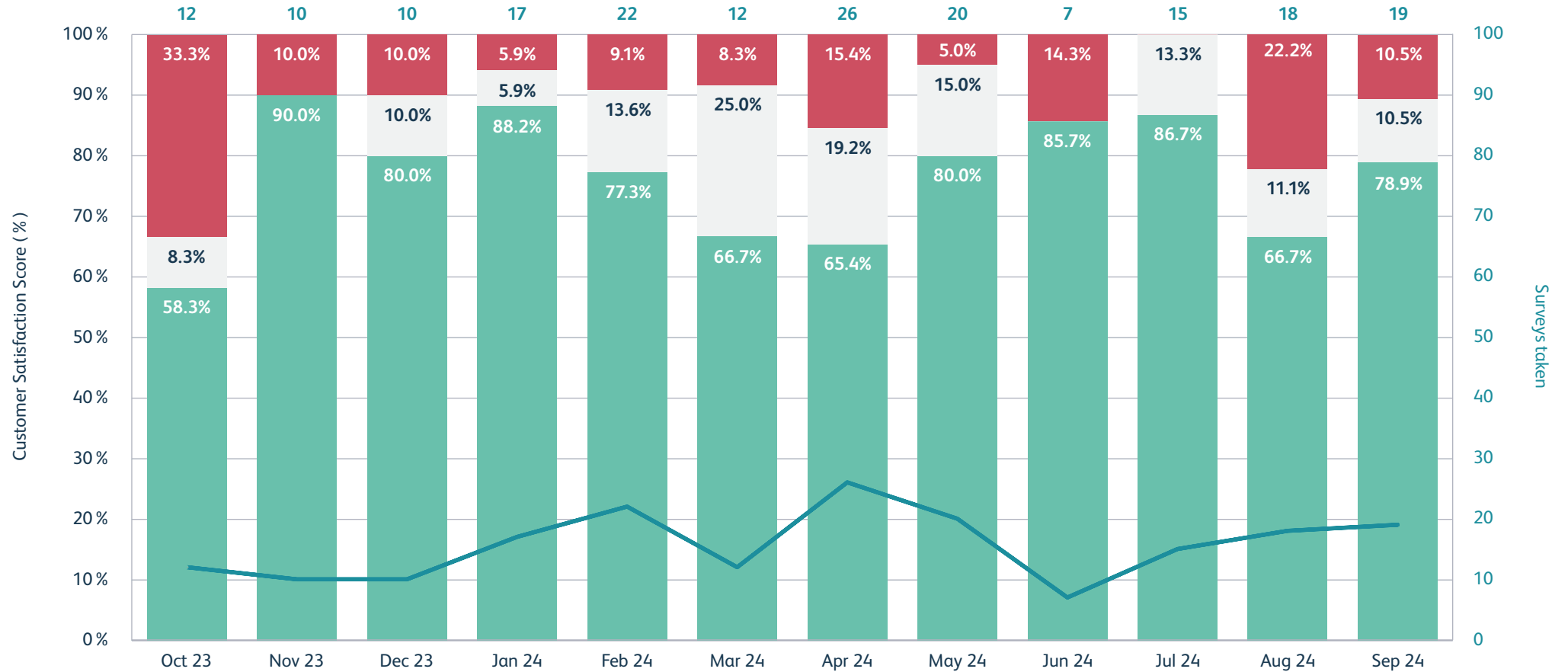


CONTACT CENTRE CALLS SATISFACTION - OVERALL

CLIENT SPECIFIC

Overall member satisfaction for the quarter was **76.9%**

■ Dissatisfied
 ■ Neutral
 ■ Satisfied
 — Surveys taken



CUSTOMER SATISFACTION SCORES

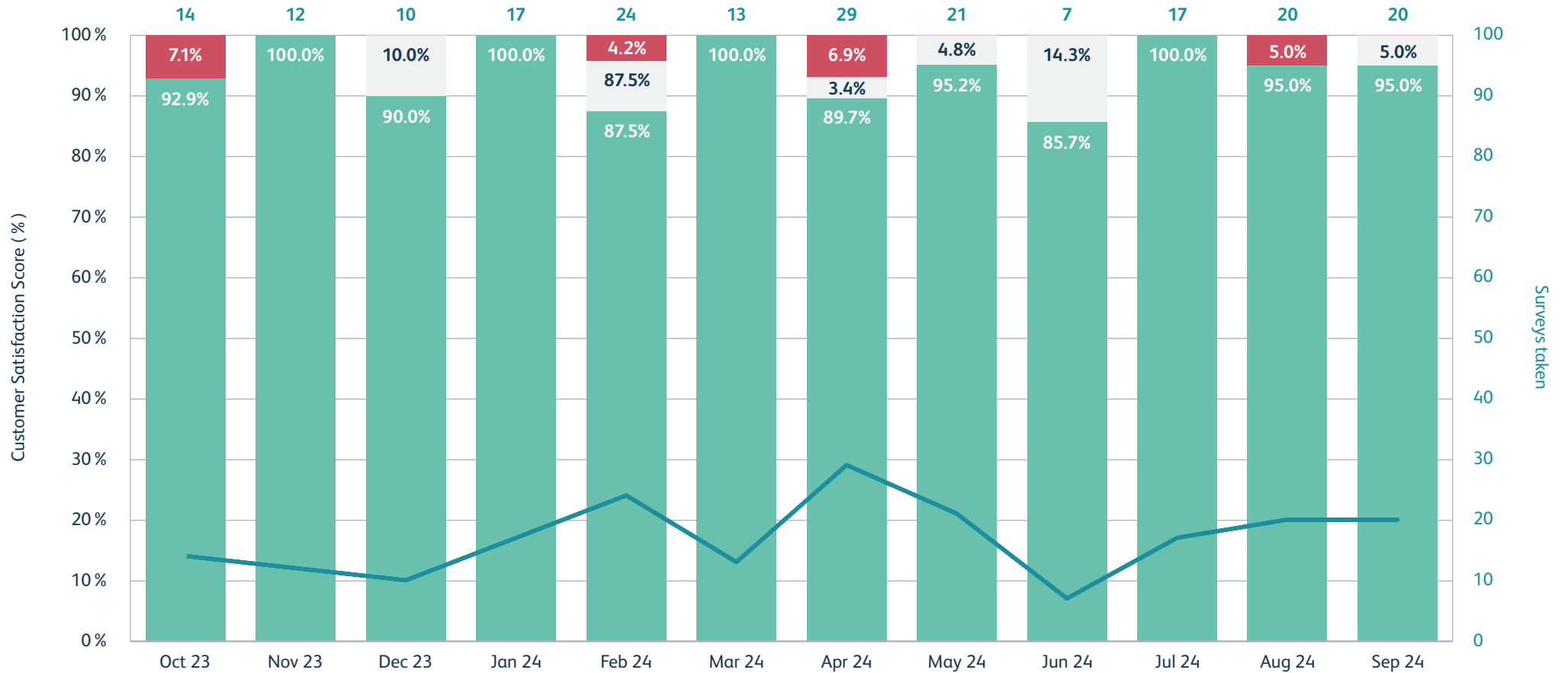
Please note:

The graph measures monthly member satisfaction with the Contact Centre adviser (“In connection with the adviser you have just spoken to, how satisfied are you with the service they provided?”).

