



Havering

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

PENSIONS COMMITTEE AGENDA

7.00 pm

**Tuesday
11 November 2025**

**Council Chamber -
Town Hall**

Members 7: Quorum 3

COUNCILLORS:

**Conservative Group
(2)**

Joshua Chapman
Viddy Persaud

**Havering Residents' Group
(3)**

James Glass
John Crowder (Chairman)
Stephanie Nunn (Vice-Chair)

**Labour Group
(1)**

Keith Darvill

Trade Union Observers

(No Voting Rights) (1)

Peter Liddle

**Admitted/Scheduled Bodies
Representative**

(Voting Rights) (0)

**For information about the meeting please contact:
Luke Phimister 01708 434619
luke.phimister@havering.gov.uk**

**Please would all Members and officers attending ensure they sit in their allocated seats
as this will enable correct identification of participants on the meeting webcast.**

Under the Committee Procedure Rules within the Council's Constitution the Chairman of the meeting may exercise the powers conferred upon the Mayor in relation to the conduct of full Council meetings. As such, should any member of the public interrupt proceedings, the Chairman will warn the person concerned. If they continue to interrupt, the Chairman will order their removal from the meeting room and may adjourn the meeting while this takes place.

Excessive noise and talking should also be kept to a minimum whilst the meeting is in progress in order that the scheduled business may proceed as planned.

Protocol for members of the public wishing to report on meetings of the London Borough of Havering

Members of the public are entitled to report on meetings of Council, Committees and Cabinet, except in circumstances where the public have been excluded as permitted by law.

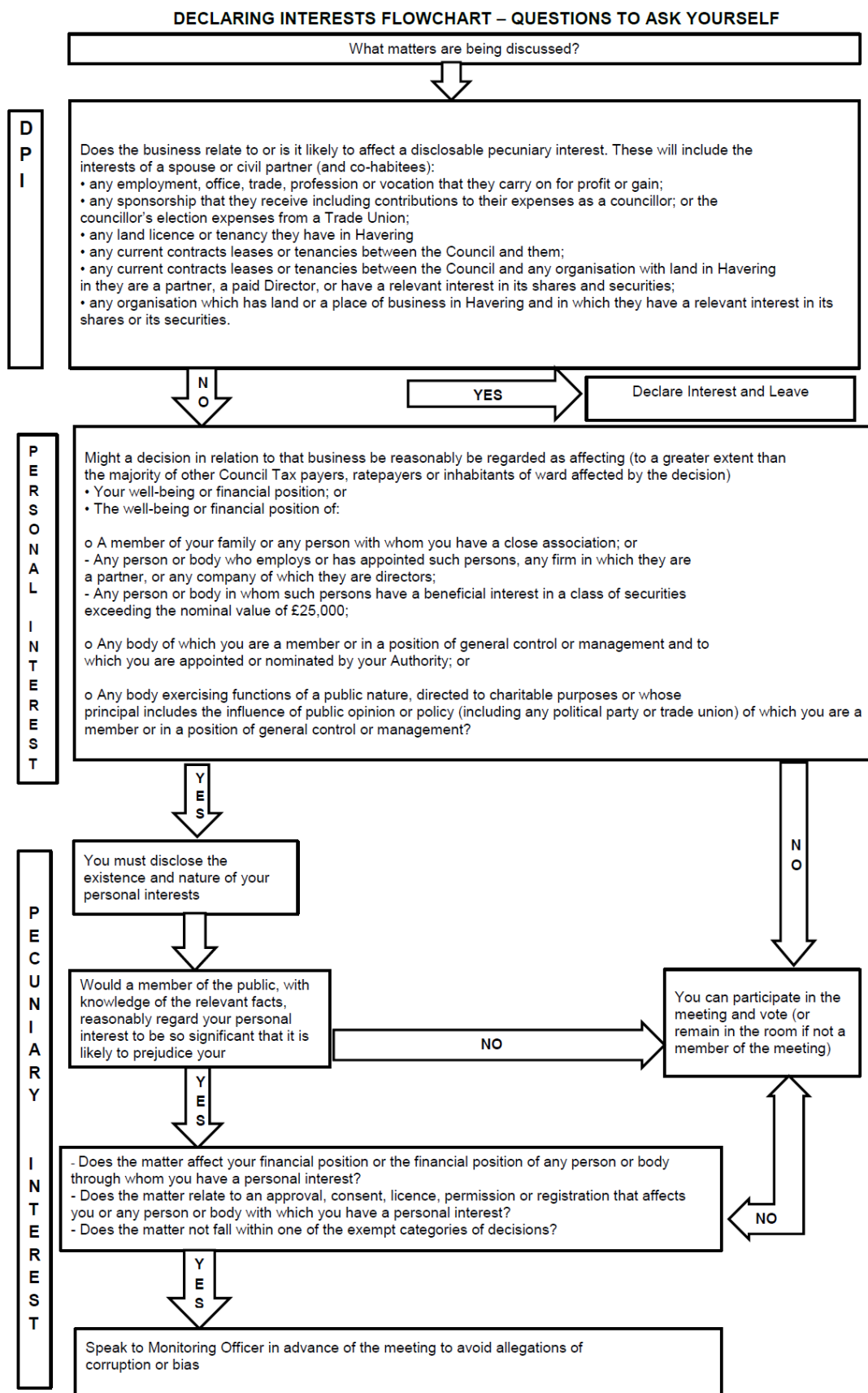
Reporting means:-

- filming, photographing or making an audio recording of the proceedings of the meeting;
- using any other means for enabling persons not present to see or hear proceedings at a meeting as it takes place or later; or
- reporting or providing commentary on proceedings at a meeting, orally or in writing, so that the report or commentary is available as the meeting takes place or later if the person is not present.

Anyone present at a meeting as it takes place is not permitted to carry out an oral commentary or report. This is to prevent the business of the meeting being disrupted.

Anyone attending a meeting is asked to advise Democratic Services staff on 01708 433076 that they wish to report on the meeting and how they wish to do so. This is to enable employees to guide anyone choosing to report on proceedings to an appropriate place from which to be able to report effectively.

Members of the public are asked to remain seated throughout the meeting as standing up and walking around could distract from the business in hand.



Principles of conduct in public office

In accordance with the provisions of the Localism Act 2011, when acting in the capacity of a Member, they are committed to behaving in a manner that is consistent with the following principles to achieve best value for the Borough's residents and to maintain public confidence in the Council.

SELFLESSNESS: Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

INTEGRITY: Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

OBJECTIVITY: In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

ACCOUNTABILITY: Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

OPENNESS: Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

HONESTY: Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

LEADERSHIP: Holders of public office should promote and support these principles by leadership and example.

AGENDA ITEMS

1 CHAIRMAN'S ANNOUNCEMENTS

The Chairman 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 AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS

(if any) - receive

3 DISCLOSURE OF INTERESTS

Members are invited to disclose any interest in any of the items on the agenda at this point of the meeting. *Members may still disclose any interest in any item at any time prior to the consideration of the matter.*

4 MINUTES OF THE MEETING (Pages 7 - 10)

To approve as correct the minutes of the meeting held on 30th September 2025 (attached) and authorise the Chairman to sign them.

5 FUNDING STRATEGY STATEMENT

To follow

6 INVESTMENT CONSULTANT OBJECTIVES (Pages 11 - 32)

Attached

7 REVIEW OF CUSTODIAN (Pages 33 - 42)

Attached

8 REVIEW OF ACTUARIAL SERVICE (Pages 43 - 48)

Attached

9 ANNUAL REPORT (Pages 49 - 126)

Attached

10 RISK REGISTER (Pages 127 - 140)

Attached

11 GOVERNANCE COMPLIANCE STATEMENT (Pages 141 - 150)

Attached

Zena Smith
Head of Committee and
Election Services

**MINUTES OF A MEETING OF THE
PENSIONS COMMITTEE
Council Chamber - Town Hall
30 September 2025 (7.01 - 8.03 pm)**

Present:

COUNCILLORS

Conservative Group Joshua Chapman and Viddy Persaud

Havering Residents' Group John Crowder (Chairman)

Labour Group Keith Darvill

25 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS

Apologies were received from Councillors James Glass (who attended virtually) and Stephanie Nunn.

26 DISCLOSURE OF INTERESTS

There were no disclosures of interests.

27 MINUTES OF THE MEETING

The minutes of the previous meeting were agreed as a correct record and were signed by the Chairman.

28 EXCLUSION OF THE PUBLIC

The Committee agreed to exclude the public and press from all relevant parts of the meeting.

29 PENSION FUND PERFORMANCE MONITORING FOR THE QUARTER ENDED JUNE 2025

The Committee received a report on the Pension Fund performance for quarter end June 2025.

Members noted the fund had grown to a total of £1.086 billion since the previous quarter end. The fund had been granted discretion, regarding the McCloud ruling, to extend implementation until August 2026. It was noted that the Annual Benefit Statements would be legally required to include all relevant McCloud information. Members noted the decision had been taken by the Council's Chief Executive.

Officers gave detail of a consultation that had taken place however Havering had not submitted a response due to the length and complexity of the document. Hymans responded on behalf of Havering and their position was supported.

Councillors were reminded again to complete all LOLA training modules.

The Committee then received an exempt presentation from one of the Fund Managers.

The Committee agreed all the recommendations as set out in the report.

Chairman

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

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PENSIONS COMMITTEE 11 November 2025

Subject Heading:	INVESTMENT CONSULTANCY SERVICES PERFORMANCE REVIEW – 1 October 2024 to 30 September 2025
SLT Lead:	Kathy Freeman
Report Author and contact details:	Mark White Capital Strategy Manager 01708 433 624 Mark.White@haverling.gov.uk
Policy context:	LGPS (Management and Investment of Funds) Regulations 2016.
Financial summary:	Investment Consultant fees are met from the Pension Fund

The subject matter of this report deals with the following Council Objectives

People – Supporting our residents to stay safe and well	X
Place – A great place to live, work and enjoy	X
Resources – Enabling a resident-focused and resilient Council	X

SUMMARY

This report requests that Committee review performance of the Investment Consultant for the period 1 October 2024 to 30 September 2025 against strategic objectives previously set.

RECOMMENDATIONS

It is recommended that the Committee:

1. Agree changes to the current objectives
2. Note the views of officers on the performance of the Investment Consultant (Hymans) against the strategic objectives and make any comment on the report that it considers appropriate (**Appendix A**).
3. Agree to commence procurement of the Investment Management Consultancy Services to the Pension Fund via Lot 3 of the LGPS Investment Management Consultancy Services Framework; and to enter into an agreement with the LGPS for access to the framework at a cost of £500.

REPORT DETAIL

1. BACKGROUND

- 1.1 Regulation 9 (4) Local Government Pension Scheme (LGPS) (Management and Investment of Funds) Regulations 2016 state that the Fund must take proper advice in relation to the appointment and the terms on which the appointment of an investment manager is made.
- 1.2 The term Investment Consultancy (IC) Services is used to describe the provision of advice to the committee to support decisions on matters such as investment strategy, strategic asset allocation and manager selection. Hymans Robertson (Hymans) was appointed to provide Investment Consultancy services.
- 1.3 The law currently requires trustees to set strategic objectives for IC providers in accordance with part 7 of “The Investment Consultancy and Fiduciary Management Market Investigation Order 2019 (the CMA order)”.
- 1.4 The Department for Work and Pensions (DWP) brought these duties into pensions legislation on 1 October 2022 under The Occupational Pension Schemes (Scheme Administration) Regulations 1996 (the scheme administration regulations).
- 1.5 The scheme administration regulations largely replicate the Competition and Markets Authority (CMA) order requirements. The primary change is to transfer the regulation of the obligations under the order from the CMA (under the CMA

order) to The Pensions Regulator (TPR) (under the scheme administration regulations), and trustees will be subject to TPR compliance and monitoring processes.

- 1.6 The committee has already been complying with the CMA order and the Pensions Committee agreed to align its annual service review with the CMA format on 12 November 2019 and set objectives, measure(s) of success, expected outcomes and expected timescales for delivery.
- 1.7 The then Department for Levelling Up Housing and Communities (DLUHC) included in its recent consultation “Next Steps on investments”, issued July 2023, a proposal to amend the LGPS Regulations and statutory guidance for the LGPS to implement the CMA’s requirements. Legislation, at the time of writing this report, remains unchanged.
- 1.8 The six key objective themes to monitor are:
 - Demonstration of Value added
 - Delivery of specialist Services
 - Proactivity of Advice
 - Support with scheme management and compliance
 - Relationship and service standards
 - Support with additional matters arising
- 1.9 The objectives and outcomes for the IC are derived with reference to the services required as set out in the “LGPS National Framework for Investment Management Consultancy Services” and included within the contract for IC services provided to the Havering Pension Fund.
- 1.10 Undertaking the service review ensures that this review will meet the criteria set out under the TPR’s General Code of Practice and monitoring the IC’s performance against their objectives will enable the Committee to better identify and manage areas of poor performance.
- 1.11 Monitoring the objectives against the contract also meets post contract award procedures and ensures services are being delivered in accordance with the contract.
- 1.12 Trustees/ Pension Committee should review their IC’s performance against the objectives set for them at least every 12 months and, if appropriate, revise their IC’s objectives at least every three years and without delay after any significant change in investment policy. Officers are suggesting adding 3 new objectives to aid the transition of assets to London CIV asset pool;
 - Work with officers to support a smooth transition of the remaining assets to the investment pool
 - Support oversight of the pool following transition.
 - Help the Committee to establish clear expectations of the investment pool.

2 REVIEW OF THE INVESTMENT CONSULTANT SERVICE PERFORMANCE

- 2.1 Hymans was appointed to provide Investment Consultancy services using the “LGPS National Framework for Investment Management Consultancy Services” from the 1 April 2019. Contract duration is 5 years with an option to extend by a further two years. The Pensions Committee, at its meeting on the 7 November 2023, agreed the contract extension to 31 March 2026.
- 2.2 Hymans have provided investment advice to the Fund since April 2006.
- 2.3 The core services provided by Hymans includes: production of quarterly monitoring performance reports, attendance of at least four Pension Committee meetings, provision of investment advice and performance monitoring of the Fund’s investment managers.
- 2.4 Hymans's performance has been reviewed against a set of objectives agreed by the Committee in November 2019, and the results of the review of performance over the year of review are set out in **Appendix A**.
- 2.5 Committee members were invited to provide feedback and any comments were incorporated in the service review meeting with Hymans. Officers met with Hymans on 3 October 2025 where feedback was discussed and new objectives were agreed. The outcome and service assessment are included within the Service Review attached as **Appendix A**.
- 2.6 Officers and members conclude that they are satisfied with Hymans's service and have continued confidence in the advice being given.

3. NATIONAL LGPS FRAMEWORK FOR INVESTMENT MANAGEMENT CONSULTANCY SERVICES

- 3.1 Procurement can take significant time and money both for the awarding Authority and the Service Provider. The National LGPS Frameworks are fully compliant with the Public Contracts Regulations 2015. It reduces the time and costs associated with the procurement process by offering a facility that has already been competitively tendered. It aims to deliver access at the best possible price to high-quality, efficient and effective Investment Management Consultancy Service providers. Benefits include:
 - a) Shortened timescales
 - b) Reduced procurement and legal costs
 - c) Robust and transparent process with high level of due diligence and specialist support
 - d) Agreed Terms and Conditions of contract with providers
 - e) Enable access to specialist providers whose experience and quality has been tested
 - f) Comprehensive user documentation and support from Frameworks team
 - g) Provider ceiling prices established
 - h) Possibility to benefit from cumulative rebates

3.2 The Investment Management Consultancy Services Framework is available for Further Competition and Direct Award until 31st October 2026. Contracts awarded under the Framework may be let for a maximum contract length of seven years.

3.3 The Framework is split across 4 Lots:

- Lot 1 - Investment Consultancy Services
- Lot 2 - Manager/Fund Search, Selection, Monitoring and Review Services
- Lot 3 - Investment Management Consultancy Related Specialist Services
- Lot 4 - Investment Management Cost Monitoring and Reporting Services

3.4 The Government's response to the "LGPS: Fit for Future" consultation was published on 29 May 2025. Included within this response was confirmation that many aspects of decision-making will transfer from pension committees to pools. Committees will remain responsible for high-level investment strategy decisions but will be required to delegate the implementation of their investment strategy to their pool, as well as taking their "principal" investment strategy advice from the pool.

London CIV is developing a Strategic Asset Allocation (SAA) Advice service to fulfil the change to legislation and to support this function LCIV have appointed Mercers, with the expectation that this SAA Advice service will be fully operational by January 2026.

Given the legislative changes and the uncertainty of our requirements from 1 April 2026, it seems inappropriate to go out to tender for the full Investment Consultancy Service, covered under Lot 1 above, which was the original intention. However, a direct award of a contract is permissible under Lot 3, with a reduced joining fee of £500 plus VAT.

The award of the contract would be for 1 year with an option to extend for 1 year .

The Fund's preferred supplier would be Hymans, who are the Fund's current investment advisor. Hymans have provided investment advice to the Fund since April 2006 and have the historical knowledge of the Funds current investment strategy. Given the uncertain nature of the Fund's requirements from 1 April 2026, Hymans would provide reassurance to the Pensions Committee, as they will offer continuity through the pooling changes.

3.5 The Pension Committee has the delegated power under Part 3 of the Constitution; Responsibility for Functions to "authorise staff to invite tenders and to award contracts to actuaries, advisers and fund managers and in respect of other related investment matters" and "To appoint and review the

performance of advisers and investment managers for pension fund investments”.

- 3.7 Authorisation is being sought to commence procurement of Investment Management Consultancy Services to the Pension Fund using the National Local Government Pension Scheme (LGPS) Frameworks.

IMPLICATIONS AND RISKS

Financial implications and risks:

Future costs are difficult to predict, the Fund will be transitioning assets to London CIV and changing the way reporting is conducted. Charges will only be incurred on completed works requested by the Fund.

Fees were generally charged on a time-cost basis. Fees for more significant items, like manager selection exercises and asset-liability modelling, were based around an agreed fixed fee scale or agreed separately in advance.

Table 1 – Fees

Dates	£
Apr 19 - Sep 19	33,440
Oct 19 - Sep 20	78,030
Oct 20 - Sep 21	78,049
Oct 21 - Sep 22	64,708
Oct 22 - Sep 23	100,720
Oct 23 - Sep 24	98,090
Oct 24 – Sep 25	103,660
Total	556,697

Costs have been charged in line with the hourly rate as set out in the contract. Some costs, included in the above table, relate to additional work commissioned and agreed outside of the contract e.g Climate Risk Policy / Task Force on Climate-related Financial Disclosures (TCFD) reporting, LCIV Reviews and training/workshops delivered to Committee members.

Hymans were appointed using the **2019 Investment Consultancy Services Framework** and one of the advantages of this was the possibility to benefit from the cumulative rebate, based on the overall value of work awarded to a supplier under the Framework.

The Fund has received the following rebates;

Table 2 - Rebates

Rebate Year	£
2020/21	1,300.85
2021/22	2,829.73
2022/23	3,007.67
2023/24	3,370.17
2024/25	*TBC
Total	10,508.42

* The rebate is notified by the National Framework. This was not received at the time of publication.

Costs of Investment Consultancy Services are met from the Pension Fund.

The National LGPS Frameworks is a not-for-profit programme established 'by the LGPS, for the LGPS', the joining fee helps towards the ongoing support and administration of this Framework. There are options to join Lots individually or all Lots within the Framework. Whichever option used will not incur charges of more than **£5,000**, the fee to access the Framework.

Legal implications and risks:

The Occupational Pension Schemes (Scheme Administration) Regulations 1996/1715 provide at Regulation 35 a duty to set objectives for providers of investment consultancy services.

Regulation 36 requires that the trustees should review the performance of the investment consultants every year.

The report at Appendix A sets out the strategic objectives and the consultants' performance against these objectives and there appear to be no further legal implications in considering this and making any appropriate comments as recommended.

The National LGPS Framework for Investment Management Consultancy Services is fully compliant with the Public Contracts Regulations 2015. The procurement approach proposed is lawful.

Human Resources implications and risks:

There are no direct human resource implications and risk arising from this report.

Equalities implications and risks:

An EHIA (Equality and Health Impact Assessment) has not been completed and is not required for this decision. The Council seeks to ensure equality, inclusion, and

dignity for all. There are no equalities and social inclusion implications and risks associated with this decision

BACKGROUND PAPERS

Background Papers List

None

INVESTMENT CONSULTANT SERVICE REVIEW

1 October 2024 to 30 September 2025

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OBJECTIVE	DELIVERY TIMESCALE	MEASURE OF SUCCESS	SERVICE ASSESSMENT	RATING
Demonstration of Value added				
Expected outcomes:				
a) Help the Committee implement of the Investment Strategy Statement (ISS)	Duration of the contract	Committee receives timely and effective advice on strategic decisions, including asset allocation, benchmarks, and associated risks.	No further investment strategy implementation was required during the period. In line with the agreed work plan, IC reviewed the equity portfolio and presented findings to the Committee on 10 December 2024. Rebalancing was completed in January 2025.	GREEN
b) Increase the Fund's asset value through tactical asset allocation over the long term	Duration of the contract	Portfolio returns exceed strategic benchmark over five-year rolling periods without excessive volatility. Returns on the Portfolio net of fees exceed the composite manager benchmark over rolling three year periods	Data from our performance measurers asset returns as at 30 August 2025 are as follows: 5 Year strategic return Fund return: 5.54 Benchmark: -6.90 Excess Return 12.43 3-year composite benchmark Fund return: 5.66 Benchmark: 8.08 Difference in Return -2.42 Asset values over the 3 quarters to June 2025 have increased by £48.9m from £996.1m to £1,045m. The current strategic benchmark is the return on index-linked Government bonds	GREEN

OBJECTIVE	DELIVERY TIMESCALE	MEASURE OF SUCCESS	SERVICE ASSESSMENT	RATING
			<p>plus 1.7% per annum, which is consistent with the discount rate used by the Actuary as part of the 2022 actuarial valuation to value the Fund's liabilities.</p> <p>Over the longer term, returns are ahead of the long-term (absolute) return deemed sufficient to support an affordable and stable level of contributions.</p>	
c) Enable the Committee to implement scheme investments on a more competitive fee basis through negotiation on implementing and periodic benchmarking of fees	Duration of the contract	Where appropriate, IC provides input on fee arrangements and recommends actions to reduce fees.	<p>As at June 2025, 63% of the Fund's assets are pooled or deemed pooled with the London Collective Investment Vehicle (LCIV) competitive fee arrangements are one of the primary aims of investing via LCIV and are therefore not considered a key role for the IC.</p> <p>The IC advised on the proposal to transfer CBRE holding to an Investment Management agreement under LCIV management.</p> <p>However, the funds that are outside of the pool arrangement have also benefited from fee negotiations lead by the IC.</p>	GREEN
d) Help the Committee to implement an Investment Strategy, which adds value through the integration of Environmental, Social and Governance (ESG) and stewardship	Duration of the contract	<p>Committee feels adequately briefed on ESG and stewardship issues and understands their relevance to the prevailing strategy.</p> <p>IC provides proactive advice on emerging ESG trends.</p>	IC prepared a report summarising the Fund's investment managers' compliance with the main industry governance standards and their voting and engagement activities (where applicable) for the 12 months to 30 June 2024, which was presented to the Committee on 18 March 2025.	GREEN

OBJECTIVE	DELIVERY TIMESCALE	MEASURE OF SUCCESS	SERVICE ASSESSMENT	RATING
considerations in investment manager appointments.		IC provides proactive advice on emerging trends in ESG issues	<p>This annual report supports the ISS monitoring process and helps identify any stewardship concerns.</p> <p>The IC is instrumental in producing the Fund's reporting against the Task Force Climate Related Financial Disclosures (TCFD) Framework, meeting the Committees desire to publish before it becomes mandatory. IC has produced four reports to date, the latest covering 2023/24.</p> <p>The Climate Policy and Action Plan was agreed at the 25 July 2023 meeting, this includes the objectives set, targets to be measured and actions the committee will take. This will help the Fund better understand the climate risks facing the Fund and also to fulfil our reporting requirement against the Task Force Climate Related Financial Disclosures (TCFD) framework.</p> <p>The IC hosted a Strategy Workshop on 29 September to discuss the Investment Strategy and the ESG beliefs that will shape future decisions.</p>	
e) Manage cash flow needs in a more cost effective manner	Annually	Development and regular review of cash flow policy.	IC updated the Cash Flow Management Policy for the Committee on the 19 March 2024, which the Fund is using as a monitoring tool. This will be reviewed when monthly outgoings increase by more than 20% or every three years to incorporate	GREEN

OBJECTIVE	DELIVERY TIMESCALE	MEASURE OF SUCCESS	SERVICE ASSESSMENT	RATING
		Proactive response and advice where changes in cash flow requirements are identified.	<p>cash information from the outcome of the valuation process.</p> <p>Officers regularly consult the IC on managing capital call requests as part of cash flow planning.</p> <p>The Fund has maintained sufficient cash balances and has not required additional support.</p>	
Delivery of specialist services				
Expected outcomes:				
f) Work with the Fund Actuary to undertake asset liability modelling as required	Triennially	<p>IC confirms the strategy remains appropriate and conducts a full review following each actuarial valuation, including assessment of risks associated with different approaches.</p> <p>Ongoing liaison between the IC and Fund Actuary to ensure asset management aligns with the funding approach from triennial valuations.</p>	<p>The Fund's 2022 valuation results were discussed at meetings with officers in October 2022 and February 2023.</p> <p>As part of the 2022 valuation modelling was undertaken and the ISS was tested against a range of strategies. The outcome was a strategic tilt towards income generating investments.</p> <p>The rationale for this approach was discussed and agreed with the Committee on the 21 March 2023.</p> <p>The IC has engaged with the Actuary on the proposed scope of work for the 2025 valuation. Discussion will continue as the valuation progresses and the IC together with the Actuary will consider the ISS to be presented to committee on 17 March 2026.</p>	GREEN

OBJECTIVE	DELIVERY TIMESCALE	MEASURE OF SUCCESS	SERVICE ASSESSMENT	RATING
g) Work with the Fund Actuary on an ongoing basis in respect of the integrated management of fund assets and liabilities	Duration of the contract		<p>The IC continues to liaise with the Fund Actuary to ensure the Fund's asset management remains aligned with the funding strategy.</p> <p>As part of the ongoing 2025 valuation process, the IC has worked collaboratively with the Actuary to review and discuss the Fund's Investment Strategy.</p> <p>IC facilitated a Strategy Workshop on 29 September 2025, providing insights to inform decision-making ahead of the valuation outcome.</p> <p>The results of the 2025 valuation are expected to be presented to the Committee on 9 December 2025.</p>	GREEN
h) Help the Committee to develop and define their investment beliefs	Duration of the contract	IC provides input and challenge on investment beliefs and facilitates discussion to interpret their implications.	<p>The IC played a key role in developing the Committee's investment beliefs, which have been incorporated into the ISS since 2020.</p> <p>These beliefs are now referenced in ongoing investment decisions.</p> <p>Officers and the Committee have acknowledged the IC's support in developing the statement of investment beliefs. The Fund also benefits from having the Head of Responsible Investment at the IC as one of its consultants.</p> <p>To support ongoing review, the IC facilitated a Strategy Workshop on 29 September</p>	GREEN

