

Pensions Board

Agenda

Wednesday 5 June 2024

7.00 pm

145 King Street (Ground Floor), Hammersmith, W6 9XY

Watch the meeting live: <https://www.youtube.com/hammersmithandfulham>

MEMBERSHIP

Employer Representatives
Councillor Ashok Patel Councillor Nikos Souslous
Scheme Member Representatives
William O'Connell Bruce Mackay Patsy Ishamel Andy Sharpe

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www.lbhf.gov.uk/councillors-and-democracy

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Date Issued: 23 May 2024

Pensions Board Agenda

5 June 2024

<u>Item</u>		<u>Pages</u>
1.	APPOINTMENT OF CHAIR AND VICE CHAIR To appoint a Chair and Vice Chair for the 2024-25 Municipal Year.	
2.	APOLOGIES FOR ABSENCE	
3.	DECLARATIONS OF INTEREST <p>If a Councillor has a disclosable pecuniary interest in a particular item, whether or not it is entered in the Authority's register of interests, or any other significant interest which they consider should be declared in the public interest, they should declare the existence and, unless it is a sensitive interest as defined in the Member Code of Conduct, the nature of the interest at the commencement of the consideration of that item or as soon as it becomes apparent.</p> <p>At meetings where members of the public are allowed to be in attendance and speak, any Councillor with a disclosable pecuniary interest or other significant interest may also make representations, give evidence or answer questions about the matter. The Councillor must then withdraw immediately from the meeting before the matter is discussed and any vote taken.</p> <p>Where Members of the public are not allowed to be in attendance and speak, then the Councillor with a disclosable pecuniary interest should withdraw from the meeting whilst the matter is under consideration. Councillors who have declared other significant interests should also withdraw from the meeting if they consider their continued participation in the matter would not be reasonable in the circumstances and may give rise to a perception of a conflict of interest.</p> <p>Councillors are not obliged to withdraw from the meeting where a dispensation to that effect has been obtained from the Standards Committee.</p>	
4.	MINUTES OF THE PREVIOUS MEETING To agree the minutes of the meeting held on 27 th February 2024 as an accurate record.	4 - 8
5.	KEY PERFORMANCE INDICATORS This paper sets out a summary of the performance of the Local Pension Partnership Administration (LPPA) in providing a pension administration service to the Hammersmith & Fulham Pension Fund.	9 - 23

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|-----------|--|---------|
| 6. | PENSION ADMINISTRATION UPDATE | 24 - 27 |
| | This paper provides a summary of activity in key areas of pension administration for the Council's Pension Fund. | |
| 7. | PENSION FUND QUARTERLY UPDATE Q1 2024 | 28 - 51 |
| | This paper provides the Pensions Board with a summary of the Pension Fund's overall performance for the quarter ended 31 March 2024. | |

Agenda Item 4

London Borough of Hammersmith & Fulham

Pensions Board Minutes



Tuesday 27 February 2024

PRESENT

Committee members: Councillors Ashok Patel (Chair) and Nikos Souslous

Co-opted members: Andy Sharp and William O'Connell
Bruce Mackay* Joined remotely.

Officers: Patrick Rowe (Strategic Finance Manager) and Eleanor Dennis (Head of Pensions)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Patsy Ishmael.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF THE PREVIOUS MEETING

RESOLVED

That the minutes of meeting held on 7th June 2023 were agreed as an accurate record.

4. MINUTES OF THE PREVIOUS PENSION FUND COMMITTEE MEETINGS

Referring to page 21 of the agenda pack, the Chair enquired about the McCloud remedy legislation and its implications. Eleanor Dennis (Head of Pensions) provided a brief summary of the McCloud remedy legislation, highlighting that McCloud remedy was implemented to remove age discrimination across public sector schemes. It was noted that Local Pensions Partnership Administration (LPPA) were being proactive in preparing for this. LPPA were working with the Fund and the Council's employers to ensure they had the data to comply with this requirement.

Referring to page 33 of the agenda pack, the Chair asked for further clarification to be provided regarding the KPI's not being met across all case types by LPPA between July – September 2023. In response Eleanor Dennis noted that the challenges included increasing complex legislation, data challenges, limited resources, the implementation of a new software platform and difficulty in engaging with employers, which meant some issues took longer to resolve. However, from the

period September 2023 to December 2023 inclusive, the overall quarterly KPI performance had seen some improvement at 96.9%. This would continue to be closely managed by the Head of Pensions.

In response to a question asked by the Chair, Eleanor Dennis noted that a formal letter had been sent to LPPA in January 2024, detailing the Pension Fund Committee's concerns about their performance. In response the Committee had received an apology from LPPA, acknowledging the substandard service that the Pension Fund had received. Eleanor Dennis said that she would circulate a copy of the letter received from LPPA to Pension Board members outside this meeting.

Action: Eleanor Dennis

The Chair enquired whether the letter contained any sanctions and asked the next steps should LPPA fail to meet the expected standards in the next quarter. Eleanor Dennis explained that the letter did not include any sanctions and that LPPA would be given the opportunity to deliver on target service for quarter 4. A dedicated Pension Fund Committee meeting was scheduled for July 2024 and LPPA would be invited to present their case to the Committee.

The Chair congratulated officers for their achievement in receiving the pension fund of the year award.

RESOLVED

That the Pensions Board noted the contents of the report.

5. KEY PERFORMANCE INDICATORS

Eleanor Dennis (Head of Pensions) introduced the report which provided a summary of the performance of the Local Pension Partnership Administration (LPPA) for Q3 pension fund scheme year 2023/24. The Key Performance Indicators (KPIs) detailed in Appendix 1 of the pension administration report covered the period 1 September 2023 to 31st December 2023 inclusive.

During this period LPPA processed 1409 SLA cases, which was an increase of 254 cases from Q2 for the Hammersmith & Fulham (H&F) pension fund. The overall quarterly KPI performance was 96.9%. However, although performance was achieved in 90% of all cases it fell short of the target 95% in case types, estimates, refunds, deaths, and active retirements. LPPA did however take onboard constructive feedback on areas in which they needed to improve. This would continue to be closely managed by the Head of Pensions.

Referring to page 49 of the agenda pack, Councillor Nikos Souslous, requested additional clarification on why the estimates fell significantly below the target in comparison to other case types. He also asked why retirements, refunds and deaths had missed their 5 working day SLA target. Eleanor Dennis highlighted that the Fund and Head of Pensions expect LPPA to meet their targets across all case types. The challenges faced included staff shortages and training needs. The Operations & Commercial Director of LPPA has assured the Head of Pensions that measures would be taken within the respective departments to address these issues, such as

ensuring adequate checkers were in place to improve performance to the expected standards.