CONTACT CENTRE CALLS SATISFACTION - AGENT CLIENT SPECIFIC

Agent specific member satisfaction for the quarter was **96.5%**

■ Dissatisfied
 ■ Neutral
 ■ Satisfied
 — Surveys taken



CUSTOMER SATISFACTION SCORES

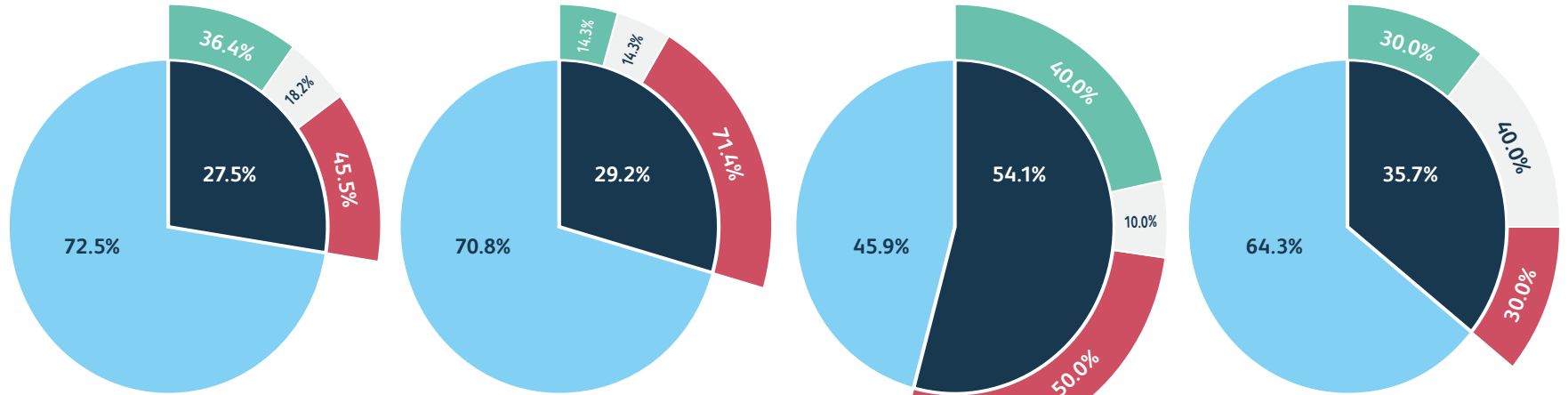
Please note:

Graphs show a breakdown of quarterly retirement surveys:

- Retirements processed / completed (members can have multiple process counts)
- Surveys issued (does not equal retirement processes as not all members provide an email address; members with multiple retirement processes only receive one survey email; ill health retirements do not receive a survey email; there is a planned delay in issuing surveys to allow for initial payments to be paid). We extended this period in Q4, which explains the drop in the number of email surveys issued.
- The satisfaction scores highlighted in green and red compare the satisfied / dissatisfied responses received, as a % of total responses (the true measure of member satisfaction).*

RETIREMENTS - ACTIVE CLIENT SPECIFIC

■ Satisfied
■ Neutral
■ Dissatisfied
■ Responses
■ Non responses



	Q3 23/24		Q4 23/24		Q1 24/25		Q2 24/25	
Retirements processed, completed	65		49		50		36	
Surveys issued and as a % of retirements	40	61.5%	24	49.0%	37	74.0%	28	77.8%
Satisfied Responses (as a % of surveys issued)	4	10.0%	1	4.2%	8	21.6%	3	10.7%
Dissatisfied Response (as a % of surveys issued)	5	12.5%	5	20.8%	10	27.0%	3	10.7%
Non responses and as a % of surveys issued	29	72.5%	17	70.8%	17	45.9%	18	64.3%
Responses and as a % of surveys issued	11	27.5%	7	29.2%	20	54.1%	10	35.7%
Satisfied responses and as a % of responses	4	36.4%	1	14.3%	8	40.0%	3	30.0%
Neutral responses and as a % of responses	2	18.2%	1	14.3%	2	10.0%	4	40.0%
Dissatisfied Responses and as a % of responses	5	45.5%	5	71.4%	10	50.0%	3	30.0%

*More information on data / results are included in the Definitions page earlier in this report.

CUSTOMER SATISFACTION SCORES

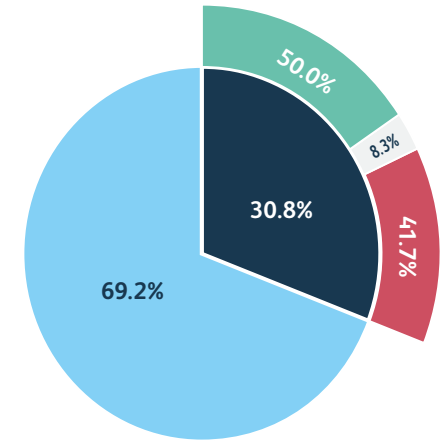
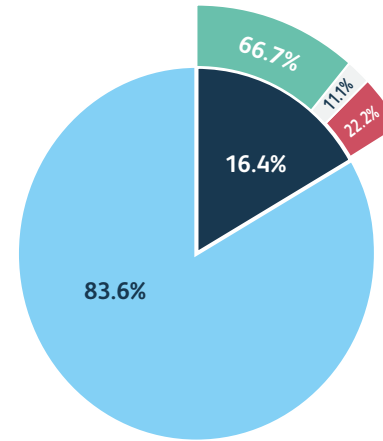
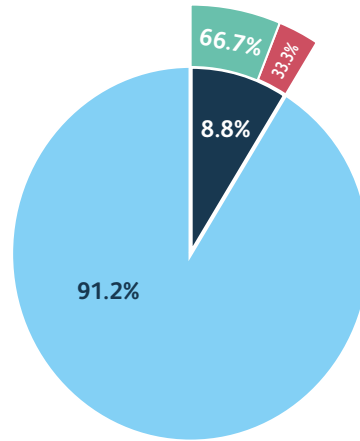
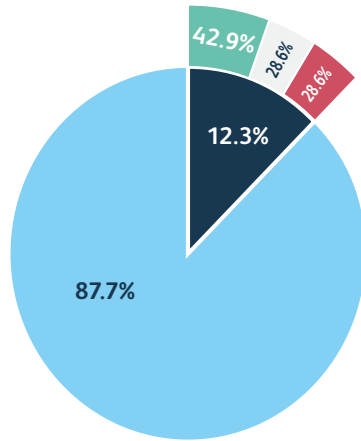


RETIREMENTS - DEFERRED

CLIENT SPECIFIC

- Satisfied
- Neutral
- Dissatisfied
- Responses
- Non responses

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	Q3 23/24		Q4 23/24		Q1 24/25		Q2 24/25	
Retirements processed, completed	82		82		85		43	
Surveys issued and as a % of retirements	57	69.5%	34	41.5%	55	64.7%	39	90.7%
Satisfied Responses (as a % of surveys issued)	3	5.3%	2	5.9%	6	10.9%	6	15.4%
Dissatisfied Response (as a % of surveys issued)	2	3.5%	1	2.9%	2	3.6%	5	12.8%
Non responses and as a % of surveys issued	50	87.7%	31	91.2%	46	83.6%	27	69.2%
Responses and as a % of surveys issued	7	12.3%	3	8.8%	9	16.4%	12	30.8%
Satisfied responses and as a % of responses	3	42.9%	2	66.7%	6	66.7%	6	50.0%
Neutral responses and as a % of responses	2	28.6%	0	0.0%	1	11.1%	1	8.3%
Dissatisfied Responses and as a % of responses	2	28.6%	1	33.3%	2	22.2%	5	41.7%



Member Online Portal

In this section...