OBJECTIVE	DELIVERY TIMESCALE	MEASURE OF SUCCESS	SERVICE ASSESSMENT	RATING
			2025 to revisit and refine the Committee's investment beliefs. A paper will follow	
i) Help the Committee develop and maintain an appropriate framework to track progress against strategic and tactical benchmarks	Duration of the contract	<p>IC provides input on the monitoring regime for the Committee from time to time.</p> <p>IC provides input on the monitoring regime. Officers and the Committee can understand and articulate the Fund's progress toward its investment objectives.</p>	<p>The IC maintains a robust reporting process that tracks Fund performance against the strategic benchmark and individual fund manager performance. They actively participate in Committee meetings, challenge fund managers on performance and strategy, and maintain ongoing dialogue to stay informed of developments.</p> <p>Quarterly reports are produced in line with contractual requirements. During the review period, these reports were refreshed to improve readability and to better support the Committee in assessing whether the investment strategy is on track and whether fund manager objectives are being met. The introduction of asset class buckets—'growth', 'income', and 'protection'—helps the Committee understand the purpose of each asset class more clearly.</p>	GREEN
Proactivity of Advice				
Expected outcomes:				
j) Advise the Committee on new investment opportunities or emerging risks	Duration of the contract	IC proactively identifies and communicates potential opportunities or risks to Officers and the Committee for discussion.	New investment opportunities are explored on an ad hoc basis as part of Investment Strategy development. The IC maintains regular contact with LCIV to stay informed of new product offerings and assesses their suitability against the Fund's Investment Strategy.	GREEN

OBJECTIVE	DELIVERY TIMESCALE	MEASURE OF SUCCESS	SERVICE ASSESSMENT	RATING
			<p>IC provides market updates to officers monthly and produces a product assurance note when applicable.</p> <p>The IC undertook a review of 'Resonance', a potential investment for the fund, and a local investment opportunity.</p> <p>The IC provided guidance on the transition of the CBRE property holding to LCIV.</p> <p>There is potential to add natural capital as an asset class to the Fund. This may be explored in time.</p>	
k) Advise on any changes in the investment governance arrangements to enable the committee to best access emerging opportunities	Duration of the contract	IC proactively identifies potential improvements to governance arrangements and communicates these to Officers and the Committee.	<p>The IC advises the Fund on relevant government consultations and legislative changes that may impact governance arrangements.</p> <p>Officers value the IC's input, particularly the briefing papers provided to support consultation responses—such as those relating to the Government's "Fit for the Future" proposals.</p>	GREEN
l) Deliver training to enable the Committee: <ul style="list-style-type: none"> to be supported maintaining high standards of investment governance and compliance. 	Duration of the contract	The Committee has sufficient understanding of any new investment class and associated risks in which it is suggested they might invest	<p>Training and development are incorporated into Committee meetings when relevant reports are presented.</p> <p>The IC presented a Strategy Workshop to Committee members and officers on 29 September 2025, discussing the committee's beliefs with a view to</p>	GREEN

OBJECTIVE	DELIVERY TIMESCALE	MEASURE OF SUCCESS	SERVICE ASSESSMENT	RATING
<ul style="list-style-type: none"> engage with new investment opportunities, emerging risks or opportunities to transfer risk 			<ul style="list-style-type: none"> Review climate action progress Review investment beliefs Local investment training <p>Investment training is also provided via the Hymans LGPS Online Learning Academy (LOLA) platform</p>	
Support with scheme management and compliance				
Expected outcomes:				
m) On a quarterly basis , undertake investment manager performance monitoring and review for presentation to the Committee	Quarterly	IC delivers advice on a timely basis in line with Officer expectations and consults on future agenda items.	<p>Each quarter, the IC produces a monitoring report covering market analysis and individual fund manager performance.</p> <p>The IC attends Committee meetings to present findings and provide advice and guidance.</p> <p>Officers and the IC collaborate to develop a work plan that supports timely delivery of the Fund's Business Plan.</p>	GREEN
n) Produce briefing papers and periodic investment advice in advance of committee meetings in a timely basis	Duration of the contract	Consults with Officers on the development of agenda items for future meetings	The IC produce monthly market briefings and briefing papers as applicable.	GREEN
o) Support the Fund in obtaining data required to report investment fees in line with the Code of Transparency.	Duration of the contract		IC presented a 2023/24 report to officers on cost analysis with action points. The 2024/25 report will follow.	GREEN
p) Review and update as appropriate the schemes	Duration of the contract		ISS will be reviewed following the outcome of the 2025 valuation. A report setting out any proposed changes to the investment	GREEN

OBJECTIVE	DELIVERY TIMESCALE	MEASURE OF SUCCESS	SERVICE ASSESSMENT	RATING
Investment Strategy Statement (ISS)			strategy is expected to be presented to the Committee on 17 March 2026 for formal agreement.	
q) Ensure compliance of the scheme's investment arrangements with developments in regulation and all legislation	Duration of the contract		As appropriate the IC advises the Fund of the issuance of government consultations and legislation changes that impact governance arrangements, in particular, briefing papers covering next steps on pooling and the Fit for Future government review of pension schemes.	GREEN
Relationship and service standards				
Outcomes Expected:				
r) Maintain fees in line with tender submission	Quarterly	Invoiced fees are in line with agreed budgets	IC core fees are maintained in line with the tender submission. Detailed breakdowns are provided with each invoice to support monitoring of costs against the agreed specification.	GREEN
s) Agree fee budget with officers / the Committee for any significant piece of work over £2,000 where the work and associated fees are not explicitly stated in the existing contract.	Duration of the contract	IC provides an annual business plan and budget proposal for agreement with Officers IC provides fee quotes for significant work items	Officers will continue to work with IC to ensure fee budgets are agreed prior to commencing any significant work. A pre-agreed work plan for the year ahead is discussed including indicative costings. Hymans provides regular updates of work in progress, upcoming projects and associated fees.	GREEN
t) Clear understanding of the Scheme's goals and objectives	Duration of the contract	Officers are satisfied with the IC's knowledge and understanding of the Fund's requirements.	The IC has supported the Fund since April 2006 and demonstrates a clear understanding of its goals and objectives through contributions to the development of	GREEN

OBJECTIVE	DELIVERY TIMESCALE	MEASURE OF SUCCESS	SERVICE ASSESSMENT	RATING
			the ISS, cash flow management, and ongoing performance monitoring.	
u) Appropriate quality and quantity of resourcing to meet the needs and requirements of the scheme	Duration of the contract	IC is able to support Officers and the Committee at all times and seeks feedback on their views.	<p>The IC provides strong support through a dedicated team available to respond to officer queries.</p> <p>To manage internal resources, Hymans established a support consultant in Spring 2024, ensuring continuity and ongoing support to the Fund.</p>	GREEN
v) Maintain strong positive working relationship with the Committee members and officers	Duration of the contract	IC undertakes an annual business planning /review meeting	<p>Communication and relationships with the IC remain strong.</p> <p>The IC has responded positively to feedback, including the introduction of a headline summary page in monitoring reports to highlight key takeaways.</p> <p>Officers and the Committee value the advice provided, particularly regarding strategic direction.</p> <p>A service review meeting was held on the 3 October 2025. Feedback from members and officers was discussed along with suggested areas of improvement and future developments:</p> <ul style="list-style-type: none"> • Strategy workshop outcomes and updating the work plan. • Work plan for 2026 to be finalised • LCIV Governance & Oversight review 	GREEN

OBJECTIVE	DELIVERY TIMESCALE	MEASURE OF SUCCESS	SERVICE ASSESSMENT	RATING
w) Work collaboratively with other advisors and provide effective support to the Committee when engaging with other stakeholders	Duration of the contract	Positive feedback on working relationship from other advisors and stakeholders	<p>The IC maintains close working relationships with the Fund's Actuary, supporting a shared understanding of the implications of different investment strategies.</p> <p>This collaboration enhances the Committee's ability to make informed decisions and ensures alignment between funding and investment approaches.</p>	GREEN
x) Appropriate management and mitigation of any conflicts of interest	Duration of the contract	IC promptly notifies Officers of any conflicts and proposes appropriate mitigations.	<p>The Governments 'Fit for the Future' review introduced potential conflict for the IC as elements of self-interest could arise. However, the IC has acted with integrity, supporting officers in navigating governance changes and consistently prioritising the best interest of the Fund.</p> <p>The IC played a key role in the transfer of investment management of the CBRE pooled property holdings to LCIV and collaborated openly throughout the process.</p> <p>Importantly, the IC does not provide advice to LCIV, further reinforcing the independence and integrity of their guidance.</p>	GREEN

OBJECTIVE	DELIVERY TIMESCALE	MEASURE OF SUCCESS	SERVICE ASSESSMENT	RATING
Support with additional matters arising				
Expected outcomes:				
y) Provide advice and assistance to the Committee on any other issues arising	Duration of the contract	IC demonstrates support for the Committee as needed	<p>IC has provided advice on the suitability of investments on offer via the London CIV and how it aligns to the investment strategy</p> <p>It is important that the Committee and officers receive expert advice on investment issues and how they affect the Local Government Pension Scheme.</p> <p>IC reported on the initial suitability of Resonance as an addition to the strategy and potential to meet 'Local Investment' targets.</p> <p>Officers to ensure that Hymans are sent a copy of Fund Manager presentations in order that they can provide tailored advice for the committee meetings.</p> <p>Following previous feedback, it was agreed that at the committee meeting the IC, as part of their introduction and fund highlights, will cover key points that the committee needs to be aware of in advance of the Fund Manager presenting</p>	GREEN

2025/26 objectives: in addition to the above

OBJECTIVE	DELIVERY TIMESCALE	MEASURE OF SUCCESS	SERVICE ASSESSMENT	RATING
1. Work with officers to support a smooth transition of the remaining assets to the investment pool	By 1 April 2026	All assets successfully transitioned.		
2. Support oversight of the pool following transition.	From 1 April 2026	Committee members are confident that the pool management arrangements work effectively and in the best interests of the fund.		
3. Help the Committee to establish clear expectations of the investment pool.		Committee members understand what the Pool's role is.		

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PENSIONS COMMITTEE

11 November 2025

Subject Heading:	SERVICE REVIEW OF THE CUSTODY & PERFORMANCE MONITORING SERVICE - 1 October 2024 to 30 September 2025
ELT Lead:	Kathy Freeman
Report Author and contact details:	Mark White Capital Strategy Manager 01708 433 624 Mark.White@haverling.gov.uk
Policy context:	Services are reviewed to ensure that the Pension Fund is receiving best value for money and is benefiting from the services the custodian offers.
Financial summary:	Costs for the custodial services for the period are met by the Pension Fund

The subject matter of this report deals with the following Council Objectives

People – Supporting our residents to stay safe and well	X
Place – A great place to live, work and enjoy	X
Resources – Enabling a resident-focused and resilient Council	X

SUMMARY

This report reviews the performance of the Custodial and Performance Measurement services provided by Northern Trust, for the period 1 October 2024 to 30 September 2025.

Authorisation is also being sought to procure a new Custodial Services contract for the Pension Fund for when the current contract ends on the 30th September 2026. The intention is to use the National Local Government Pension Scheme (LGPS) Framework which has deadline to tender of the 8th February 2026.

RECOMMENDATIONS

It is recommended that the Committee:

- a) Note the views of officers on the performance of the Custodian and Performance Measurement Service (Table 1 and Section 2 refers).
- b) Agree to the commencement of tendering for a new Custodial Services contract via the replacement to the LGPS 'National Framework for Global Custody Services' with a term of 10 years from October 2026 as set out in this report.
- c) agree to enter into an Access Agreement to join the National LGPS Framework for Global Custody Services Framework once refreshed, at the estimated cost of £8,000.00.

REPORT DETAIL

1. Background

- 1.1 The Custodian and Performance Measurement services, currently provided by Northern Trust, offers a range of functions. These fall into the following main categories:

a) Safe Keeping and Custody of assets

This refers to the maintenance of accurate records and certificates relating to the ownership of assets and ensuring that dividend income and other distributions are received and correctly recorded.

b) Investment Accounting and Reporting

The Custodian produces accounting reports that are used for producing the Pension Fund Statement of Accounts and enable the Fund to comply with the International Financial Reporting Standards (IFRS), Statements of Recommended Practice (SORP) and Chartered Institute of Public Finance & Accounting (CIPFA) accounting guidance. These reports are accessed and downloaded from the secure client portal "Passport".

They maintain a record of the book costs (valuations) and the holdings in the various asset classes for each of the investment managers' portfolio as well as at the total Fund level.

The Fund subscribes to Northern Trust's additional specialist accounting reporting service which provides:

- a comprehensive suite of financial accounting reports to help facilitate compliance with SORP and assists the Fund in compiling its Statement of Accounts and,
- includes completion of the relevant investment sections of the UK Office of National Statistic Returns (ONS), which is a statutory requirement.

(c) Performance measurement

This is a key part of the investment management process and forms an essential component of the reporting requirements of the Fund. Performance measurement enables the Pensions Committee, Investment Consultants and officers to understand whether the investment objectives of the Fund are being met and if the fund managers are achieving their targeted performance.

Northern Trust produce monthly and quarterly reports which include performance returns versus benchmarks for each manager and for the whole Fund over a number of time periods, extending from one month to inception. These reports enable the Fund to comply with CIPFA guidance "Preparing the Annual Report", which must include investment performance set out for each asset class and fund manager against the benchmarks set for one year, three years and five years.

2. Review of the Custody and Performance Measurement Services

- 2.1 Services are reviewed annually to ensure that the Fund is receiving best value for money and is benefiting from all the services the custodian has to offer. Monitoring the contract also meets post contract award procedures and ensures services are being delivered in accordance with the contract.
- 2.2 This period of review covers the custodial and performance measuring services delivered by Northern Trust for the period **1 October 2024 to 30 September 2025**.
- 2.3 Officers have assessed the service against a set of criteria and adopted the RAG rating method to define Red (Unfavourable). Amber (Neutral - may require further monitoring) Green (Favourable output). Officers have shared the outcome of the service review with Northern Trust, which has been set out in the following table:

Table 1 – Assessment Review

CRITERIA	ASSESSMENT	Rating
Safe Keeping and Custody of Assets		
It is important that the Pensions Committee and officers have confidence that all assets are secure and properly accounted for.	Officers review the custodians audited System and Organisation Control (SOC1) report produced annually. This covers internal controls applicable to processing service transactions. No concerns were raised in their latest report covering the 12 months to 30 Sept 2023. The Sept 24 report will not be available until approximately 6 months after the period end date.	GREEN: Officers have confidence that the assets are accounted for correctly.
Transfer of funds to/from fund managers	Capital calls are promptly processed to avoid breach of contract.	Green: There have been no late payments to fund managers.
Investment Accounting and Reporting		
It is important that accurate accounting records are maintained and appropriate reconciliations can be made against the Fund's investment managers records.	Officers run detailed reports from the custodian's website using their "passport" tool. These reports are reconciled to individual fund manager reports and any differences investigated. This provides assurances that accurate records are maintained. Officers also use the additional reporting functionality that contributes to reconciling the accounts.	GREEN: Officers are satisfied that accurate accounting records are maintained with no audit issues identified to date.
Prompt and responsive service	Reponses to queries are dealt with promptly.	GREEN: Officers are very satisfied and appreciative of the responsive service
Good communication and support	Officers communicate frequently with the custodian covering general day-to-day operations and to obtain assurance that investment instructions templates are posted correctly.	GREEN: Communications and support continue to be very satisfactory.

CRITERIA	ASSESSMENT	Rating
Provision of data for the Office of National Statistics (ONS) Returns	The Fund uses the custodians ONS service and they complete the investment sections within the return and answer/resolve any queries raised by ONS. These have been delivered within the required timescales.	GREEN: Officers are very satisfied with this service
Performance Measurement		
It is important that the Pensions Committee and officers understand whether the investment objectives of the Fund are being met and if the fund managers are achieving their targets.	Northern Trust performance measurement service produce monthly and quarterly reports setting out performance returns versus benchmarks for each manager and the whole fund over a number of time periods, 1 month, 3 months, 1 year, 3 years, 5 years and inception. Performance reports are available via the custodian's website using the "RADAR" tool.	GREEN Performance reports are received within specified timescales and officers are very satisfied with this service.

3. Conclusion

- 3.1.1 Officers are satisfied with the provision of safekeeping and custody functions.
- 3.2 Officers are satisfied with the overall investment accounting and reporting functions.
- 3.3 Officers are satisfied with the performance monitoring service.

4. National LGPS Framework for Global Custody Services

- 4.1 The National LGPS Frameworks have been created in line with the Government's wish for LGPS Funds to seek ways of extending joint working and collaboration. This will help realise potential efficiencies and give a clearer voice to LGPS Funds within the marketplace, along with helping to share information, knowledge, experience and best practice.
- 4.2 National LGPS Frameworks reduce the time and cost associated with a full procurement, which in turn allows for more flexibility with the planning and running of any tender process via Further Competition
- 4.3 Each of the Service Providers on the National LGPS Frameworks have been subject to a rigorous procurement process, ensuring they offer the scope and

quality services you require. The pre-agreed terms and conditions offer you contractual safeguards

4.4 The providers on the current Global Custody Framework are:

- Bank of New York Mellon
- Caceis Investor Services
- HSBC Bank plc
- Northern Trust
- State Street

4.5 The current Global Custody Framework is available for further competition until February 2025. It will therefore expire before the Council has a need to compete a replacement Custodial Services contract. Contracts awarded under the current framework may be let up for a maximum contract length of ten years. It is expected that a new framework will be available after the current framework expires in February 2025 and would follow similar terms such as ability to award contracts up to 10 years. It is proposed a replacement Custodial Services contract with a term of 10 years will be competed via mini competition through this replacement framework. Based on historical fees the value of the call off contract is expected to be in the region of £650k - £700k.

4.6 The framework for Global Custody Services includes:

- Safekeeping of assets in a range of global markets
- Trade settlement
- Tax reclaims
- Corporate actions instruction and collection
- Proxy voting facilitation
- Foreign exchange services
- Cash management
- Investment accounting
- Online reporting
- Performance measurement
- Compliance monitoring
- Passive currency hedging
- Other asset administration services which may arise from time to time

4.7 Northern Trust were appointed to provide Custodial and Performance Measurement Services in October 2019. The current contract runs for three years and expires on the **30 September 2026**.

4.8 Authorisation is sought to commence procurement of Global Custody Services and for the Pension Fund to use National Local Government Pension Scheme (LGPS) Frameworks.

4.9 Early authorisation is being sought to commence procurement to aid resource planning as there are two other contracts due for renewal in 2026, this being

the Investment Consultancy Services and Actuarial Services, which were both agreed by Pensions Committee at the 5 November 2024 meeting.

- 4.10 The National LGPS Frameworks are a not-for-profit programme established 'by the LGPS, for the LGPS' and the joining fee helps towards the ongoing support and administration of this Framework.
- 4.11 The cost to access the Global Custody Framework is £8,000 for the current version of the Framework. Costs are yet available for the new Framework expected to be released after the current version expires in February 2025.

LGPS have issued a pipeline notice confirming they will be procuring a replacement framework¹. Notwithstanding this, there is a risk that the procurement will be discontinued; or that contract award will be delayed, thereby impacting on the Council's ability to call off from a replacement framework. Officers will monitor the progress of the LGPS procurement. In the event of delay, contingency plans will be developed and a further recommendation brought to committee.

IMPLICATIONS AND RISKS

Financial implications and risks:

As the Fund's asset pool provider London CIV use Northern Trust as their appointed custodian, the Fund benefits from a reduced pricing structure offered for those funds that have assets invested on the London CIV platform.

Northern Trust introduced a new pricing structure applicable from the 1 April 2023, offering a more beneficial pricing structure for the provision of custodial services.

See fee table below for fee breakdown:

Table 2 – Fees since inception

	Oct 19 to Sept 20	Oct 20 to Sept 21	Oct 21 to Sept 22	Oct 22 to Sept 23	Oct 23 to Sept 24	Oct 24 to June 25	Total
	Actual £	Actual £	Actual £	Actual £	Actual £	Actual £	Actual £
Custody Fee	29,085	28,127	31,144	25,952	19,211	21,009	154,528

¹ <https://www.find-tender.service.gov.uk/Notice/019087-2025?origin=SearchResults&p=1>

Accounting Services	0	5,000*	10,013	10,000	11,507	9,714	41,234
Performance Measurement Fees	23,110	23,849	26,947	33,917	43,532	27,045	178,400
Total	52,195	56,976	68,104	69,869	74,250	57,768	374,162

* part year only – this service commenced 1 April 2021

24/25 charges are only available to June at the time of publication

Custody fee – covers transaction and foreign exchange charges and administration costs.

Accounting Services – includes production of reports used for producing the Pension Fund Statement of Accounts.

Performance Measurement Fees – are applied against each manager's performance data and the index against which it is measured.

Based on historical fees, a new ten-year contract is expected to be in the region of £650k to £700k. Costs may vary as charges applied are based on the number of funds being managed, which may increase or decrease over time, and the index fees charged by external third parties for performance monitoring.

All custodian and performance measurement fees are met from the Pension Fund and within the budget of £80k set for the each of the 3 years for 2024/25, 2025/26 and 2026/27.

There is a risk that the Fund's value could be misstated if poor or incorrect data was provided by the custodian. This is mitigated by frequent reconciliations by the custodian to fund manager records and officer reconciliations. Accounting and reporting information is critical for year-end processes and these need to be produced in a timely manner to ensure accounts can be closed within statutory timeframes.

Officers also carry out reviews of Northern Trust Internal Control reports issued by their external auditor. These reports detail tests undertaken by the auditors, testing their internal control environments and key procedures. No material internal control issues were reported.

Legal implications and risks:

The proposed LGPS framework will be fully compliant with the Procurement Act 2023. Call off will be available to the Fund. The proposed procurement approach is therefore lawful.

There are no other apparent legal implications or risks arising from this report.**Human Resources implications and risks:**

There are no direct human resource implications or risks arising from this report.

Equalities implications and risks:

An EHIA (Equality and Health Impact Assessment) has not been completed and is not required for this decision. The Council seeks to ensure equality, inclusion, and dignity for all. There are no equalities and social inclusion implications and risks associated with this decision.

BACKGROUND PAPERS

None

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PENSIONS COMMITTEE

11 NOVEMBER 2025

Subject Heading:	ACTUARIAL SERVICE PERFORMANCE REVIEW 1 October 2024 to 30 September 2025
SLT Lead:	Kathy Freeman
Report Author and contact details:	Mark White Capital Strategy Manager 01708 433 624 Mark.White@havering.gov.uk
Policy context:	Review performance of services provided by the Actuary to demonstrate compliance against the the Pensions Regulator General Code of Practice and Contract Procurement Rules.
Financial summary:	Actuarial net costs are met from the Pension Fund or from scheme employers where rechargeable

The subject matter of this report deals with the following Council Objectives

People – Supporting our residents to stay safe and well	X
Place – A great place to live, work and enjoy	X
Resources – Enabling a resident-focused and resilient Council	X

SUMMARY

This report reviews the service and performance of the Havering Pension Fund’s (“the Fund”) Actuary from the 1 October 2024 – 30 September 2025.

RECOMMENDATIONS

It is recommended that the Committee note the performance of the Fund’s Actuary during the period 1 October 2024 to 30 September 2025.

REPORT DETAIL

1. BACKGROUND

- 1.1 All Local Government Pension Scheme (LGPS) Funds are required to procure professional actuarial services in line with regulation 62 of the Local Government Pension Scheme Regulations 2013 as they must obtain an actuarial valuation of the assets and liabilities of its pension fund as at 31 March 2016 and every third year afterwards and obtain a report by an actuary in respect of the valuation.
- 1.2 Actuarial services includes but is not limited to completion of the triennial valuation exercise, Funding Strategy Statement (FSS) preparation and advice, annual accounting valuations of pensions liabilities of scheme employers (in accordance with Financial Reporting Standards (FRS) 102/ International Accounting standards (IAS)19 and 26), carrying out opening valuations for new scheme employers, closing valuations for exiting scheme employers, benefit administration advice and ad-hoc advice and guidance which takes account of their knowledge of the Fund's position and strategies.
- 1.3 The Actuary also provides advice on consultations regarding changes in legislation affecting the LGPS and reviews guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG) and the Scheme Advisory Board (SAB). These are highly technical areas; therefore, the Committee rely upon the Actuary to put forward suggestions that are in the best interest of the Fund. They work closely with the Government Actuary Department (GAD) to support their work under Section 13 of the Public Service Pensions Act 2013 in connection with the actuarial valuations.
- 1.4 The Fund appointed Hymans Robertson (Hymans) with a contract start date of the 16 July 2018. The original contract used the 2018 version of the "National LGPS Framework for Actuarial, Benefits and Governance Consultancy Services" (the Framework).
- 1.5 The contract was due to expire on the 15 July 2025 but overlapped with the timelines for the 2025 triennial valuation exercise, which runs from 1 April 2025 to 31 March 2026.
- 1.6 At the Pensions Committee meeting on the 5 November 2024, members agreed a short-term extension to **30 June 2026**, to avoid the risk of potentially changing actuary part way through a valuation year.

2. REVIEW OF THE ACTUARIAL SERVICE PERFORMANCE

- 2.1 Hymans have been the Fund's Actuary since April 2010.

2.2 An annual assessment of the Fund's Actuarial Services performance is in line with The Pensions Regulator's (tPR) General Code of Practice and monitoring the Actuary's performance will enable the Committee and officers to better identify and manage areas of underperformance.

2.3 Monitoring the contract also meets post contract award procedures and ensures services are delivered in accordance with the contract.

2.4 During this period of review, the Actuary has undertaken the following:

Valuation:

- Updated 2022 valuation report.
- 2025 Valuation planning meeting with Officers April 2025.
- Data review.
- Working with software providers for McCloud remedy.

Employers:

- New employer opening positions.
- Cessation reports.
- Employer specific advice.
- Bond renewals.

Accounting:

- Produced requested employer accounting disclosures (IAS19).
- Produced IAS26 statement and actuarial statement for the Fund.
- Produced requested FRS102 reports for academies.

Administration Consulting

- Administration support
- Regulation research – peer review
- Internal Dispute Resolution Procedure (IDRP) investigations.
- Governance Support.
- Various Client discussions and general advice.

Actuarial Consulting

- General advice
- Section 15 report for committee
- Attend committee meetings
- Exit credit policy support

Training

- LGPS Online Learning Academy (LOLA) with module updates.

2.5 Hymans have delivered a diverse range of advice and assistance to the Fund over this period. Service delivery response times are excellent and to a high quality.

- 2.6 Hymans continually provide timely briefings on changes to legislation, government consultations, and periodic LGPS updates. These are all welcomed, viewed as excellent, and give Pension Fund Officers a steer on issues arising. Hymans also share responses to Government consultations.
- 2.7 In conclusion, officers are satisfied with the service that Hymans are providing.
- 2.8 Officers have shared the outcome of the service performance review with Hymans, which is set out above.

