Havering
LONDON BOROUGH

PENSIONS COMMITTEE **20 July 2021**

Subject Heading:	**PENSION FUND PERFORMANCE MONITORING FOR THE QUARTER ENDED MARCH 2021**
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Policy context:	Pension Fund Manager performance is regularly monitored to ensure investment objectives are met.
Financial summary:	This report comments upon the performance of the Fund for the period ended 31 March 2021

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

Communities making Havering	[X]
Places making Havering	[X]
Opportunities making Havering	[X]
Connections making Havering	[X]

SUMMARY

This report provides an overview of: Fund investment performance, Manager Monitoring and any relevant Local Government Pension Scheme (LGPS) updates for the quarter ending **31 March 2021**. Significant events that occur after production of this report will be addressed verbally at the meeting.

The Fund grew in value by **2.33%** over this quarter outperforming both its tactical and strategic benchmark. In 2020-21 the Fund grew by an impressive **£145m**, a **24.9%** increase for the year, driven mainly by the uplift on the Global Equity funds.

The general position of the Fund is considered plus other matters including any current issues as advised by Hymans.

The manager attending the meeting will be:

Churchill Nuveen

Hymans will discuss the manager's performance after which the manager will be invited to join the meeting and make their presentation.

Hymans and Officers will discuss with Members any issues arising from the monitoring of the other managers

RECOMMENDATIONS

That the Committee:

1) Consider Hymans Market Background, Strategic Overview and Manager Performance Report (Appendix A)
2) Consider Hymans Performance Report and views (Appendix B **Exempt)**
3) Agree Hymans recommendation to increase the allocation to JP Morgan of £12m (Section 8.1 (c) refers)
4) Receive presentation from the Funds Private Debt Manager Churchill Nuveen (Appendix C – **Exempt)**
5) Consider the quarterly reports sent electronically, provided by each investment manager.
6) Note the analysis of the cash balances

REPORT DETAIL

1. Elements from Hymans report which are deemed non-confidential can now be found in **Appendix A.** Opinions on Fund manager performance will remain as exempt and shown in **Appendix B.**

2. When appropriate topical LPGS news that may affect the Pension Fund will now be included.

3. We welcome any feedback and suggestions that will help members gain a better understanding of the reports.

4. BACKGROUND

a. The Committee adopted an updated Investment Strategy Statement (ISS) in July 2020.

b. The objective of the Fund's ISS is to deliver a stable long-term investment return in excess of the expected growth in the Fund's liabilities

c. The Fund's assets are monitored quarterly to ensure that the long term objective of the ISS is being delivered.

d. We measure returns against tactical and strategic benchmarks:

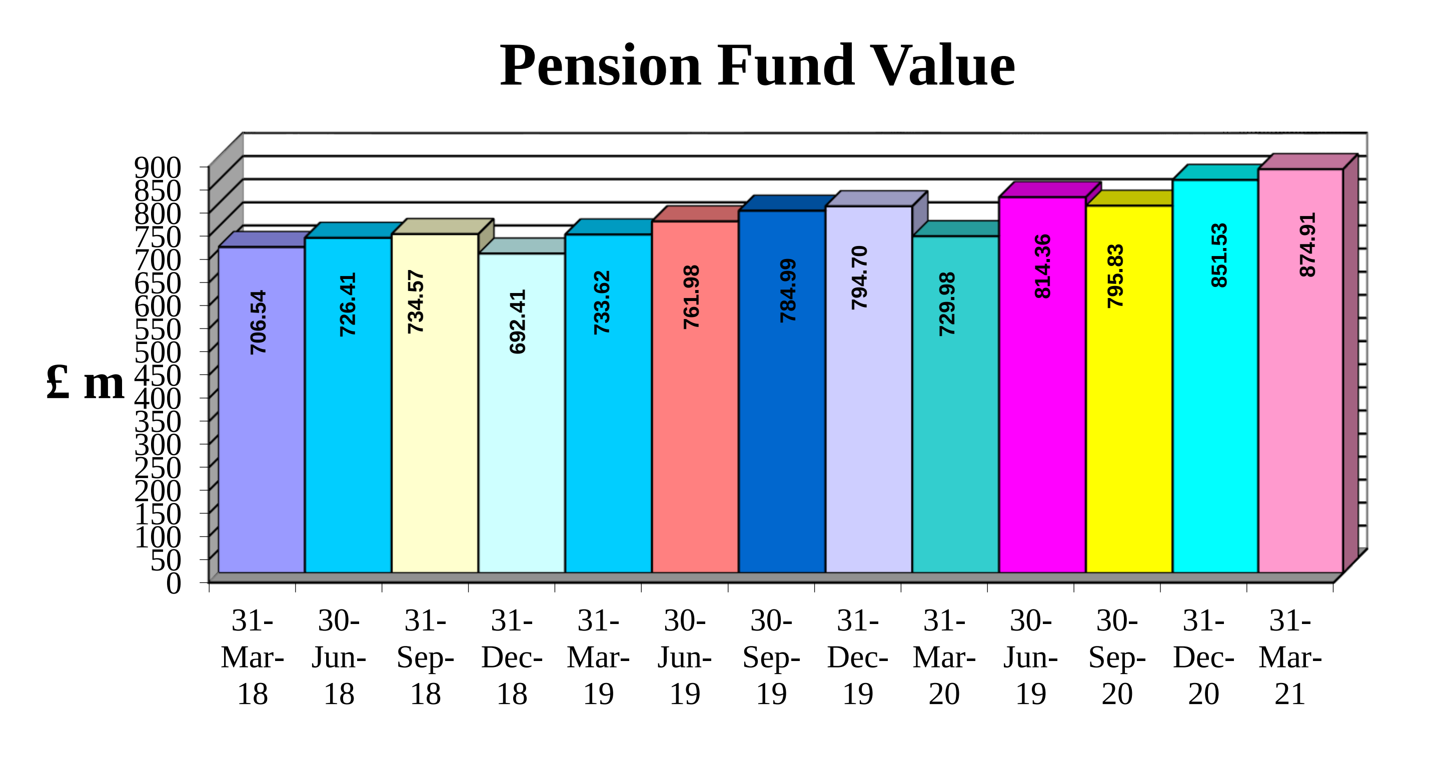
e. **Tactical Benchmark -** Each manager has been set a specific (tactical) benchmark as well as an outperformance target against which their performance will be measured. This benchmark is determined according to the type of investments being managed. This is not directly comparable to the strategic benchmark as the majority of the mandate benchmarks are different but contributes to the overall performance.

f. **Strategic Benchmark** - A strategic benchmark has been adopted for the overall Fund of Index Linked Gilts + 1.8% per annum. This is the expected return in excess of the fund's liabilities over the longer term and should lead to an overall improvement in the funding level. The strategic benchmark measures the extent to which the Fund is meeting its longer term objective of reducing the Fund's deficit.

5. PERFORMANCE

a. According to Northern Trust, the total Fund value at 31 March 2021 was **£874.91m** compared with £851.53m at the 31 December 2020; an **increase of £23.38m, (2.33%)**. This growth can be attributable to an increase in both assets of £19.06m and cash of £4.32m. Internally managed cash stands at **£15.96m-** analysis follows in this report.

Chart 1 – Pension Fund Values*



Source: Northern Trust Performance Report
**Quarter ending September 2020 includes a bulk transfer out of £40m*

b. The overall net performance of the Fund against the new **Combined Tactical Benchmark** (the combination of each of the individual manager benchmarks) follows:

Table 1: Quarterly Performance

	Quarter to 31.03.21	12 Months to 31.03.21	3 Years to 31.03.21	5 years to 31.03.21
	%	%	%	%
Fund	2.33	24.90	8.32	9.35
Benchmark	1.39	16.04	6.93	7.15
*Difference in return	0.94	8.86	1.40	2.20

Source: Northern Trust Performance Report
Totals may not sum due to geometric basis of calculation and rounding

c. The overall net performance of the Fund against the **Strategic Benchmark** (i.e. the strategy adopted of Gilts + 1.8% Net of fees). The strategic benchmark return reflects the historic funding approach. Since the strategic benchmark return relates to the expected change in the value of the Fund's liabilities, it is mainly driven by the assumed level of investment return used by the Actuary.