Councillor Nikos Souslous commended Eleanor Dennis and her team for their dedicated efforts in achieving significantly enhanced performance regarding Helpdesk wait times.

The Chair congratulated Eleanor Dennis and her team for working with LPPA to achieve an improvement in help desk call wait times. He asked why 35% of the calls still took 2-10 minutes to answer. Eleanor Dennis noted that there were fluctuations on the volume of calls received, with Monday's being particularly busy. To address this LPPA increased staffing levels on Mondays to reduce wait times. Furthermore, their recruitment of a new manager in 2023 had proven successful in efficiently handling and closing calls and this would continue to be monitored closely.

RESOLVED

That the Pensions Board noted the contents of the report.

6. PENSION ADMINISTRATION UPDATE

Eleanor Dennis (Head of Pensions) presented the report and gave a summary of activity in the key areas of pension administration for the Council's pension fund. Engagement with employers had increased with 73% now having submitted a monthly file however 48% were not up to date. It was noted that the LPPA budget 2024/25, including costs of additional work would be presented at the next Pension Fund Committee.

Councillor Nikos Souslous asked for further clarification to be provided with regards to the anticipated cost increase. In response Eleanor Dennis noted that this would be approximately £100k and this would be presented to the Pension Fund Committee in June 2023.

The Head of Pensions responded to Councillor Nikos Souslous question re forthcoming legislation priorities such as the Pension Regulator's single Code, pension dashboard, the full impact of Mc Cloud and forthcoming data cleansing exercises.

In response to a question asked by the Chair, Eleanor Dennis highlighted the implementation of a new initiative at LPPA, the client relationship manager, aimed at enhancing relationships with clients in response to challenges experienced in the previous year. This proved useful in promptly understanding the Fund's concerns, addressing service issues, and collaborating with Head of Pensions and their other clients to enhance service delivery.

The Chair expressed concerns regarding the proposed budget increases by LPPA for 2024/25. While acknowledging some improvements in performance, the Chair noted that overall, LPPA had not met expected standards. Therefore, he felt that such performance did not warrant an increase in the budget. Eleanor Dennis noted that these concerns would be relayed to the Pension Fund Committee in June 2024.

RESOLVED

That the Pensions Board noted the contents of the report.

7. PENSION FUND QUARTERLY UPDATE PACK

Patrick Rowe ((Strategic Finance Manager) gave a summary of the pension fund's overall performance for the quarter ended 31st December 2023, cashflow update and forecast and the assessment of risks and actions taken to mitigate these. The total Fund delivered a positive return of 5.71% on a net of fees basis over the year to 31 December 2023.

At the meeting of the 19 September 2023, the Committee agreed a 10% (£129m) allocation to Allspring Global. This commitment was funded in full in December 2023. At the same meeting the Committee agreed a 5% (£64.5m) allocation to LCIV Insight Buy and Maintain Bonds, with a 2.5% allocation to each of the short and long duration sub-funds. This commitment was funded in full in December 2023.

Referring to page 60 of the agenda pack, Councillor Nikos Souslous asked when the Council would expect the remainder of the redemption monies from Aviva. In response Patrick Rowe noted that progress on this from Aviva had been disappointing. This was being closely monitored and officers and the Pension Fund Committee had expressed their dissatisfaction with Aviva at the last Pension Fund Committee in February 2024. He highlighted that the first tranche of redemption payments (£5m) was not paid until January 2024 and based on the latest update from Aviva, confirmed that the remainder of the redeemed monies would not be available to be paid back to the Fund until Q2 2024.

Andy Sharpe (Co-opted Member) noted that it was interesting to observe the heavy investment of the H&F pension fund portfolio in America rather than the UK. He requested further clarification on the reasons behind this investment strategy. In response Patrick Rowe explained that this was not deliberate but rather a result of circumstances. He highlighted the main reasons for this, attributing it to the investment opportunities available. Noting that America being a large market, offered more attractive investment opportunities compared to the UK. Patrick highlighted the infrastructure and housing investments that the Fund has exposure to, which hold assets within in the UK.

In response to a question asked by the Chair, Patrick Rowe explained that the value of the monies from the Aviva redemption wasn't fixed at the point of redemption, instead it was based on the last valuation date before the funds were returned. Consequently, the Council was exposed to price movements, whether up or down during this period.

RESOLVED

That the Pensions Board noted the contents of the report.

Meeting started: 7:00pm
Meeting ended: 8:10pm

Chair

Contact officer Amrita White
Committee Co-ordinator
Governance and Scrutiny
☎:
E-mail: amrita.white@lbhf.gov.uk

Report to: Pension Board

Date: 05/06/2023

Subject: Key Performance indicators

Report author: Eleanor Dennis, Head of Pensions

Responsible Director: Sukvinder Kalsi, Director of Finance

SUMMARY

This paper sets out a summary of the performance of the Local Pension Partnership Administration (LPPA) in providing a pension administration service to the Hammersmith & Fulham Pension Fund. The Key Performance Indicators (KPIs) for the period January – March 2024, i.e., Quarter 4 (Q4) inclusive are shown in the Appendix 1.

RECOMMENDATIONS

The Pension Board is asked to consider and note the contents of this report.

Wards Affected: None

Our Values	Summary of how this report aligns to the H&F Values
Being ruthlessly financially efficient	Ensuring good governance for the Pension Fund should ultimately lead to better financial performance in the long run for the Council and the council tax payer.

Finance Impact

There are no direct financial implications as a result of this report. Costs of the pensions administration service, including costs of additional commissioned work provided by LPPA are met from the Pension Fund.

Sukvinder Kalsi, Director of Finance, 8th May 2024

Legal Implications

Under Regulation 53 of the Local Government Pension Scheme Regulations 2013, the Council, as the administering authority of the Pension Fund “is responsible for managing and administering the Scheme in relation to any person for which it is the appropriate administering authority under these Regulations”. Therefore, it is responsible for ensuring that the Pension Fund is administered in accordance with the Regulations and wider pensions law and other legislation. It discharges this obligation under the terms of a contract with Lancashire County Council dated 26th January 2022 which, in turn, sub-contracts its obligations to the Local Pensions Partnership Limited under a separate contract of the same date. The Service Levels are set out in the Addendum to Schedule 1 of the contract with Lancashire County Council. This report asks that the Pension Fund Committee notes the performance against those Service levels.