3. NATIONAL LGPS FRAMEWORK FOR ACTUARIAL, BENEFITS AND GOVERNANCE CONSULTANCY SERVICES

- 3.1 At the Pensions Committee meeting on the 5 November 2024, members agreed to the commencement of tendering for a new Actuarial Services contract from the new Framework, for a period of 10 years from July 2026 at the estimated cost of £1m.
- 3.2 The previous Framework (2021 version) was available for further competition or Direct Award until 30th June 2025. This Framework has been extended to 7 January 2026. Procurement for a replacement Framework is underway, with a launch anticipated in Autumn 2025. The Fund will join the Framework (2025 version) once launched.

IMPLICATIONS AND RISKS

Financial implications and risks:

Fees are charged for the time spent on services, taking into consideration the complexity of the services provided.

Gross fees include fees recharged to employers in the Fund. A summary of Fees, since the contract commenced in July 2018 are shown in the following table:

Table 1 - Fees

Time Period	Gross Costs	Recharged to Employers	Net Cost to the Pension Fund
	£	£	£
Jul 18 to Sep 18	35,009	27,950	7,059
Oct 18 to Sep 19	104,400	60,950	43,450
Oct 19 to Sep 20	112,563	48,250	64,313
Oct 21 to Sep 21	59,580	28,825	30,755
Oct 21 to Sep 22	45,607	9,970	35,637
Oct 22 to Sep 23	186,779	77,280	109,499
Oct 23 to Sep 24	130,504	62,365	68,138
Oct 24 to Sep 25	139,490	79,550	59,940
Total	813,932	395,140	418,791

Costs include fees for the core elements, as set out in Section 1 and are in line with expected contract costs. Non-core elements are charged at the hourly rate set out in the contract and are usually one-off pieces of work driven by a requirement to address unforeseen events i.e. legislation changes.

Net costs are met by the Pension Fund whilst recharges are met by the relevant scheme employers.

As a member of the Framework, the Fund benefits from a cumulative rebate, based on the overall value of work awarded to a supplier under the Framework.

The Fund has received rebates, as follows:

Table 2 - Rebates

Rebate Year	£
2019/20	4,736.99
2020/21	2,402.22
2021/22	1,186.13
2022/23	5,011.44
2023/24	5,355.30
2024/25	3,476.96
Total	22,169.04

Rebates have been reflected in Table 1.

The National LGPS Frameworks are a not-for-profit programme established by the LGPS, for the LGPS. The joining fee helps towards the ongoing support and administration of this Framework.

You can either choose to join a single “Lot” or all “Lots” within the Framework. Whichever option selected the maximum fee is currently £3,000 for the current version of the Framework. Costs are not yet available for the new Framework, as procurement is in progress.

Legal implications and risks:

In accordance with the Council's duty with respect to the Pension Fund under Regulation 62 of the Local Government Pension Scheme Regulations 2013, the Council must obtain an actuarial valuation of the assets and liabilities of each of its pension funds every three years.

There are no apparent legal implications in reviewing the Actuary's performance.

Human Resources implications and risks:

There are no direct human resource implications and risk arising from this report.

Equalities implications and risks:

An EHIA (Equality and Health Impact Assessment) has not been completed and is not required for this decision. The Council seeks to ensure equality, inclusion, and dignity for all. There are no equalities and social inclusion implications and risks associated with this decision.

BACKGROUND PAPERS

None



PENSIONS COMMITTEE

11 NOVEMBER 2025

Subject Heading:

**PENSION FUND ANNUAL REPORT-
YEAR ENDED 31 MARCH 2025**

SLT Lead:

Kathy Freeman

Report Author and contact details:

Tara Haroon
Pension Fund Accountant
01708 432 531
Tara.Haroon@havering.gov.uk

Policy context:

Regulation 57 of LGPS Pension Scheme
Regulations 2013 mandates Annual
Report publication from 1 April 2014

Financial summary:

Audit Costs for Annual Report Included in
Overall Fund Audit Expenses

**The subject matter of this report deals with the following Council
Objectives**

People – Supporting our residents to stay safe and well	X
Place – A great place to live, work and enjoy	X
Resources – Enabling a resident-focused and resilient Council	X

SUMMARY

The Pension Fund Annual Report 2024/25 has been prepared in accordance with Regulation 57 of the Local Government Pension Scheme Regulations 2013.

RECOMMENDATIONS

1. Agree the Draft 2024/25 Pension Fund Annual Report attached as **Appendix A**.
2. Note the compliance checklist attached as **Appendix B**

3. Approve electronic publication of the report.
4. Delegate authority to the Chair and Section 151 Officer to finalise the report.

REPORT DETAIL

1 Background

1. Regulation 57 of The Local Government Pension Scheme (LGPS) Regulations 2013 mandates the statutory basis for LGPS fund annual reports starting from 1 April 2014.
2. Administering authorities must prepare a pension fund annual report for each year beginning on 1 April 2014 and every subsequent year.
3. The annual report must be published by 1 December following the end of the reporting year. For the period 1 April 2024 to 31 March 2025, the report should be published by 1 December 2025.
4. The Regulations state that the annual report must contain the following:
 - a) Details of overall Fund management
 - b) Details Governance and training undertaken by Board and Committee members.
 - c) Financial Performance
 - d) Fund Account and Net Asset Statement
 - e) Investments and Funding including Pooling.
 - f) Scheme Administration including key performance indicators.
 - g) Actuarial Report
 - h) External Audit Report
 - i) Clear links to
 - a. Funding Strategy Statement
 - b. Investment Strategy Statement
 - c. Governance Compliance Statement
 - d. Communication Strategy.
 - j) Any Other Material which the authority considers appropriate.
5. In preparing and publishing the Fund's annual report, the authority must have regard to guidance given by the Secretary of State.
6. The Local Pension Board reviewed the Pension Fund Annual Report and Financial Statements at their meeting on 14 October 2025.
7. Authorities should use guidance as published by the Scheme Advisory Board (SAB) April 2024.

The Annual report attached as **Appendix A** has been prepared in accordance with the guidance issued by SAB April 2024.

8. Policies and statements listed in the Annual Report must be as at the year-end date, 31 March 2025.
9. To provide the Pensions Committee with assurance that the annual report has been produced in line with SAB guidance the Fund has completed the Annual Report checklist, attached as **Appendix B**. The guidance sets out a summary of the **must**, **should** and **may** disclosures that appear in the annual report.
 - **MUST** – compliance is mandatory. Any non- compliance should be clearly identified and explanation provided.
 - **SHOULD** - compliance is anticipated but is discretionary.
 - **MAY** – compliance is recommended and is discretionary.
10. The 2024/25 Annual Report will comply with all the requirements upon completion of the external audit and will then be published in its final form. Currently the Financial Statements are still pending insertion as is the External Auditors report.
11. In line with National Audit Office requirements, auditors must treat the Local Government Pension Scheme (LGPS) fund as a separate audit engagement. This requires a distinct audit opinion for both the pension fund accounts and the annual report. The auditor's opinion must be included in the final published version of the Annual Report.
12. As the statutory backstop date for audit completion is 27 February 2026, it is anticipated that the draft Annual Report, which must be published by 1 December 2025, will not include the auditor's report.
13. At the time of writing this report the audit of the 2024/25 Pension Fund Annual Report, by our auditor's Ernst & Young, as part of the overall audit of the Council's accounts is ongoing. To meet the **1 December** statutory publication date, the Annual Report will be published unaudited.
14. Upon completion of the audit the audit report and financial statements will be inserted, and the Annual Report will be republished on the Council's website in its final form.
15. The term 'publish' is given a wider meaning, publication can be by electronic means. Once the annual report has been signed off it will be made available on the Council's website. However, hard copies will be available upon request.
16. Approval of any material changes to the draft version of the Annual Report should be delegated to the Chair of the Pensions Committee and the Statutory Section 151 Officer to conclude the final version.

IMPLICATIONS AND RISKS

Financial implications and risks:

Auditors are unable to finalise the audit opinion for the Administering Authority Accounts until they are satisfied that the financial statements in the Fund's Annual report are the same as those reported in the Council's statement of accounts.

Audit fees include core fees (as set by the Public Sector Audit Appointment (PSAA)) and any additional charges. Due to ongoing audit delays, full audit costs are unknown until completion. Previous and estimated fees are as follows:

Table 1 - Fees

	2020/21 Actual £	2021/22 Actual £	2022/23 Actual £	2023/24 Actual £	2024/25 Estimated £
Total Fees	35,193	36,703	51,785	111,962	96,974*

* This is the 24/25 scale fee only, there are likely to be additional fees in the form of a fee variation. The 23/24 fee variation was £26,017.

Audit fees for local authority pension funds have increased significantly, as highlighted by the Public Sector Audit Appointments (PSAA). One major reason is the limited audit capacity available to meet the demands of the local government audit market, which was evident during the recent procurement process. The audit profession has faced heightened scrutiny following several high-profile financial failures in the private sector, leading to increased regulatory challenges and changes in audit requirements under the Code of Audit Practice. These factors, combined with a backlog of audits and evolving financial reporting standards, have contributed to the rising costs.

Audit costs will be covered by the Pension Fund, with final costs determined upon audit completion.

If members agree to publish the report electronically then, other than officer time, there will be no publication costs.

Legal implications and risks:

The primary legislation is set out in the Report above.

Human Resources implications and risks:

None arise from this report.

Equalities implications and risks:

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

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

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

The Council is committed to all 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 socioeconomics and health determinants.

An Equality and Equity Impact Assessment (EqEIA) is not considered necessary regarding this matter as the protected groups are not directly or indirectly affected.

BACKGROUND PAPERS

None

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UNAUDITED

Havering Pension Fund Annual Report March 2025



Pensions Regulator Registration Number: 10027841





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Chair's Introduction

I am honoured to have been reappointed as the Chair of the Pensions Committee, succeeding Councillor Mandy Anderson, who served in this role from May 2022 to May 2025. On behalf of the Committee and all stakeholders, I would like to extend our sincere gratitude to Cllr Anderson for her hard work, diligence and dedicated leadership during her tenure. Her commitment to the Fund's governance and strategic directions has been instrumental in driving forward key initiatives and ensuring the continued strength and sustainability of the Havering Pension Fund.

This report outlines the Fund's key achievements and developments over the past year. The Havering Pension Fund now serves 22,634 members and 65 active employers. Its net asset value increased to £1,008 million, up 4.0% from the previous year, with investment returns of 3.64% over one year, 2.38% over three years, and 6.99% over five years.

The Fund continues to have a close relationship with the London CIV, its asset pool. The Fund has already pooled £635.3m (64%) of its assets, and the London CIV has reported that Havering achieved a net saving of £0.69m in 2024/25 from enjoying the economies of scale of pooling.

The government's "Fit for the Future" reforms aim to enhance the efficiency and sustainability of public sector pension schemes. In alignment with these reforms, the Havering Pension Fund is committed to meeting the 31 March 2026 deadline to transfer all remaining assets to the London CIV pool management. This transition is a crucial step in ensuring that the Fund continues to benefit from the economies of scale, improved governance, and enhanced investment opportunities provided by the London CIV. Our dedication to these reforms underscores our commitment to delivering long-term value and sustainability for our members and stakeholders.

During the year, £13.9 million was deployed to private market mandates in line with agreed commitments.

The Committee will continue to deliver the work plan set out in the Business Plan, which is reviewed and updated annually.

This report also includes an overview of the activities of the Pension Administration Team.

We remain focused on responsible investment, improving representation, and delivering value for council tax payers, employers, and members. I hope this report provides a clear and informative overview of our work.



Councillor John Crowder
Chair of the Pensions Committee

Fund Management

Day to day management of the Fund is delegated to the authority's statutory section 151 officer.

The Pensions and Treasury team within Finance ensures that members of the Committee receive advice on investment strategy and monitoring of the investment managers. The team also reviews management arrangements and other issues as appropriate, as well as accounting for the activities of the Fund.

The Local Pension Partnership Administration (LPPA) is the main contact point for all member and employer scheme queries, employees who wish to join the scheme and for advice on procedures or complaints.

Senior Officers Responsible for the Fund

Andrew Blake-Herbert	Chief Executive
Kathy Freeman	Strategic Director of Resources / Section 151 Officer
Sarah Bryant	Director of Exchequer & Transactional Services
Debbie Ford	Pension Fund Manager (Finance)

Asset Pool for the Fund

Manager	Mandates	Website
London Collective Investment Vehicle (LCIV)	<ul style="list-style-type: none"> Absolute Return Fund Global Alpha Paris Aligned Fund Global Bond Fund Passive Equity Progressive Paris Aligned Fund (PEPPA) Renewable Energy Fund 	Londonciv.org.uk
Funds deemed pooled		
Legal & General Investment Management (LGIM)	<ul style="list-style-type: none"> Future World Fund Emerging Markets Fund Global Equity Fund 	LGIM.com
CBRE	<ul style="list-style-type: none"> Global Property 	CBRE.com

Investment Managers used by the Fund

Manager	Mandate	Website
JP Morgan	Infrastructure	JPMorgan.com
Stafford Capital	Infrastructure	StaffordCP.com
UBS	UK Property	UBS.com
Churchill Asset Management	Private Debt	ChurchillAM.com
Permira Credit Solutions	Private Debt	Permira.com
Royal London Asset Management	Index Linked Bonds Multi Asset Credit	RLAM.com
Russell Investments	Currency Risk Management	RussellInvestments.com

Other Service Providers

Other organisations providing services to the Fund		
Service	Provider	Website
Actuary	Hymans Robertson LLP	Hymans.co.uk
AVC Providers	<ul style="list-style-type: none"> Prudential Standard Life 	PrudentialPLC.com StandardLife.co.uk
Bankers	National Westminster Bank PLC	Natwest.com
Custodian and Performance Measurement	Northern Trust	NorthernTrust.com
External Auditors	Ernst and Young LLP	EY.com
Investment Advisers	Hymans Robertson LLP	Hymans.co.uk
Legal Advice	In house	Havering.gov.uk
Performance Measurement	Pensions & Investment Research Consultants Limited (PIRC)	PIRC.co.uk
Scheme Administrator	Local Pension Partnership Administration (LPPA)	LPPApensions.co.uk

Risk Management

Risk Management Policy

The Administering Authority's policy on risk is to identify and mitigate risks to the Fund both in aggregate and at an individual level. Risks are identified and assessed in line with the Authority's risk management process and are documented within Service Plans.

Committee Membership

Longevity in Committee membership is encouraged to maintain expertise. The Authority recommends that membership remains static for the elected member's term of office to ensure they are fully trained in pension matters, unless exceptional circumstances necessitate a change. Elected members are governed by the administering authority's code of conduct, which includes a process for declaring conflicts of interest.

Risk Identification and Management

Risk is identified and managed within the following regularly reviewed statutory documents:

- [Risk register](#)
- [Funding strategy statement](#)
- [Investment strategy statement](#)
- [Governance compliance statement](#)

Risk Register

The Risk Register identifies the key risks that the Pension Fund may face and the measures in place to mitigate those risks.

Seven key risks have been identified and recorded in the Risk Register, summarised as follows:

- Inaccurate three yearly actuarial valuations, resulting in insufficient funding to meet liabilities
- Incorrect or inappropriate Investment Strategy, leading to failure to meet strategic objectives by not reducing pension deficit
- Failure of investments to perform in line with growth expectations, resulting in potential financial loss
- Failure to comply with legislative requirements, damaging the Authority's reputation and leading to potential litigation
- Inability to manage the Pension Fund and associated services, negatively impacting service provision
- Failure to onboard or exit employers/members, impacting cash flow and leading to possible litigation
- Pension Fund Payment Fraud, damaging the Authority's reputation and leading to potential financial loss

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

The Risk Register is a 'live' document meaning all risks are continually reviewed to ensure they remain relevant and that controls are in place to manage risks where feasible. The Risk Register is a standing item on the Local Pensions Board (LPB) agenda for consideration and the LPB make recommendations to the Pensions Committee for updates.

This updated Risk Register was agreed by the Pensions Committee at its meeting on the 5 November 2024.

Risk Classification

Risk can be classified into two measurements that need to be assessed to determine the scale of the risk:

- Likelihood – the possibility that a risk will occur
- Impact – the consequences if the risk were to occur

Mitigation and Benefits

Several actions have been identified to enhance mitigations, aiming to reduce the likelihood, impact, and overall risk score.

The benefits of successful risk management include improved financial performance, better service delivery, and enhanced Fund governance and compliance.

Investment Risk

The Fund utilises the services of an external Investment Adviser (Hymans Robertson) for advice on investment matters. The adviser attends quarterly committee meetings where investment performance is reported for the Fund and each individual fund manager.

The Fund Accounts discuss several risks that can affect the value of invested assets, including:

- **Price Risk:** The risk that the value of investments will fluctuate due to changes in market prices.
- **Currency Risk:** The risk that the value of investments will be affected by changes in exchange rates.
- **Interest Rate Risk:** The risk that the value of investments will change due to variations in interest rates.

Fund Managers including London CIV

As a risk management tool, assurance is sought from the fund managers regarding their internal controls by reviewing their audited assurance reports. Any exceptions highlighted by the auditor are evaluated by officers.

Governance Risk

The Fund engages an external Actuary (Hymans Robertson) to provide advice on setting employer contribution rates and bond rates. This support helps mitigate the risk of the Fund not receiving the appropriate income and financial protection.

Relationship with the Local Authority

The Fund acknowledges that certain risks stem from its relationship with the administering authority, particularly where shared policies and resources are involved. To manage these risks, the Fund implements the following measures:

- Risk Assessments: regular risk assessments are conducted to identify potential issues arising from shared arrangements.
- Training and Awareness: Staff are trained to understand and manage risks associated with shared policies and resource
- Contingency Planning: Plans are developed to ensure continuity of operations in the event of disruptions to shared services or resources.

Cyber Risk

As scheme administrator, LPPA places a high priority on data security and the protection of member information. LPPA holds a current Cyber Essentials Certificate and conducts regular penetration testing through a CREST-accredited provider. Any vulnerabilities identified are promptly addressed.

Benefits Administration Risks

Key risks in benefits administration include the need to:

- Maintain accurate member records;
- Benefits are paid correctly and on time;
- Provide timely and accurate pension information.

Specific risk areas include late or incorrect benefit payments, data protection breaches, and non-compliance with disclosure requirements.

Fraud is also a significant concern and is partly mitigated through participation in the National Fraud Initiative (NFI).

Pension scams are an increasing threat. In response, LPPA has signed The Pensions Regulator's Pledge to Combat Pension Scams and issues appropriate communications to members requesting transfer quotes.

Potential consequences of these risks include regulatory fines, reputational damage, negative publicity, and increased audit scrutiny.

Third Party Risk

This includes late contribution payments, inaccurate data submissions and overall performance by scheme employers. To mitigate the risks officers perform monthly monitoring of contributions and data quality.

Internal Audit Assurances

Pension administration services are delegated to Lancashire County Council (LCC), which has appointed Local Pensions Partnership Administration (LPPA) to deliver day-to-day pension administration.

The Council relies on LPPA to provide assurances that risks are being adequately managed. LPPA have provided a copy of their AAF 01/20 Type 2 Report covering the period 1 April 2024 to 31 March 2025. This provides assurances that LPPA delivers services in compliance with the Pension Regulator General Code of Practice and public sector pension's legislation and has robust controls in place for the services provided to Havering Pension Fund.

Business Continuity Plan

Services develop and maintain Business Continuity Plans (BCPs) to address disaster recovery and include contingency measures. The Exchequer & Transactional Services BCP, which supports pension payment services, identifies critical activities whose failure would result in an unacceptable loss of service and outlines measures to minimise risk and disruption.

LPPA provides services to multiple clients who expect well-planned and tested business continuity arrangements. All BCPs require LPPA to inform customers whenever a specific response plan is activated.

The primary aim of BCP arrangements is to minimise disruption to the Pension Service during incidents that interrupt normal service delivery. To achieve this, LPPA conducts business impact analyses, assesses the likelihood and impact of failures, and utilises specific or generic plans to manage critical failures. LPPA collaborates closely with suppliers to ensure their business continuity processes support the organisation in the event of a failure.

The Business Continuity Team comprises key staff who understand all aspects of the business, have decision-making authority, and fully grasp customers' needs and expectations.

All staff are familiar with business continuity arrangements, can be contacted at any time, and are equipped to work remotely.

Governance and Training

Governance Arrangements

The Pensions Committee is responsible for setting the Fund's investment strategy and monitoring its performance. In fulfilling these duties, the Committee receives advice from the Administering Authority, Havering and oneSource officers, the Fund's investment adviser, and, where appropriate, the actuary and performance measurement providers.

The Pensions and Treasury team within the Finance department supports the Committee by advising on investment strategy, monitoring fund managers, reviewing management arrangements, and maintaining the Fund's financial records.

The composition of the Pensions Committee at 31 March 2025 reflects the political balance of the Council. Voting membership is structured as follows:

Labour Group



Cllr Mandy Anderson
(Chair)

Conservative Group



Cllr Joshua Chapman



Cllr Viddy Persaud

Havering Residents' Group



Cllr Stephanie Nunn
(Vice chair)



Cllr James Glass



Cllr Jacqueline Williams

Other Members

Trade Union Observer (Non-voting) – Derek Scott (Unison),
Trade Union Observer (Non-voting) – (Vacant)
Admitted/Scheduled Body Representative x 1(voting) (Vacant)

Attendance at Pensions Committee meetings

All Pensions Committee agendas and public minutes can be found on the Authority's website [Havering - Pensions Committee](#). The Committee requires 3 members in attendance to be quorate.

The list of committee members shown in the attendance table differs from the current membership as shown on the Havering.gov website due to changes in elected representatives during the year. Committee appointments are linked to elected member roles, any changes following elections or council decisions are reflected in the committee's composition over time.

Table: Committee attendance 2024/25

Pension Committee	25/06/24	01/10/24	05/11/24	10/12/24	18/03/25
Councillor Mandy Anderson	✓	✗	✓	✓	✗S2
Councillor Joshua Chapman	✓	✗	✗	✓	✗
Councillor James Glass	✗	✗	✓	✗	✗
Council Stephanie Nunn	✓	✓	✗S1	✗	✓
Councillor Viddy Persaud	✓	✓	✓	✓	✗S3
Councillor Jacqueline Williams	✓	✓	✓	✓	✓
Trade Union Observer - Derek Scott	✓	✗	✗	✗	✗
Trade union observer (vacant)					
Employer Representative (vacant)					

V Joined virtually

✗S1 Apologies, sent substitute member Cllr Robby Misir

✗S2 Apologies, sent substitute member Cllr Matthew Stanton

Apologies, sent substitute member Cllr Dilip Patel

The Functions delegated to the Pensions Committee

Pension fund

- To consider and agree the investment strategy and statement of investment principles for the pension fund and subsequently monitor and review performance.

Advisers and investment managers

- Authorise staff to invite tenders and to award contracts to actuaries, advisers and fund managers and in respect of other related investment matters.
- To appoint and review the performance of advisers and investment managers for pension fund investments.

Other Non-executive matters

- To take decisions on those matters not to be the responsibility of the Executive under the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 relating to those matters concerning the Local Government Pension Scheme.

Summary of Work Undertaken by Pensions Committee in 2024/25

Equity Review: An equity review was conducted to ensure appropriate allocation for the Fund, resulting in:

- -2.5% allocation to active equities
- +2.5% allocation to passive equities

Cash Policy Review: The cash policy was reviewed and surplus cash balances were deployed to underweight asset classes:-

- +1.3% to bonds
- +2.7% to index linked bonds

Global Real Estate Management: The Fund engaged London CIV to transfer management of the CBRE Indirect Real Estate to their care, benefiting from savings achieved through economies of scale.

Governments Pension Investment Review: The Fund is working very closely with the London CIV to progress the transition of the remaining assets onto the London CIV platform to meet the 31 March 2026 deadline set by the Governments Pension Investment Review.

The Fund paid £14m of committed capital for the Private Debt and Infrastructure mandates during the year to 31 March 2025. Leaving a balance of £37m still to be deployed.

Climate Considerations: The Fund completed its annual collection and analysis of climate metrics in line with Fund's Climate Action Plan/Risk Policy and the Task Force on Climate-Related Financial Disclosures ("TCFD") framework, concluding in the publication of its latest report

The Functions of the Local Pension Board

- Assist the Administering Authority as Scheme Manager; –
 - securing compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme and any statutory pension scheme that is connected with it;
 - securing compliance with requirements imposed in relation to the scheme and any connected scheme by the Pensions Regulator;
 - such other matters as the scheme regulations may specify.

The Board consists of 3 Scheme employer representatives and 3 scheme member representatives.

Employer representatives	Scheme Member representatives
Andrew Frater Empower Learning Academy Trust	Mark Holder
Clea Holmes Success for All Education Trust	Yasmin Ramjohn
Joanne Sladen Hornchurch Academy Trust	Dionne Weekes

Independent Chair: Jonathan Bunt

Attendance at Local Pension Board meetings:

All Local Pension Board agendas and public minutes can be found on the Authority's website [Havering - Local Pension Board](#)

Table: Local Pension Board attendance 2024/25

Board Member	04/06/24	17/09/24	03/12/24
Jonathan Bunt	✓	✓	✓
Denise Broom*	A	n/a	n/a
Clea Holmes**	n/a	✓	✓
Andrew Frater	✓	A	✓
Mark Holder	✓	✓	✓
Yasmin Ramjohn	✓	✓	✓
Joanne Sladen	A	✓	✓
Dionne Weekes	✓	✓	x

* Denise resigned from the Board following the June meeting

**Clea Holmes joined the Local Pension Board at the September meeting

A – apologies received

The Local Pension Board produces a separate annual report setting out the work undertaken [Havering LGPS Pension Administration](#)

Conflicts of Interest

The Fund has a detailed Conflict of Interest Policy that outlines how conflicts should be managed. This policy ensures that all members of the Pension Board are aware of their duty to act independently and uphold high ethical standards.

Members of the Pension Board are required to declare any personal or financial interests that could potentially conflict with their responsibilities. These declarations are reviewed regularly to ensure transparency.

Regular training sessions are conducted to ensure that all board members understand what constitutes a conflict of interest and how to manage it. This helps in maintaining a high level of awareness and compliance.

Any identified conflicts of interest are documented and monitored. The Fund maintains records of all declared interests and the actions taken to manage them. This information is included in annual reports to ensure accountability.

The Fund complies with the Local Government Pension Scheme Regulations and the Public Service Pensions Act, which set out legal requirements for managing conflicts of interest.

The Fund adopts a [Business Plan/Report](#), outlining the work undertaken by the Pensions Committee during 2024/25, as well as the planned activities of work the year ahead and beyond. This document also includes a Training and Development Plan, which is aligned with the topics covered at Committee meetings to ensure members receive relevant and timely learning opportunities.

Freedom of Information Requests

Subject of enquiry	No of requests
Annual Reports	1
Hedge Funds, Investments, Net Returns	1
Maersk Exposure	1
Market Values, Companies Invested In	1
Pensions as a % of council Tax	1
Private Equity, Venture Capital, Commitments	4
Shares, Investment Funds/Portfolio	1
Transfers Out	1
Military and Defence, direct / indirect investments	1
Grand Total	12

Knowledge and Skills Framework

The new single Code of Practice, replacing TPR Code No.14, came into force on 28 March 2024. It requires members of the Pension Committee and Local Pension Board members to demonstrate an appropriate level of knowledge and understanding to effectively carry out their roles.