Table 2: Annual Performance

	Quarter to 31.03.21	12 Months to 31.03.21	3 Years to 31.03.21	5 years to 31.03.21
	%	%	%	%
Fund	2.33	24.90	8.32	9.35
**Benchmark	-5.77	4.19	5.14	7.66
*Difference in return	8.10	20.71	3.18	1.68

Source: Northern Trust Performance Report

*Totals may not sum due to geometric basis of calculation and rounding.

**Negative to be addressed as per note 5c above.

d. Further detail on the Fund's investment performance is detailed in **Appendix A** in the performance report which will be covered by the Investment Adviser (Hymans).

e. The Fund also uses the services of Pensions & Investment Research Consultants Ltd (PIRC) to provide LGPS universe comparisons against other LGPS funds. There are 64 Funds in the universe and Havering Fund comparisons can be seen in the table below:

	2020/21					
Universe data	**1 Year %**	**3yrs % pa**	**5yrs % pa**	**10yrs % pa**	**20yrs %pa**	**30yrs %pa**
Havering Fund Return	24.9	8.3	9.3	8.5	6.2	8.2
Universe Average	**22.8**	**7.6**	**9.5**	**8.3**	**6.9**	**8.4**
Relative Return	2.1	0.7	-0.2	0.2	-0.7	-0.2
Havering Universe Ranking (20/21)	46	36	51	36	85	59

6. CASH POSITION

a. An analysis of the internally managed cash balance of **£15.963m** follows:

Table 3: Cash Analysis

CASH ANALYSIS	2018/19 31 Mar 19	2019/20 31 Mar 20	2020/21 31 Mar 21
	£000's	£000's	£000's
Balance B/F	**-17,658**	**-13,698**	**-23,056**
Benefits Paid	37,954	38,880	38,874
Management costs	1,490	1,107	1,420
Net Transfer Values	1,543	-2,789	14,251
Employee/Employer Contributions	-44,804	-47,508	-48,049
Cash from/to Managers/Other Adj.	7,925	1,154	723
Internal Interest	-148	-202	-126
Movement in Year	**3,960**	**-9,358**	**7,093**
Balance C/F	**-13,698**	**-23,056**	**-15,963**

b. Members agreed the updated cash management policy at their committee meeting, 17 September 2019 and the main points are: target cash level is £6m within a set parameter of £3m to £8m, income from the bond and property manager can be drawn down when required, any excess cash above the upper £8m parameter maybe considered for reinvestment or settlement of capital calls, the S151 Officer may exceed the target level to meet foreseeable payments.

7. REPORTING ARRANGEMENTS

a. At each reporting cycle, the Committee will see a different fund manager until members have met them all unless there are performance concerns that demand they be brought back again for further investigation. Individual Fund Manager Reviews are included within Hymans performance report at **Appendix A.**

b. The full version of all the fund manager's quarterly report are distributed electronically prior to this meeting. Where applicable, quarterly voting information, from each Investment Manager, detailing the voting history of the Investment Managers is also included in the Manager's Quarterly Report.

c. The Fund Manager attending this meeting is the Funds Private Debt manager Churchill, their report is attached at **Appendix C (Exempt).**

8. FUND UPDATES:

8.1 Changes made since the last report and forthcoming changes/events:

a. The Fund has continued to fund capital draw down requests: £1.11m Churchill, £2.95m Permira and c£1.97m Stafford II Fund since the last report.

b. The Fund has made its first capital call of £1.70m to the new Stafford IV Fund on 29 March 2021 and c£2.49m subsequently.

c. The Fund remains underweight to both JP Morgan and infrastructure as a whole. To rebalance the Fund, it is recommended that an additional £12m is allocated to JP Morgan and that this be funded from the overweight Baillie Gifford Global Alpha Fund (Hymans report Appendix, A page 5 refers).