Angela Hogan, Chief Solicitor (Contracts and Procurement) 8th May 2024

Background Papers Used in Preparing This Report

None

DETAILED ANALYSIS

Analysis of Performance

1. The KPIs have been set out in the discharge agreement between the LPPA (Local Pension Partnership Administration) and the London Borough of Hammersmith & Fulham (LBHF). The Head of Pensions ensures performance measures are discussed and reviewed between both parties on a monthly basis in accordance with Code 14 of the Pension Regulator’s Code of Practice that states that the scheme manager should hold regular meetings with their service providers to monitor performance.
2. This report covers the performance of our administration partner LPPA over Q4 for the pension fund scheme year 2023/24. The KPI’s detailed in Appendix 1 of the pension administration report cover the period 01 January 2024 to 31 March 2024 inclusive.
3. During the period January to March 2024, quarter 4 (Q4), LPPA processed 1563 SLA cases, which was an increase of 154 cases from Q3 for the Hammersmith & Fulham Pension Fund. The overall quarterly KPI performance was 97.2% a small increase from 96.9% in Q3. However, although performance was achieved in 90% of all cases it fell short of the target KPI of 95% in active retirements and refunds.

Performance in key areas

4. Retirements – Performance on this task area has seen a much needed improvement. Although performance was below the target of 95%, active retirements have seen an improved KPI of 92.1% compared to 90.1% in Q3 compared to 85.7% in Q2 and 84.1% in Q1. The processing of deferred retirements saw a small decrease from Q3 at 95.8% with a KPI of 95.4% in Q4 compared to a KPI of 95% in Q2 and 87.9% in Q1.
5. Deaths – The processing of death cases saw a slight dip in performance with performance in Q4 saw 98.2% of cases processed on time. A great improvement and the highest performance this year when compared to 92% in Q3 93.85% in Q2, 92% in Q3, and the 85.7% delivered in Q1. The Head of Pensions continues to work with the LPPA team to improve and sustain this performance.
6. Transfers – Good performance was maintained, as despite a continued decrease in the number of transfer cases processed, 208 cases in Q4 (an increase of 39 from Q3), there was continued above target KPI performance in this area. Most of cases were processed within the SLA in Q1 and Q2 which rose to 100% for transfers in cases in Q3 and Q4.
7. Refunds – Performance on this case type fell to 93% in Q4 from 94.1% in Q3 but previously was being held at a higher level with 99.2% achieved in Q1 and 98.6% of cases processed on time in Q2 and Q3.
8. The Head of Pensions is continuing to collaborate with LPPA to try to ensure they are able to sustain their improved SLA performance as well as to increase the quality in terms of the delivery of this service.

Summary

9. Overall the scheme year has seen some real strides forward in the level of service received by members of the LBHF. We have seen an improvement in the pension administration service provided by LPPA in the 2023/24 scheme year. We remain hopeful that this will remain consistent and quality in service experienced by LBHF pension team will also improve. The Head of Pensions has had assurances from LPPA senior management team that quality will improve and that service delivery will be maintained at a target hitting level.
10. None

Risk Management Implications

11. None

Climate and Ecological Emergency Implications

12. None

Consultation

13. None

LIST OF APPENDICES

Appendix 1 – LPPA Q4 KPI report for Hammersmith & Fulham Pension Fund



LPP

Local Pensions Partnership
Administration

Hammersmith & Fulham Pension Fund

Quarterly Administration Report

1st January - 31st March 2024

lppapensions.co.uk

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DEFINITIONS

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Casework Performance - All Cases

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

Page 7

Casework Performance - Standard

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

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

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

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Helpdesk Performance

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

OUR CORE VALUES

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

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

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



Casework Performance

In this section...