The London Borough of Havering Pension Fund supports the CIPFA's Knowledge and Skills Code and has adopted the updated framework as part of its training programme. In line with the Council's constitution, Pension Committee members must complete training within six months of their appointment. Failure to do so disqualifies them from participating in decision-making. To maintain continuity and expertise, long-term membership is encouraged, and the Council recommends that PC membership remains unchanged for the duration of the term, except in exceptional circumstances.

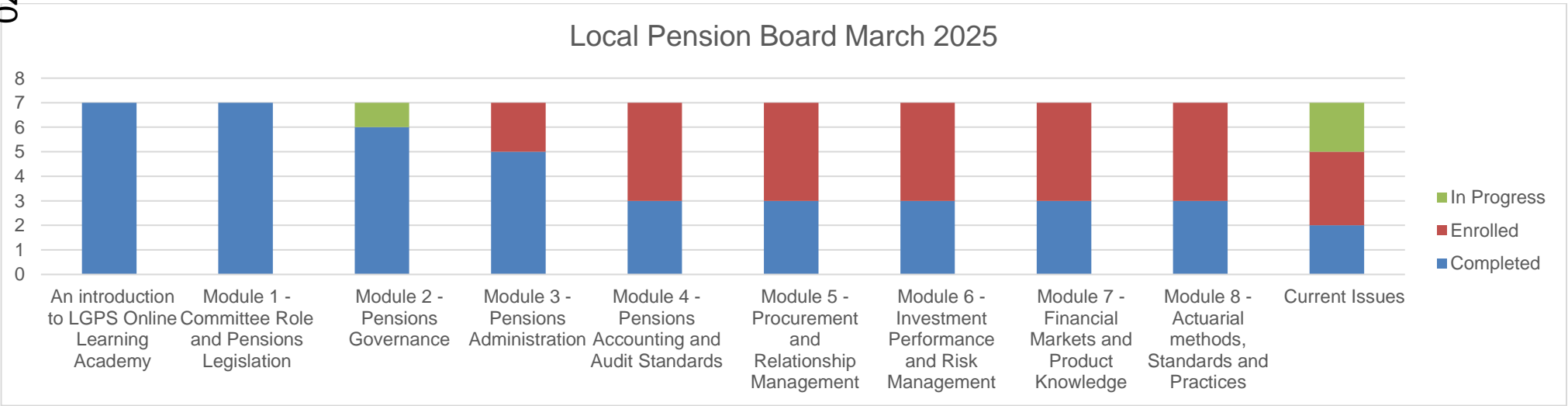
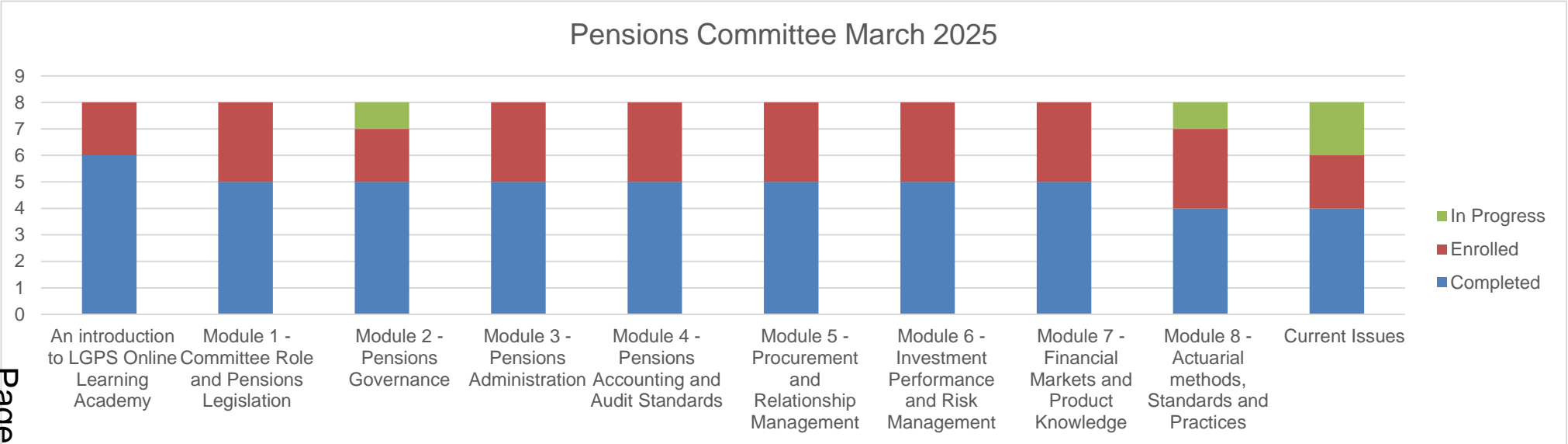
To meet the "qualitative test" under MiFID II, the committee must demonstrate sufficient expertise, experience, and knowledge. Investment Firms assess these criteria to ensure the Committee can make informed investment decisions and understand associated risks before granting professional client status. All election requests from existing investment service providers have been approved.

A training budget of £10,000 has been agreed, subject to annual review. All training costs are met by the Pension Fund.

PENSION COMMITTEE TRAINING 2024/25

Date	Good Governance/CIPFA Framework category		Topic	Attended By	Duration
2024/25 Committee Dates	ALL	ALL	Various – see Appendix A of the Business Plan	Pensions Committee	9 hours 15 minutes
25 June 2024	Governance	Management Accounting	Havering Pension Fund Accounts 2024/25	Cllr Mandy Anderson (Chair) Cllr Stephanie Nunn Cllr Jacqueline Williams Cllr Joshua Chapman	30 minutes
31 October 2024	ALL	ALL	New member induction	Cllr Robby Misir	1 hour

The Fund also subscribes to Hymans’ LGPS Online Learning Academy. Members of the Pension Committee and Local Pension Board have completed the following modules.



Financial Performance

The Pensions Committee is supported by the Administering Authority's Finance and Administration services. The associated costs are reimbursed to the Administering Authority by the Fund. The costs are included within the Management expenses as reported in the Pension Fund Statement of Accounts. Medium term estimates for management costs, as set out in the Business Plan, are detailed later in this report.

Pensions Administration

The Pensions Administration is delivered through a delegated arrangement and is supplied by Local Pensions Partnership Administration (LPPA), a joint venture between Lancashire County Council and London Pensions Fund Authority.

Pensions Administration also includes a post for the Projects and Contracts Manager, who is responsible for the monitoring of the pension's administration contract and ad hoc projects.

Accountancy and Investment support

The Pensions team within Finance Service supports the Pension Fund and consists of 2.4 full time equivalent posts (3 officers). The team ensures that committee members receive advice on investment strategy and the monitoring of fund managers. They are also responsible for accounting for the Fund's activities and addressing other relevant matters.

In line with the Chartered Institute of Public Finance & Accountancy (CIPFA) LGPS guidance on management costs, management expenses are shown split between three cost categories as follows:

Administrative Expenses

Includes all staff costs associated with Pensions Administration, including Payroll.

	2024/25 Estimate £000	2024/25 Actual £000	Variance £000	Variance %
Administration & Processing	908	996	88	10
Other Fees (Levies)	16	8	(8)	(50)
Other Costs (interest)	125	-	(125)	(100)
TOTAL	1,049	1,004	(45)	(4)

- Administration & processing costs include the Pension Administration Contract LPPA, Project & Contract manager, payroll & legal charges and ad hoc project costs.
- Increase in interest payments costs have been moved to leavers costs

Investment Management Expenses

Includes expenses incurred in relation to the management of Fund assets.

	2024/25 Estimate £000	2024/25 Actual £000	Variance £000	Variance %
Fund Manager Fees	4,000	3,605	(395)	(10)
Performance Related Fees	160	32	(128)	(80)
Transaction costs	335	597	262	78
Custodian Fees	35	29	(6)	(17)
TOTAL	4,530	4,263	(267)	(6)

- Fees are calculated based on market values under management and therefore increase or reduce as the value of investments change.

Oversight and Governance

This category captures all costs that fall outside of the other two categories and include legal, advisory, actuarial and training costs. Staff costs associated with the financial reporting and support services to the Committee are included here.

	2024/25 Estimate £000	2024/25 Actual £000	Variance £000	Variance %
Financial Services	240	195	(45)	(19)
Actuarial Fees	60	35	(25)	(42)
Audit Fees	90	114	24	27
Member Training (inc. LPB)	10	15	5	50
Advisor Fees	80	110	30	38
London CIV	100	98	(2)	(2)
Local Pension Board	10	9	(1)	(10)
Pensions Committee	40	28	(12)	(30)
Performance Measurement services	45	54	9	20
Other Fees	16	17	1	6
TOTAL	691	675	(16)	(2)

- Audits delays have meant that some charges from earlier years were calculated and approved by the PSAA. Increases are due to increased testing to meet new audit requirements

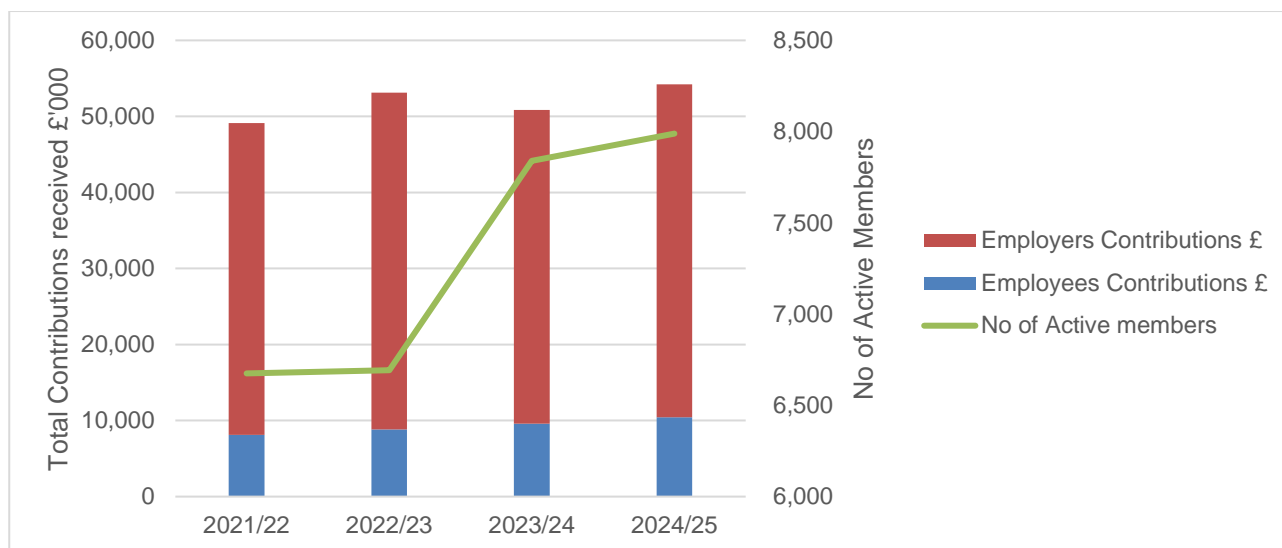
Total Management Expenses

	2024/25 Estimate £000	2024/25 Actual £000	Variance £000	Variance %
OVERALL MANAGEMENT EXPENSES TOTAL	6,270	5,940	(330)	(5)

Analysis of Major Categories of Income and Expenditure

Contributions

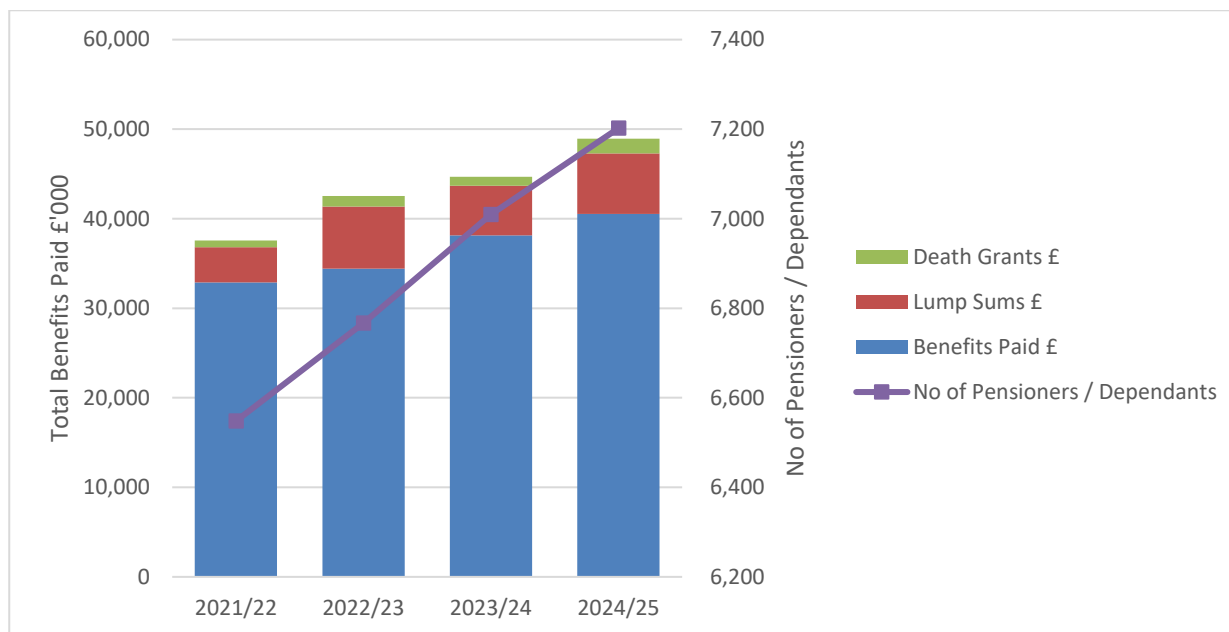
	2021/22	2022/23	2023/24	2024/25
Employees Contributions £	8,111	8,831	9,610	10,440
Employers Contributions £	41,001	44,280	41,250	43,762
No of Active members	6,675	6,692	7,840	7,989



In 2023/24, the Council made the decision to cease paying voluntary contributions on agency expenses. This policy change contributed to a modest decline in the total contributions collected during the year. Additionally, the number of active members saw a slight increase, which was largely due to a backlog of leaver forms that had accumulated while the scheme administrator, LPP, transitioned to a new software provider. This temporary inflation in membership figures reflects an administrative delay rather than a genuine growth in scheme participation.

Benefits Paid

	2021/22	2022/23	2023/24	2024/25
Benefits Paid £	32,880	34,423	38,121	40,540
Lump Sums £	3,923	6,946	5,561	6,746
Death Grants £	748	1,161	1,014	1,652
No of Pensioners / Dependants	6,548	6,767	7,009	7,202



As a maturing pension scheme, we continue to see a steady increase in the number of pensioners and dependants, which naturally leads to a rise in the total benefits paid each year. This trend reflects the demographic shift within the scheme as more members reach retirement age.

Annual pension increases are linked to the Consumer Prices Index (CPI), as determined by HM Treasury. These adjustments are designed to preserve the purchasing power of pensions in line with inflation, ensuring that members' benefits remain adequate in the face of rising living costs.

Per member inflow and outflow analysis

	2021/22	2022/23	2023/24	2024/25
Inflows £000	53,316	56,140	57,182	59,074
Active members No #	6,675	6,692	7,840	7,989
Inflow per active member £	7,987	8,389	7,294	7,394
Year on year movement %	-2%	5%	-13%	1%

Outflows £000	42,169	46,438	49,157	55,136
Pensioners and dependants No #	6,548	6,767	7,009	7,202
Outflow per pension member £	6,440	6,862	7,013	7,656
Year on year movement %	-51%	7%	2%	9%

Significant changes to non-investment assets

2023/24 £000		2024/25 £000	Variance %
24,163	Cash deposit with LB Havering	16,163	-67%

£10m previously held with LBH treasury was withdrawn and reallocated to our fund investment managers as part of a portfolio rebalancing exercise.

Table: age profile of members as at 31 March 2025

Age band	Active	Beneficiary	Deferred	Pensioner	Total
11-15	-	7	-	-	7
16-20	97	9	17	-	123
21-25	310	5	137	-	452
26-30	435	1	342	-	778
31-35	617	1	540	-	1,158
36-40	853	3	764	-	1,620
41-45	1,169	4	897	-	2,070
46-50	1,137	6	1,012	5	2,160
51-55	1,193	17	1,368	24	2,602
55-60	1,151	44	1,368	367	2,930
6-10	-	7	-	-	7
61-65	791	52	751	927	2,521
66-70	200	75	191	1,474	1,940
71-75	34	121	50	1,292	1,497
76-80	1	149	4	1,085	1,239
81-85	-	152	2	598	752
86-90	1	139	-	351	491
91-95	-	76	-	145	221
96-100	-	22	-	34	56
101-105	-	1	-	9	10
Total	7,989	891	7,443	6,311	22,634

Cash Flow Management

Effective cash flow management is vital to the smooth operation of the pension scheme, ensuring the Fund can consistently meet its benefit payment obligations. The Fund's working cash flows are closely monitored, with monthly updates provided to the Section 151 Officer and quarterly reports submitted to the Pensions Committee.

The table below highlights operational cash flows. While there is a notable decline in available operational cash, it is important to note that this forecast does not include investment income, which when combined with contributions from scheme employees and employers, is more than sufficient to cover the Fund's commitments. Further information regarding investment income is available in Note 11 of the Statement of Accounts.

	ACTUALS	FORECAST		
	Year to 31/03/2025 £000	Year to 31/03/2026 £000	Year to 31/03/2027 £000	Year to 31/03/2028 £000
Balance b/f	24,276	16,468	15,321	938
Benefits paid	(34,584)	(35,275)	(35,981)	(36,700)
BACS expenses*	(13,337)	(13,604)	(13,876)	(14,153)
Lump sums by faster payment	(3,935)	(3,935)	(3,935)	(3,935)
Transfers in	4,895	4,900	4,900	4,900
Contributions received**	47,329	46,276	34,109	34,170
Pension strain	291	291	300	300
Interest	0	200	100	100
Transferred LBH for treasury investment	1,533	-	-	-
Transfer to Northern Trust for asset investment	(10,000)	-	-	-
Balance c/f	16,468	15,321	938	(14,380)

* BACS expenses includes some grants ie lump sums made to members

** Contributions received from LBH are net of pension payroll deductions (eg HMRC)

Contributions to the Fund

Employees pay a tiered contribution based on actual pensionable pay between 5.5% and 12.5%, or half this rate for 50/50 section members.

Table: 2024/25 Employee contribution rates

Band	Actual Gross Pensionable Pay for an employment	Contribution Rate for that employment	
		Main Section	50/50 Section
	£	%	%
1	Up to 17,600	5.50	2.75
2	17,601 to 27,600	5.80	2.90
3	27,601 to 44,900	6.50	3.25
4	44,901 to 56,800	6.80	3.40
5	56,801 to 79,700	8.50	4.25
6	79,701 to 112,900	9.90	4.95
7	112,901 to 133,100	10.50	5.25
8	133,101 to 199,700	11.40	5.70
9	199,701 or more	12.50	6.25

The Fund's Actuary is required to assess the solvency of the Fund at least once every three years. This valuation considers both the overall funding position and the position of each individual employer within the Fund.

Details of the financial and demographic assumptions used in the most recent valuation are available in the [2022 Valuation Report](#), which can be accessed via the Havering Pension Fund page on the Authority's website.

Table: Employer contribution rates

Year	Employers Contribution Rates (% of pensionable pay)
2023/24	Range from NIL to 41%
2024/25	Range from NIL to 41%
2025/26	Range from NIL to 41%

Contributions by employers with external payrolls is monitored on a monthly basis by the Havering Pensions Administration Team. The Authority receives a breakdown of individual employee and employer contributions, which is reconciled against the receipts.

New employers receive written guidance and confirmation of the relevant timescales for making payments. Before joining the scheme, they are informed of the applicable employer contribution rate and, if appropriate, the required bond level.

Employers admitted before 1 January 2024 had to purchase a bond or provide a guarantee to protect the Fund against default payments. There are currently 14 active admitted bodies in the fund. From 1 January 2024, new admissions will operate on a pass-through basis, where the letting authority retains most of the risk, eliminating the need for a bond or guarantor. Details are available in the Admissions Policy and Funding Strategy Statement on the Havering website.

Pension overpayments, recoveries, and amounts written off, including results from the biennial National Fraud Initiative, are regularly reviewed.

Table: Overpayment recovery analysis

Year debt raised	Amount of debt raised £	Debt collected £	Debt outstanding £
2019/20	23,608	18,125	5,474
2020/21	26,495	9,503	16,992
2021/22*	34,915	4,237	30,678
2022/23	16,420	5,468	10,952
2023/24	23,311	12,313	10,998
2024/25	29,785	18,617	11,168

* Mortality screening identified a number of pensions in payment in respect of deceased members. This led to a number of backdated overpayments where invoices have been issued to the next of kin's last known address. As these are historic cases, the contact information is sometimes out of date and recovery is proving difficult.

The [Overpayment Recovery Policy](#) allows for the automatic write-off of pension overpayments under £250 net following the death of a pensioner or dependent member, provided no ongoing dependent pension is payable.

The total debt automatically written off during 2024/25, in line with the policy, was £6,284.83 (£1,529.98 in 2023/24) covering 72 different cases (19 in 2023/24), which is an average of £87.29 per case (£80.53 in 2023/24), and for the first time since the policy was introduced, falls above the expected average of £5,000 per annum. The increase is due to a number of cases completed during this reporting year where the death occurred in a previous year.

Every 2 years the Authority participates in the National Fraud Initiative (NFI) to identify deceased LGPS members and unknown pension abatements. The latest NFI exercise was in September 2023. Additionally, LPPA uses the 'Tell Us Once' service, monitored daily, and conducts monthly mortality screenings.

Table: Late Contributions

Year	No of late contributions	No of employers making late contributions
2022/23	9	4
2023/24	11	6
2024/25	11	4

None of the late contribution receipts were deemed material; therefore, no charges were applied.

The fund has a range of Administration policies, including the Charging Policy which can be accessed via the following link: [LGPS Pension Administration | London Borough of Havering](#)

Fund Account, Net Asset Statement and Notes

The Pension Fund Statement of Accounts has been intentionally omitted pending the completion of the external audit. Once the audit is finalised, the relevant content will be reviewed and published accordingly. We appreciate your understanding and patience.

[Draft Pension Fund Accounts can be viewed in the Council's accounts, click here to view](#)

Investments and Funding

Investment Strategy Statement (ISS) in practice and how it links to the Funding Strategy Statement (FSS).

We continue to invest the Fund's assets in line with the Strategic Asset Allocation and the goals set out in the Investment Strategy Statement (ISS). The ISS outlines how we manage investments and should be read alongside the Funding Strategy Statement (FSS), which sets out our overall approach to meeting the Fund's pension obligations as they fall due.

Investment Management Arrangements

The Pensions Committee is responsible for directing the Fund's Investment Strategy and overseeing its implementation. It publishes policies covering various aspects of investment management to ensure transparency and accountability.

The Investment Strategy Statement (ISS) sets out the London Borough of Havering's investment policies for the Pension Fund. The primary objective is to invest Fund assets in a manner that secures member benefits under the Local Government Pension Scheme (LGPS). The Fund's investment approach is designed to:

- Optimise returns with acceptable levels of risk;
- Ensure sufficient resources are available to meet liabilities;
- Ensure asset suitability in line with the Fund's long-term needs.

The Committee has established a strategic asset allocation benchmark to balance long-term returns with market volatility and risk, considering the Fund's liabilities and maturity profile. This strategy aligns with the Fund Actuary's view that the current funding policy is consistent with the investment strategy, incorporating prudent assumptions for future returns.

The Fund's investment strategy and funding position are reviewed at least every three years, or more frequently if required, following actuarial valuations. The Committee's Statement of Investment Beliefs, embedded within the ISS, strengthens governance by providing a clear framework for investment decision-making and guiding the development of the ISS.

How has the Fund implemented the policy on pooling

The pooling of LGPS investment assets is an ongoing exercise, we expect to meet the Government's pooling deadline of 31 March 2026. In January 2025 the Section 151 Officer signed an investment management agreement with London CIV to take over the management of the CBRE Property portfolio.

Responsible Investment

Investment Beliefs:

The Fund's investment beliefs place a strong emphasis on sustainable and responsible investment practices. These beliefs guide the selection, monitoring, and evaluation of investment managers and strategies, ensuring alignment with the Fund's long-term objectives and Environmental, Social, and Governance (ESG) principles.

Key Policies and Frameworks

Investment Strategy Statement (ISS):

The ISS outlines the Fund's commitment to integrating ESG considerations into its investment decisions. It recognises responsible investment as a key tool for managing long-term risks and generating sustainable returns.

Funding Strategy Statement (FSS):

The FSS complements the ISS by ensuring that investment return assumptions are set prudently, supporting the Fund's long-term funding objectives and regulatory requirements.

Climate Risk Policy and Action Plan:

This policy sets out the Fund's commitment to achieving net-zero carbon emissions by 2050. It outlines the steps being taken to assess, manage, and reduce climate-related risks across the investment portfolio.

Taskforce for Climate-Related Financial Disclosures (TCFD):

The Fund has adopted the TCFD framework voluntarily to enhance transparency around climate-related financial risks and opportunities. This approach supports broader ESG goals and reinforces the Fund's commitment to responsible investment.

Compliance with Investment Principles and Codes of Practice

The Pensions Committee has implemented a range of measures to ensure compliance with established investment principles and relevant codes of practice. These include:

Investment Strategy Statement (ISS):

The Committee maintains and regularly updates the ISS, which outlines the Fund's investment objectives, strategy, and policies. This document serves as a cornerstone for governance and investment decision-making.

Climate Risk Policy and Action Plan:

Climate-related risks are systematically integrated into the Fund's investment strategy. This includes assessing potential impacts and adjusting the portfolio to mitigate long-term climate risks.

Stewardship and Engagement:

The Fund actively engages with investment managers and companies to promote responsible business practices. Although not a signatory of the UK Stewardship Code, the Fund monitors signatories and collaborates with industry initiatives to enhance stewardship efforts.

Collaborations:

The Fund collaborates with the Local Authority Pension Fund Forum (LAPFF) to promote responsible investment and strong corporate governance.

Regular Monitoring and Reporting:

Investment performance is reviewed regularly to ensure the strategy remains aligned with the Fund's objectives and risk appetite.

Training and Development:

Members of the Pensions Committee and Local Pension Board receive ongoing training to stay informed about regulatory developments and best practices, supporting effective governance and decision-making.

Asset Allocation

The Committee adopted an updated Investment Strategy Statement (ISS) on 12 September 2023. You can access the agenda and meeting pack [here](#).

