



Havering
LONDON BOROUGH

LOCAL PENSIONS BOARD

14 October 2025

Subject Heading:

Review of Pension Committee Papers

SLT Lead:

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Report Author and contact details:

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Policy context:

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Oversight and Scrutiny with respect to decisions taken by the Pension Committee

Financial summary:

None directly

SUMMARY

The Pension Board is invited to note the reports from the Pension Committee meetings held on the 30 September 2025.

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

RECOMMENDATIONS

1. To note the report.

REPORT DETAIL

1. Background

The papers from the most recent Pension Committee meeting are available online on the council's website: [Pensions Committee papers - 30 September 2025](#) with the exception of exempt papers, which can be made available on request. **Highlights of all papers are covered below:**

2. 30 September 2025 (1 report):

2.1 Pension Fund Performance Monitoring for the quarter ending 30 June 2025 (Agenda Item 6).

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

(b) *TPR Best practice includes:*

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

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

Set expectations for their investment managers to:

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

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

(d) The Committee considered the quarterly investment performance of the Fund covering the quarter as at 30 June 2025.

- (e) The Fund's asset value at 30 June 2025 was £1,045.1m compared with £1,008.1m at 31 March 2025; an increase of £37.0m. This movement is attributable to an increase in asset values of £29.1m and increase in cash & currency of £7.9m.
- (f) As at the 30 June 2025, internally managed operational cash balance stood at £18m, estimated cash position for 31 March 2026 is £21m.
- (g) The Fund has appointed Northern Trust (NT) as the Fund's custodian and performance measurer. They produce both monthly and quarterly performance reports showing returns against the tactical benchmark (set for each fund manager) and strategic benchmarks (used to assess the expected fund liabilities and gives an indication of whether the funding level has improved or weakened).
- (h) The Fund's overall performance over the quarter of 3.46% outperformed the tactical benchmark by 0.18% and the strategic benchmark by 2.18%. The 3-year return of 2.17% outperformed the strategic benchmark of -5.95% by 11.61%. In this 3-year period a negative benchmark vs a positive asset return is a favourable position for the funding level of the fund.
- (i) Main attribution to the increase in asset values is primarily due to the Fund's allocation to "Growth" assets – as equities gained and markets recovered, following softening of US trade policies.
- (j) The NT performance reports are used by our Investment Advisor (Hymans) and feeds into their quarterly monitoring reports, where performance is also compared against the strategy targets. Hymans report (Appendix A), has been moved to the exempt section of the agenda and this has been distributed separately to Board members via email on the 1 October 2025. Full details of the Fund's asset allocation and individual manager performance are included within Hymans report.
- (k) Hymans attend the Pensions Committee quarterly to present their report and this report also provides an overview of markets and any impacts this has had on performance. In advance of the committee meeting they are sent the presentation pack of the fund manager attending in order to prepare questions and challenges to the fund manager. Hymans will also highlight any performance concerns to the committee and offer advice if any further actions are necessary
- (l) At each reporting meeting cycle, the committee will invite a fund manager to attend the meeting. The manager who attended the meeting was **JP Morgan – Global Infrastructure Manager**. JP Morgan presentation report (Appendix B) is in the exempt section of the agenda and has been distributed separately to Board members on the 1 October 2025.