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

CASEWORK PERFORMANCE



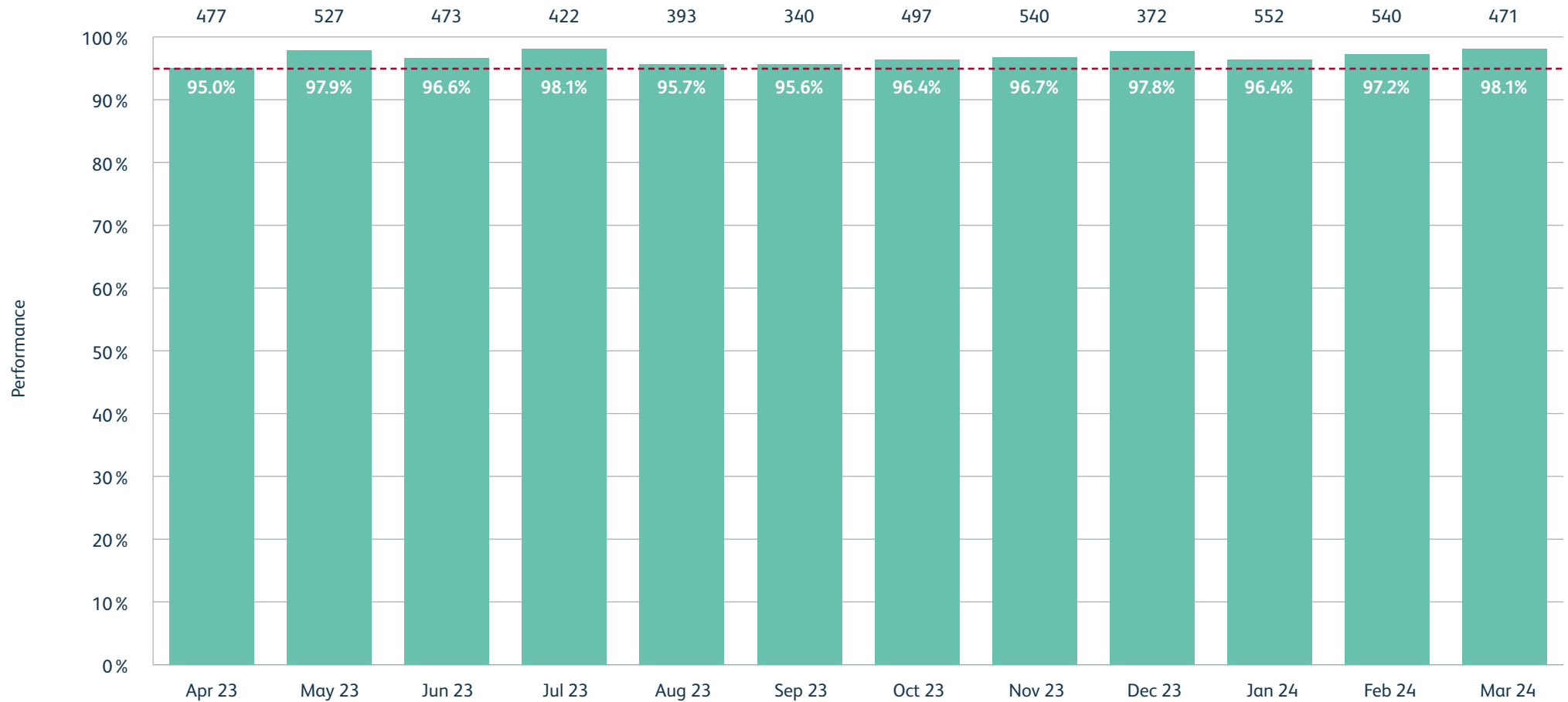
PERFORMANCE – ALL CASES

CLIENT SPECIFIC

----- Target

The quarterly SLA performance was 97.2%

Total completed cases included for each month.



CASEWORK PERFORMANCE



PERFORMANCE STANDARD

CLIENT SPECIFIC

--- Target (95%)

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Helpdesk Calls Performance

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

In this section...

- Wait time range
- Calls answered

HELPDESK CALLS PERFORMANCE



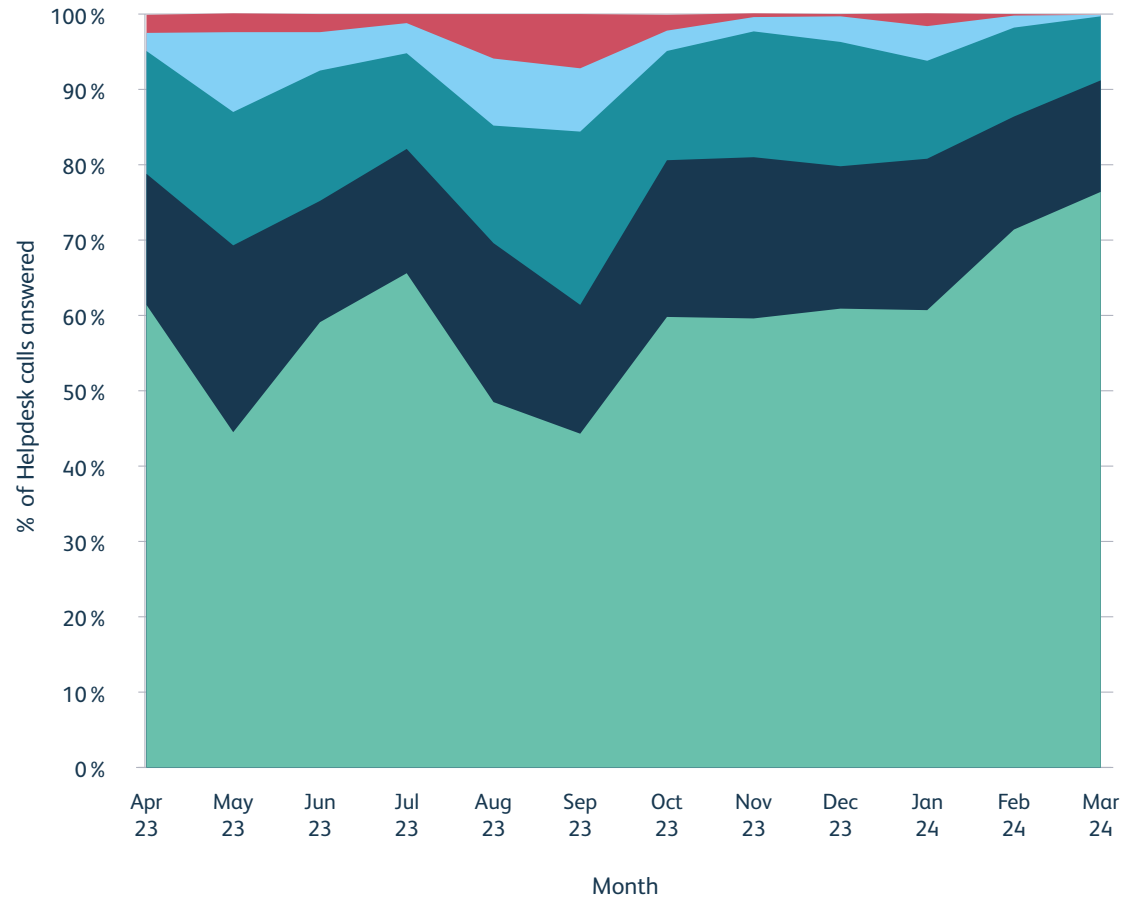
WAIT TIME RANGE

CLIENT SPECIFIC

Page 21

	Under 2 mins	2 to 5 mins	5 to 10 mins	10 to 15 mins	Over 15 mins
Apr 23	61.4%	17.4%	16.3%	2.4%	2.4%
May 23	44.5%	24.8%	17.7%	10.6%	2.5%
Jun 23	59.1%	16.1%	17.3%	5.1%	2.4%
Jul 23	65.6%	16.5%	12.7%	4.0%	1.2%
Aug 23	48.5%	21.1%	15.6%	8.9%	5.9%
Sep 23	44.3%	17.1%	23.0%	8.4%	7.2%
Oct 23	59.8%	20.8%	14.5%	2.7%	2.1%
Nov 23	59.6%	21.4%	16.7%	1.9%	0.5%
Dec 23	60.9%	18.9%	16.5%	3.4%	0.3%
Jan 24	60.7%	20.1%	13.0%	4.6%	1.7%
Feb 24	71.4%	15.0%	11.8%	1.6%	0.2%
Mar 24	76.4%	14.8%	8.5%	0.2%	0.0%