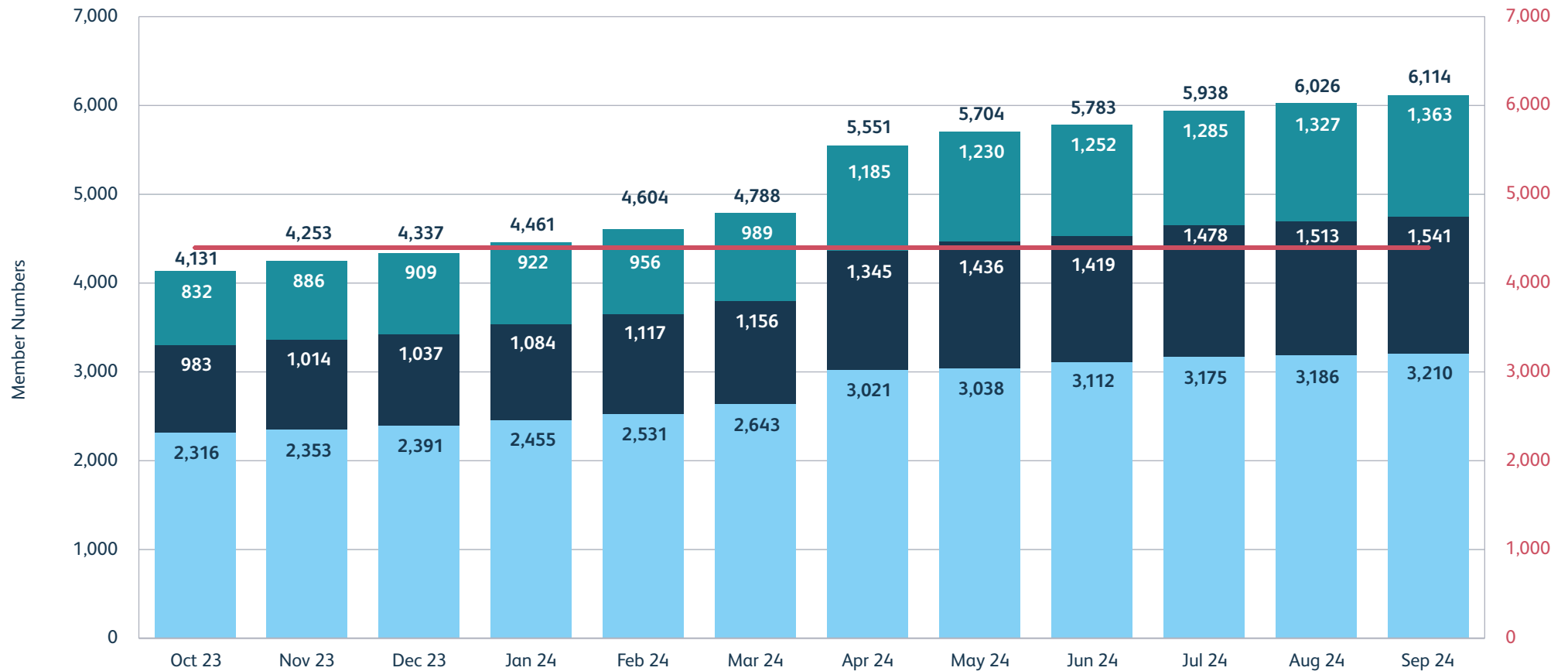
- Total members registered

▾ TOTAL MEMBERS REGISTERED

CLIENT SPECIFIC

Active Deferred Pensioner

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



Employer Engagement & Member Communication Activity

In this section...

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

EMPLOYER ENGAGEMENT & COMMUNICATION ACTIVITY

DELIVERED

ALL LPPA

- Member training sessions were delivered, including Making Sense of Your (LGPS) Pension, and Making Sense of Your Retirement.
- Employer training sessions were successfully delivered including:
 - Monthly Returns (successfully submitting files and resolving data queries)
 - LGPS Scheme Essentials (including support with calculating final pay, CARE pay and assumed pensionable pay)
 - Scheme Leavers (support with submitting leaver details using the employer portal)
 - Employer Responsibilities (support with ongoing pension administration responsibilities)
 - Absence and Ill Health (support with managing different types of absence in the LGPS)
- The 2024 Active and Deferred online newsletter was issued to members which communicated how they can access their 2024 ABS.
- An employer email was issued to confirm how to update LPPA on role changes in the Monthly Return file.
- McCloud Remedy web pages were updated on the LPPA website to reflect national guidance.
- Pension Pulse, the LPPA employer newsletter, was issued in July and September, with the latter including features on:
 1. The LPPA Employer Forum
 2. Flexible Retirement
 3. Monthly Returns
 4. Employer Toolkit
 5. The Pensions Dashboard.

- The LPPA member letters project was ongoing, with key letters reviewed / updated (retirements, bereavements, early leavers and complaints). Retirement letters were reviewed by the Plain English Campaign and awarded their 'Crystal Mark' (seal of approval for the clarity of a document).
- LPPA were shortlisted in the LAPF Investment Awards (2024), as a finalist in the Pensions Administration Award, which celebrates achievements within the administration sector of the Local Government Pension Scheme.
- The LPPA online employer toolkit was updated to provide ABS communications for employers to use for internal communications.
- Annual Allowance and Pension Saving Statement communications were issued to eligible members.
- A redundancy page was added to the LPPA website, with links from the redundancy calculator on PensionPoint.

SCHEDULED

ALL LPPA

- The letter review project is ongoing, with bereavement, aggregation and early leavers letters scheduled to be reviewed.
- Employer Portal enhancements are planned for testing and implementation, including the bulk management of worktray queries, and improvements to the user-experience.
- Further improvements will be made to the LPPA pensions website.

Data Quality

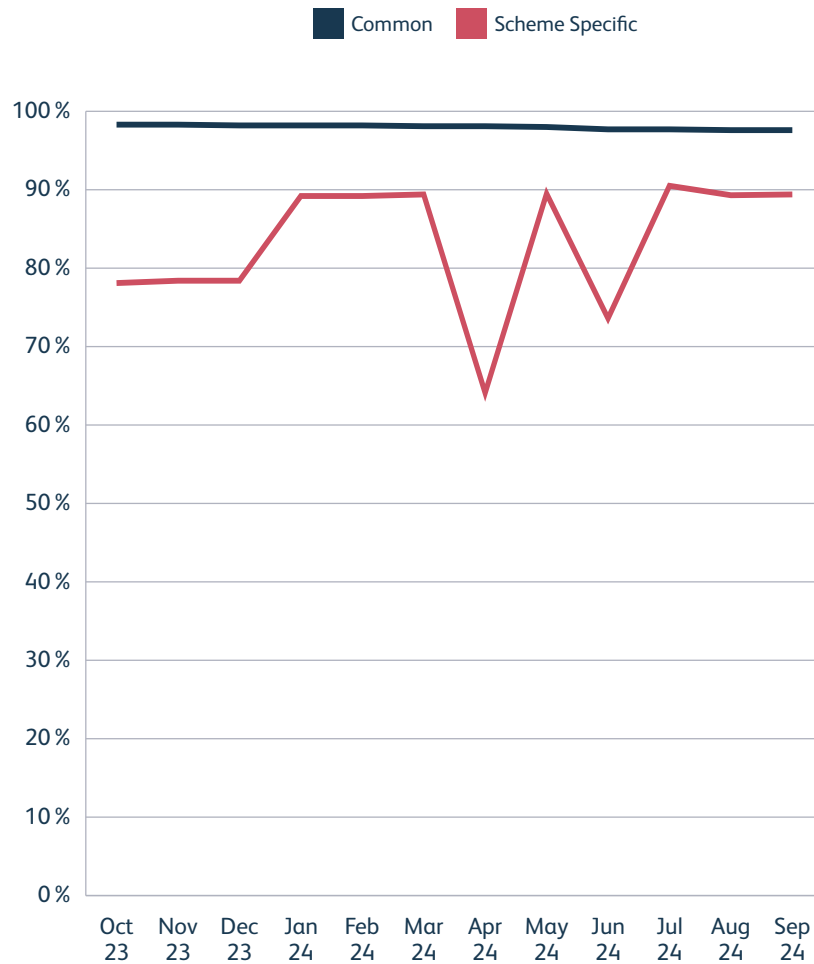
In this section...

- TPR data scores
- Common data
- Scheme specific data

DATA QUALITY

TPR DATA SCORES

CLIENT SPECIFIC



Please note:

Fall in Q1 Scheme Specific Data score is seasonal, and specifically related to the processing of Pensions Increase for deferred members and Annual Allowance calculations (which follow employer submission of data returns and ABS processing).