The table below shows the planned asset allocation and any changes in asset allocations:

Table: Strategic Asset Allocation

Asset class	Manager	Benchmark Proportion %	Actual Allocation at 31/03/2025
Growth			
Global Equity	LGIM	5	4.4%
Multi-Factor Equity	LGIM	10	13.7%
Emerging Market Equity	LGIM	5	4.2%
Passive Equity Progressive Paris Aligned Equity	LCIV	5	5.9%
Global Alpha Growth Paris Aligned Equity	LCIV	15	13.6%
Absolute Return	LCIV	12.5	12.8%
Total Growth		52.5	54.6%
Income			
UK Property	UBS	6	5.1%
Global Property	CBRE	4	3.2%
Total Property		10	8.3%
Infrastructure	Stafford	3.5	4.4%
Infrastructure	JP Morgan	5.5	5.0%
Renewable Infrastructure	LCIV	3.5	1.8%
Total Infrastructure		12.5	11.2%
Multi Asset Credit	Royal London	7.5	7.2%
Investment Grade Credit	LCIV	5	4.8%
Private Debt	Churchill	3	2.9%
Private Debt	Permira	4.5	4.8%
Total Bonds		20	19.7%
Protection			
Index Linked Gilts	Royal London	5	4.6%
Cash and Equivalents		-	1.6%
Total Gilts		5	6.1%
Total		100	100.0%

Short-term performance variations across asset classes and fund managers may lead to deviations from the Fund's strategic asset allocation benchmarks.

In accordance with the Investment Strategy Statement (ISS), if any asset class deviates by 5% or more from its target allocation, the Fund will be rebalanced to bring the allocation back within 2.5% of the strategic benchmark. However, in exceptional circumstances—such as periods of significant market volatility or when dealing costs are prohibitively high—the Committee may temporarily suspend rebalancing activity.

Current Underweight Positions and Impact on Allocation

- **Multi Asset – Private Debt**

The current underweight position in this asset class is due to two funds being in their repayment phase, during which capital is being returned rather than actively deployed.

- **Infrastructure**

The underweight position in infrastructure is attributed to uncalled capital commitments, which are expected to be drawn down over time as suitable investment opportunities arise.

As a result of these underweights, the Fund's equity holdings currently appear inflated relative to the strategic benchmark. This is a temporary effect and will be corrected over time as capital is deployed into the underweight asset classes.

Investment Administration and Custody

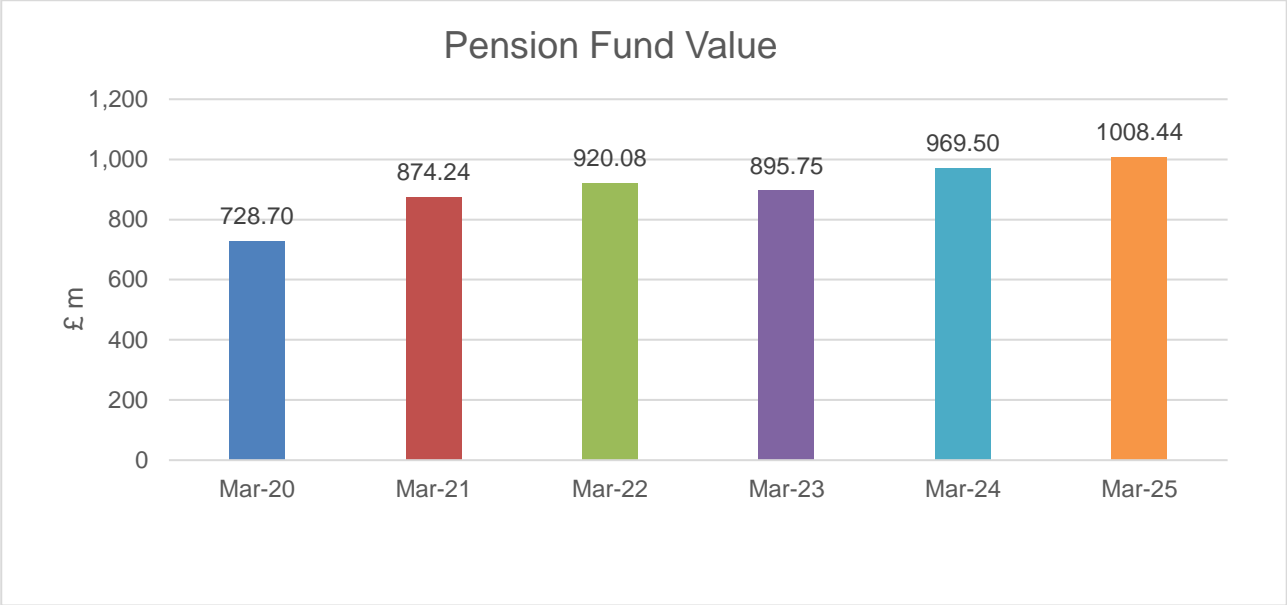
Northern Trust, the Fund's appointed custodian, is responsible for the safekeeping of assets. Their duties include:

- Maintaining accurate records and certificates of stock ownership
- Ensuring the receipt of dividend income and other distributions
- Providing investment accounting and reporting services
- Tracking book costs and market valuations

Fund manager performance is monitored and reported to the Pensions Committee on a quarterly basis. Each fund manager is invited to attend a Committee meeting approximately every two years, based on the number of managers and the quarterly meeting cycle. Additional meetings may be arranged if specific performance concerns arise.

Investment advisers attend Committee meetings and provide a comprehensive Investment Performance Report, which includes detailed market commentary and analysis to support informed decision-making.

Chart: Fund value over the last six years:



Performance Measurement

Northern Trust provides comparative performance statistics for the Fund, measuring it against both tactical and strategic benchmarks.

Table: 2024/25 Fund Manager performance against benchmark

Fund Manager	Return (Performance) %	Benchmark %	Performance vs benchmark %
Havering Pension Fund	3.64	-6.25	9.90
Equities Passive: Passive equities BM	2.54	5.19	-2.65
LGIM Emerging Markets	8.26	10.14	-1.88
LGIM Future World Fund	2.52	5.19	-2.65
LCIV Passive Equity Progressive Paris Aligned Fund	4.62	5.62	-1.00
LGIM Global Equity	4.91	5.46	-0.55
Equities Active MSCI All Country World	-1.01	4.76	-5.77
LCIV Global Alpha Paris Aligned Fund	-1.01	4.76	-5.77
Multi Asset: SONIA Index +4%	3.59	9.09	-5.50
LCIV Absolute Return Fund	3.59	9.09	-5.50
Property: UK CPI +5%	2.38	6.92	-4.54
CBRE	-3.60	7.63	-11.24
UBS	6.38	6.43	-0.04
Infrastructure: UK CPI +5%	1.66	7.63	-5.98
JP Morgan	4.20	7.63	-3.43
LCIV Renewable Infrastructure	-3.41	7.63	-11.05
Stafford SISF II	-3.56	7.63	-11.20
Stafford SISF IV	5.51	7.63	-2.12
Bonds & Cash: SONIA Index +4%	4.98	3.54	1.44
Churchill II	7.54	9.09	-1.55
Churchill IV	7.99	9.09	-1.10
LCIV Global Bond Fund	5.57	4.84	0.73
Permira IV	7.59	9.09	-1.50
Permira V	9.91	9.09	0.82
Royal London Index Linked*	-	-	-
Royal London MAC*	-	-	-
Cash: SONIA Index	0.87	-	0.87
Cash	0.70	5.09	-4.40

* To improve performance monitoring, the Royal London mandate was separated. As a result, performance data for one-year and longer time horizons is currently unavailable.

Pensions & Investment Research Consultants Ltd

The Fund uses the services of Pensions & Investment Research Consultants Ltd (PIRC) to obtain comparative analysis against other Local Government Pension Scheme (LGPS) funds through the PIRC Local Authority Universe.

While the Fund does not use PIRC universe benchmarks to formally measure performance, the data serves as a useful comparison tool to provide broader context and insight.

It is important to note that the PIRC league tables focus solely on returns and do not account for risk or risk-adjusted performance. As a result, comparisons between funds—each with different investment strategies and risk profiles—may not be like-for-like. This limitation should be considered when interpreting relative rankings.

As of March 2025, the PIRC Local Authority Universe comprised 62 LGPS funds with a combined value of £275 billion.

Table: Universe Fund Performance

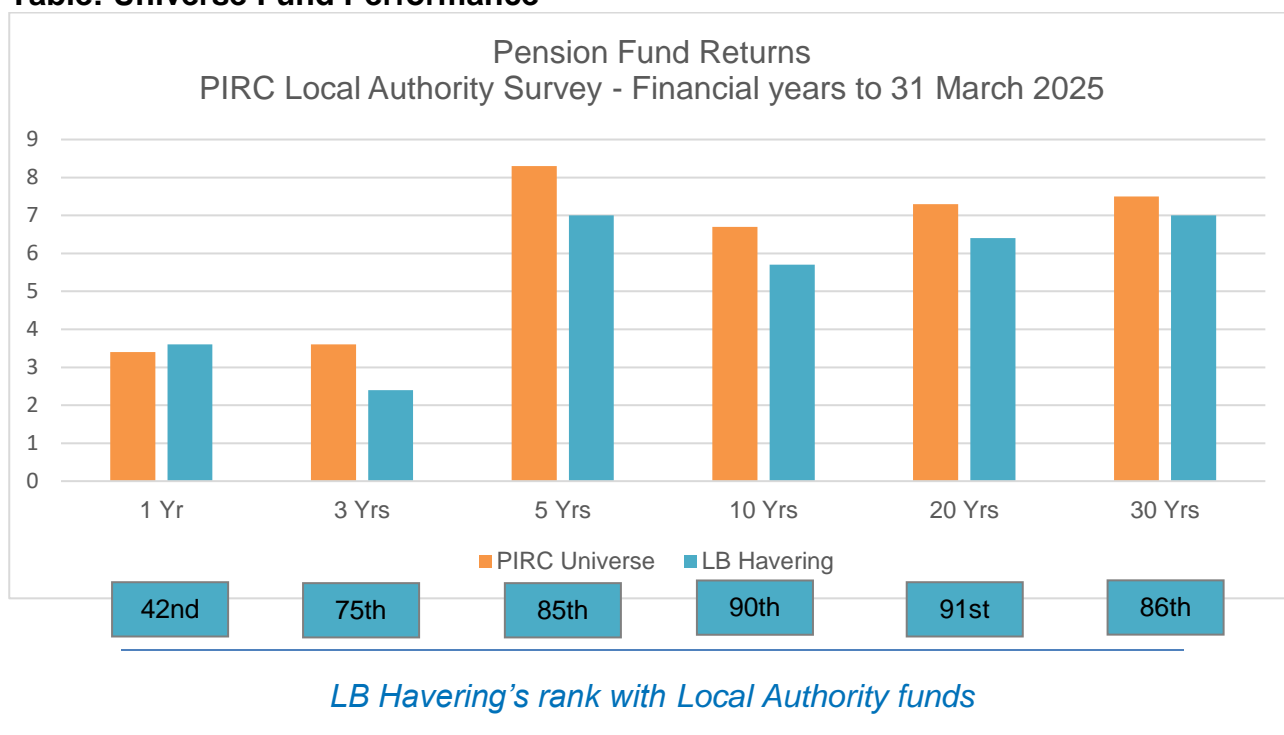


Table: Universe asset allocations as at March 2025

Universe Data	Average Allocation %	Havering Allocation %	Average Return %	Havering Return %	Havering Percentile Ranking
Equities	49	41	3.8	2.5	70
Bonds/Credit	18	16	1.4	3.3	47
Infrastructure	8	11	3.7	2.0	70
Diversified Growth	2	13	3.2	3.6	60
Private debt	4	8	7.0	8.5	17
Property	8	8	3.4	2.4	70
Cash	3	3	n/a	n/a	n/a

PIRC Universe Summary

Last 12 months:

- The average fund delivered a return of 3.4% in the latest year.
- Asset class results were in a very tight band and the range of results was much narrower than usual.
- In what is becoming a trend, active equity managers again performed poorly.
- All funds failed to achieve benchmark performance.
- Longer term results remain well ahead of inflation and funds' actuarial assumptions.

- Despite the modest returns delivered, holding equities had a positive impact on performance.
- Holding government bonds, particularly Index Linked had a strong negative drag.
- Diversified bond investments performed relatively well delivering returns in excess of equities.
- Most alternative investments delivered below benchmark returns.
- After two years of negative results property returns were positive, albeit modest.

Asset Allocation

- Whilst reduced over the last decade, equities remain by far the largest component of almost every fund.
- There has been only modest high level change to asset structure over the last 8 years. The change has come instead within the major asset classes as funds continue to diversify into ever more asset types and portfolios.
- It is becoming increasingly difficult to understand what funds are trying to achieve from the diversification and how to quantify its success.

PIRC Havering Summary

- The Fund return of 3.6% was above average for the year and ranked in the 42nd percentile.
- Better than average bond results were offset by lower than average equity performance.
- In a year where most assets delivered broadly similar returns, asset allocation had less impact than usual.
- Over the last five years, the Fund experienced a lower than average level of volatility than many of its peers but has delivered a substantially lower than average return.

Comments on Fund performance from the Fund's Investment Advisors

The overriding investment objective for the Fund is to deliver consistent year-on-year returns to support an affordable and stable level of contributions for the longer term.

The current funding approach implies a target investment return of 3.5% p.a. (as stated in the latest actuarial valuation date as at 31 March 2022). This target investment return is a slight increase from the 3.3% p.a. stated in the previous actuarial valuation (as at 31 March 2019).

Over the 12-month period to 31 March 2025, the Fund delivered a positive return of 3.6% which was ahead of the strategic benchmark, albeit behind the Fund's tactical benchmark. Over periods of 3 years and 5 years to 31 March 2025, the Fund experienced positive asset growth, with investment returns of 2.4% p.a. and 7.0% p.a. respectively. These returns remain ahead of the Fund's strategic benchmark, with the Fund therefore demonstrating long-term performance which remains sufficient to support affordable and stable levels of contributions.

The positive investment performance (in absolute terms) over the 12-month period was primarily driven by the Fund's passive equity allocation, as well as positive contributions from credit allocations. Over the year global equity markets performed well, driven by strong returns of US technology stocks. Credit markets were buoyed by resilient corporate earnings and the prospect of interest rate cuts improved the outlook for corporate balance sheets.

The Fund's active equity allocation, infrastructure and global property allocations were the main sources of underperformance relative to the tactical benchmark over the 12-month period.

Implementation of agreed changes in the investment strategy continued over the year. The allocation to the LCIV Global Alpha Growth Paris Aligned Fund was reduced from 15% to 12.5%, with the proceeds invested in the LGIM Future World Fund (thereby increasing the allocation from 10% to 12.5%). This was undertaken to provide a greater balance across the equity mandate target allocations, whilst retaining a well-diversified aggregate equity allocation. In addition, steps were taken to reduce potential return volatility in the RLAM mandate through reducing the benchmark duration of the index linked gilts portfolio.

Finally, during the year, the Committee took further steps to progress against objectives set out in the Fund's Climate Risk Policy and Action Plan. This included the Committee reviewing the ESG-related exclusions and restrictions applicable to the Fund's existing investments, completing an assessment of climate metrics for the Fund's existing investments as at 31 March 2024, and becoming a signatory of the 2024 Global Investor Statement to Governments on the Climate Crisis. The Committee also produced their fourth annual report setting out their approach to managing climate-related risks in line with the Taskforce on Climate-related Financial Disclosures (TCFD) framework.

Voting and Engagement Activity

The Fund's Investment Belief recognises that effective stewardship, exercised through informed voting and engagement, can positively influence corporate behaviour. It also acknowledges that collaborative efforts are more likely to achieve meaningful outcomes.

The Fund does not maintain its own voting and engagement policy. Instead, it delegates these responsibilities to its appointed investment managers and conducts an annual review of their approaches.

As all equity investments are currently held in pooled funds, the Fund does not possess direct shareholder voting rights. Shareholder rights are only available to investment managers with segregated equity holdings.

41% of equity funds are managed via LCIV, which engages directly with investment managers. The remaining 59% of pooled passive equities are managed by LGIM.

LCIV delegates voting responsibilities to its appointed managers, who vote in accordance with their respective house policies. LCIV has established a [Voting Guideline Policy](#) outlining its principles and expectations. It has appointed EOS at Federated Hermes to coordinate voting activities and deliver engagement services on its behalf.

The Fund is also a member of the Local Authority Pension Fund Forum (LAPFF), reflecting its commitment to collaborative engagement and the promotion of best practice in responsible investment.

The Fund's investment advisor, Hymans Robertson, provides an annual summary of voting and engagement activity, including an assessment of compliance with relevant governance and stewardship standards. The most recent review, covering the year to 30 June 2024, was presented to the [Pensions Committee on 18 March 2025](#).

Exercise of votes 12months to 30 June 2024:

	LGIM			LCIV		
	Global	Emerging Markets	Future World	PEPPA	Global alpha	Absolute Return
# Eligible votes	65,037	35,796	22,184	860	9,000	473
% Votes exercised	99.8	99.9	99.6	100.0	98.4	100
% against management	20.1	19.4	19.4	19.8	13.1	8.0
% abstained / withheld	0.9	1.3	0.3	2.0	0.9	0.0
% meetings with at least 1 vote against management	63.8	56.4	70.8	38.0	49.0	71.0

The Fund Managers exercised voting policies and undertaken engagement activity in line with expectations and have no significant concerns with the extent to which stewardship activity has been exercised.

While the Fund is not a signatory of the UK Stewardship Code, it actively monitors the following signatories to the [UK 2020 Stewardship Code](#) (last updated 11/02/2025):

- Investment Advisor: Hyman's Robertson
- Custodian: Northern Trust
- Asset pool: London CIV
- Equities: LGIM
- Real Assets: UBS and JP Morgan
- Property: CBRE
- Currency Hedge Manager: Russell Investments

NOT signatories to the UK 2020 Stewardship Code

- Stafford, Permira and Churchill

• Signatories to [United Nations Principles for Responsible Investment](#) (UNPRI) as follows:

- Investment Advisor: Hyman's Robertson
- Custodian: Northern Trust
- Asset pool: London CIV
- Equities: LGIM
- Real Assets: CBRE, JP Morgan, Stafford and UBS
- Bonds and Private Debt: Churchill, Permira and Royal London

Cost Transparency

The LGPS Code of Transparency enables clients to gather cost information consistently. Fund managers are encouraged to sign up to this Code to demonstrate their commitment to transparent cost reporting. A full list of signatories is available on the [SAB website](#).

The CTI framework is used to report costs and charges, helping assess value for money of investments. It is compatible with Markets in Financial Instrument Directive (MiFID II) and can be used by both Defined Benefit and Defined Contribution schemes.

There are three templates:

1. The User Summary, which can be used by schemes and advisors to provide a summary of key information across all investments.

2. The Main Account Template, which is the main cost disclosure template to be completed by the investment manager(s) and covers most asset types.
3. The Private Equity Sub-template, which is to be completed by investment managers of closed-ended private equity funds.

These templates cover management fees, performance fees, and transaction costs.

Compliance and Reporting

Cost transparency is part of the revised CIPFA accounting standards for LGPS annual reports and accounts. Investment managers must submit templates annually or quarterly as agreed with their clients. The SAB procured a system from Byhiras to streamline data submission and compliance.

Byhiras System:

- Accepts and stores template data.
- Checks timeliness of submissions and reports late returns.
- Ensures data is signed off as 'fair, clear, and not misleading'.
- Verifies MiFID II total cost amounts submitted separately by managers⁴.

The Fund has cost transparency data from its managers, with signatories listed on the SAB website and templates uploaded to the Byhiras system.

Table: Fund manager's transparency compliance table

Fund Manager	Signatory on SAB website	Reporting Date	Template uploaded to Byhiras portal	CTI Template used
CBRE	✓	31/03/2025	✓	Main
Churchill	✓	31/03/2025	✓	Private markets
JP Morgan	✓	31/03/2025	✓	Private markets
LGIM	✓	31/03/2025	✓	Main
London CIV <ul style="list-style-type: none"> Diversified Growth Global Alpha Absolute Infrastructure Passive Equity 	x	31/03/2025 31/03/2025 31/03/2025 31/03/2025 31/03/2025	✓ ✓ ✓ ✓ ✓	Main Main Main Private market Main
Permira	✓	31/03/2025	✓	Private markets
Royal London	✓	31/03/2025	✓	Main
Russell Investments	✓	31/03/2025	✓	Main
Stafford	✓	31/03/2025	✓	Private markets
UBS	✓	31/12/2025	✓	Main

- Whilst London CIV are not a signatory they provide the templates specified by SAB

Table: Investment management costs

2024/25	Asset Pool			Non asset pool			Fund Total
	Direct	Indirect	Total	Direct	Indirect	Total	
	£000	£000	£000	£000	£000	£000	
Management Fees							
...ad valorem*	25	1,520	1,545	1,306	754	2,061	3,605
...performance	-	-	0	-	32	32	32
Total Management Fees	25	1521	1,546	1,306	786	2,092	3,637
Transaction costs	-	134	134	-	463	463	597
Custody Costs							29
Other Costs							0
Total	25	1,655	1,680	1,306	1,249	2,555	4,263
Asset Shared Cost (LCIV Management Fees)	97	-	97				97

2023/24	Asset Pool			Non asset pool			Fund Total
	Direct	Indirect	Total	Direct	Indirect	Total	
	£000	£000	£000	£000	£000	£000	
Management Fees							
...ad valorem*	1,578	-	1,578	2,417	-	2,417	3,996
...performance	200	-	200	-	-	-	200
Total Management Fees	1,778	-	1,778	2,417	-	2,417	4,196
Transaction costs	-	361	361	-	-	-	361
Custody Costs							27
Other Costs							-
Total	1,778	361	2,139	2,417	-	2,417	4,584
Asset Shared Cost (LCIV Management Fees)	101	-	-				101

*Fees are calculated based on the value of assets held.



Asset Pool

The Havering Pension Fund's asset pool is the London CIV (LCIV), a Collective Investment Vehicle for London Local Authorities (LLA) Local Government Pension Scheme (LGPS) funds. LCIV is wholly owned by its London-based clients, who are also its shareholders. It was established to meet government pooling requirements and operates in partnership with LLAs to deliver investment solutions.

Objectives of asset pooling include:

- Achieving benefits of scale
- Strengthening governance and decision-making
- Reducing costs and delivering value for money
- Enhancing capacity and capability to invest in infrastructure

Responsibility for asset allocations and investment strategy remains with the Fund.

The Fund continues to evaluate LCIV products to ensure they align with its investment strategy and long-term objectives.

Oversight and Governance of the Asset Pool

The Committee is responsible for overseeing the Fund's activities, including its investments through LCIV. The committee sets the Fund's investment strategy, monitors performance, and ensures compliance with regulatory requirements.

The Fund receives quarterly performance reports from the London CIV, which provide detailed analysis of each investment mandate performance against its respective benchmarks.

To support effective decision-making, the Fund engages investment consultants who offer expert advice on strategy and performance. They assist in interpreting performance data and may recommend adjustments to the investment approach where appropriate.

The London CIV publishes an annual report containing comprehensive performance data, governance updates, and strategic initiatives. This report is subject to external audit, providing an additional layer of assurance.

The London CIV integrates Environmental, Social, and Governance (ESG) factors into its investment processes. This commitment to responsible investment aligns with the Fund's broader sustainability objectives and ensures that investments are made ethically with long-term value in mind.

Pooling Progress

The following chart illustrates the distribution of assets as at 31 March 2025. It shows that the fund has £510m in pooled assets, £416m in deemed pooled assets, and £65m in unpooled assets. This distribution highlights the fund’s commitment to pooling, in line with government expectations and strategic investment objectives.

Chart: Pooling progress

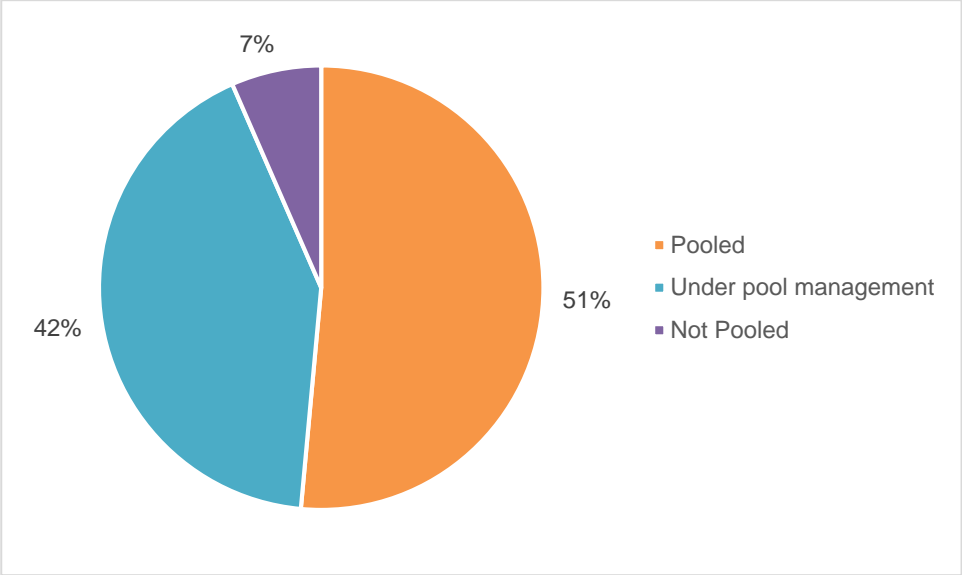


Table: Pooling analysis as at 31/03/2025

Asset Description	Pooled	Under pool management	Not Pooled	Grand Total
Bonds				
LCIV Global Bond Fund	47,853			47,853
Royal London			117,964	117,964
Bonds Total	47,853		117,964	165,818
Equities				
LCIV Absolute Return Fund	126,164			126,164
LCIV Global Alpha Paris Aligned	133,802			133,802
LCIV PEPPA	58,880			58,880
LCIV Shareholder Equity	150			150
LGIM All World Equity Index		43,939		43,939
LGIM Future World Fund		133,667		133,667
LGIM World Emerging Markets Equity Index		41,607		41,607
Equities Total	318,996	219,213	-	538,209
Private Debt				
Churchill Fund II			12,224	12,224
Churchill Fund IV			16,294	16,294
Permira Fund IV			18,841	18,841
Permira Fund V			28,838	28,838
Private Debt Total		-	76,198	76,198
Property				
CBRE Global Alpha Fund		31,281		31,281
UBS Triton Fund			50,751	50,751
Property Total	-	31,281	50,751	82,032
Infrastructure				
JP Morgan			49,725	49,725
LCIV Renewable Infrastructure Fund	17,995		17,664	17,995
Stafford Fund II			25,924	17,664
Stafford Fund IV			93,313	25,924
Infrastructure Total	17,995	-	-	111,308
Cash and net current assets			15,384	15,384
Derivatives			2,941	2,941
Cash and Cash Equivalents Total	-	-	18,325	18,325
Grand Total	384,845	250,494	356,551	991,890

UK Investment

Asset values As at 31 March 2025	Pooled £000	Under pool management £000	Not pooled £000	Total £000
UK Listed Equities	42,344	6,144	-	48,488
UK Government Bonds	332	-	46,453	46,785
UK Infrastructure	6,257	-	8,662	14,919
UK Private Equity	-	-	-	-
Total	48,933	6,144	55,115	110,192

The above table is based on available data and reasonable assumptions, an estimation of the proportion of UK investments has been made. This estimation helps provide a clearer picture of the asset distribution, even if precise figures are not available.