■ Under 2 mins
 ■ 2 to 5 mins
 ■ 5 to 10 mins
 ■ 10 to 15 mins
 ■ Over 15 mins



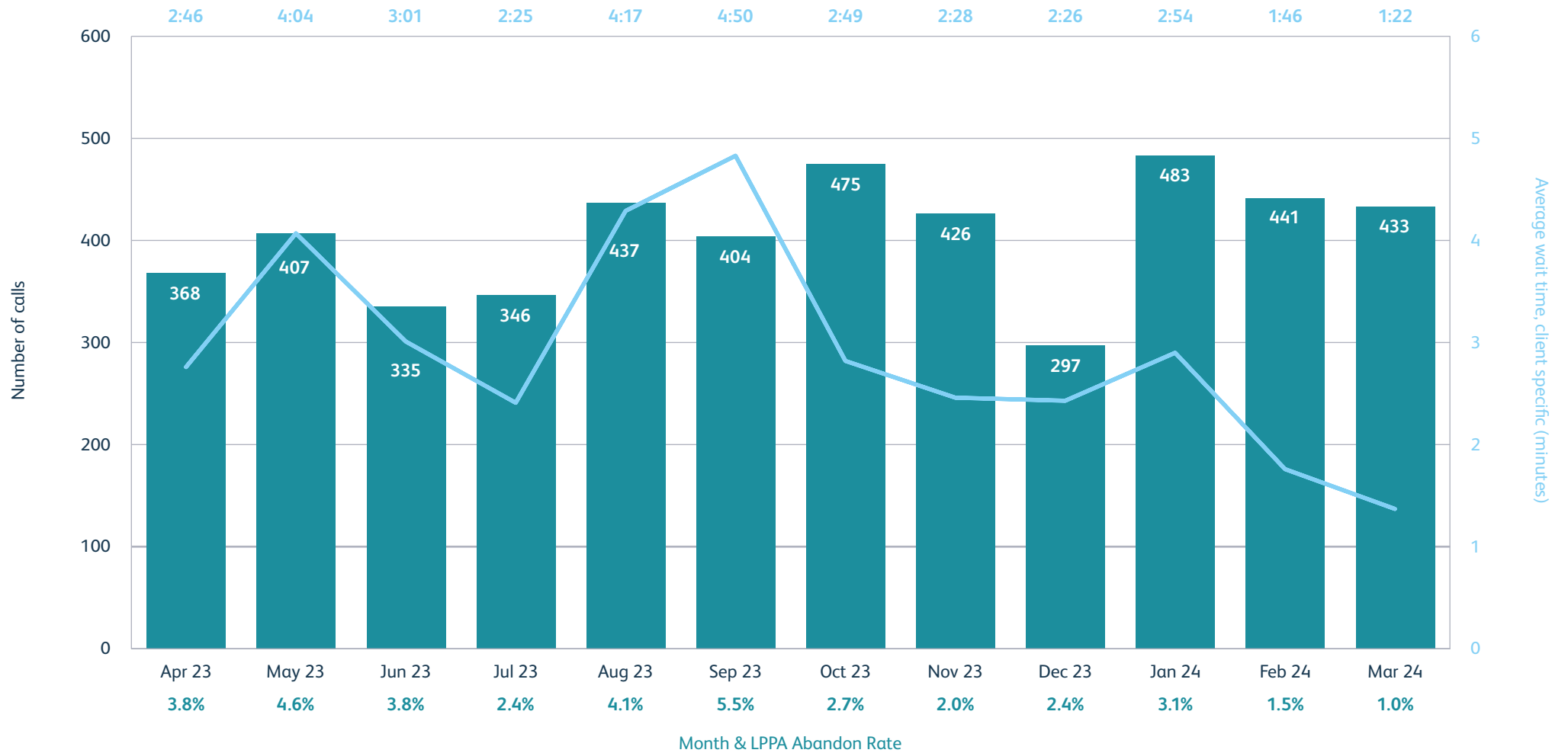
HELPDESK CALLS PERFORMANCE



CALLS ANSWERED

CLIENT SPECIFIC

— Average wait time (mm:ss)



LPP

Local Pensions Partnership
Administration

Agenda Item 6

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Pension Board

Date: 05/06/2024

Subject: Pension Administration Update

Report author: Eleanor Dennis, Head of Pensions

Responsible Director: Sukvinder Kalsi, Director of Finance

SUMMARY

One of the key priorities for the Hammersmith & Fulham LGPS Fund is to pay and administer the pensions of its members and their beneficiaries. The Hammersmith & Fulham Pension Fund (HFPF) delegates its administration duties to Local Pension Partnership Administration (LPPA). The Fund continues to strive to deliver an efficient and effective service to its stakeholders against a growing trend of an increasing numbers of tasks and challenges. Challenges include increasing complex legislation, data challenges, limited resources and difficulty in engaging with employers, which mean some issues will take months or years to resolve fully. This paper provides a summary of activity in key areas of pension administration for the HFPF.

RECOMMENDATIONS

The Pension Board is asked to consider and note the contents of this report.

Wards Affected: None

Our Values	Summary of how this report aligns to the H&F Values
Being ruthlessly financially efficient	Ensuring good governance for the Pension Fund should ultimately lead to better financial performance in the long run for pension fund members, the Council and the council tax payer.

Finance Impact

The costs of the contract for the pensions administration service, including costs of additional work commissioned and provided by LPPA are met from the Pension Fund. The LPPA expenditure for 2023/24 was £468,115 (in line with the budget) and the estimated costs for 2024/25 are £620,000 (subject to approval by Pensions Committee). This represents a significant increase of 32% compared to 2023/24 and is a reflection of new legislative regulations, higher volumes of work requested by pension fund members and the continuing inflationary pressures.

Sukvinder Kalsi, Director of Finance 8th May 2024

Legal Implications

Under Regulation 53 of the Local Government Pension Scheme Regulations 2013, the Council, as the administering authority of the Pension Fund “is responsible for managing and administering the Scheme in relation to any person for which it is the appropriate administering authority under these Regulations”. Therefore, it is responsible for ensuring that the Pension Fund is administered in accordance with the Regulations and wider pensions law and other legislation. It discharges this obligation under the terms of a contract with Lancashire County Council dated 26th January 2022 which, in turn, sub-contracts its obligations to the Local Pensions Partnership Limited under a separate contract of the same date.

Angela Hogan, Chief Solicitor (Contracts and Procurement) 9th May 2024

Background Papers Used in Preparing This Report

None

DETAILED ANALYSIS

Analysis of Pension Administration

The Hammersmith & Fulham Pension Fund began its partnership with the Local Pension Partnership Administration (LPPA) on 28 January 2022.

1. The service delivered by LPPA continues to have challenges that are monitored closely by the LBHF Head of Pensions. LPPA have acknowledged their unsatisfactory service and are committed to improving the service going forward with initiatives such as the introduction of a client relationship manager, a centralised mailbox, training academy for their staff and client and employer forums in 2023.