	Common (Target 95%)	Scheme Specific (Target 90%)
Oct 23	98.3%	78.1%
Nov 23	98.3%	78.4%
Dec 23	98.2%	78.4%
Jan 24	98.2%	89.2%
Feb 24	98.2%	89.2%
Mar 24	98.1%	89.4%
Apr 24	98.1%	64.1%
May 24	98.0%	89.5%
Jun 24	97.7%	73.6%
Jul 24	97.7%	90.5%
Aug 24	97.6%	89.3%
Sep 24	97.6%	89.4%

END OF QUARTER DATA QUALITY

(TPR SCORES)

COMMON DATA

CLIENT SPECIFIC

Data Item	Active	Deferred	Pensioner / Dependant
Invalid or temporary NI number	0	6	18
Duplicate effective date in status history	3	26	8
Gender is not male or female	17	0	0
Duplicate entries in status history	17	29	16
Missing (or known false) date of birth	0	0	0
Date joined scheme is greater than first status entry	3	3	0
Missing surname	0	0	0
Incorrect gender for member's title	0	0	0
Invalid date of birth	2	0	0
No entry in the status history	2	0	0
Last entry in status history does not match current status	142	17	5
Member has no address	52	152	23
Missing forename(s)	0	0	0
Missing state retirement date	16	0	0
Missing postcode	51	172	50
Missing date joined pensionable service	1	0	0
Total fails	306	405	120
Individual fails	227	226	86
Total members	7,866	7,039	7,111
Accuracy rate	97.1%	96.8%	98.8%
Total accuracy rate			97.6%

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SCHEME SPECIFIC DATA

CLIENT SPECIFIC

Data Item	Fails
Divorce records	0
Transfer in	26
AVCs/additional contributions	13
Deferred benefits	6
Tranches (DB)	38
Gross pension (pensioners)	3
Tranches (pensioners)	116
Gross pension (dependants)	8
Tranches (dependants)	27
Date of leaving	335
Date joined scheme	342
Employer details	3
Salary	745
Crystallisation	81
CARE data	49
CARE revaluation	3
Annual allowance	854
LTA factors	219
Date contracted out	5
Pre-88 GMP	161
Post-88 GMP	331
Total fails	3,365
Individual fails	2,333
Total members	22,016
Accuracy rate	89.4%

LPP

Local Pensions Partnership
Administration

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LOCAL PENSIONS BOARD

17 September 2024

Subject Heading:

Board Member Training

SLT Lead:

Kathy Freeman Strategic director of Resources

Report Author and contact details:

Debbie Ford
Pension Fund Manager (Finance)
01708432569
Debbie.ford@havering.gov.uk

Policy context:

Financial summary:

None directly

SUMMARY

This report addresses the training requirements of the Local Pension Board and progress.

RECOMMENDATIONS

The Board is asked to:

1. Note the training progress as set out in paragraph 13
2. Determine and address skills and knowledge gaps

REPORT DETAIL

1. Background

1. The Pensions Regulator (TPR) new General Code of Practice ('the Code') was laid in Parliament on 10 January 2024 and came into force on 27th March 2024. It replaces Code of Practice 14 for Public Sector Pension Schemes and brings together 10 previous TPR Codes into one single code.
2. TPR General Code of Practice states that it is a regulatory requirement, in accordance with section 248A of the Pension Act 2004 that:
 - a) Every individual of the Pension Board must be conversant with
 - The rules of the scheme, and
 - Any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme.
 - b) And have knowledge and understanding of—
 - The law relating to pensions, and
 - Such other matters as may be prescribed.
 - c) The degree of knowledge and understanding required by subsection (b) is that appropriate for the purposes of enabling the individual properly to exercise the functions of a member of the pension board.
3. As set out in the Local Pension Board (LPB) terms of Reference and in line with the above requirements Board members are:
 - a) required to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date,
 - b) required to maintain a written record of relevant training and development.
 - c) undertake a personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses, and
 - d) will comply with the Scheme Manager's training policy.
4. The LPB will be expected to accept ongoing training on relevant issues and developments that meet the Boards needs to ensure that the Board is able to perform its duties effectively.
5. It is for individual Board members to be satisfied that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the Board.

6. To assist the Board in monitoring its knowledge and skills requirement the Fund uses guidance as issued by The Chartered Institute of Public Finance and Accountancy (CIPFA) “A Technical Knowledge and Skills Framework” for Local Pension Boards to benchmark their training requirements.
7. This Knowledge and Skills Framework (KSF) was first issued in 2015. A revised version was issued in 2021, which applied to the Pensions Committee and Senior Officers.
8. Whilst the 2021 framework targets the Committee and does not directly apply to the LPB, it is broadly similar to the 2015 Framework for the Local Pension Board.
9. CIPFA has identified eight core technical areas where appropriate knowledge and skills should be achieved and maintained. They are:
 - a) pensions legislation and guidance
 - b) pensions governance
 - c) funding strategy and actuarial methods
 - d) pensions administration and communications
 - e) pensions financial strategy, management, accounting, reporting and audit standards
 - f) investment strategy, asset allocation, pooling, performance and risk management
 - g) financial markets and products
 - h) pension services procurement, contract management and relationship management.
10. To evidence knowledge and skills acquired or to identify knowledge gaps the Board has been issued with CIPFA KSF questionnaire, sent via email on the 20 June 2024 with a completion deadline of **17 July 2024**. At the time of writing this report **two completed questionnaire has been returned**.
11. Once all questionnaires are completed they will be used to identify the knowledge and skills gap and enable a training plan to be developed to target specific areas.
12. To support Board member training, since 15 August 2022, the Fund has also been subscribing to the LGPS Online Learning Academy (LOLA) launched by our Actuaries (Hymans Robertson). This is an online platform designed to support the training needs of Pensions Committees, Local Pension Boards and Officers. On the 1 October 2023 the Fund transitioned to LOLA v2.0, which brings the learning modules more in line with the CIPFA KSF shown in paragraph 9 above and The Pensions Regulator General Code of Practice.
13. The Fund will receive regular progress reports from LOLA allowing it to easily evidence member’s development and progress, as shown below:

Table 1 –LOLA v1

	LOLA v1.0					
	Module 1	Module 2	Module 3	Module 4	Module 5	Module 6 ⁽¹⁾
	An introduction to the LGPS	LGPS Governance & Oversight Bodies	Administration & Fund Management	Funding and Actuarial Matters	Investments	Current Issues
Local Pension Board						
Denise Broom	in Progress	enrolled	enrolled	enrolled	enrolled	enrolled
Andrew Frater	completed	completed	completed	completed	completed	completed
Mark Holder	completed	completed	completed	completed	completed	completed
Yasmin Ramjoh	completed	completed	completed	completed	completed	in Progress
Joanne Sladden	completed	completed	completed	in Progress	enrolled	enrolled
Dionne Weekes	completed	in Progress	enrolled	enrolled	enrolled	enrolled

(1) Given the nature of Module 6, we expect it to be refreshed regularly with hot topics relating to the LGPS. This section is not part of the mandatory learning required under the CIPFA Knowledge and Skills Framework. As such, we have removed the Module 6 Knowledge Check and reconfigured the learning plan so that certification is awarded after completion of Modules 1 - 5. This means that Module 6 will always show as 'In Progress'.

Some colleagues may show as 'Completed' on Module 6, this is just dependant on when they were onboarded to the platform as we changed the knowledge check after some users had been onboarded.

Table 2 – LOLA v2

Oct-24										
Name	An introduction to LGPS Online Learning Academy	Module 1 Committee Role and Pensions Legislation	Module 2 Pensions Governance	Module 3 Pensions Administration	Module 4 Pensions Accounting and Audit Standards	Module 5 Procurement and Relationship Management	Module 6 Investment Performance and Risk Management	Module 7 Financial Markets and Product Knowledge	Module 8 Actuarial methods, Standards and Practices	Current Issues
Jonathan Bunt ⁽¹⁾										
Denise Broom	completed	completed	In progress	enrolled	enrolled	enrolled	enrolled	enrolled	enrolled	In progress
Clea Holmes	completed	completed	completed	enrolled	enrolled	enrolled	enrolled	enrolled	enrolled	enrolled
Andrew Frater	enrolled	enrolled	enrolled	enrolled	enrolled	enrolled	enrolled	enrolled	enrolled	enrolled
Mark Holder	completed	completed	completed	completed	completed	completed	completed	completed	completed	completed
Yasmin Ramjoh	completed	completed	completed	enrolled	enrolled	enrolled	enrolled	enrolled	enrolled	In progress
Joanne Sladden	completed	completed	enrolled	enrolled	enrolled	enrolled	enrolled	enrolled	enrolled	enrolled
Dionne Weekes	enrolled	enrolled	enrolled	enrolled	enrolled	enrolled	enrolled	enrolled	enrolled	enrolled

⁽¹⁾ enrolled on Sussex LOLA v2.0 platform - certificates to be sent to evidence completion

14. In addition to the LOLA training the TPR also provides a free online training resource to assist those members involved with public service pension schemes, which is accessed via a “Trustee Toolkit” link on its website. The toolkit provides a set of 12 learning modules although not all are applicable for Local Government Pension Scheme (LGPS).
15. Of the 12 modules (10 of which are applicable to the LGPS) there are five core modules for all pension schemes, plus four for Defined Benefit Scheme (LGPS) and plus one for all scheme types.
16. Board Members are encouraged to visit the site and assess whether this will enhance their learning & development.
17. The fund provides board members with a list of items that the Board should be familiar with and made available as part of Board member inductions.
18. It is a statutory requirement for the Fund to report and include within its Annual report, training undertaken by the LPB. To facilitate this the Fund maintains a training register to record appropriate board member training and development.