At 31 March 2025 the Fund had undrawn capital commitments of £37m. It is not possible to determine the value that will be deployed in UK assets.

Cumulative Pool Costs

Description of Costs	2015 - 2020 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Cumulative Total £000
Set Up Costs:							
Share purchase subscription	150	0	0	0	0	0	150
Annual Service Charge	125	25	25	25	25	25	250
Implementation	50	0	0	0	0	0	50
Development Fund	205	85	85	85	76	72	608
Total Set Up costs	530	110	110	110	101	97	1,058
LCIV management Fee	304	92	98	83	131	127	835
LGIM Passive Fees	2	7	9	8	9	9	44
Total Cost	836	209	217	201	241	233	1,937
LCIV savings as reported by LCIV	-932	-543	-667	-670	-570	-747	-4,129
Net	-96	-334	-450	-469	-329	-514	-2,192

[The LCIV Annual Review](#) for 2024/25 is available on their website and includes the Business review, Corporate Governance and Financial Statements.

Administration

Under Regulation 59(1) of the Local Government Pension Scheme Regulations 2013, an administering authority may prepare a written statement regarding the authority's policies on pensions administration.

[The Havering Pension Fund's Pensions Administration Strategy \(PAS\)](#) outlines the roles and responsibilities for both the administering authority and scheme employers, as well as the expected performance standards. This document is available on the Council's website under the pensions administration strategy section.

The PAS was updated and approved by the Pensions Committee in December 2024. The new PAS became effective from 1 April 2025 and incorporates the mandatory requirement for scheme employers to upload monthly data to the LPPA. The strategy aims to enhance the efficiency of pensions administration service delivery to our members.

The Local Pension Board will have oversight of the performance monitoring against the PAS during 2025/26 and Fund officers will continue to work with scheme employers to raise awareness of their responsibilities under the PAS.

Monitoring against the previous version of the PAS was not carried out due to the changes being introduced in 2025/26 to take account of the mandatory requirements for the data submissions.

The Communications Policy was approved by the Pensions Committee in November 2024 for a three-year period. The Havering pensions administration team has a communication plan that compliments the policy, detailing the topics to be communicated, the methods, and the frequency of those communications. The plan is presented to the Local Pension Board every six months for review and progress updates.

The work carried out during 2024/25 is summarised below:

1. Communications with Scheme Members

Our aims for communicating with our scheme members are:

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

Action	Audience	Media	End of Year Review 2025
Review and update the pension websites and intranet site	All	Web	The LPPA have maintained and updated the member website including the Pension Point Self Service Portal and a booking facility for member training which was utilised by 67 fund members, an increase from the 45 in the previous year. Havering pensions team has maintained a pensions web page within the Havering.gov website and in intranet page. These are used to publish all Havering specific pension related news and documents.

Promote the pension websites and intranet	All	Web, paper and electronic	The LPPA website is promoted on member correspondence. Both the LPPA and the Havering websites are promoted during face to face or virtual meetings. We utilise member and employer communications to increase awareness.
Promote Pension Point Self Service	Active, Deferred and Pensioner	Web, paper and electronic	Pension Point Self Service is promoted to all new members to the pension scheme. We utilise member and employer communications to increase awareness. As at March 2025 41.66% of the total membership had registered for Pension Point. At March 2024, this was only 22.11%.
Ensure relevant, accurate and timely communications are sent to all members	All	Paper or electronic	Standard communications are monitored as part of the KPI and contract monitoring process. We utilise corporate and employer communications to raise awareness of key topics. Members communications are detailed in the communications plan presented to the Local Pension Board.

2. Communications with Prospective Scheme Members

Our aims for communicating with our prospective scheme members are:

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

Action	Audience	Media	End of Year Review 2025
Ensure pension website is included with new employee contracts and information packs	New employees	Paper or electronic	All eligible new employees are contractually enrolled into the LGPS and the website information is included in the LPPA's starter packs. Both the LPPA and Havering websites are available for general viewing.
Review and update the pension websites	All	Web	The LPPA have maintained and updated the member website. Havering pensions team has maintained a pensions web page within the Havering.gov website. This is used to publish all Havering specific pension related news and documents.
Work with employers to ensure automatic enrolment is correctly communicated	Existing employee	Paper or electronic	Relevant scheme employers automatically enrolled eligible staff during 2024/25. Affected staff received letters and factsheets to explain the process.

3. Communications with Scheme Employers

Our aims for communicating with our scheme employers are:

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

Action	Audience	Media	End of Year Review 2025
Meet with all new scheme employers to discuss responsibilities and requirements	Employer	Face to face or virtually	New employers receive a comprehensive email of all relevant information and the offer of either a face to face or virtual meeting. 2 new employers received an email but there were no requests for meetings. Meetings were held with several existing Employers to go over responsibilities and UPM use.
Review and update the employer sections of the pension websites	Employer	Web	The LPPA have maintained and updated the website including comprehensive information about the employer portal. Havering pensions team has maintained a pensions web page within the Havering.gov website. This is used to publish all Havering specific pension related news and documents.
Work with LPPA to promote employer training sessions	Employer	Web	LPPA ran several different training sessions throughout the year. Havering employers were present 47 times across the different sessions. This is an increase from the 30 in the previous year.
Work with LPPA to ensure accurate and timely data submissions	Employer	Email, phone, face to face or virtually	Havering continue to promote the Pensions Administration Strategy detailing the expected timeframes for data submissions. Havering have worked with employers to ensure the majority of 2025 year-end data queries are resolved.
Provide regular updates to employers on key aspects of the scheme	Employer	Web or email	LPPA have a regular employer newsletter to provide updates on the scheme and other relevant information. Havering have sent regular emails to employers on key topics throughout the year as detailed in the communications plan presented to the Local Pension Board.

4. Communications with Representatives of Members

a. Pensions Committee

Our aims for communicating with Pensions Committee are:

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

Action	Audience	Media	End of Year Review 2025
To submit Committee reports in line with the annual plan and as and when required	Pensions Committee Members	Paper and web	All relevant reports were submitted and presented to Committee and uploaded onto the Havering Website
To arrange training as and when required	Pensions Committee Members	Face to Face, online or virtually	Relevant training was provided to Committee members during the year

b. Local Pensions Board

Our aims for communicating with the Local Pensions Board are:

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

Action	Audience	Media	End of Year Review 2025
To submit reports in line with the Board work plan and any additional areas identified at meetings	Local Pension Board	Paper and web	All relevant reports were submitted and presented to the Local Pension Board and uploaded onto the Havering Website.
To arrange training as and when required	Local Pension Board	Face to Face, online or virtually	Induction training has been provided to new Board members and information regarding external training courses has been circulated.

c. Havering and oneSource Managers

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

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

Action	Audience	Media	End of Year Review 2025
To write key or non-key executive decision reports as required in line with the Council's constitution	Senior or oneSource Management	Paper or email	All relevant reports have been written and submitted in line with the Council's Constitution.
To ensure the provision of employer estimates is in line with the contractual agreement	HR and Heads of Service	Paper or email	LPPA have introduced an employer self service function for employer driven pension estimates. The Havering pensions administration team support with this as required.

d. Other Stakeholders

Pension Fund Manager (Finance)

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

Pension Projects and Contracts Manager

The Pension Projects and Contracts Manager oversees the administration contract with the Local Pensions Partnership Administration (LPPA). Quarterly client reviews are conducted to monitor the contract and ensure service level agreements are met. This role also involves maintaining relationships with scheme employers, trade unions, and other relevant stakeholders.

Investment Fund Managers

The Pension Fund Manager (Finance) maintains regular contact with the investment fund managers. Each fund manager is required to present their performance reports to the Pensions Committee on a cyclical basis, unless performance concerns necessitate more immediate attention.

Trade Unions

Trade unions in the London Borough of Havering serve as valuable ambassadors for the Pension Scheme. They ensure that details of the Local Government Pension Scheme are communicated to their members and assist in negotiations under TUPE transfers to ensure, whenever possible, continued access to the Scheme.

Scheme Administration Report

Overview

The Local Pensions Partnership Administration (LPPA) is responsible for the daily administration of the Havering Pension Fund. They utilise Civica's Universal Pensions Management (UPM) system to maintain member records and calculate pension benefits. Havering's work continues to be managed by dedicated casework teams across the business.

Call handling and responses to online member queries are managed by the central pensions contact centre in Preston. During 2024/25, the contact centre answered 3,972 Havering-specific calls with an average wait time of 2 minutes and 41 seconds. The average call abandon rate across all clients during 2024/25 was 2.3%.

LPPA uses customer surveys to measure satisfaction levels for the contact centre call handling and retirement processing. In 2024/25, overall satisfaction levels for call handling were 77.5% among Havering scheme members, while satisfaction for retirement case processing averaged 45.8%.

LPPA has made considerable progress in ensuring that monthly casework is consistently delivered above the 95% on time target during 2024/25. The annual performance against SLA was 98.8%.

LPPA's ongoing Efficiency and Service Improvement Programme has delivered and enhanced online digital capability and improved the experience for members with deferred statements for leavers, active member retirement quotes and online retirement forms. Further automation is planned for 2025/26 and the programme will also deliver improvements to the monthly returns process for scheme employers.

Value for Money Statement

A comparison of the 2024 SF3 data supplied to MHCLG shows that the Havering Fund was ranked sixth out of the 32 London Boroughs for cost per member in respect of pension administration costs (ranked seventh in 2022/23).

We have seen an increase in the number of cases meeting the service level agreements, as shown in the key performance data. All cases are now meeting the SLA target of 95% of cases being completed on time.

Monthly data returns are now mandatory for all scheme employers within the Havering Pension Fund which allow LPPA to automatically process new starters and selected leavers where a person has membership in the Care Scheme only.

We continue to work with LPPA and our scheme employers to improve the flow of information and processes to further enhance efficiencies. LPPA remains committed to reducing overheads to remain competitive and provide good value for money.

LPPA recognise their responsibility to achieve value for money in service delivery. They seek to incorporate value for money principles in delivering services by taking account of costs and quality of service. LPPA operate on a shared service, cost recovery basis and do not make a profit on core administration services.

LPPA takes part in external and independent benchmarking to compare their cost and service against other administration services. The latest results endorse that LPPA's services provide value for money.

Summary of Activities undertaken by LPPA during the year

LPPA are responsible for all aspects of the Fund administration, including calculating benefits, processing joiners and leavers, record amendments, monthly returns, and the monitoring and administration of the Authority's Additional Voluntary Contributions (AVC) scheme. The LPPA engagement team handles communications and training for Scheme employers and pension scheme members.

The key functions of LPPA are:

- Processing new members of the scheme
- Handling requests from members wishing to transfer their pension into or out of Havering's Fund
- Administering death benefits for scheme members
- Bringing pensions into payment upon retirement
- Providing estimates for members and employers
- Assisting members who wish to increase their pension provision through AVCs or APCs
- Processing leavers with a refund of contributions or deferred benefit
- Maintaining accurate records with changes to members' details
- Reviewing and monitoring third-tier ill-health retirements
- Utilising information technology to improve service standards and efficiency
- Ensuring continual data cleansing in preparation for the next scheme valuation
- Continuously reviewing all processes to improve the customer experience

McCloud has been a significant project this year. LPPA have calculated underpin protections for all eligible members retiring from active status and are working with the new systems releases to ensure remediable service information can be included in the Annual Benefit Statements.

LPPA continue to work towards Pensions Dashboard connectivity and remain on track to meet the connection date of 31 October 2025 for public sector schemes.

The Havering administration team is responsible for:

- Monitoring, reviewing, and updating Scheme governance in line with relevant regulations and guidance
- Monitoring, reviewing, and updating pension administration policies
- Monitoring and recording contributions for bodies that do not utilise the Havering Council payroll
- Bi-annual National Fraud Initiative (NFI) compliance
- Admission, monitoring, and cessation of scheme employers
- Reviewing risk profiles

Key Uses of Technology

LPPA continues to seek ways to use technology to improve efficiencies and actively promotes the use of the member self-service portal, Pension Point, and email communications.

Pension Point allows members to view their records online, raise queries directly with the helpdesk, run estimates, and update some personal details, reducing the workload on the administration team and the costs of printing and postage.

LPPA has mandated monthly reporting with scheme employers across all clients, enabling timely identification of new starters and leavers to the fund. They are introducing several automated processes from the monthly submissions to aid efficiencies.

The LPPA's scheme members' website is regularly reviewed and provides detailed information on all aspects of the scheme. The Havering administration team maintains the pensions page on the [havering.gov.uk](https://www.havering.gov.uk) website to provide Havering fund-specific information to members.

LPPA has robust cyber security measures and procedures in place. Data is backed up regularly, and systems are monitored by a Security Operations Centre service. LPPA holds Cyber Essentials Plus and ISO 27001 certifications, providing assurances to the Fund. They also have a full Business Continuity Plan and Disaster Recovery Plan in place.

Internal Dispute Resolution Procedure (IDRP)

Any internal disputes go firstly to the Authority's Actuaries and then to the Pensions Panel which comprises the Assistant Director of Human Resources/Organisational Development, a representative from Legal and Governance (oneSource) and a Head of Finance. The Havering Pensions Projects and Contracts Manager sits on the panel in an advisory role.

During 2024/25, we received no IDRP cases (compared to 2 stage 2 complaints in 2023/24) and 27 general customer complaints (down from 43 in 2023/24).

Whistle Blowing

The Pension Fund complies with the whistle blowing requirements of the Pension Act that came into force on 6 April 2005. It encourages anyone to inform the appropriate authorities of any known wrongdoings. The process for reporting breaches of the law to the Pensions Regulator can be found on the Authority's website by selecting the link here [Whistleblowing Policy](#).

There have been 7 minor breaches recorded during 2024/25. These were not considered material and were therefore not reported to the Section 151 Officer. Consequently, no reports have been made to the Regulator. The new Reporting Breaches of the Law Policy was agreed by the Pensions Committee in November 2024 to be introduced in 2025/26.

Key Performance Data

The following tables provide the required data for the administration key performance indicators.

LPPA performance is reported to the Havering Local Pensions Board. Full reports are available on the [Havering website](#).

Table A: Total Casework

Ref	Casework KPI	Total number of cases open as at 31 March 2024	Total number of new cases created in 2024/25	Total number of cases completed in 2024/25	Total % of cases completed in 2024/25
A1	Deaths recorded of active, deferred, pensioner and dependent members	113	265	249	65.9
A2	New dependent member benefits	Included in A1	Included in A1	Included in A1	Included in A1
A3	Deferred member retirements*	81	537	545	88.2
A4	Active member retirements*	89	928	887	87.2
A5	Deferred benefits	298	2,224	2,171	86.1
A6	Transfers in (including interfunds in, club transfers)	143	444	310	52.8
A7	Transfers out (including interfunds out, club transfers)	164	476	424	66.3
A8	Refunds	66	1,219	1,148	89.3
A9	Divorce quotations issued	3	42	43	95.6
A10	Actual Divorce cases	-	-	-	-
A11	Members estimates requested either by scheme member and employer	22	198	204	92.7
A12	New joiner notifications	21	549	570	100.0
A13	Aggregation cases	318	1,462	1,238	69.6
A14	Optants out received after 3 months membership	Not available	Not available	Not available	Not available

*Includes quotation and actual calculations

Table B: Time taken to process casework

Note: the Fund target is the LPPA target for completion once all relevant data is available rather than the statutory timescale

Ref	Casework KPI	Suggested fund target	% completed within fund target in year	% completed in previous year
B1	Communication issued with acknowledgement of death of active, deferred, pensioner and dependant member	5 days	95.3	94.6
B2	Communication issued confirming amount of dependents pension	5 days	Included in B1	Included in B1
B3	Communication issued to deferred member with pension and lump sum options (quotation)	5 days	99.3	Included in B5
B4	Communication issued to active member with pension and lump sum options (quotation)	5 days	97.3	Included in B6*
B5	Communication issued to deferred member with confirmation of pension and lump sum options (actual)	5 days	98.0	95.9
B6	Communication issued to active member with pension and lump sum options (actual)	5 days	98.9	93.4
B7	Payment of lump sum (both actives and deferreds) **	5 days	Included in B6 and 7	Included in B6 and 7
B8	Communication issued with deferred benefit options	15 days	98.2	97.4
B9	Communication issued to scheme member with completion of transfer in	10 days	98.6	97.0
B10	Communication issued to scheme member with completion of transfer out	10 days	98.2	96.4
B11	Payment of refund **	5 days	99.3	97.3
B12	Divorce quotation	5 days	100.0	not recorded
B13	Communication issued following actual divorce proceedings ie application of a Pension Sharing Order	5 days	none received	not recorded
B14	Communication issued to new starters	10 days	100.0	100.0
B15	Member estimates requested by scheme member and employer	10 days	100.0	94.3

*It was not possible to split the data between quotations and actuals last year.

**Payments are made directly by the Fund. The timescales reported are to the completion of the LPPA case ie the date the instruction to make the payment is provided to the Fund.

Table C: Communications and engagement

Ref	Engagement with online portal (Pensions Point)	% as at 31 March 2025
C1	% of active members registered	41.9
C2	% of deferred members registered	24.5
C3	% of pensioner and survivor members	21.8
C4	% of all scheme members registered for self-service	29.8
C5	Number of registered users by age:	
	Age Bracket	Total Registered
	Under 21	21
	21-25	115
	26-30	166
	31-35	247
	36-40	412
	41-45	615
	46-50	727
	51-55	1149
	56-60	1359
	61-65	1132
	66-70	543
	71-75	184
	Over 75	79
C6	% of all registered users that have logged onto the service in the last 12 months	53.8
	Communication	Number as at 31 March 2025
C7	Total number of telephone calls received in year*	3,972
C8	Total number of email and online channel queries received*	1,591
C9	Number of Scheme member events held in year (total of in person and online)**	24
C10	Number of employer engagement events held in year (in person and online)**	40
C11	Number of active members who received a one-to-one (in person and online)**	6
C12	Number of times a communication (ie newsletter) issued to:	
	a) Active members ***	9
	b) Deferred members	9
	c) Pensioners	8

*Calls, emails and queries received directly to the Fund are not recorded

**Includes events run by the Fund

*** This does not include regular engagement directly by the Fund

Table D: Resources

Note: The data below is in relation to LPPA staff only and does not include the officers employed by Havering Council.

Ref	Resources	as at 31 March 2025
D1	Total number of all administration staff (FTE)	264.5
D2	Average service length of all administration staff	5.3
D3	Staff vacancy rate as %	2.20%
D4	Ratio of all administration staff to total number of scheme members (all staff including management)	2,672
D5	Ratio of administration staff (excluding management) to total number of scheme members	2,713

Table E: Data Quality

Ref	Annual Benefit Statements	Response
E1	% of Annual Benefit Statements issued as at 31 August	99.3%
E2	Short commentary if less than 100%	Remainder were either due to files not received from the employer or outstanding queries that prevented ABS production
	Data category	
E3	Common data score	98.0%
E4	Scheme specific data score	91.0%
E5	% of active, deferred and pensioner members recorded as 'gone away' with no home address held or address is known to be out of date	0.5%
E6	% of active, deferred and pensioner members with an email address held on file	55.7%
	Employer Performance	
E7	% of employers set up to make monthly data submissions	100.0%
E8	% of employers who submitted monthly data on time during the reporting year	40.9%

Performance Monitoring

LPPA provide monthly and quarterly performance reports that enable Fund officers to monitor the service delivery against an LPPA standard set of Key Performance Indicators.

The UPM administration system is used to track cases based on a day count from the date all required data to complete a case is received. The system monitors caseload volumes and performance against SLAs. It also allows LPPA to track error/rework rates, ensuring quality is maintained throughout the administration function. UPM provides reportable information enabling monitoring, audit, performance management, and annual review reporting capabilities. The system allows LPPA to track case completion rates against agreed SLAs.

The indicators do not include record-keeping and data maintenance tasks covered by LPPA, which are required to correctly administer a member's benefit and also have a direct impact on the triennial valuation.

Table: Administration team 5 years' key activity trend

Service Item	2019/20 Cases	2020/21 Cases	2021/22 Cases	2022/23 Cases	2023/24 Cases	2024/25 Cases
Retirements processed	533	529	446	767	607	420
Early retirement estimates processed	580	452	468	380	175	204
Notification of Deferred Benefits	727	726	798	603	392	2,171*
Transfers In Actuals/Quotes processed	363	324	391	175	197	310
Transfers Out Actuals/Quotes processed	298	325	407	317	309	424
Death notification written out	273	530	428	366	460	249
New LGPS joiners processed	1,942	977	1,115	879	978	570
Refunds	691	443	431	316	264	1,148*
Total Cases per year	5,407	4,305	4,484	3,803	3,382	5,496

* Case numbers are high following the completion of backlog leaver cases in preparation for the triennial valuation

Academies and Outsourcing

There were no new academy conversions and just 1 new admitted body during 2024/25.

The level of planned and actual outsourcing by academies is ongoing and likely to continue growing. If the outsourced function is granted Admitted Body Status, it results in additional unplanned work to separate out the scheme employers, increasing the administrative burden as the number of scheme employers rises.

The growth in Scheduled and Admitted Body scheme employers also increases the support and communication requirements for LPPA and the Havering pensions administration team.

Introduction meetings are offered to all new bodies to support their entry into the scheme, with ongoing meetings and support as needed.

To support employers and services, the Fund has produced an Employer Outsourcing Guide and an Employer Responsibility Guide.

Confidentiality of Personal Data

LPPA has developed a robust control framework to ensure all GDPR requirements are met promptly, serving as a defence in case of litigation.

LPPA also aims to adhere to a code of conduct which brings the added benefits of:

- Improving transparency and accountability, enabling individuals to distinguish organisations that meet legal requirements and can be trusted with their personal data
- Providing mitigation against enforcement action
- Improving standards by establishing best practices
- Investigating innovative solutions to high-risk areas, including data minimisation and pseudonymisation

Accuracy of Data

Following the submission of each monthly return, LPPA raise any queries arising with scheme employers. In most instances the requirement to submit monthly returns has reduced the number of queries and they are dealt with in a timelier manner leading to a more efficient end of year and valuation process.

Table: Fund Membership over the last 5 years

	As at 31 March 2021	As at 31 March 2022	As at 31 March 2023	As at 31 March 2024	As at 31 March 2025
Contributors	6,426	6,675	6,692	7,840	7,989
Deferred pensioners	6,020	6,689	6,750	6,800	7,443
Pensioners and Dependants	6,412	6,548	6,775	7,009	7,202
Total	18,858	19,912	20,217	21,649	22,634

A summary follows of the number of employers in the fund analysed by scheduled bodies and admitted bodies with active members.

Table: Employer types with active members

	2023/24	2024/25
Administrating Authority	1	1
Scheduled Bodies	44	46
Admitted Bodies	13	14
Resolution Body	1	1
Total	59	62

There were no new scheduled body employers in 2024/25. However, 2 Empower Trust academy schools (Ardleigh Green Infants and Ardleigh Green Juniors) moved onto separate reporting. Previously they were combined with Hall Mead School.

Table: 2024/25 Contributions by employer

Employer Name	Contributions from Members £	Contributions from Employers £
1. London Borough of Havering	7,914,066	34,353,288
London Borough of Havering Total	7,914,066	34,353,288
Scheduled Bodies		
1. Abbs Cross Academy	51,471	133,675
2. Ardleigh Green Infant Academy (ELAT)	32,284	133,290
3. Ardleigh Green Junior Academy (ELAT)	24,125	102,940
4. Benhurst Primary School	24,832	94,454
5. Bower Park Academy	65,739	259,805
6. Brittons Academy	68,288	273,921
7. Brookside Infant Academy	58,340	91,510
8. Brookside Junior Academy	16,686	63,915
9. Champion School	99,225	361,098
10. Chafford School	58,258	231,221
11. Compass School	30,509	128,631
12. Concordia Academy	43,051	142,828
13. Coopers Coborn School	101,822	358,655
14. Dame Tipping Academy	8,454	32,401
15. Drapers Academy	100,448	253,222
16. Drapers Management Team	43,642	125,274
17. Drapers Mayland Primary Academy	36,211	136,117
18. Emerson Park School	50,374	188,739
19. Empower (MAT)	104,937	363,965
20. Forest Approach Academy	84,502	314,609
21. Frances Bardsley Academy	80,741	267,962
22. Gaynes Academy	21,298	87,013
23. Hacton Academy	53,904	224,448
24. Hall Mead Academy	71,566	276,929
25. Harris Academy Sixth Form	3,846	14,954
26. Harrow Lodge Academy	37,766	141,500
27. Hornchurch High School	50,866	175,733
28. Langtons Junior Academy	21,884	80,005
29. Life Education HV	41,675	139,130
30. Marshalls Park Academy	63,779	255,141
31. Olive Academy	10,548	39,040
32. Olive Academy (MAT)	38,168	115,982
33. Pinewood Academy	37,116	101,791
34. Pyrgo Priory Academy	32,645	125,734
35. Ravensbourne Academy	74,788	277,382
36. Redden Court School	85,711	306,786

37. Employer Name	Contributions from Members £	Contributions from Employers £
38. Rise Park Infant Academy	25,660	96,957
39. Rise Park Junior Academy	40,146	90,391
40. Royal Liberty Academy	47,811	166,567
41. Sacred Heart School	50,695	210,956
42. Sanders Academy	52,299	183,921
43. Scargill Infant Academy	27,896	109,084
44. Scargill Junior Academy	19,724	76,510
45. St Edwards CE School & Sixth Form College	57,737	236,872
46. Success for All Education Trust MAT	46,880	154,313
47. The Bridge	44	812
48. Upminster Infant Academy	18,551	72,852
49. Upminster Junior Academy	26,986	106,114
50. Whybridge Junior Academy	36,383	128,054
Scheduled Bodies Total	2,280,312	8,053,200
Admitted Bodies		
1. Accent Catering Services (Coopers Coborn)	4,607	-
2. Atalian Servest Food Co. Ltd	422	7,031
3. Caterlink (St Edwards Academy) *	10,453	44,651
4. Cleantec at Elm Park Primary *	922	4,190
5. Harrison Catering (Loxford) *	3,283	2,566
6. Lewis and Graves Cleaning(Hornchurch High)	1,408	7,970
7. May Harris (Royal Liberty)	2,764	12,662
8. May Harris (Whybridge Junior School)	41	142
9. Mears Group PLC	34,412	137,215
10. Olive Dining Ltd (Drapers Academy)	8,386	60,021
11. Olive Dining (Maylands)	167	1,766
12. SLM Community Leisure Charitable Trust	37,002	127,977
13. SLM Fitness & Health Ltd	3,847	14,124
14. Urbaser – UK	131,888	508,562
Admitted Bodies Total	246,798	943,702
Designated body		
1. Mercury Land Holdings	7,198	14,824
Designated Bodies Total	7,198	14,824
Ceased Bodies**		
Harrison Catering (Gaynes Academy)	1,865	(1,865)
Kindred (Broadford Primary)	0	2,600
Ceased Bodies Total	1,865	735
Grand Total	10,444,041	43,350,925

* New employer in 24/25

** 2 transactions relating to ceased employers were incorrectly coded as contributions.

Table: Costs per member

Costs per member	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Total membership (no's)	19,076	18,858	19,912	20,217	21,649	22,634
Total Investment Cost (£'000)	3,192	3,412	4,241	4,628	4,584	4,264
Cost per member (£)	167.33	180.93	212.99	228.92	211.75	188.39
Total Administration Cost (£'000)	*315	601	709	731	828	1,006
Cost per member (£)	16.51	31.86	35.61	36.16	38.23	44.45
Total Oversight and Governance Cost (£'000)	468	415	524	581	718	672
Cost per member (£)	24.53	22.00	26.32	28.74	33.17	29.69
Total cost per member	208.37	234.80	274.91	293.81	283.15	262.53

* Includes an incorrect un-cleared sundry creditor from 2018/19.