Update on key areas

2. Employers – Engagement from employers on monthly files being submitted has increased to 73% however 48% are not up to date. LPPA have been slow to engage with employers and it is hoped this does not impact on ABS exercise. LPPA have supported 3 employers with additional training and guidance to enable submissions to be completed.
3. Complaints – The number of complaints being worked on decreased slightly in Q4 to 13 from 14 in Q3 from 25 in Q2. LPPA are starting to provide clearer reporting in this area which will help the Fund to have a better visibility of activity in this area.
4. Helpdesk – The number of calls to the LPPA Helpdesk rose again in Q4 to 1357 from Q3 levels of 1198 and 1187 received in Q2 and 1110 received in Q1. The service provision continues to improve, in Q4 average call wait times were 2 minutes 14 seconds. With an 2.4% average abandonment rate across all calls.
5. Communications – LPPA have created a dedicated retirement section on their website and increased engagement with members who have attained the minimum retirement age. They have also commenced the annual overseas existence exercise for members residing overseas.
6. Engagement – There continues to be a positive trend from all membership groups engaging with the online portal. The end of Q4 saw 5189 members registered, up from 4939 members registered with the online portal in Q3. This is up by 429 from the end of Q1. There were 13 opt outs in Q4.
7. Regulatory – There are a number of regulatory impacting the Hammersmith & Fulham pension fund the key ones are;

McCloud - LPPA systems have now been updated with the McCloud software and LPPA have identified all the affected members for our Fund.

Pensions Dashboard – The go live date for the Fund is October 2025

The Pension Regulator's Single Code – Is a set of 10 governance codes of practice for pension schemes. Recently revised in March 2024 it requires that a pension fund scheme regularly reviews their schemes and puts greater emphasis on areas such as cyber security, as well as the need to complete and review an Effective System of Governance record (ESOG) and Own risk assessment (ORA).

8. Cyber security – LPPA understands the importance of keeping our members data safe and has implemented a number of procedures and technologies to maintain this data securely.

9. Audit – Both the 2021/2022 and 2022/23 have been completed. Planning has now started for the 23/24 audits. LPPA and auditors are committed to ensure that future audits are planned and managed more efficiently.
10. Overpayments – The LBHF pensions team continue to work with LPPA and the LBHF debt recovery teams to try to recover further outstanding overpayment funds.
11. Pension Administration services budget – The LPPA budget is in line with the agreed costs for 23/24 of £468,115. However the costs for 24/25 will be significantly higher with services provided with a budget £620,000, due to busy legislative directives such as pensions dashboard, McCloud, increased membership numbers. As well as increased wage inflation and higher third party costs. The proposed which will be presented to the Pension Fund Committee for consideration and approval.

Conclusion

The pension administration service delivered by LPPA continues to show some signs of improvement, although the Fund is disappointed to see delivery under target in key areas of active retirements and deaths and some continued issues with quality. LPPA do however to take onboard constructive feedback and are keen to improve.

Equality Implications

12. None

Risk Management Implications

13. None

Climate and Ecological Emergency Implications

14. None

Consultation

15. None

Appendices

None

Agenda Item 7

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Pensions Board

Date: 05 June 2024

Subject: Pension Fund Quarterly Update Q1 2024

Report author: Siân Cogley, Pension Fund Manager

Responsible Director: Phil Triggs, Director of Treasury and Pensions

SUMMARY

This paper provides the Pensions Board with a summary of the Pension Fund's:

- overall performance for the quarter ended 31 March 2024;
 - cashflow update and forecast;
 - assessment of risks and actions taken to mitigate these.
-

RECOMMENDATIONS

1. The Pensions Board is recommended to note the update.
-

Wards Affected: None.

Our Values	Summary of how this report aligns to the H&F Values
Being ruthlessly financially efficient	Ensuring good governance for the Pension Fund should ultimately lead to better financial performance in the long run for the Council and the council taxpayer.

Financial Impact

None

Legal Implications

None

DETAILED ANALYSIS

LBHF Pension Fund Quarterly Update: Q4 2023/24

1. This report and attached appendices make up the pack for the quarter four (Q4) review ended 31 March 2024. An overview of the Pension Fund's performance is provided in Appendix 1. This includes administrative, investment, and cash management performance for the quarter.
2. Appendix 2 provides information about the Pension Fund's investments and performance. The highlights from the quarter are shown below:
 - Overall, the investment performance report shows that, over the quarter to 31 March 2024, the market value of the assets increased by £53 m to £1,360m.
 - The Fund has outperformed its benchmark net of fees by 0.56%, delivering an absolute return of 4.56% over the quarter.
 - The Total Fund delivered a positive return of 7.88% on a net of fees basis over the year to 31 March 2024.
3. The Pension Fund's cashflow monitor is provided in Appendix 3. This shows both the current account and invested cash movements for the last quarter, as well as cashflow forecasts to 31 December 2024. An analysis of the differences between the actuals and the forecast for the quarter is also included.
4. Appendix 4 contains the Pension Fund's risk registers.
5. The breaches of the law log has not been included this quarter as there have been no breaches to report.
6. Regarding the redemption of all units in the Aviva Infrastructure Income Fund, these monies were due back to the fund by 31 December 2023. Unfortunately, the first tranche of redemption payments (£5m) was not paid until January 2024 and, in the latest update from Aviva, they confirmed that the remainder of the redeemed monies will not be available to be paid back to the Fund until Q2 2024.
 - 1.6.1. Aviva will be presenting an update to the Committee in the exempt section of the meeting of the Pension Fund Committee on the 11 June 2024.

Risk Management Implications

1. These are included in the risk registers.
2. There have been no new risks identified on the risk register.
3. There have been no changes in the risk scores on the risk register.
4. One risk has been reviewed and will be removed from the register in the next quarter:

- i. Risk 45 – COVID-19 affecting the day-to-day functions of the Pensions Administration services including customer telephony service, payment of pensions, retirements, death benefits, transfers and refunds.