IMPLICATIONS AND RISKS

Financial implications and risks:

TPR will assess non-compliance with any code when considering if a statutory requirement has been met. There is a risk to the Fund that penalties may be imposed if the TPR, upon assessment, determines that legal requirements are not met.

It is a statutory requirement for the Fund to report and include within its Annual report, training undertaken by the LPB. To facilitate this the Fund maintains a training register to record appropriate board member training and development. There is a risk that this may not be complete if members do not notify officers of any external training undertaken.

Based on number of licences currently active, there is a cost of c£5,000 to access the LOLA training.

Costs are met from the Pension Fund

Legal implications and risks:

Codes of practice are not statements of the law and there is not usually a direct penalty for failing to comply with them, but it does set out expectations of how governing bodies should comply with their legal duties.

It is not necessary for all the provisions of a code of practice to be followed in every circumstance. Any alternative approach to that appearing in the code of practice will need to meet the underlying legal requirements, and a penalty may be imposed if these requirements are not met.

Those legal requirements are set out in the body of the report.

Human Resources implications and risks:

No direct implications

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.

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:

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.

An EHIA (Equality and Health Impact Assessment) is usually carried out and on this occasion this isn’t required.

The Council seeks to ensure equality, inclusion, and dignity for all in all situations. There are not equalities and social inclusion implications and risks associated with this decision

BACKGROUND PAPERS

Background Papers List

None



LOCAL PENSIONS BOARD

3 December 2024

Subject Heading:

**PENSION FUND RISK REGISTER
UPDATE**

SLT Lead:

**Kathy Freeman, Strategic Director
Resources**

Report Author and contact details:

Debbie Ford
Pension Fund Manager (Finance)
01708432569
Debbie.ford@havering.gov.uk

Policy context:

Financial summary:

SUMMARY

The Local Pension Board (LPB) receive feedback from the Pensions Committee in respect of the Risk Register (Appendix A) presented and agreed at its 5 November 2024 meeting.

The LPB focus future reviews with regard to Appendix B which sets out a summary of risks, which includes Strategic/Operational classification alongside shows post mitigation scores (in order of likelihood/impact)

RECOMMENDATIONS

The Local Pension Board:

1. Determine the process for ongoing monitoring of the Risk Register

2. Agree to focus review of risks classified as operational and in the order of those risks with the highest score moving to lowest score
3. 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.
- 1.2 The Pensions Regulator (TPR) General Code of Practice states that LGPS Funds are required to establish and operate internal controls, which are adequate for the purpose of securing that the scheme is administered and managed in accordance with the scheme rules. Before designing internal controls, the governing body should identify risks, record them, and regularly review and evaluate them. The evaluation of risks will help the governing body determine which risks require internal controls to be put in place to reduce their incidence and impact.
- 1.3 The Committee was updated to the changes made to the risk register since it was last presented in 7 November 2023, including the feedback from the benchmarking exercise. The Committee welcomed the summary analysis as recommended by the LPB as set out in Appendix B.
- 1.4 As a reminder, **Actions from Local Pension Board meeting - 27 February 2024:**
 - a. Risk Register: Determine risk appetite – Officers to determine how this will be achieved –**UPDATE: para 1.11 refers**
 - b. Ask Hymans to cast an eye over register and officer scoring – Officers have contacted Hymans for a quote to undertake review – **UPDATE: para 1.13 refers**
 - c. Feedback for monitoring - split risks into Strategic and Operational classifications – Officers have undertaken this action and have determined the following definitions of classifications:
 - Strategic - risks that arise from the decisions that the committee or Fund take concerning the Fund's objectives. Essentially, strategic risks are the risks of failing to achieve these business objectives

- Operational – risks connected with the internal resources, systems, processes, and employees of the organisation Strategic and Operational Risks - **UPDATE paras 1.11 & 1.12 refer.**
- 1.5 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.
- 1.6 The Risk Register is a 'live' document and therefore all risks are reviewed quarterly by the LPB 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.
- 1.7 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.
- 1.8 The Committee considered whether the current statement on the Risk Register "The green shaded area on the matrix shows the risks where there is good control and the Council is comfortable with the risk" should be retained or whether they wish to set an alternative target.
- 1.9 The Committee agreed not to change the statement above but recommended that future reviews focus on risks classifieds as operational and in the order of the post mitigation scores (highest to lowest). Summary of post mitigation scores are set out in Appendix B.
- 1.10 Operational risks being the initial focus to meet TPR requirements of ensuring and establishing internal controls.
- 1.11 The Pension Fund Risk Register is currently being integrated with the Council's Risk management system managed by Internal Audit. The Fund is encouraged that this will provide an oversight of scores as determined by officers. The risk reporting aspect is currently in development and once established will be able to report on a variety of categories that will assist the LPB request for being able to review any areas of focus and a direction of travel can also be incorporated.
- 2.0 Actions to be taken following the 5 November 2024 Pensions Committee meeting (not yet reflected in Appendix A):**
- a) Glossary Key - insert MAT- Multiple Academy Trust
 - b) Risk No.3.4 – Strategic Risk- A negative financial market impacts/external factors/increased market volatility i.e. Recession/inflation amended from GREEN D/3 (Possible/Moderate) to AMBER C/2 (Likely/Serious)

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.

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:

Note: 'Protected characterises' 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 deterrents.

An EHIA (Equality and Health Impact Assessment) is usually carried out and on this occasion this isn't required.

The Council seeks to ensure equality, inclusion, and dignity for all in all situations. There are not equalities and social inclusion implications and risks associated with this decision

BACKGROUND PAPERS

Background Papers List

None

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Havering Pension Fund

Risk Register

October 2024

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.

Likelihood	A	Green	Amber	Red	Red	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
	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	
		Impact				

Abbreviations	Description
AUM	Asset Under Management
CMO	Contract Monitoring Officer - Caroline Guyon
CIPFA	Chartered Institute of Public Finance and Accountancy
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	LPB
LPPA	Local Pensions Partnership Administration
MHCLG	Ministry for Housing, Communities & Local Government
PFM	Pension Fund Manager, Finance – Debbie Ford
SAB	Scheme Advisory Board
SLT	Society of London Treasurers
TCFD	Task Force on Climate-related Financial Disclosures
tPR	The Pensions Regulator
UPM	Universal Pensions Management

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	Strategic Risk 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	Valuation completed by a qualified professional actuary.	GREEN E/3 Unlikely/ Moderate	GAD S13 report on 2022 valuations resulted in the Fund receiving no flags against any of the 4 aims, meaning no overall concerns. Reported to Pensions Committee 1 October 2024	Risk and Controls Reviewed by Officers Oct 24. No changes recommended to current controls.
					Valuation results are checked against the 4 aims set out in the Public Service Pensions Act 2013, Section 13 (S13): <ul style="list-style-type: none"> compliance constituency solvency long-term cost efficiency 			
1.2	PFM	Operational Risk Poor governance of Actuary.	Potential for financial loss	AMBER B/2 Very Likely/Serious	Robust, open procurement process in place for appointment of actuary.	GREEN E/3 Unlikely/ Moderate	Current contract expires 15 July 25 Contract extension to 30 Jun 26 being sought to avoid potential risk of a change in Actuary part	Risk and Controls Reviewed by Officers Oct 24.