d. Oasis Community Learning (OCL) – They are a Multi Academy Trust (MAT) that currently participates as a Scheme employer in 16 different LGPS Funds, administered by 16 different administering authorities covering 53 academies and the Oasis Head Office along with current or former attaching admission bodies from the outsourcing of services. On 14 April 2021, the Ministry for Housing, Communities and Local Government (MHCLG) received an application submitted on behalf of London Pensions Fund Authority (LPFA), Oasis Community Learning (Oasis), Sodexo Limited (Sodexo) and Aspens-Services Limited (Aspens), for a direction to substitute various different administering authorities, for LPFA. An application can only be granted after MHCLG has consulted any bodies appearing to be affected by a proposed direction. The Fund is affected by this proposed transfer as a Havering School (Pinewood) and former admission body (Sodexo) are currently part of the Havering Fund. The Fund responded by opposing the transfer on the grounds that it would set a precedence by encouraging other similar employers (that are estimated to make up c10% of the Fund's assets and liabilities) to take similar action – the resulting adverse cash flow impact, would tilt the investment strategy further toward income generating assets and in turn result in potentially higher employer contribution rates for the remaining employers.

8.2 **London Collective Investment Vehicle (LCIV) -** LCIV is the mandatory asset pool for the Fund and updates will be covered here as follows:

8.2.1 LCIV meetings

a. Business update meetings (virtually) – take place monthly with the latest meetings held on the 18 June 2021.

b. Each meeting includes an update from the Chief Investment Officer covering current Fund offerings, Fund performance, update on Funds for which enhanced monitoring is in place and the pipeline for new fund launches. In addition to this relevant topical issues are included as appropriate.

c. A range of topics covered since the last committee meeting include:

- Updates from the Chief Operating Officer covering:

    i. Private Markets Valuation process
    ii. New Quarterly Investment Reports - these will be launched in Q2 21 – an overview of the changes explained (includes enhanced ESG reporting).
    iii. Client reporting updates – including Transparency reporting and fee saving.
    iv. Annual pooling report to MHCLG is due 3 September.
    v. MHCLG Returns and Balanced Value Reporting project - This is a cross pool working group, one of its aims is to ensure consistency in the way pools report costs, savings and benefits. Project also includes Value for Money assessment that has to be prepared by 2022. Alpha Consulting has been appointed to coordinate this project.

- Website and portal – Preview of the new website and client portal.

- Responsible Investment Policies - Update on LCIV's Responsible Investment and Engagement Strategy, Climate Change Policy, Stewardship Policy

d. Meet the Manager - As part of their monitoring and review processes, LCIV hosted a Meet the Manager event on 20 May 2021. Three separate panel discussions covering Renewable Infrastructure, Private Debt and Sustainability, to form panel discussions that explored key topics and questions in this area.

e. LCIV are working with Hermes and EOS (voting and stewardship providers) to began developing voting and engagement report.

f. LCIV have completed the United Nations Principles of Responsible Investment (UNPRI) analysis and published their Stewardship Outcomes Report 2021 (year 2020).

g. LCIV have issued their Climate Change Policy 2021 and their Task Force on Climate Related Financial Disclosures (TCFD) Report 2021.

h. Enhanced monitoring continues on the LCIV Multi Asset Credit (MAC) Fund and the LCIV Global Equity Focus Fund is on watch.

8.2.2 Review of the LCIV Funding Model and Cost Benchmarking

a. Work on the development of a new funding model including pricing and timeline for implementation continues.

b. Cost Transparency initiatives timetable set out for 2020/21: manager and custodian data should be received by 23 April and uploaded to the Byhiras website by the end of May. Private Markets cost transparency data expected to be completed and uploaded to Byhiras in September onwards.

c. Fee savings reports to be made available in August 2021.

8.2.3 Sub Fund Launch Updates

a. Renewable Energy Fund – Launched 29 March 2021. Pensions Committee meeting, 16 March 2021 confirmed a commitment to this fund of £25m. On-boarding paperwork submitted to meet the second close deadline of 2 July 2021.

b. Private Debt – Launched 29 March 2021. Two asset managers for the LCIV Private Debt Fund have been appointed – Churchill and Pemberton. This Committee will consider the appointment of LCIV Private Debt managers and appears elsewhere on the agenda for this meeting.

c. Low Carbon (Passive) mandate – Stage 2 (Mandate development). The Seed Investor Group (SIG) launched on the 4 November 2020. Havering has registered an interest in this fund and officers have been attending these meetings to provide input on the development of this mandate. The mandate specification has now been finalised and Request For Proposal issued to nine potential managers. London CIV expect to make a decision on the selected manager in July, negotiations and due diligence will follow before confirming launch date later in 2021. The next meeting is scheduled for 27 July 2021.