List of Appendices

Appendix 1:	Scorecard as at 31 March 2024
Appendix 2:	Isio LB Hammersmith & Fulham PF Investment Performance Report 31 March 2024 (Summary)
Appendix 3:	Cashflow Monitoring Report
Appendix 4:	Pension Fund Risk Register

Scorecard at 31 March 2024

London Borough of Hammersmith and Fulham Pension Fund Quarterly

Monitoring Report

	Mar 23 £000	Sep 23 £000	Dec 23 £000	Mar 24 £000	Report reference/Comments
Value (£m)	1,281	1,274	1,307	1,360	IRAS reports.
% return quarter	2.47%	-0.59%	3.34%	4.56%	
% Return one year	-1.74%	3.31%	5.71%	7.88%	
LIABILITIES					
Value (£m)	1,021	934	1,037	1,040	Hymans Robertson LLP Estimated Funding Update
Surplus/(Deficit) (£m)	260	340	270	320	
Funding Level	125%	136%	126%	130%	
CASHFLOW					
Cash balance	8,805	13,651	7,510	15,643	Appendix 3
Variance from forecast	5,610	3,391	2,114	5,557	
MEMBERSHIP					
Active members	5,150	5,173	5,018	5,032	Reports from Pension Fund Administrator
Deferred beneficiaries	6,218	6,940	7,060	7,032	
Pensioners	5,960	5,928	6,091	6,033	
RISK					
No. of new risks				0	Appendix 4: Risk Register
No. of ratings changed				0	
LGPS REGULATIONS					
New consultations	None	1	None	None	This was the Pooling Consultation Paper
New sets of regulations	None	None	None	None	

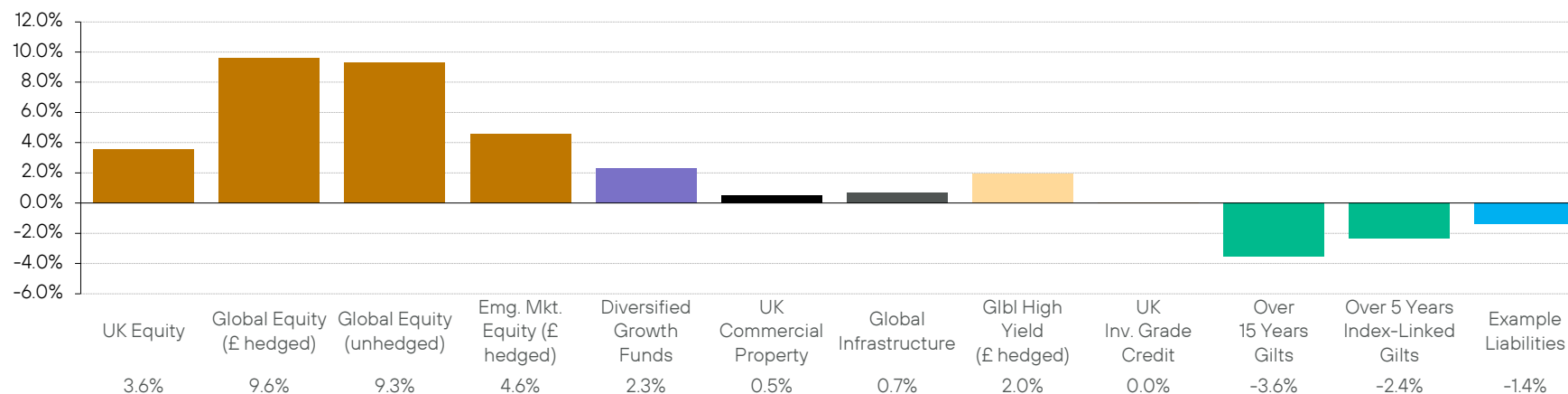
London Borough of Hammersmith & Fulham Pension Fund

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Investment Performance Report to 31 March 2024
- Summary



Market Background – Overview Q1 2024

Returns by Asset Class – Q1 2024



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Key Upcoming Events

Q2 2024 Base rate publications

- UK: The dates for the Bank of England's Monetary Policy Committee ("MPC") announcements are 9 May and 20 June.
- US: The dates for the US Federal Reserve's Federal Open Market Committee ("FOMC") meetings are 1 May and 12 June.

Q2 2024 Inflation publications

- UK Inflation data publications: 16 April, 21 May, 18 June.
- US Inflation data publications: 10 April, 15 May, 12 June.

Commentary

- Market expectations around the pathway for interest rate cuts were heavily revised over Q1, as markets priced in fewer expected rate cuts for 2024 due to resilient growth, sticky inflation and low unemployment figures. These data points indicated a stronger economic picture, especially in the US.
- US and Japanese equities delivered strong returns – the former was supported by strong earnings growth, particularly from the 'magnificent seven' and Japan was driven by an improving economic outlook as the BoJ began to normalise monetary policy.
- In credit markets, with the expected pace of rate cuts slowing, gilts and index linked gilt returns were negative. Corporate debt benefitted from the tightening credit spreads, as such, high yield bonds outperformed US and UK investment grade.
- Due to increasing gilt yields over the period, pension scheme liabilities are expected to have fallen. The extent to which this led to a funding gain will depend on the level of liability hedging employed to manage interest rate and inflation risk.

Summary

Global economic resilience continued with US GDP data showing that the US economy grew faster than expected - this contributed to a continued rally in risk assets like equities and high yield bonds.

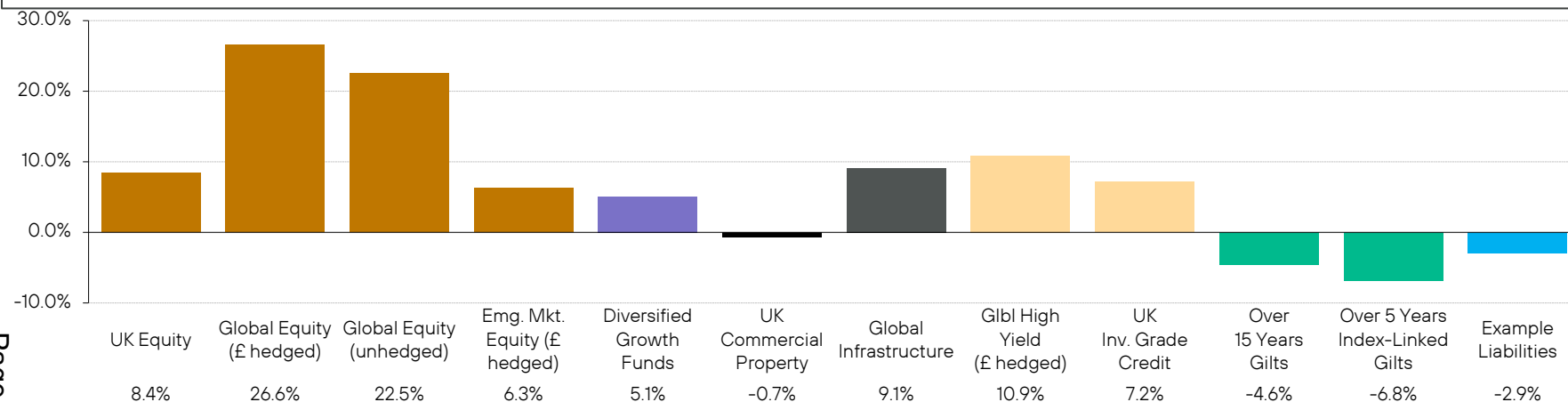
Over Q1 the market outlook changed substantially regarding anticipated interest rate cuts ahead, following stronger than expected economic and inflation data.