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
					Annual review of actuary performance undertaken by Pensions Committee		way through a valuation exercise 23/24 Service Review scheduled for 5 Nov 24 Pensions Committee 08.	No changes recommended to current controls
1.3	PFM / CMO	Operational Risk 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.	GREEN E/3 Unlikely/ Moderate	As at 30 June 24, common data score of 97.7%, scheme specific data score of 73.6%.	Risk and Controls Reviewed by Officers Oct 24. No changes recommended to current controls.
					Pensions Administration Strategy implemented with effect from 01/10/21 to clarify employer responsibilities regarding data accuracy and timeliness.		CMO monitors data scores quarterly and will investigate changes. LPPA are commencing work on a data project to ensure good quality data is held on member records.	
RISK TITLE								
No 2. Risk of Incorrect / Inappropriate Investment Strategy								
Upper Level:S151 Officer								
2.1	Lower Levels: PFM	Strategic Risk Lack of or poor professional investment	Potential for financial loss.	AMBER B/2 Very Likely/Serious	FCA Regulated Investment Advisor appointed to advise the Fund who is instrumental in advising the	GREEN E/3 Unlikely/ Moderate		Risk and Controls Reviewed by Officers Oct 24

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
		advice given or not taken.	Loss of investment opportunities and adverse performance. Growth opportunities are not maximised.		Pension Committee when setting Investment Strategy.			No changes recommended to current controls.
2.2	PFM	Strategic Risk 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 B/2 Very 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 risk. Members are informed of risk vs return consequences on any proposal to change the ISS.	GREEN E/3 Unlikely/Moderate		Risk and Controls Reviewed by Officers Oct 24 No changes recommended to current controls.
2.3	PFM	Strategic Risk 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. A close working relationship is in place 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.	GREEN E/3 Unlikely/Moderate	Inter-valuation report as at 30 September 2023 reported to Pensions Committee on 24 Jan 24. Funding level increased from 80% to 106%	Risk and Controls Reviewed by Officers Oct 24 No changes recommended to current 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
2.4	PFM	Operational Risk Poor governance of Investment Advisor.	Potential for financial loss.	AMBER B/2 Very Likely/Serious	Robust, open procurement process in place for appointment of Investment Advisor	GREEN E/3 Unlikely/ Moderate	Contract expires 31 March 2026. Officers to seek approval to commence new contract	Risk and Controls Reviewed by Officers Oct 24
					Investment Advisor performance is annually reviewed by the Pensions Committee and close working relationship are maintained with officers		23/24 Service Review scheduled for 5 Nov 24 Pensions Committee 08.	
2.5	PFM	Operational Risk 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 B/2 Very Likely/Serious	Investment Advisor attends each quarterly Pension Committee meeting and provides training as appropriate.	GREEN D/2 Possible/ Serious	Pensions Committee & LPB -Training / Awareness ongoing - working towards full compliance with CIPFA Knowledge and Skills framework.	Risk and Controls Reviewed by Officers Oct 24 No changes recommended to current controls.
					Knowledge and skills training of LPB and Committee Members / Inductions carried out for new LPB and Pension Fund Committee members			
					The Fund Subscribes to Fund Actuary (Hymans) online learning platform (LOLA) v1 from August 22. Mandatory models on LOLA v1 completed by Pension Committee members. LOLA v2 went live Oct 23 – Newer members of the Pensions Committee and LPB working towards completion of LOLA v2 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
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	Strategic Risk 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/ Moderate		Risk and Controls Reviewed by Officers Oct 24 No changes recommended to current controls
			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).			
3.2	PFM	Strategic Risk Underperformance by Fund Manager.	Deficit reduction targets not met/Increased employer contributions.	AMBER C/2 Likely/Serious	Fund Managers 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 by Officers Oct 24 No changes recommended to current controls
3.3	PFM	Strategic Risk 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/2 Likely/Serious	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		Controls Reviewed by Officers Oct 24 No changes recommended 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			

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>sub fund manager performance and LCIV updates. Open to challenge by the Pensions Committee and Fund Advisor.</p> <p>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</p> <p>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</p>		All the Funds' investments in LCIV sub funds are on Normal monitoring.	
			<p>Failure to meet AUM target may impact LCIV service delivery</p> <p>Annual charges may not decrease in line with MTFS expectations.</p>					
3.4	PFM	<p>Strategic Risk A negative financial market impacts/external factors/increased market volatility i.e. Recession/inflation</p>	Economy downturn could result in general fall in investment values.	RED B/1 Very Likely/Major	<p>Diverse portfolio to reduce effects from market volatility.</p> <p>Close monitoring of Markets by the Fund's investment Advisor.</p> <p>Investment Advisor produces monthly market updates.</p>	GREEN D/3 Possible/ Moderate		<p>Risk and Controls Reviewed by Officers Oct 24</p> <p>No changes recommended to current controls</p>
3.5	PFM	<p>Strategic Risk Climate Risk /ESG Considerations</p>	Failure to consider the extent of climate change could impact negatively on financial outcomes e.g. stranded assets,	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	GREEN D/2 Possible/ Serious		<p>Risk and Controls Reviewed by Officers Oct 24</p> <p>No changes recommended</p>

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
			carbon taxes etc. Could also result in the Fund missing out on investment opportunities associated with Climate change		<p>outcomes and these beliefs are incorporated as part of the ongoing implementation of investment strategy</p> <p>Climate Policy and Action Plan agreed by Pensions Committee on 25 July 2023</p> <p>Climate scenario stress testing is now included in the contribution modelling exercise for the Funds Valuation process.</p> <p>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.</p> <p>The Fund currently reports voluntarily under TCFD to demonstrate financial impact on climate-related issues</p>		<p>Workshop to assess progress against action plan delivered on the 27 Mar 23.</p> <p>Officers in conjunction with Hymans to monitor progress against Action Plan</p>	to current controls
3.6	PFM	Strategic Risk Fund Managers – noncompliance to the Code of Transparency.	Failure to disclose full management fees in the Pension Fund Annual Report and accounts and charges not in line with agreements.	AMBER C/2 Likely/Serious	<p>Fund Managers complete the Code of Transparency compliance template annually.</p> <p>Officers have access to the Byhiras client portal to check submission of templates and will chase as appropriate.</p>	GREEN D/3 Possible/ Moderate		<p>Risk and Controls Reviewed by Officers Oct 24</p> <p>No changes recommended to current controls</p>

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
3.7	PFM	Operational Risk 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 by Officers Oct 24 No changes recommended to current controls
3.8	PFM	Operational Risk Delays in compliance with capital calls/FX Hedges on new illiquid mandates could result in penalty payments.	Penalty payments are charged to the Fund.	AMBER C/3 Likely/ Moderate	Robust processes in place to ensure capital calls/FX cash settlements are funded in a timely manner.	GREEN E/3 Unlikely/ Moderate		Risk and Controls Reviewed by Officers Oct 24 No changes recommended to current 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
3.9	PFM	Strategic Risk Where MATS hold membership across various funds, a risk to consolidate membership to a single Pension Fund outside Havering.	If a request to transfer out from the Fund is granted by MHCLG, 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 Investment Strategy, as it is estimated that 10% of the Fund's assets and liabilities would transfer out, if all existing MATS followed precedent	RED B/1 Very Likely/Major	The Fund has responded to the consultation issued by MHCLG 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.	RED B/1 Very Likely/Major	To monitor MHCLG actions re Transfer request from Oasis Community Learning. MHCLG continuing to consider the Oasis application, as at September 2024- no update officers awaiting decision. To ensure contact with the Actuary regarding transfers and exit valuations.	Risk and Controls Reviewed by Officers Oct 24 No changes recommended to current controls

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	Operational Risk Lack of appropriate skills/knowledge of tPR, MHCLG and CIPFA Guidance, Financial Regulations and accounting standards. Unaware of legislative changes/poor/inaccurate	Potential for breach of legislation resulting in incurring financial penalties from the tPR/legal challenges/ reputational damage.	AMBER C/1 Likely/Major	LPB is in place to oversee adherence to the Regulations and guidance. Statutory policy documents reviewed annually to ensure compliance with legislation. Officers are members of the CIPFA Pensions Network and participate in	GREEN E/3 Unlikely/ Moderate	CIPFA K&S questionnaires to be	Risk and Controls Reviewed by Officers Oct 24 No changes recommended to current controls
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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
		interpretation of the regulations.			<p>the CIPFA Pensions Network/Peer forums to share knowledge & awareness.</p> <p>Active participation in Legislative Consultations where appropriate. Legislative changes are reported to the Pensions Committee where required.</p> <p>Induction carried out for new Pension Fund Committee and LPB members so aware of legislative requirements..</p> <p>External and in house training provided where required. Fund subscribes to Hymans online learning platform (LOLA) from August 2022. Continual personal development for all Committee/LPB members and Officers.</p> <p>Access to specialist pension media sources.</p>		<p>completed by LPB and Pensions Committee members.</p> <p>Personal development for all Committee/LPB members and officers is on-going.</p>	
4.2	PFM / CMO	Operational Risk 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 to support the Fund in Accounting and Investment and Administration contract monitoring at present.	AMBER B/2 Very Likely/Serious	<p>Succession planning in place.</p> <p>Finance Section has a vacant post, awaiting recruitment to commence.</p> <p>Head of Service post currently covered on</p>	<p>Risk and Controls Reviewed by Officers Oct 24</p> <p>No changes recommended to current controls</p>