d. Paris Aligned Global Equity Fund – Launched 13 April 2021. This is a Paris aligned version of the Global Equity Fund managed by Baillie Gifford and offered in in addition to the Baillie Gifford Global Equity Fund that Havering already invests in. Members at its Pensions Committee meeting on the 16 March 2021 agreed to switch to the Paris Aligned mandate and the on-boarding will be progressed.

e. Sterling Credit Fund – Stage 1 – Client demand. Survey was issued in December to ascertain client demand. First Seed Investor Group meeting held 26 January 2021.This is not an ongoing part of our strategy as the Fund is selling down its credit allocation so officers are not involved in the SIG.

f. Alternative Credit Fund – Stage 1 – Client demand. This is the potential new fund that might be created resultant of current discussions regarding LCIV MAC Fund. This will be an additional manager to the existing MAC mandate.

8.2.4 LCIV Key Staffing updates –

a. LCIV announced the forthcoming departure of Deputy Chief Investment officer (CIO) after his 3 month notice. He will be serve his 3 months' notice and the Head of Private Markets will return from maternity leave at or around the same time of the Deputy CIO''s departure.

b. LCIV have appointed a Senior Portfolio Manager for Equities who will start on 12th July 2021.

c. LCIV are in the process of recruiting a Head of Public Markets with first interviews completed w/c 21 June 2021

d. LCIV announced the appointment of Mike Craston as Chair designate of London CIV in succession to Lord Kerslake. The appointment is subject to FCA approval and Mike is expected to take up post in September 2021.

8.3 LGPS GENERAL UPDATES:

8.3.1 Public sector exit payments (aka £95k Cap)

a. The Government concluded that the Exit Cap regulations had unintended consequences and the 2020 Regulations were revoked in March 2021.

b. Guidance states it is still vital that exit payments deliver value for the taxpayer and employers should always consider whether exit payments are fair and proportionate and HM Treasury is expected to revisit exit costs later this year.

c. We await further updates

8.3.2 Public sector exit credit payments

a. The LGPS (Amendment) Regulations 2018 regulations introduced 'exit payments' for the Fund to automatically pay employers who leave the Fund who were assessed as being in surplus by the actuary. Prior to this regulation any surplus when employers left the Fund was retained by the Fund.

b. In 2020, MHCLG amended the regulations which gave funds discretion over the amount of any exit credit payable.

c. There was a recent judgement following a challenge by a contractor who sought judicial review of the retrospective effect of the 2020 Regulations as it argued it was entitled to an exit credit from the LGPS under the 2018 Regulations.

d. The Court in its judgment found in favour of MHCLG and upheld the retrospective effect of the 2020 Regulations. The consequence of the Court's decision is that all exit credit payments, which have not already been settled, will fall to be dealt with under the 2020 Regulations. The prior 2018 Regulations, which allowed surplus on exit to be paid automatically to an employer will not apply.

e. The Court also provided helpful clarification in relation to the provisions in the 2020 Regulations which give LGPS funds discretion as to the amount, if any, of an exit credit. As a result our Actuary has advised a minor adjustment be made to the Fund's Funding Strategy Statement and this will be made in due course.

8.3.3 LGPS Amendments to Statutory Underpin

a. When the Government reformed public service pension schemes in 2014 and 2015 they introduced protections for older scheme members. Following the findings in the McCloud legal judgement, certain elements of public sector pension schemes brought in at the time of the reforms have been deemed age discriminatory. The Government confirmed that there will be changes to all public sector pension schemes to remove the age discrimination. In the case of the LGPS, it is the "underpin" provision which gives special protection to the rights of older members that has been classed as age discriminatory.

b. Following on from the announcement in the Queen's Speech about how the McCloud ruling would be incorporated into public sector schemes, Luke Hall (the MHCLG minister) has issued a statement about the remedy for the LGPS. The statement confirms the key changes to scheme regulations that will be made to remove age discrimination from the LGPS. The statement confirms that:

- Underpin protection will apply to LGPS members who meet the revised qualifying criteria, principally that they were active in the scheme on 31st March 2012 and subsequently had membership of the career average scheme without a continuous break in service of more than five years.
- The period of protection will apply from 1st April 2014 to 31st March 2022 but will cease earlier where a member leaves active membership or reaches their final salary scheme normal retirement age (normally 65) before 31st March 2022.
- Where a member stays in active membership beyond 31st March 2022, the comparison of their benefits will be based on their final salary when they leave the LGPS, or when they reach their final salary scheme normal retirement age, if earlier.
- Underpin protection will apply to qualifying members who leave active membership of the LGPS with an immediate or deferred entitlement to a pension.
- A ‘two stage process’ will apply for assessing the underpin so that, where there is a gap between a member’s last day of active membership and the date they take their pension, members can be assured they are getting the higher benefit.
- Scheme regulations giving effect to the above changes will be retrospective to 1st April 2014.

8.3.4 The Pensions Regulator (TPR) Single Code of Practice

a. The Pensions Regulator’s issued a consultation on its new single ‘Code of Practice to cover all regulated schemes which closed on 26 May 2021.

b. The new Code will apply to occupational schemes, personal and public service pension schemes, although not all of the obligations in it apply to all types of scheme.

c. The new Code will initially consolidate 10 of the existing 15 Codes of Practice into one document. It comprises 51 modules and is the first phase of the transition to one ‘Code of Practice’.

d. There were concerns raised about how its governance arrangements will fit with both local authorities and LGPS funds. For example, the Code’s definition of ‘governing bodies’ includes both scheme managers and local pensions boards; this is unhelpful as boards are unable to exercise decision making powers. They also think it would be helpful for the Code to recognise the unique legal framework under which LGPS administering authorities operate e.g. on areas such as remuneration policy and cyber controls, the vast majority of LGPS funds will need to work within the local authority's constitution and policies in order to ensure that they are appropriate for the fund.

8.3.5 Cost Cap

a. In 2014 the LGPS reformed to become a Career Average Revalued Earning Scheme (CARE). It was understood, at this time, that the cost of funding future pension benefits would be 19.5% of an employee's salary. As a part of the reform, and to ensure the ongoing affordability of the LGPS, the Government introduced a 'cost cap' mechanism. This mechanism involves checking the cost of LGPS pension provision every four years to ensure that these costs have not materially changed. In the event that the actual cost fell within 2% of 19.5%, no change will be made to the Scheme's design.

b. An announcement was made in July 2020 that the 2016 Cost Cap process will now be 'unpaused' and the cost of resolving McCloud will now be included in the assessment of scheme costs.

c. On the 4 February 2021 HM Treasury (HMT) published an update stating that HMT is now able to produce the amending directions. HMT believe they have sufficient information to instruct Government Actuary Department (GAD) on how to allow for McCloud in the cost cap valuations. The next step is for HMT to consult with the Scheme Advisory Board (SAB) to see if any revisions are required to the assumptions which feed into the cost cap valuation. Thereafter, final directions will be published by HMT and results confirmed with each SAB. If benefit or member rate changes are then required, each SAB needs to consider what format they will implement. Where necessary, schemes will then commence discussions with SABs later this year on any rectification.

d. The update also mentions that the review of the cost cap mechanism itself is still ongoing and this review may then necessitate changes to the current format of the cost cap mechanism and the 2020 cost cap valuations. If there is still a cost cap mechanism in existence after the review, any benefit or member contribution rate changes resulting from the 2020 cost cap valuation will now be implemented in 1 April 2024 (instead of 1 April 2023 as set out in current regulations) given that the 2016 cost cap valuations are still to be completed.

e. On the 27 May 2021 The Government Actuary Department (GAD) published its review on the cost sharing mechanism.

f. The objective's of the risk sharing arrangement are noted in the report as:

- To protect taxpayers from unforeseen costs
- To maintain the value of pension schemes to the members
- To provide stability and certainty to benefit levels – the mechanism should only be triggered by ‘extraordinary, unpredictable events.

g. The Government Actuary’s report sets out five separate recommendations on potential changes to the mechanism – which applies across all public service pension schemes. The report confirms that the review did not consider the separate cost control mechanism for the LGPS which is operated by the Scheme Advisory Board. The report acknowledges that the differences between the LGPS and the unfunded schemes mean that some of the recommendations, if adopted, may need revising to accommodate those differences.

h. The Government will respond to this report in due course.