- (m) JP Morgan have been appointed, since July 2018, to manage the Fund's Global Infrastructure mandate on a pooled basis.
- (n) **London CIV**
 - i. The Fund now holds 63% of its assets within the London Collective Investment Vehicle (LCIV), 38% of assets under direct management and the LCIV have business arrangements in place with LGIM and CBRE which are classified as being held by LCIV (25%). The governance of investments held within LCIV is their responsibility but it is crucial that the Fund has assurances that the governance arrangements are robust and regular communication and contact is maintained. This is set out below:
 - ii. **Quarterly Investment report** - which includes an Investment Summary with valuation and performance data for each of our holdings and an update on activities at London CIV, a market update and Fund commentary from the London CIV Investment Team as well as key portfolio data and a summary of ESG activity during the quarter.
 - iii. **Quarterly Business update meetings** - LCIV hosts these quarterly to coincide with the quarterly investment reports. Includes updates from LCIV Chief Officers and covers current fund offerings, fund performance; fund updates (including those funds for which enhanced monitoring is in place) and the pipeline for new fund launches. In addition, relevant topical issues are included as appropriate. Attended by Officers, recordings available.
 - iv. **Investment reviews** - In depth reviews are undertaken by LCIV annually unless there are concerns about performance whereby the reporting cycle is reduced to six months, closer six monthly monitoring is in place for the Absolute Return Fund, in which Havering invests. The LCIV uses a scoring/rating system as part of its monitoring – using six tests to assess the Skills element (Fund manager focus) and two tests to assess the Value (performance & value for money) element. Rating scores applied range from 1 (being the highest score and achieving objectives) to 4 (being the lowest score and not achieving objectives)
 - v. **Investment Review webinar** – Feedback from the investment reviews provided to Funds and include an overview of markets, market trends, portfolio characteristics, progress on investment manager monitoring and any monitoring updates
 - vi. **Transaction and investment statements** - The Fund receives these statements monthly from the LCIV custodian and are used to reconcile against the Funds custodian reports as part of our Fund monitoring.
 - vii. **Newsletters** - LCIV produce monthly newsletters which includes updates on market movements, pool progression, fund activity and launches, dates for the diary, operational happenings and investment case studies

- viii. **Staffing Updates - Rob Trieck**, Head of Public Markets, has decided to retire later this year. **James Beaumont** will be joining as Rob's successor at the end of August as Rob's successor. Rob will support James during his transition into the role
 - ix. **Transition plans** – Initial meeting held between officers and LICV on the 11 June 25. Second meeting held on the 10 September 25.
- (o) **Fund Updates**
- McCloud Administration Update** – The Committee was informed and noted that the Administering Authority had applied its discretion to delay the implementation of the McCloud Remedy until 31 August 2026. Administering Authorities would have needed to include McCloud remediable service information in the Annual Benefit Statements issued to members for the 2024/25 scheme year unless they exercised their discretion to delay this for a further year. The discretion must be exercised before 31 August 2025; this was agreed via a non-key executive decision, following consultation with Fund Officers and the Local Pensions Board by 31 August 2025.
- (p) **LGPS General updates, as follows:**
- i. ***LGPS – Fit for the Future” - LCIV Pooling update - Pensions Schemes Bill***
The Pension Schemes Bill had its second reading in the House of Commons on 7 July 2025. The Bill was sent to the House of Commons Public Bill Committee, who launched a call for evidence. The Committee met on 2 September to scrutinise the Bill and is due to report its findings by 23 October.
UPDATE: The Bill has been scrutinised by the House of Commons Public Bill Committee and amendments made. The Bill now moves to the report stage and its third reading. If it passes that, it will then move to the House of Lords.
 - ii. **State Pension Age (SPA)**
The Government has launched its third review of the SPA. Any changes to the SPA following the review will affect the cost of Career Average Revalued Earnings (CARE) benefits in the LGPS. The review will consider evidence from two sources:
 - an independent report covering specified factors, and
 - a report by GAD on the latest life expectancy projections.
 - iii. **LGPS – Access & Fairness Consultation**
The Committee was updated with the content of the consultation. This had previously been reported to the Board at its meeting held on the 15 July 2025.

IMPLICATIONS AND RISKS

Financial implications and risks:

This report provides feedback from items presented to the Pensions Committee on the 30 September 2025.

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

Legal implications and risks:

This report provides feedback from items presented to the Pensions Committee on the 30 September 2025.

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

Human Resources implications and risks:

This report provides feedback from items presented to the Pensions Committee on the 30 September 2025.

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

Equalities implications and risks:

This report provides feedback from items presented to the Pensions Committee on the 30 September 2025.

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

BACKGROUND PAPERS

Background Papers List

None