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
							an interim basis, pending final decisions	
4.3	PFM / CMO	Operational Risk 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	<p>LPB to oversee adherence to the Regulations and guidance.</p> <p>Adherence to TPR General Code of Practice issued March 24.</p> <p>Adherence to ALL issued guidance</p> <p>Attendance at seminars/training to ensure Fund up to date with regulatory requirements.</p> <p>Financial statements are subject to external and internal audit with no qualifications.</p>	GREEN E/3 Unlikely/ Moderate	<p>Officers to ensure compliance checklist is completed in order to evidence adherence to regulations and Best practice</p> <p>2020/21 Accounts - Requires audit sign off (PF audit completed). 2021/22 Accounts - Requires audit sign off (PF audit completed) 2022/23 Accounts- Requires audit sign off (PF audit completed). 2023/24 Accounts - Requires audit sign off (PF audit completed)</p>	<p>Risk and Controls Reviewed by Officers Oct 24</p> <p>No changes recommended to current controls.</p>
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	Operational Risk Staffing issues: Loss of corporate knowledge/expertise. Long-term sickness absence.	Negative impacts upon service provision. Potential for Time delays.	AMBER C/1 Likely/Major	Pension Administration Services outsourced to Lancashire County Council who have engaged the LPPA to undertake their pension portfolio	GREEN D/2 Possible/ Serious		<p>Reviewed by Officers Oct 24</p> <p>No changes recommended</p>

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
		Increase in staff turnover. Lack of resource (Staffing/financial). No knowledge base to store experiences/information	Increased costs due to “buying in” external expertise.		LPPA have case type dedicated teams to ensure expertise is maintained. Continuous pension training for LPB, Pensions Committee members and staff and the Fund subscribes to Hymans online learning platform (LOLA) Participates in the CIPFA Pensions Network/ Peer forums to share knowledge & awareness Guidance from external agencies (some will be at a cost) Procedure notes in place for key activities to ensure processes can be followed		Completion of modules continue to be monitored. Pension Fund officers to maintain and ensure procedure notes in place for key activities.	to current controls
5.2	PFM	Operational Risk LCIV resourcing – LCIV staff turnover.	Undermines investor confidence in the LCIV.	AMBER B/2 Very Likely/Serious	Continued monitoring of LCIV in place.	GREEN D/3 Possible/Moderate		Risk and Controls Reviewed by Officers Oct 24 No changes recommended to current controls
5.3	PFM / CMO	Operational Risk 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.	AMBER C/2 Likely/Serious		Risk and Controls Reviewed by Officers Oct 24

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
					Use protected portals to send personal information. Internal Firewalls in place.			No changes recommended to current controls.
5.4	PFM / CMO	Operational Risk Cyber Security Risk.	Ransomware risk.	RED B/1 Very Likely/Major	LPPA hold a current Cyber Essentials Certificate and ISO 27001 Certification. LPPA systems are monitored 24 hours a day 7 days a week all year round by a security Operations Centre service. Data is regularly backed up and cyber security measures are in place.	AMBER C/2 Likely/Serious		Risk and Controls Reviewed by Officers Oct 24 No changes recommended to current controls..
5.5	CMO	Operational Risk 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 LPPA, working to SLA's. CMO in post to monitor the administration work of LPPA and carries out spot checks on a regular basis. LPPA provide an Internal Control report - AAF 01/20 "Type 1" report, focuses on operational and financial controls and designed for pension management. No qualifications issued for the 2022 report. LPPA provides quarterly performance reporting to the LPB and subject to challenge	GREEN E/3 Unlikely/ Moderate	LPPA working towards AAF/01/20 "Type 2" report, expected 2025	Risk and Controls Reviewed by Officers Oct 24 No changes recommended to current controls.
5.6	CMO	Operational Risk Poor administration by the employers/payroll providers in the fund.	Service delivery failure leading to client/customer complaints and	AMBER C/2 Likely/Serious	Pensions Administration Strategy in place to clarify the responsibilities of scheme employers and	GREEN D/3 Possible/ Moderate		Risk and Controls Reviewed by Officers Oct 24

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 damage.		provide timescales for the submission of data.		LPPA are commencing work on a data project to ensure good quality data is held on member records	No changes recommended to current controls.
	LPPA have a programme of employer training and a dedicated employer engagement team to provide support							
Inaccurate data provided give rise to data and financial consequences such as actuary setting contribution rates with a higher margin of error.	CMO maintains regular contact with scheme employers to provide support							
	Actuary undertakes data checks/cleansing as part of triennial review process							
Pension costs and payments delayed or incorrect	Mandatory monthly reporting by employers ensures efficient notifications of record updates are received by LPPA and enables queries to be raised in a timely manner	Reconciliations of Pension Benefit payments are carried out between General Ledger and LPPA systems quarterly with any queries referred to LPPA/CMO for investigation						

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
			Incorrect Contribution oncome received		<p>Monthly reconciliations to monitor cash flow carried out.</p> <p>Monthly contribution schedules maintained by the Havering Pensions Team.</p> <p>Reconciliations between General Ledger and Employer schedules undertaken quarterly with any queries referred to CMO for investigation.</p>		Officers to enhance monitoring contribution income over concerns of reconciling data received from some employers in regard to employer/employee contributions	
5.7	PFM	Operational Risk Failure/inability to undertake the accounting of the pension scheme appropriately.	Qualified opinion on the accounts by external auditor.	AMBER C/2 Likely/Serious	<p>Experienced personnel in place.</p> <p>Attendance at accounting seminars/training to ensure adherence to guidance and regulations</p> <p>Pension Fund accounts subject to external audit.</p> <p>Pension Fund uses the service of an external custodian to verify asset values and performance.</p>	GREEN E/3 Unlikely/ Moderate	<p>2020/21 Accounts - Requires audit sign off (PF audit completed).</p> <p>2021/22 Accounts - Requires audit sign off (PF audit completed)</p> <p>2022/23 Accounts- Requires audit sign off (PF audit completed).</p> <p>2023/24 Accounts – Requires audit sign off (PF audit completed).</p>	<p>Risk and Controls Reviewed by Officers Oct 24</p> <p>No changes recommended to current controls.</p>

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>Fund Managers performance is monitored quarterly. Fund Managers present at Pension Fund Committee meetings.</p> <p>Monitoring of internal control reports of fund managers to ensure operations administered correctly.</p>			
5.8	PFM / CMO	Operational Risk Poor communications with stakeholders.	Potential breach of regulations and member entitlement Potential for litigation.	AMBER C/2 Likely/Serious	<p>The Pension Fund publishes a Communications Strategy that is reported against annually and reviewed every 3 years. The strategy is reviewed by the LPB and approved by the Pensions Committee.</p> <p>The Fund has a pensions dedicated page within the Havering Council website where fund specific information is published and where the Fund publishes its Annual Report and other statutory policies</p> <p>LPPA has an LGPS dedicated website that contains all relevant information for scheme members and employers.</p> <p>Database maintained on all contact details for LGPS communications.</p>	GREEN E/3 Unlikely/ Moderate		<p>Risk and Controls Reviewed by Officers Oct 24</p> <p>No changes recommended to current controls</p>
5.9	PFM / CMO	Operational Risk Excessive charges by suppliers.	Fund incurring unnecessary costs.	AMBER C/2 Likely/Serious	Third Party Fee Invoices checked prior to payment.	GREEN E/3 Unlikely/		Reviewed by Officers Oct 24