Actuarial Statement

London Borough of Havering Pension Fund (“the Fund”)

Actuarial Statement for 2024/25

This statement has been prepared in accordance with Regulation 57(1)(d) of the Local Government Pension Scheme Regulations 2013. It has been prepared at the request of the Administering Authority of the Fund for the purpose of complying with the aforementioned regulation.

Description of Funding Policy

The funding policy is set out in the Administering Authority’s Funding Strategy Statement (FSS), dated April 2023. In summary, the key funding principles are as follows:

- take a prudent long-term view to secure the regulatory requirement for long-term solvency, with sufficient funds to pay benefits to members and their dependants;
- use a balanced investment strategy to meet the regulatory requirement for long-term cost efficiency (where efficiency in this context means to minimise cash contributions from employers in the long term);
- where appropriate, ensure stable employer contribution rates;
- reflect different employers’ characteristics to set their contribution rates, using a transparent funding strategy; and
- use reasonable measures to reduce the risk of an employer defaulting on its pension obligations.

The FSS sets out how the Administering Authority seeks to balance the conflicting aims of securing the solvency of the Fund and keeping employer contributions stable.

Funding Position as at the last formal funding valuation

The most recent actuarial valuation carried out under Regulation 62 of the Local Government Pension Scheme Regulations 2013 was as at 31 March 2022. This valuation revealed that the Fund’s assets, which at 31 March 2022 were valued at £920 million, were sufficient to meet 80% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting deficit at the 2022 valuation was £229 million.

Each employer had contribution requirements set at the valuation, with the aim of achieving their funding target within a time horizon and likelihood measure as per the FSS. Individual employers’ contributions for the period 1 April 2023 to 31 March 2026 were set in accordance with the Fund’s funding policy as set out in its FSS.

Principal Actuarial Assumptions and Method used to value the liabilities

Full details of the methods and assumptions used are described in the 2022 valuation report and FSS.

Method

The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date; and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership.

Assumptions

A market-related approach was taken to valuing the liabilities, for consistency with the valuation of the Fund assets at their market value.

The key financial assumptions adopted for the 2022 valuation were as follows:

Financial assumptions	31 March 2022
Discount rate	3.5% pa
Salary increase assumption	3.4% pa
Benefit increase assumption (CPI)	2.7% pa

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 and 2020 data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of 1.50% p.a. Based on these assumptions, the average future life expectancies at age 65 are as follows:

	Males	Females
Current Pensioners	21.7 years	24.3 years
Future Pensioners*	22.6 years	25.8 years
*Aged 45 at the 2022 Valuation.		

Copies of the 2022 valuation report and Funding Strategy Statement are available on request from the Administering Authority to the Fund and on the Fund's website.

[Pension valuation reports | London Borough of Havering](#)

Experience over the period since 31 March 2022

Markets were disrupted by the ongoing war in Ukraine and inflationary pressures in 2022 and 2023, impacting on investment returns achieved by the Fund's assets. Asset performance improved in 2024 and early 2025; however the recent increase in US tariffs on imports has caused significant market volatility. The peak of this market volatility was experienced immediately after 31 March 2025, however, generally lower than expected asset returns were experienced in the month immediately prior to this.

High levels of inflation in the UK (compared to recent experience) have resulted in higher than expected LGPS benefit increases of 10.1% in April 2023 and 6.7% in April 2024. However, inflation has reduced towards historical levels and the Bank of England's target (2% pa), with LGPS benefits increasing by 1.7% in April 2025.

There has been a significant shift in the wider economic environment since 2022, resulting in generally higher expected future investment returns and a reduction in the value placed on the Fund's liabilities. Overall, the funding position is likely to be stronger than at the previous formal valuation at 31 March 2022.

The next actuarial valuation will be carried out as at 31 March 2025, and will be finalised by 31 March 2026. The FSS will also be reviewed at that time, and a revised version will come into effect from 1 April 2026.

Jamie Baxter FFA C.Act

09 May 2025

For and on behalf of Hymans Robertson LLP

Hymans Robertson LLP is a limited liability partnership registered in England and Wales with registered number OC310282.

A list of members of Hymans Robertson LLP is available for inspection at One London Wall, London EC2Y 5EA, the firm's registered office. Authorised and regulated by the Financial Conduct Authority and licensed by the Institute and Faculty of Actuaries for a range of investment business activities. Hymans Robertson is a registered trademark of Hymans Robertson LLP.

External Audit Opinion

INDEPENDENT AUDITOR'S STATEMENT TO THE MEMBERS OF LONDON BOROUGH OF HAVERING ON THE PENSION FUND FINANCIAL STATEMENTS

The external audit opinion for the Pension Fund Annual Report is reliant on the audit of the statement of accounts to be completed, for the reasons stated below:

The external audit of the draft statement of accounts for the year ended 31 March 2025 has not yet been completed by our external auditors, EY LLP, due to the complex set of factors contributing to audit delays across the sector. This situation is allowed for by Regulation 9A(4) of the Accounts and Audit (Amendment) Regulations 2024 (SI 2024/907), which permits authorities to publish a notice explaining the delay where the audit opinion has not been entered by the statutory backstop date.

Therefore, this notification explains that we are not yet able to publish our audited 2024/25 final statement by 30 September 2025, the date by which we would ordinarily expect to do so. We will publish the final audited accounts as soon as reasonably practicable after the Audit Committee has considered the results of the 2024/25 audit.

Appendices

Further Reading

The subsequent documents are accessible via the Havering website for review. Should you require physical copies, they can be obtained upon request from the administering authority. This ensures that all stakeholders have convenient access to the necessary information in their preferred format.

- [Funding strategy statement](#)
- [Investment strategy statement](#)
- [Governance compliance statement](#)
- [Communications policy](#)
- [Risk register](#)

The Pension Fund section of the Havering website is a comprehensive resource, offering a suite of documents designed to enhance members' and employers' comprehension of the scheme. This dedicated area provides essential information, facilitating a deeper understanding of the pension arrangements and enabling informed decision-making. It serves as a valuable tool for both current and prospective participants in navigating the complexities of the pension landscape.

Other useful contacts:

National Local Government Pension Scheme website: <https://www.lgpsmember.org/>

The Pension Service website: www.thepensionsservice.gov.uk

State Pension website www.gov.uk/browse/working/state-pension

Pensions Ombudsman <https://www.pensions-ombudsman.org.uk/>

Money and Pensions Services <https://moneyandpensionsservice.org.uk/>

Glossary

Accounting period - The period of time covered by the Council's accounts. The Council's financial year is from the period 1st April to the following 31st March.

Accounting policies – The specific principles, bases, conventions, rules, and practices applied by the Council in preparing and presenting the financial statements.

Accounting standards - A set of rules explaining how accounts are to be kept (See 'International Financial Reporting Standards').

Accrual - The recognition of income and expenditure in the year that they occur and not when any cash is received or paid.

Active member - Current employee who is contributing to a pension scheme.

Actuary - An independent professional who advises the Council on the financial position of the Fund. Every three years the actuary values the assets and liabilities of the Fund and determines the funding level and the employers' contribution rates.

Additional Voluntary Contributions (AVC) - An option available to active scheme members to secure additional pension benefits by making regular contributions to separately held investment funds managed by the Fund's AVC provider.

Administering Authority -The Administering Authority is responsible for maintaining and investing its own Fund for the LGPS. This means the Administering Authority is responsible for making all decisions relating to the operation of the Fund.

Admitted Body - An organisation, whose staff can become members of the Fund by virtue of an admission agreement made between the Council and the organisation. It enables contractors who take on the Council's services with employees transferring, to offer those staff continued membership of the Fund.

Admission Agreement - an agreement made between the administering authority, a Scheme employer and a contracted company to allow the contractor to become part of the LGPS.

Asset allocation - The apportionment of a fund's assets between different types of investments (or asset classes). The long-term strategic asset allocation of a Fund will reflect the Fund's investment objectives.

Asset Pool - is an entity that allows investors to pool their money and invest the pooled funds, rather than buying securities directly as individuals.

Balance Sheet - A statement of all the assets, liabilities and other balances of the Council at the end of an accounting period.

Basis Points (BPS) - A unit of measure for interest rates and percentages. One basis point is equal to 1/100th of 1%.

Benchmark - A measure against which the investment policy or performance of an investment manager can be compared.

Cash equivalents – Highly liquid, investments that can easily be converted into cash.

Chartered Institute of Public Finance and Accountancy (CIPFA) – A professional accountancy body, specialising in the Public Sector. It promotes best practice by issuing guidelines and Codes of Practice.

Contingent Liability - Where possible “one-off” future liabilities or losses are identified but the level of uncertainty is such that the establishment of a provision is not appropriate.

Consumer Price Index (CPI) – Measures the average change in retail prices of a basket of goods and services purchased by most UK households, to provide an indication of the rate of inflation. The CPI includes some financial services in the basket of goods not included in the RPI.

Creditors - Amount of money owed by the Fund for goods and services received, also referred to as Payables.

Death Grant - an amount paid to a current or former member's estate or nominated beneficiaries in the event of death in service, death after retirement or death of a deferred beneficiary.

Debtors - Amount of money owed to the Fund by individuals, and organisations, also referred to as Receivables.

Deferred Benefits - benefits retained in the pension fund when a member leaves without an entitlement to the immediate payment of those benefits. If a transfer of benefits does not take place before hand, deferred benefits are usually paid from the member's normal retirement date.

Defined Benefit Scheme - A pension scheme which defines benefits independently of the contributions payable. Benefits are not directly related to the investments of the Pension Fund.

Deferred members - Scheme members, who have left employment or ceased to be an active member of the scheme whilst remaining in employment, but retain an entitlement to a pension from the scheme.

Discretion - this is the power given by LGPS regulations to enable Scheme employers or administering authorities to choose how they will apply the Scheme rules in respect of certain provisions.

Employer rates - The percentage of the salary of employees that employers pay as a contribution towards the employees' pension.

Equities - Ordinary shares in UK and overseas companies traded on a stock exchange. Shareholders have an interest in the profits of the company and are entitled to vote at shareholders' meetings.

Fair Value - In relation to the value of financial instruments, it is the amount for which an asset can be exchanged or a liability settled between knowledgeable and willing parties in an arm's length transaction.

Financial Instrument - Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.

Fixed interest securities – Investments, mainly in government stocks, which guarantee a fixed rate of interest. The securities represent loans which are repayable at a future date but which can be traded on a recognised stock exchange in the meantime.

Good Governance Framework – SAB commissioned report reviewing the governance of the LGPS on effectiveness and reviewing existing models.

Index - A calculation of the average price of shares, bonds, or other assets in a specified market to provide an indication of the average performance and general trends in the market.

Interest Rate Risk - The uncertainty of interest paid/received on variable rate instruments and the effect of fluctuations in interest rates on the fair value of an instrument.

Internal Disputes Resolution Procedure (IDRP) – a complaints procedure governed by regulation providing any current or former scheme member with the opportunity to settle any dispute or complaint they may have in respect of any decision made regarding their entitlements under scheme rules.

International Financial Reporting Standards (IFRS) – The set of international accounting standards issued by the International Accounting Standards Board (IASB). Local Authorities are required to produce accounts based on IFRS.

Investment Strategy Statement (ISS) – LGPS regulations require administering authorities to prepare and maintain an ISS. The ISS outlines the Fund's investment objectives and investment beliefs, identifies the risks the Fund faces and outlines how this risks are controlled/mitigated.

McCloud - The McCloud judgement refers to the Court of Appeal's ruling that Government's 2015 public sector pension reforms unlawfully treated existing public sectors differently based upon members' age

Markets in Financial Instruments Directive II – legislative framework established by the European Union to regulate financial markets and enhance investor protection.

National Fraud Initiative - Exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud.

Pension Administration Strategy – Strategy which outlines the processes and procedures allowing the administrator and employers to work together in a cost effective way to administer the LGPS.

Pooled Investment vehicles - Funds which manage the investments of more than one investor on a collective basis. Each investor is allocated units which are revalued at regular intervals. Income from these investments is normally returned to the pooled fund and increases the value of the units.

Public Service Pension Act 2013 - An Act to make provision for public service pension schemes and for connected purposes.

Rates and Adjustment Certificate - a certificate issued by the Actuary following a valuation of the Fund which sets out the employer contribution rates payable by each of the associated scheme bodies.

Return - The total gain from holding an investment over a given period, including income and increase or decrease in market value.

Scheduled body - An organisation that has the right to become a member the LGPS under the scheme regulations. Such an organisation does not need to be admitted as its right to membership is automatic.

Scheme Advisory Board - a body that provides advice and guidance on the management and administration of the LGPS in England and Wales.

Triennial Valuation - Every three years the Actuary reviews the assets and liabilities of the Pension Fund and reports to the Council on the fund's financial position and recommended employers' contribution rates.

Unrealised gains/losses - The increase or decrease in the market value of investments held by the fund since the date of their purchase.

Value For Money (VFM) – This term is used to describe the relationship between the economy, efficiency, and effectiveness (known as the 'three Es') of a service, function or activity. Value for money is high when there is an optimum balance between all three.

Acronyms

AVC Additional Voluntary Contribution
CARE Career Average Revalued Earnings
CIPFA The Chartered Institute of Public Finance and Accountancy
CIV Collective Investment Vehicle
CPI Consumer Prices Index
FSS Funding Strategy Statement
GAD Government Actuary's Department
GDPR General Data Protection Regulation
HMRC Her Majesty's Revenue & Customs
IAS International Accounting Standard
IDRP Internal Disputes Resolution Procedure
IFRS International Financial Reporting Standards
ISS Investment Strategy Statement
LCIV London Collective Investment Vehicle
LGPS Local Government Pension Scheme
LPB Local Pension Board
LPPA Local Pensions Partnership Administration
MHCLG Ministry of Housing, Communities and Local Government
PC Pensions Committee
PLSA Pensions and Lifetime Savings Association
SAB Scheme Advisory Board
TPR The Pensions Regulator

Annual Report Checklist

Section 1 – Overall Fund Management

Scheme Management and Advisors		Compliant	Update
1.1	The senior officers responsible for the pension fund and their job title	✓	Must
1.2	The asset pool and asset pool operator (England & Wales)	✓	Must
1.3	Investment managers used by the fund	✓	Must
1.4	The fund custodian	✓	Must
1.5	The fund actuary	✓	Must
1.6	AVC providers	✓	Must
1.7	Fund legal advisors	✓	Must
1.8	The fund bankers	✓	Must
1.9	The fund accountant/director of finance	✓	Must
1.10	The external auditor	✓	Must
1.11	Scheme administrators (if functions are outsourced)	✓	Must
1.12	Any independent advisors or consultants retained by the fund	✓	Must
Risk Management			
1.13	How risk management is integrated within the governance structure	✓	May
1.14	How risks are identified, managed, and reviewed	✓	May
1.15	What actions are being taken to mitigate the key risks (covering investment, governance, and administration)	✓	May
1.16	The approach taken to managing cyber risk, while protecting appropriate confidentiality for the pension fund's internal controls	✓	May
1.17	The approach taken to risks relating to investment and pooling Arrangements	✓	May
1.18	The approach taken to managing third party risk such as late payment of contributions and provision of data by scheme employers and overall performance by scheme employers	✓	May
1.19	The approach taken to risks which arise because of the fund's relationship to the administering authority, such as where reliance is put on shared polices and resources	✓	May

Section 2 – Governance and Training

2.1	Funds should set out their governance structure and how the fund has complied with its Governance Compliance Statement	✓	Should
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Section 3 – Financial Performance

3.1	The report must provide an overview of the fund's financial performance, focused primarily on income, expenditure, and cash Flows	✓	Must
3.2	An analysis or narrative explanation of in-year expenses and income together with a comparison over time or against budget.	✓	Must
3.3	Explain the relationship between changes to costs and income and factors such as changes in membership numbers, age profile of pensioners, bulk transfers etc.	✓	Should
3.4	Include: <ul style="list-style-type: none"> • a brief commentary on any significant changes to non- investment assets and liabilities during the year • employers' and employees' contributions as a percentage of pensionable pay, details of late and overdue contributions, and of whether the option to levy interest on overdue contributions has been exercised • analysis of pension overpayments, recoveries and any amounts written off • commentary on actions taken to deal with fraud (including participation in the National Fraud Initiative and areas such as data matching, overpayments identified or the use of other data quality and tracing resources) • other examples of fraud, credit losses, provisions, contingent liabilities, or impairments 	✓ ✓ ✓ ✓ ✓	Must

Section 4 – Fund account, net assets statement and notes

4.1	Must include a fund account and net asset statement with supporting notes and disclosures prepared in accordance with proper accounting practices	x Will be inserted upon audit completion	Must
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Section 5 – Investments and Funding

5.1	Demonstrate how the ISS has been put into practice during the year and how this links to the FSS	✓	Must
5.2	Set out the fund's investment management arrangements and the risks, returns and management costs associated with the investment portfolio	✓	Must

5.3	Provide a commentary and data on how the fund has implemented the policy on pooling its assets in its chosen LGPS pool during the year as set out in its ISS, a narrative on the pace of pooling and an explanation for assets which have not been pooled	✓	Must
5.4	Include a commentary on the implementation and application of the FSS during the reporting period. Reference should be made to what extent the ISS and FSS are compliant with statutory guidance and explain any reasons for non-compliance	✓	Must
5.5	Include details of investment administration and custodianship and describe who looks after which part of the portfolio (if not already provided elsewhere)	Provided in section 1	Must
5.6	Investment performance net of fees for the 12 months corresponding to the accounting period for each fund manager or asset class must be reported alongside an appropriate benchmark chosen by the authority and the choice of benchmark must be stated	✓	Must
5.7	Provide details of the environmental, social and governance issues, and other initiatives such as engagement with companies and any collaborative ventures with other funds	✓	Should
5.8	<p>The CIPFA publication “Accounting for Local Government Pension Scheme Management Expenses” and the relevant accounting guidance recommends that this section of the annual report should also be used to:</p> <ul style="list-style-type: none"> • identify fees and costs incurred by third parties which affect overall investment returns • explain the relationship between fees, risk and investment return • indicate how the pension fund is responding to the Scheme Advisory Board’s Code of Transparency, and the use being made of data provided by fund managers using the transparency Code templates 	✓	Should
5.9	Must compare the strategic asset allocation as set out in the most recent ISS with the actual allocation of assets at the end of the accounting period	✓	Must
5.10	Should provide a commentary and data on how the fund has implemented the policy on pooling its assets in its chosen LGPS pool during the year as set out in its ISS	✓	Must
5.11	The costs incurred, gross savings achieved, and the resulting net savings achieved as a result of pooling assets	✓	Must
5.12	Progress in pooling their assets in this section through the asset table and the supplementary table. In both tables, assets must be divided into “pooled”, “under pool management” and “not pooled”	✓	Must

5.13	All funds must set out their asset allocation at the end of the accounting period by completing the asset table. Definitions / guidance are provided for each aspect of this table	✓	Must
5.14	The annual report must also include data in the supplementary table, to provide additional information on investment in the UK. Definitions/guidance are provided for each aspect of this table	✓	Must

Section 6 – Administration

6.1	A summary of activities undertaken by the administration function during the year	✓	Must
6.2	Report on performance against administration Key Performance Indicators (KPIs)	✓	Must
6.3	Report on member and employer numbers by category	✓	Must
6.4	Report on actions taken to deliver the communications policy	✓	Must
6.5	Report on value for money achieved by the administration function	✓	Must
6.6	Report on complaints and dispute resolution cases	✓	Must

Section 7 – Actuarial reports on funds

7.1	Statement by the actuary who carried out the most recent valuation of the assets and liabilities of the level of funding as reported by the actuary at the last actuarial valuation	✓	Must
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Section 8 – External audit opinion

8.1	Statement by the actuary who carried out the most recent valuation of the assets and liabilities of the level of funding as reported by the actuary at the last actuarial valuation	x Will be inserted upon audit completion	Must
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Section 9 – Additional Information

9.1	The statement of compliance with the CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills	✓	May
9.2	Evidence to demonstrate compliance with the Knowledge Code of Practice	✓	May
9.3	The role played by Internal Audit in providing assurance and managing risk, and a summary of assurance activity undertaken during the year	✓	May
9.4	A summary of Freedom of Information requests	✓	May
9.5	A glossary of commonly used pension fund terms	✓	May



PENSIONS COMMITTEE

11 NOVEMBER 2025

Subject Heading:

PENSION FUND RISK REGISTER
OCTOBER 2025

SLT Lead:

Kathy Freeman

Report Author and contact details:

Mark White
Capital Strategy Manager
01708 433 624
Mark.White@haverling.gov.uk

Policy context:

Pension Fund Governance

Financial summary:

No direct financial implications

The subject matter of this report deals with the following Council Objectives

People – Supporting our residents to stay safe and well	X
Place – A great place to live, work and enjoy	X
Resources – Enabling a resident-focused and resilient Council	X

SUMMARY

This report updates the committee with the latest version of the Havering Pension Fund (“the Fund”) Risk Register (**Appendix A**), which details the potential risks the Fund is exposed to, that the Pensions Committee should be aware of, and the controls in place to manage those risks.

RECOMMENDATIONS

The Pensions Committee is recommended to:

1. Approve the updated Pension Fund Risk Register November 2024, attached as **Appendix A**.

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 requires LGPS Funds to establish internal controls that ensure proper scheme administration. This involves identifying, recording and regularly reviewing risks to determine which risks need controls to reduce their likelihood and impact.
- 1.3 Risk is also identified and managed within the following statutory documents:
 - Governance Compliance Statement,
 - The Funding Strategy Statement
 - The Investment Strategy Statement
 - Statement of Accounts and Pension Fund Annual Report
 - Valuation results
- 1.4 External service providers—actuaries, advisors, auditors, custodians, and system administrators—along with regulatory bodies, support risk management through established procedures.
- 1.5 The effective management of risk is also an area which is covered within the CIPFA Knowledge and Skills framework recognising the importance that those charged with governance understand the risks that could impact on the Fund and steps taken to mitigate such risks.

2. Pension Fund Risk Register

- 2.1 In line with the LGPS Regulations and good practice the Fund has been maintaining a Pension Fund Risk Register since 2015, which was last reported to the Committee on the 5 November 2024. The Fund maintains a risk register to effectively manage and mitigate potential risks that could impact the scheme's operations and objectives.
- 2.2 The risk register complies with CIPFA 'Managing Risk in the LGPS' published in December 2018 and the tPR General Code of Practice.
- 2.3 The risk register identifies the key risks that the Fund may face and the measures that can and have been put in place to mitigate those risks.
- 2.4 It is recognised that it is not possible to eliminate all risks but accepting and actively managing risk is crucial to fulfilling the governance of the Fund.

- 2.5 The Risk Register is a 'live' document and therefore all risks are reviewed continually to ensure that they remain relevant and that the controls are in place to manage risks where feasible. With this in mind, it was agreed that from April 2019 the Risk Register will be a standing item on the Local Pensions Board (LPB) agenda and for the LPB to consider and agree to make recommendations for changes.
- 2.6 The Risk Register was discussed at the Funds LPB meetings, as follows:
- **17 September 2024** – feedback requested that officers indicate with risks are operational and which are strategic.
 - 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
 - **3 December 2024** – LPB disagreed with the Pensions Committee that they should be tasked for focus on reviewing operational risks. We are awaiting the Chair to follow up.
- 2.7 **Risk Scoring** - The Fund uses a matrix to plot risk likelihood and impact. The matrix within the register shows that risk can be classified as having two measurements that need to be assessed to determine the scale of the risk i.e.
- **Likelihood** – the possibility that a risk will occur
 - **Impact** – the consequences if the risk were to occur

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 this Committee. Being able to assess the likely financial and reputational impact and whether a risk can be categorised as high, medium or low will impact on the decision-making process of this Committee.

Not all risks are quantifiable from a financial perspective but could impact on the reputation of the Fund and these also need to be considered.

Legal implications and risks:

There are no apparent legal risks in approving the risk register as recommended.

Human Resources implications and risks:

The recommendations made in this report do not appear to give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.

Equalities implications and risks:

An EHIA (Equality and Health Impact Assessment) has not been completed and is not required for this decision. The Council seeks to ensure equality, inclusion, and dignity for all. There are no equalities and social inclusion implications and risks associated with this decision.

BACKGROUND PAPERS

Background Papers List

None

Havering Pension Fund

Risk Register

October 2025

The pension fund uses a 4x6 risk matrix to assess and manage the likelihood and impact of potential risks. Each risk is evaluated both before and after the application of controls, with scores recorded under “Risk Likelihood / Impact Prior to Controls” and “Risk Likelihood / Impact Post Controls.” The matrix visually categorizes risks: green indicates areas with effective controls and acceptable exposure, while amber and red highlight risks requiring heightened oversight and mitigation.