8.3.6 Good Governance

a. The Scheme Advisory Board accepted the proposals in the Good Governance report Phase 2 on 3 February 2020 and requested that the project team and working groups provide further detail on the implementation of these proposals (Phase 3). The project has suffered delays as a result of COVID and the requirement for key stakeholders in their main roles to focus on and prioritise the response to the pandemic.

b. Some proposals from Phase 2 didn’t need further detail in order to progress with implementation and Phase 3 focussed on the proposals which needed further analysis or consideration ahead of implementation.

c. Outline of the key proposals under Phase 3:

- Each administering authority must have a single named officer who is responsible for the delivery of all LGPS related activity for that fund. (“the LGPS senior officer”).
- Each Fund must produce and publish a conflicts of interest policy which includes details of how actual, potential and perceived conflicts are addressed within the governance of the fund, including reference to key conflicts identified in the Guidance
- Each Fund must produce and publish a policy on the representation of scheme members and non administering authority employers on its committees, explaining its approach to representation and voting rights for each party
- Each administering authority must publish an administration strategy (previously voluntary – will become mandatory)

- Each administering authority must report the fund's performance against an agreed set of indicators designed to measure standards of service.
- Each administering authority must undergo a biennial Independent Governance Review and, if applicable, produce the required improvement plan to address any issues identified.

d. The Scheme Advisory Board have agreed the proposals and these have been submitted to MHCLG to request implementation of the recommendations and we await for their response.

e. It is expected that, if progressed, the proposals to be in place from 1 April 2022, although it will be most likely that the Fund will have a year from that date to evidence compliance.

f. Officers will work with the Committee and the Local Pension Board in planning for the introduction of these proposals.

8.3.7 The Task Force on Climate-Related Financial Disclosures (TCFD)

a. The TCFD is an organization that was established in December of 2015 with the goal of developing a framework for the disclosure of climate related risks.

b. The Department for Work and Pensions (DWP) on the 08 June 2021 published regulations and guidance on TCFD requirements for private sector schemes with £5bn or more in assets, and all authorised master trusts, to report on how they will manage their climate risk from October 2021.

c. Whilst it is not yet a regulatory requirement for the LGPS to report against this framework. MHCLG will conduct a consultation during 2021(no date specified) on the implementation of mandatory TCFD aligned reporting in the LGPS by 2023.

d. A briefing paper was distributed to members on the 21 January as a way of providing background and for the Committee to begin its understanding and engagement with the issues and requirements.

e. Officers will work with Hymans on how best to prepare for this reporting requirement.

8.3.8 Government Actuary Report (Section13)

a. Under Section 13 of the Public Service Pensions Act 2013, MHCLG are required to carry out a review of all LGPS local fund valuations to ensure they comply with four key criteria:
   - Compliance with the LGPS regulations
   - Consistency between funds
   - Solvency
   - Long-term cost efficiency

b. MHCLG commission the Government Actuary's Department (GAD) as the suitably qualified person to carry out this analysis. GAD have shared initial draft results of the 2019 Section 13 valuation. This is still undergoing internal reviews and may change, however GAD do not expect any changes to materially affect the results.

c. The Fund has received a clean bill of health. Previously under the 2016 Section 13 exercise Havering received an amber flag for the solvency measure.

IMPLICATIONS AND RISKS

Financial implications and risks:

Pension Fund Managers' performances are regularly monitored in order to ensure that the investment objectives are being met and consequently minimise any cost to the General Fund and employers in the Fund

Legal implications and risks:

None arising directly from consideration of the content of the Report.

The Committee may be interested to note that LLG (Lawyers in Local Government) and ALACE (the Association of Local Authority Chief Executives and Senior Managers) have formally launched judicial review proceedings in a bid to quash the Exit Payment Cap Regulations. These proceedings are at an early stage and therefore it is not possible to provide any further detail.

The Committee has been constituted by the Council to perform the role of administering authority to manage the Havering LGPS Fund and as such has legal authority to consider and note the Report and presentations.

Human Resources implications and risks:

There are no immediate HR implications.

Equalities implications and risks:

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

(i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;

(ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;

(iii) Foster good relations between those who have protected characteristics and those who do not.

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

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

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

BACKGROUND PAPERS