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
						Moderate		No changes recommended to current controls
5.10	PFM	Operational Risk Employers ability to meet contribution rates determined by the Actuary in the Valuation Rates and Adjustment certificate due to budget pressures	Potential loss of Income to the Pension Fund and target funding level not met. Potentially leading to higher employer contributions rates set in future.	AMBER C/2 Likely/Serious	The Administrating Authority has a policy included within its FSS, setting out its approach to reviewing contribution rates between triennial valuations. This has been adopted in line with regulations.	GREEN D/2 Possible/ Serious	Officers to keep under review the risk of employer's ability to meet their obligations and liaise with the Fund's actuary as appropriate.	Risk and Controls Reviewed by Officers Oct 24 No changes recommended to current controls
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	Operational Risk Delays in internal processing of documentation/ admission agreements.	Contribution delays from the employers & members until on-boarding has been completed impacts cash flow. Late payment of pension benefits pending on-boarding of new employers	AMBER C/2 Likely/Serious	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. Script in place to deliver to new Academy employers, with feedback process in place. CMO maintains communications and contact with employers to provide dedicated point of contact Bond or guarantee reviews in place and reviewed	GREEN E/3 Unlikely/ Moderate		Reviewed by Officers Oct 24 No changes recommended to current 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
Page 87					every three years as part of valuation process. This will cease to be necessary for new admissions from 1 Jan 24 due to the introduction of pass-through		Officers to identify reasons for delays as they arise	
	Standard Admission Templates adopted							
	Officers liaise with Legal colleagues to ensure Legal requirements are met in a timely manner							
	Pensions Administration Strategy in place to clarify the responsibilities of scheme employers and provide timescales for the submission of contribution payments							
	Admissions Policy – sets out entry conditions to the Fund is in place and accessible via the Council website							
	Outsourcing Guide - sets out organisations responsibilities when outsourcing is in place and accessible via the Council website							
	Pensions Administration Strategy in place to clarify the responsibilities of scheme employers and provide timescales for the submission of contribution payments							

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
			Adverse External Audit Opinion on internal controls		Escalation to Heads of Service where required			
			Employer's liabilities may fall back onto other employers and ultimately local taxpayers.		Actuarial assessment completed for all new and exits requests to assess the level of financial risk. Bonds and suitable guarantees put into place to protect the Fund in case of default.			
6.2 Page 88	CMO	Operational Risk Member data incomplete or incorrect.	Incorrect member data causes processing delays.	AMBER B/2 Very Likely/ Serious	Mandatory monthly reporting by employers ensures efficient notifications of record updates are received by LPPA and enables queries to be raised in a timely manner	GREEN E/3 Unlikely/ Moderate		Reviewed by Officers Oct 24 No changes recommended to current controls
					Member self-service – online tool for members to check and update personal data.			
					Data is reviewed as part of the triennial valuation exercise.			
					Reconciliations between General Ledger and UPM undertaken quarterly identifies member mismatches.			
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	Operational Risk Pension overpayments arising because of non-	Financial loss. Reputational damage of	AMBER C/2 Likely/Serious	Participate in the National Fraud Initiative (bi-annually).	GREEN E/4 Unlikely/		Reviewed by Officers Oct 24

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
		notification in change of circumstances.	Pension Administration and the Council.		<p>Signed up for DWP database Tell us Once – DWP inform LPPA of deaths relating to members of the Havering LGPS fund. Monitored on a daily basis</p> <p>Policy regarding the overpayment of pensions following death of a pensioner or dependent in place</p> <p>Mortality Screening outsourced to an external supplier. Checks carried out monthly.</p> <p>Address checked for deferred pensions prior to payment.</p> <p>Process is in place to investigate return of payment by banks.</p> <p>Internal audit checks carried out.</p>	Negligible		No changes recommended to current controls
7.2	PFM / CMO	Operational Risk Internal staff fraud/ Staff acting outside of their levels of authorisation.	Potential for financial loss.	AMBER C/2 Likely/Serious	<p>Segregation of duties.</p> <p>Pension Fund bank account reconciled to General Ledger monthly.</p> <p>Internal audit checks carried out.</p> <p>Internal disciplinary process in place.</p>	GREEN E/3 Unlikely/ Moderate		<p>Reviewed by Officers Oct 24</p> <p>No changes recommended to current controls</p>
7.3	PFM / CMO	Operational Risk Conflict of interest.	Inappropriate decision making.	AMBER C/2 Likely/Serious	<p>Register of interest declarations are covered within the agenda at all LPB/Committee meetings.</p> <p>All Council Officers undertake a declaration of interest on a periodic basis</p>	GREEN E/3 Unlikely/ Moderate		<p>Reviewed by Officers Oct 24</p> <p>No changes recommended to current controls</p>

RISK REGISTER

APPENDIX B

Summary of Risks with Strategic or Operational classifications	Strategic	Operational	Post Mitigation						
			Red	Amber		Green			
			B/1	B/2	C/2	D/2	D/3	E/3	E/4
			Very Likely/ Major	Very Likely/ Serious	Likely/ Serious	Possible/ Serious	Possible/ Moderate	Unlikely/ Moderate	Unlikely/ Negible
Risk 1 Inaccurate 3 yearly actuarial valuation									
1.1 Inappropriate assumptions used by actuary in calculations for valuation.	✓								✓
1.2 Poor Governance of Actuary									✓
1.3 Poor Quality Data									✓
Risk 2 Incorrect/ Inappropriate Investment Strategy									
2.1 Lack of or poor professional investment advice given or not taken.	✓								✓
2.2 Concentration risk by asset, region and sector/Lack of clear risk appetite.	✓								✓
2.3 Based upon inaccurate actuarial valuation.	✓								✓
2.4 Poor Governance of Investment Advisor									✓
2.5 Lack of understanding and awareness						✓			
Risk 3 Failure of Investments to Perform In-Line with Growth Expectations									
3.1 Poor Fund Manager selection.	✓								✓
3.2 Underperformance by Fund Manager.	✓							✓	
3.3 Underperformance of LCIV Fund manager. Failure to achieve Asset Under Management (AUM) Target	✓							✓	
3.4 financial market impacts/external factors/increased market volatility	✓							✓	
3.5 Climate Risk /ESG Considerations	✓						✓		
3.6 Fund Managers –noncompliance to the Code of Transparency	✓							✓	
3.7 Delays in the implementation of the strategy								✓	
3.8 Delays in compliance with capital calls/FX Hedges mandates could result in penalty payments.									✓
3.9 Existing MATS Consolidation with Funds external to Havering Fund.	✓				✓				
Risk 4 Failure to comply with Legislation									
4.1 Lack of appropriate skills/knowledge.Unaware of Legslative changes/poor/inaccurate intpretation of regulations									✓
4.2 Key person dependency									✓
4.3 Failure/inability to administer the pension scheme in accordance with regulations.									✓

Summary of Risks with Strategic or Operational classifications	Strategic	Operational	Post Mitigation							
			Red	Amber		Green				
			B/1 Very Likely/ Major	B/2 Very Likely/ Serious	C/2 Likely/ Serious	D/2 Possible/ Serious	D/3 Possible/ Moderate	E/3 Unlikely/ Moderate	E/4 Unlikely/ Negible	
Risk 5 Inability to Manage/Govern the Pension Fund and Associated Services										
5.1 Staffing issues: Loss of corporate knowledge/Long-term sickness/staff turnover/lack of resources		✓				✓				
5.2 LCIV resourcing – LCIV staff turnover.		✓						✓		
5.3 ICT failure/Disaster Recovery.		✓			✓					
5.4 Cyber Security Risk.		✓			✓					
5.5 Poor Pension fund administration by the outsourced service LPPA.		✓								✓
5.6 Poor administration by the employers/payroll providers in the fund		✓						✓		
5.7 Failure/inability to undertake the accounting of the pension scheme appropriately.		✓								✓
5.8 Poor communications with stakeholders.		✓								✓
5.9 Excessive charges by suppliers		✓								✓
5.10 Employers ability to meet contribution rates determined by the Actuary due to budget pressures		✓				✓				
Risk 6 Failure to onboard or exit Employers/Members effectively										
6.1 Delays in internal processing of documentation/ admission agreements.		✓								✓
6.2 Member data incomplete or incorrect		✓								✓
Risk 7 Pension Fund payment Fraud										
7.1 Pension overpayments arising because of non-notification in change of circumstances.		✓								✓
7.2 Internal staff fraud/ Staffacting outside of levels of authorisation		✓								✓
7.3 Conflict of interest.		✓								✓
Total = 35 individual Risks	11	24	1	1	2	4	7	19	1	35