Generic Pension Fund Risk Register

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

Risk Likelihood

A = Certainty
B = Very likely
C = Likely
D = Possible
E = Unlikely

Risk Impact

4 = Negligible
3 = Moderate
2 = Serious
1 = Major

Abbreviations list

Abbreviations	Description
AUM	Asset Under Management
CMO	Contract Monitoring Officer
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
ISS	Investment Strategy Statement
LCIV	London Collective Investment Vehicle
LGPS	Local Government Pension Scheme
LPB	LPB
LPPA	Local Pensions Partnership Administration
MAT	Multi Academy Trust
MHCLG	Ministry for Housing, Communities & Local Government
PFM	Pension Fund Manager, Finance
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.	Details of Risk	Risk Owner	Risk Impact	Controls / Mitigations	Risk Score	Actions / Recommendations	Risk Update
OPERATIONAL RISKS							
Page 132 PF 1	Operational Risk Key person dependency in both finance and administration	Strategic Director of Resources	Key work areas not completed. Staff turnover increases due to workload. Lack of continuity and knowledge. Non-compliance with good governance.	Review of pensions teams, work plan and required resources to be undertaken.	AMBER B/2 Very likely / Serious	Develop training plan for officers. Finance Section has a vacant post. Head of Pensions and Treasury remains vacant. LCIV PASS obtained for 1 year to aid the development of staff. Consideration for decision making on LGPS matters to be prioritised.	Actions updated Oct 25
	Operational Risk Poor quality data provided	Director of Exchequer and Transaction Services	Incorrect employer contributions calculated Pay incorrect pensions. Members make ill informed decisions Fined by tPR. Reputational damage.	Data cleansing / controls in place to ensure accuracy of data. Monthly data submitted by all Scheme Employers. Data is reviewed and are queries raised. Data accuracy measured against the Pensions Regulator scoring criteria. Pensions Administration Strategy (revised April 2025) clarifies employer responsibilities.	GREEN E/3 Unlikely / Moderate	CMO monitors the data submissions and query responses As at 30 June 25, common data score of 98%, scheme specific data score of 92.5%. Positive feedback received from Hyman's on 2025 valuation uploads Employer performance is monitored against the PAS and support offered where required	Risk and Controls Reviewed by Officers Oct 25. No changes recommended to current controls.
	Operational Risk Poor Pension fund administration by	Director of Exchequer and	Service Delivery failure leading to client/customer complaints, fines and reputational damage.	Formal agreement in place with LPPA, working to SLA's. Contract monitoring in place	AMBER D/3 Likely /	LPPA have provide their annual AAF/01/20 "Type II" Service Auditors Assurance Report covering the period 01/04/24 to 31/03/25. This	Risk and Controls Reviewed by Officers Oct 25

Risk No.	Details of Risk	Risk Owner	Risk Impact	Controls / Mitigations	Risk Score	Actions / Recommendations	Risk Update
Page 133 4	the outsourced service LPPA.	Transaction Services		<p>LPPA have provided their AAF (Audit and Assurance Faculty) 01/20 "Type II" report, which provides an independent audit on the LPPA internal controls focusing on operational and financial processes.</p> <p>LPPA provides quarterly performance reporting to the LPB which is subject to challenge</p> <p>CMO works closely with LPPA to ensure legislative updates are implemented efficiently and accurately</p>	Moderate	report is a more rigorous assessment of the design and effectiveness of controls.	No changes recommended to current controls.
	Operational Risk Poor administration by the employers/payroll providers in the fund.	Director of Exchequer and Transaction Services	Service delivery failure leading to client/customer complaints and reputational damage.	<p>Pensions Administration Strategy in place to clarify the responsibilities of Scheme Employers and provide timescales for the submission of data.</p> <p>Employer performance is monitored and support offered by Havering Officers where required</p> <p>LPPA have a programme of employer training and a dedicated employer engagement team to provide support</p>	GREEN D/3 Possible / Moderate	<p>LPPA have a Efficiency and Service Improvement Plan in place which will aid receipt of good quality data and ensure accurate uploads are submitted by employers/payrolls</p> <p>Employer performance is monitored against the PAS and support offered where required</p>	<p>Risk and Controls Reviewed by Officers Oct 2</p> <p>No changes recommended to current controls.</p>

Risk No.	Details of Risk	Risk Owner	Risk Impact	Controls / Mitigations	Risk Score	Actions / Recommendations	Risk Update
PF 5	Operational Risk Employers pay wrong or late contributions	Director of Exchequer and Transaction Services	Default by employer. Cash flow issues.	Monthly monitoring of contributions. Early employer engagement.	GREEN C/3 Likely / Moderate	Continue monthly monitoring and escalation through Administration Strategy.	Actions updated Oct 25
PF 6	Operational Risk Pension Fund accounts are not appropriately monitored	Strategic Director of Resources	Adverse audit opinion. Accounting reports (IAS19, IAS26 FRS102 need to be restated)	Detailed reconciliations carried out regularly. Experienced personnel in place. Custodian service provides asset values and performance measurement.	GREEN E/3 Unlikely / Moderate	2023/24 Accounts –audited – unqualified opinion issued. 2024/25 Accounts – audit in progress Review staffing arrangements in line with good governance recommendations.	Actions updated Oct 25
PF 7	Operational Risk Poor communications with stakeholders.	Director of Exchequer and Transaction Services	Potential breach of regulations and member entitlement Potential for litigation.	Communications Strategy published, Reviewed every 3 years. LPPA has an LGPS dedicated website that contains all relevant information for scheme members and employers. Havering maintain a dedicated Pensions Administration page within the Havering.gov.uk website The communication plan and evidence that supports the strategy is presented to Board twice a year	GREEN E/3 Unlikely / Moderate	Review communication policy and ensure the plan is kept up to date and is adapted to include new legislation and time critical news	Actions updated Oct 25
PF 8	Operational Risk Contracts expire	Strategic Director of Resources	No valid legal agreement in place. Breach of legislation and procurement rules.	Add contracts register to the business plan to ensure reviewed at least annually.	GREEN D/3 Possible /	Actuary, Investment Advisor and Custody contracts are all in progress.	Actions updated Oct 25

Risk No.	Details of Risk	Risk Owner	Risk Impact	Controls / Mitigations	Risk Score	Actions / Recommendations	Risk Update
			Challenge from suppliers.		Moderate	Officers working with procurement.	
PF 9	Operational Risk LCIV resourcing – LCIV staff turnover.	Pensions Committee	Undermines investor confidence in the LCIV.	Continued monitoring of LCIV in place.	GREEN D/3 Possible / Moderate	Remaining unpooled assets to transfer to LCIV management by 31 March 2026. Investment advisor to support the committee to understand the new governance structures	Actions updated Oct 25
PF 10	Strategic Risk Where MATS hold membership across various funds, they may opt to consolidate to a single Pension Fund.	Strategic Director of Resources	Current proposal to remove Secretary of State approval for MAT's to consolidate into a single administering authority. Approx 10% of fund assets and liabilities are allocated to academies.	Robust cash flow modelling to ensure sufficient cash to meet benefits obligations.	AMBER C/2 Likely / Serious	Continue to monitor the consultation and be aware of changes in legislation. Seek support from Administrator and Actuary as required.	Actions updated Oct 25
PF 11	Operational Risk Cyber attack to either the Council or the Administrator leading to critical service delivery failure to undertake tasks	Strategic Director of Resources	Financial loss Reputational damage Unable to pay benefits on time	Key mitigations in place to protect entry points to our network (MFA, SOC etc.). Backups to enable the council to recover its data in the event of a cybersecurity incident. This reduces the likelihood of an attack being successful. 24/7 monitoring via Security Operations Centre (SOC) contract.	AMBER C/2 Likely / serious	Work is underway to further mitigate as part of future 3 rd party partner contractual arrangements and plans to move on premise infrastructure to the cloud. Staff and councillor training and awareness activities around cyber security best practices continue on an ongoing basis to strengthen our posture. Services to have specific Business Continuity Plans detailing how they would approach service delivery	Actions updated Oct 25

Risk No.	Details of Risk	Risk Owner	Risk Impact	Controls / Mitigations	Risk Score	Actions / Recommendations	Risk Update
Page 1 of 6				<p>Regular scanning and patching of IT vulnerabilities.</p> <p>Regular mandatory training on cyber security for all staff.</p> <p>Regular vulnerability scanning of the network and remediation as needed on all high/critical risks.</p>		<p>when facing continued lack of IT.</p> <p>Regular testing of Disaster Recovery processes.</p> <p>Review and update on conditional access policies as part of Havering sovereign Microsoft tenancy optimisation.</p> <p>LPPA have the Cyber Essentials Plus accreditation alongside the ISO 27001 accreditation which provides assurance of robust cyber defence and response mechanisms</p>	
	PF 12 Operational Risk Insufficient resource/legislative guidance to complete McCloud retrospective calculations and include remediable service in the 2025 Annual Benefit Statements	Director of Exchequer and Transactional Services	<p>Delayed pension calculations</p> <p>Investigation by tPR</p>	<p>Havering Pension Fund have implemented their discretion to extend the inclusion of remediable service deadline to 31 August 2026 where required.</p> <p>CMO is working with LPPA to ensure retrospective calculations are carried out without undue delay</p>	GREEN D/3 Possible / Moderate	Assurances have been given by software provider and LPPA that following rigorous testing and where legislation and guidance have been released, retrospective calculations will be completed and remediable service information will be included in the 2026 ABS.	Actions updated Oct 25
FINANCIAL RISKS							
PF 13	Strategic Risk Lack of or poor professional	Strategic Director of Resources	Potential for financial loss or missed opportunities	FCA Regulated Investment Advisor appointed to advise the Pension Committee.	GREEN E/3	Investment advice will pass to London CIV as part of the Governments 'Fit for the Future' reforms.	Actions updated Oct 25

Risk No.	Details of Risk	Risk Owner	Risk Impact	Controls / Mitigations	Risk Score	Actions / Recommendations	Risk Update
	investment advice received			Review investment advisor performance annually – last review 03/010/2025	Unlikely / Moderate	The Fund intends to have an independent investment advisor to provide oversight and challenge of the pool.	
PF 14	Strategic Risk Concentration risk by asset class, region or sector. Lack of clear risk appetite.	Pensions Committee	Misjudged needs may lead to overly cautious or excessive risk-taking.	ISS reviewed quarterly by the Committee Diversified portfolio reduces concentration risk Members briefed on risk-return implications of ISS changes	GREEN E/3 Unlikely / Moderate	ISS reviewed every three years	Risk and Controls Reviewed by Officers Oct 25 No changes recommended to current controls.
PF 15	Strategic Risk Investments do not perform in-line with growth expectations	Pensions Committee	The Fund's assets are not sufficient to meet its long-term liabilities. Increases employer contributions. Reputational damage.	Fund Manager selection undertaken by LCIV, FCA regulated investment pool. Product reviews and due diligence are undertaken by the Investment Advisor before the Fund invests.	GREEN E/3 Unlikely / Moderate	Fund Managers attend Pension Committee to present quarterly performance reports and are challenged by the Committee and Investment Advisor.	Risk and Controls Reviewed by Officers Oct 25 No changes recommended to current controls.
PF 16	Strategic Risk Underperformance of LCIV Fund manager. Failure to achieve Asset Under Management (AUM) Target	Pensions Committee		Officers attend LCIV monthly business meetings to ensure the Fund is up to date with LCIV events. Summaries reported to the Pensions Committee quarterly, LCIV arrange regular “meet the manager” sessions that are open to Officers and Committee members.	GREEN D/2 Possible / Serious	LCIV will attend future committee meetings and report on performance LCIV monitor fund manager performance – monitoring status awarded “normal”, “enhanced” or “on-watch”. Deep dives undertaken annually or more frequently	Actions updated Oct 25

Risk No.	Details of Risk	Risk Owner	Risk Impact	Controls / Mitigations	Risk Score	Actions / Recommendations	Risk Update
						if on “enhanced” monitoring or “on watch	
PF 17	Strategic Risk Climate Risk / Responsible investment considerations	Pensions Committee	Climate change could impact negatively on financial outcomes e.g. stranded assets, carbon taxes etc.	The Committee have developed a set of Investment beliefs that recognises that climate change and the expected transition to a low carbon economy represents a long –term financial risk to Fund outcomes and these beliefs are incorporated as part of the ongoing implementation of investment strategy	AMBER C/2 Likely / serious	Workshop to assess progress against Responsible Investment beliefs held 29/09/2025 – recommendation paper to follow.	Actions updated Oct 25
PF 18	Strategic Risk Failure to transfer assets to LCIV by 31 March 2026	Pensions Committee	Secretary of State intervenes. Reputational damage	Transition meetings held with LCIV.	GREEN E/3 Unlikely / Moderate	Fund have procured LCIV on a management support function. This should aid transition.	Actions updated Oct 25

FUNDING RISKS

PF 19	Strategic Risk Inappropriate assumptions used by actuary in calculations for valuation.	Strategic Director of Resources	Inappropriate investment risk may be adopted and deficit not reduced. Increased employer contributions.	Valuation completed by a qualified actuary using prudent assumptions which are discussed with officers in the planning phase. Government Actuary Dept review valuation results against 4 aims set out in the Public Service Pensions Act 2013, Section 13 (S13); compliance, constituency, solvency, long-term cost efficiency	GREEN E/3 Unlikely / Moderate	Officers meet regularly with the Fund Actuary throughout the valuation process. Mid valuation report to plot progress.	Risk and Controls Reviewed by Officers Oct 25. No changes recommended to current controls.
PF 20	Operational Risk	Strategic Director of Resources	Default by Employers resulting in liabilities being funded by remaining	The Adminstrating Authority has a policy included within its FSS, setting out its approach to	GREEN D/2	Monthly monitoring of contributions.	Actions updated Oct 25

Risk No.	Details of Risk	Risk Owner	Risk Impact	Controls / Mitigations	Risk Score	Actions / Recommendations	Risk Update
	Employers ability to meet contribution rates determined by the Actuary in the Rates and Adjustment certificate.		active employers in the Scheme.	reviewing contribution rates between triennial valuations.	Possible / Serious	Engage with employers on draft FSS.	
REGULATORY AND COMPLIANCE RISKS							
PF 21 Page 139	Operational Risk Lack of understanding and awareness amongst those charged with governance Does not comply with CIPFA Knowledge and Skills guidance	Strategic Director of Resources	Poor decision making Loss of investor status MIFID II. Unable to make investments.	Investment Advisor attends quarterly Pension Committee meetings and provides training as appropriate. Knowledge and skills training of LPB and Committee Members / Inductions carried out for new LPB and Pension Fund Committee members Subscription to Fund Actuary (Hymans) online learning platform (LOLA)	GREEN D/2 Possible / Serious	Officers to continue to monitor and report completion of LOLA modules London CIV to support the creation and delivery of a training strategy.	Actions updated Oct 25
PF 22	Policies are not updated in line with updated guidance	Pensions Committee	Non compliance Fines from tPR. Challenge from stakeholders	Officers, fund actuary, investment advisor and asset pool manager are monitoring LGPS landscape for changes.	GREEN E/3 Unlikely / Moderate	Officers to work with LCIV to determine which policies can be reviewed by their governance team.	Actions updated Oct 25
PF 23	Operational Risk Delays in internal processing of documentation/	Strategic Director of Resources	Contribution delays from the employers & members until on-boarding has	Employer on boarding process in place. Script in place to deliver to new Academy employers, with	GREEN E/3 Unlikely /	Officers to identify reasons for delays as they arise and escalate as necessary.	Actions updated Oct 25

Risk No.	Details of Risk	Risk Owner	Risk Impact	Controls / Mitigations	Risk Score	Actions / Recommendations	Risk Update
Page 140	admission agreements.		<p>been completed impacts cash flow.</p> <p>Late payment of pension benefits pending on-boarding of new employers</p>	<p>feedback process in place. CMO maintains communications and contact with employers to provide dedicated point of contact</p> <p>Admission agreements now pass-through</p> <p>Officers liaise with Legal colleagues to ensure Legal requirements are met in a timely manner</p> <p>Policies to support Scheme Employer, Pensions Administration Strategy, Admissions Policy, Outsourcing Guide</p>	Moderate		
	PF 24 Operational Risk Conflict of interest between council and the Fund	Strategic Director of Resources	Decisions may be taken in the best interest of either party.	Be clear in requirements of the Fund/Council and roles and responsibilities of all entities.	AMBER C/2 Likely / serious	Fund to follow advice in the SAB good governance once published.	Added Oct 25
	PF 25 Operational Risk Conflict of interest.	Strategic Director of Resources	Inappropriate decision making.	Register of interest declarations are covered within the agenda at all LPB/Committee meetings.	GREEN E/3 Unlikely / Moderate	Declarations of interest reviewed annually	Actions updated Oct 25



PENSIONS COMMITTEE

11 November 2025

Subject Heading:

REVIEW OF GOVERNANCE
COMPLIANCE STATEMENT

SLT Lead:

Kathy Freeman

Report Author and contact details:

Mark White
Capital Strategy Manager
01708 433 624
Mark.White@haverling.gov.uk

Policy context:

Regulation 55(2) of the LGPS Regulations 2013 requires an administrative authority to keep this document under review

Financial summary:

No financial implications

The subject matter of this report deals with the following Council Objectives

People – Supporting our residents to stay safe and well	X
Place – A great place to live, work and enjoy	X
Resources – Enabling a resident-focused and resilient Council	X

SUMMARY

The London Borough of Havering, as an administering authority, has a duty to keep the Governance Compliance Statement under review and make revisions as appropriate. It also must publish a report outlining the extent of compliance against a set of best practice principles.

The Governance Compliance Statement and the extent of compliance checklist is set out in **Appendix A**.

RECOMMENDATIONS

That the committee:

1. Approve the amendments to the Governance Compliance statement as set out at para 2.2.
2. Consider and agree Governance Compliance Statement (**Appendix A**).

REPORT DETAIL

1. Background

1.1. Local Government Pension Scheme (LGPS) Regulations 2013 – Regulation 55

The LGPS Regulations 2013 (Regulation 55) as amended states that an Administering Authority must prepare a written statement setting out;

- i. *(a) Whether the authority delegates its functions to a committee or an officer of the authority;*

(b) If the authority does so –
 - (in) the terms, structure and operational procedures of the delegation,*
 - (ii) the frequency of any committee meetings; and*
 - (iii) whether such a committee includes representatives of scheme employers or members, and if so, whether those representatives have voting rights.*
(c) the extent to which a delegation, or in the absence of a delegation, complies with guidance given by the Secretary of State, and if it does not comply, the reasons for not complying; and

(d) details of the terms, structure and operational procedures relating to the establishment of a Local Pension Board.
- ii. *An administering authority has a duty to keep the Governance Compliance Statement under review and make revisions as appropriate.*
- iii. *Before revising a statement an administering authority must consult such persons as it considers appropriate, following a material change.*
- iv. *The administering authority must publish its statement and any revised statement.*

2. Governance Compliance Statement (Appendix A)

- 2.1 The Governance Compliance Statement as set out in **Appendix A** has been prepared in line with the best practice principles published by the then Department of Communities and Local Government (DCLG) in 2008. Guidance includes a compliance table, which shows the extent to which the pension fund is compliant against best practice standards and where it is not.
- 2.2 Areas of non-compliance occur because the Fund does not operate a secondary committee or panel, therefore those sections are not applicable.

3. Key points for the committee to consider:

- 3.1 In line with regulations, before revising this statement an administering authority must consult such persons as it considers appropriate, following a material change. If approved, the Compliance Statement will be circulated to stakeholders for consideration. Comments will be brought back to the committee.
- 3.2 Listed below is the area where the authority is not fully compliant. It should be noted that the authority does not have to be fully compliant but where it is not the authority must state why.

Appendix A – Compliance Table, Structure

That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.

Appendix A – Compliance Table, Structure

That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.

Appendix A – Compliance Table, Meetings

That an administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.

For each of these the response is n/a as the Fund does not operate secondary committees or panels.

- 3.3 If necessary, the compliance statement will be amended after the committee meeting and consultation is completed. It will then be published on the Council's website.

IMPLICATIONS AND RISKS

Financial implications and risks:

There are no direct financial implications arising from this report. The review of the Governance Compliance Statement ensures that the London Borough of Havering as the administering authority is compliant with current regulations.

The Pensions Schemes Bill 2025 is expected to be passed before 31 March 2026. Government are working with both the SAB and the Pensions Regulator to develop the detail and will set that out in statutory guidance.

There is a risk that any changes required to meet the new recommended governance structures and practices may impact the Pension Fund budget.

Legal implications and risks:

The relevant legislation is set out in the main report.

The departures from guidance have been explained and are set out at paragraph 3.2 and therefore there is minimal legal risk in leaving the statement intact in that respect, although it is open to the Pensions Committee to suggest any changes if they think this is appropriate.

Human Resources implications and risks:

None arise from this report.

Equalities implications and risks:

An EHIA (Equality and Health Impact Assessment) has not been completed and is not required for this decision. The Council seeks to ensure equality, inclusion, and dignity for all. There are no equalities and social inclusion implications and risks associated with this decision.

BACKGROUND PAPERS

Background Papers List

None

Havering Pension Fund Governance Compliance Statement November 2025



Introduction

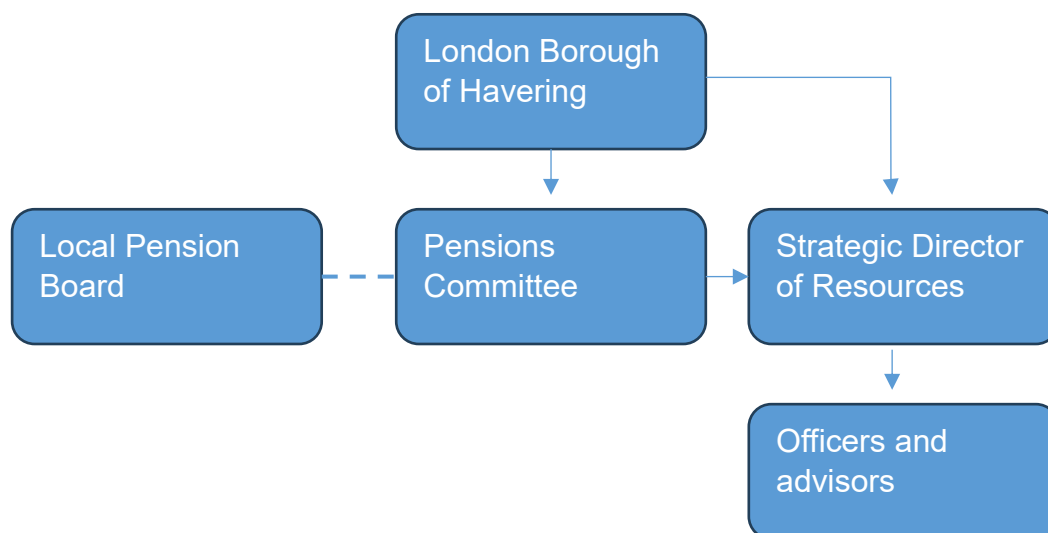
Under Regulation 55 of the LGPS Regulations 2013, administering authorities must publish and regularly review a Governance Compliance Statement outlining governance arrangements and compliance with statutory guidance. This statement describes the Fund's governance structure, delegation scheme, and the roles of the Pensions Committee and Local Pensions Board.

Relationship with the Administering Authority

The London Borough of Havering (LBH) is the Administering Authority and Scheme Manager for the Havering Pension Fund under the LGPS Regulations 2013 and the Public Service Pension Act 2013. In line with the LGPS (Management and Investment of Funds) Regulations 2009, LBH manages the Fund's assets and liabilities independently of other council functions and administers the scheme in line with legislation and guidance for the benefit of members, employers, and stakeholders.

Governance Structure

Under its constitution and in accordance with Section 101 of the Local Government Act 1972 LBH has delegated responsibility for the management of the Fund to the Pensions Committee and the Strategic Director of Resources. As required by the Public Service Pensions Act 2013, LBH have established a Local Pensions Board to assist in the good governance of the scheme and ensure compliance with legislation and statutory guidance. The Fund's Governance arrangements are outlined in the diagram below.



The Pensions Committee

The Pensions Committee fulfils LBH's duties under the Public Service Pensions Act 2013, guided by statutory regulations, the Pensions Regulator's Code of Practice, and LBH's Terms of Reference as set out in its constitution.

Committee members ensure the Fund is managed in the best interests of members, employers, and beneficiaries, and must act in a non-political manner.

The purpose of this Committee is:

- To consider and agree the investment strategy and statement of investment principles for the pension fund;
- To invite tenders and award contracts for actuaries, advisers and fund managers or other related investment matters;
- To appoint and review the performance of advisers and investment managers.

6 Councillors are voting members of Committee there is also one co-opted member (vacant) and two non-voting observers (1 vacant).

The Local Pension Board

As required by the Public Service Pensions Act 2013, LBH as administering authority established the Local Pensions Board to assist in the good governance of the scheme by ensuring the Fund's compliance with legislation and statutory guidance.

The purpose of the board is to:

- Assist the London Borough of Havering Administering Authority as Scheme Manager;-
 - to secure compliance with the LGPS regulations and any other legislation relating to the governance and administration of the LGPS
 - to secure compliance with requirements imposed in relation to the LGPS by the Pensions Regulator
 - in such matters as the LGPS regulations may specify
- Secure the effective and efficient governance and administration of the LGPS for the London Borough of Havering Pension Fund
- Provide the Scheme Manager with such information as it requires ensuring that any member of the Pension Board or person to be appointed to the Pension Board does not have a conflict of interest.

The Pension Board will ensure it effectively and efficiently complies with the code of practice on the governance administration of public service pension schemes issued by the Pension Regulator.

The Pension Board will also help ensure that the London Borough of Havering Pension Fund is managed and administered effectively and efficiently and complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

The Pension Board shall meet sufficiently regularly to discharge its duties and responsibilities effectively.

3 employee representatives, 3 employer representatives have voting rights. An independent non-voting chair has been appointed to the Board.

Appointments to the Local Pensions Board are made in accordance with the Fund's Local Pensions Board Appointments process which is also available on the website.

Strategic Director of Resources

In accordance with Section 101 of the Local Government Act responsibility for the day-to-day management of the Fund is delegated to the Strategic Director of Resources.

Investment Pooling

Role of the Administering Authority

Havering Pension Fund joined the London CIV asset pool, an FCA regulated company responsible for product development and to meet the investment requirements of the 32 London boroughs.

As a Partner Fund, Havering has two roles in the pool structure.

- **Role as Shareholder**
To oversee, challenge and ensure the company's goals, ambitions and overall performance achieve the objectives set out in its annual business plan (including the budget). The Chair of Pensions Committee is the nominated representative on the Shareholder Committee
- **Role as Client/Customer**
To receive services (under agreement) and to manage the performance of that agreement in line with contract management processes.

Publications

Minutes and agenda of the Pensions Committee and Local Pensions Board meetings, are publicly available on the administering authority's website. Members of each body have full access to the information presented at their respective meetings.

Meetings of the Pensions Committee are open to the public.

The Board's Annual Report is published and presented to the Committee.

The Fund publishes an annual Pension Fund Report which includes the financial statements and details the Fund's activities and investment performance during the year. The Annual Report includes training records for members of the Fund's both the Pensions Committee and Local Pensions Board.

Knowledge and Skills

Under Section 248a of the Public Service Pensions Act 2013, Board members must have appropriate knowledge and understanding. The Fund subscribes to Hyman's Learning platform for training.

Conflicts of Interest

A conflict of interest exists when an organisation or individual has competing interests that might impair their ability to make objective, unbiased decisions.

The Fund maintains a Conflicts of Interest Policy, available on its website. Committee and Board members complete annual declarations, and a register is maintained. Declarations are a standing item at all meetings.

Compliance Statement

The Fund fully complies with the best practice guidelines on governance, issued by the Secretary of State

Principle	Fully Compliant
Structure	
The Management of the administration of benefits and strategic management of Fund assets clearly rests with the main committee established by the appointing Council.	✓
That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	✓
That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	n/a*
That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	n/a*
Representation	
That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee (the Local Pensions Board) structure. These include: <ul style="list-style-type: none">• Employing authorities (including non-scheme employers (e.g. admitted bodies))• Scheme members (including deferred and pensioner scheme members)• Independent professional observers• Expert advisers	✓
That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision	✓

Principle	Fully Compliant
Selection and role of lay members	
That committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.	✓
That at the start of any meeting, committee members are invited to declare any financial or pecuniary interest related to specific matters on the agenda	✓
Voting	
The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees	✓
Training / facility time / expenses	
That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process	✓
That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form or secondary forum.	✓
Meetings	
That the administering authority's main committee or committees meet at least quarterly.	✓
That an administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.	n/a*
That administering authorities who do not include lay members in their formal governance arrangements, provide a forum outside of those arrangements by which the interests of key stakeholders be represented.	✓
Access	
That subject to any rules in the Council's constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.	✓
Scope	
That administering authorities have taken steps to bring the wider scheme issues within the scope of their governance arrangements.	✓
Publicity	
That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.	✓

*N/A as the Fund does not operate secondary committee or panels.