Equities benefitted from strong earnings and economic data tailwinds, hitting new highs in the US and Japan. Whereas credit performance was more varied. Gilts and index-linked gilts were negative. Investment grade credit was flat/negative in US and UK. EM Debt, global high yield and Euro investment grade were positive.

Due to a rise in long-dated gilt yields, pension scheme liabilities are expected to have fallen over the period.

Market Background – Overview 12 Months to Q1 2024

Returns by Asset Class – Q1 2024



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Key Upcoming Events

Q2 2024 Base rate publications

- UK: The dates for the Bank of England's Monetary Policy Committee ("MPC") announcements are 9 May and 20 June.
- US: The dates for the US Federal Reserve's Federal Open Market Committee ("FOMC") meetings are 1 May and 12 June.

Q2 2024 Inflation publications

- UK Inflation data publications: 16 April, 21 May, 18 June.
- US Inflation data publications: 10 April, 15 May, 12 June.

Commentary

- 12-month performance was positive across most growth asset classes, as investor sentiment remained positive despite central bank indications of preferring to hold interest rates steady rather than drastically cutting them over the year ahead.
- Global equities delivered strong returns over the 12-month period. In the US, positive earnings growth has been sustained, largely stemming from large cap technology companies, particularly those involved in AI related themes. In Japan, positive momentum continued with the Topix forging higher again in the recent Q1 period - the country is shifting to an inflationary economy after years of deflation.
- Fixed income experience was more mixed, with nominal and index-linked gilts generating negative returns over the trailing 12-month period, whereas UK IG and Global High Yield delivered positive returns as credit spreads continued to taper due to improved confidence that corporate debt levels would withstand higher interest rates.

Summary

Global markets delivered largely positive returns over the 12-month period to 31 March 2024 and global economic resilience continued despite lingering inflation, periods of volatility and the outbreak of war in the middle east.

Global equities performed strongly, driven by constant, strong earnings growth in the US and improving business conditions. Outside of the US, Eurozone inflation cooled, while Japanese GDP growth was revised higher and the BoJ formally ended negative interest rate policy, reflecting strong economic momentum there.

Credit market performance was mixed as nominal and index-linked gilt returns were negative over the period, whereas Global high yield and UK IG Credit delivered positive returns. Credit spreads continued to narrow, as higher all-in yields attracted investor inflows, and economic data improved.

Example liabilities for pension schemes have fallen over the 12-month period.

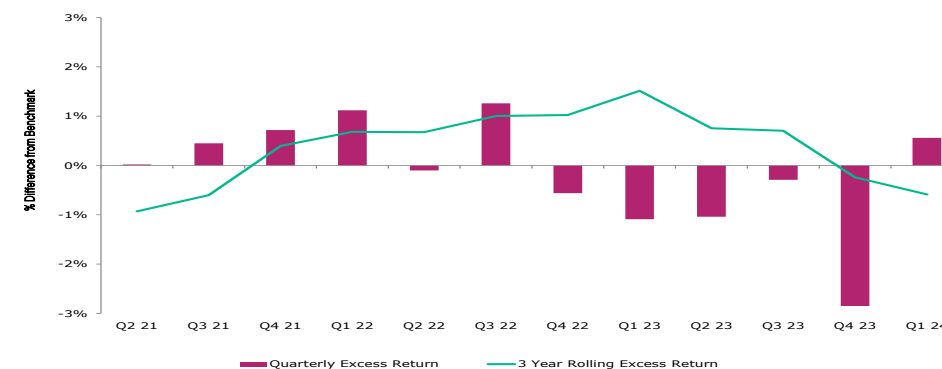
Executive Summary – Q1 2024

Fund Performance to 31 March 2024		3 months (%)			1 year (%)			3 years (% p.a.)		
		Fund	Benchmark	Relative	Fund	Benchmark	Relative	Fund	Benchmark	Relative
Equity	LCIV Global Equity Quality	7.0	9.2	(2.2)	17.9	20.6	(2.7)	9.2	10.2	(0.9)
	LGIM Low Carbon Mandate	9.9	10.0	(0.0)	23.1	23.2	(0.1)	11.9	12.0	(0.1)
Dynamic Asset Allocation	LCIV Absolute Return Fund	(0.8)	2.3	(3.1)	(7.2)	9.2	(16.4)	(0.1)	6.5	(6.6)
	LCIV Long Duration B&M	(0.7)	(1.1)	0.4	n/a	n/a	n/a	n/a	n/a	n/a
	LCIV Short Duration B&M	0.9	1.0	(0.1)	n/a	n/a	n/a	n/a	n/a	n/a
	Allspring Climate Transition Global B&M	4.9	(1.3)	6.2	n/a	n/a	n/a	n/a	n/a	n/a
Secure Income	Partners Group MAC ²	(0.7)	2.3	(3.0)	(1.2)	9.2	(10.3)	11.5	6.5	4.9
	Oak Hill Advisors	2.6	2.3	0.3	12.9	9.2	3.7	4.5	6.5	(2.0)
	abrdn MSPC Fund ³	6.9	0.6	6.3	15.3	8.6	6.7	(0.2)	(1.4)	1.2
	Darwin Alternatives	(0.1)	2.8	(2.9)	(16.4)	11.2	(27.6)	n/a	n/a	n/a
	Partners Group Infra ²	0.6	3.3	(2.7)	6.7	13.2	(6.5)	17.1	10.5	6.5
	Aviva Infra Income ⁴	2.7	2.8	(0.1)	(14.5)	11.2	(25.7)	(0.5)	8.5	(9.0)
Inflation Protection	abrdn Long Lease Property Fund	(2.3)	(1.1)	(1.2)	(9.1)	1.9	(11.0)	(6.8)	(5.2)	(1.6)
	Alpha Real Capital	2.3	(4.8)	7.0	(12.3)	(15.2)	3.0	n/a	n/a	n/a
	Man GPM	(3.4)	2.3	(5.7)	(8.1)	9.2	(17.3)	n/a	n/a	n/a
Total Fund¹		4.6	4.0	0.6	7.9	11.9	(4.0)	5.2	5.8	(0.6)

Commentary

- The Total Fund delivered an absolute return of 4.6% on a net of fees basis over the quarter to 31 March 2024, outperforming the fixed weight benchmark by 0.6%.
- The Total Fund delivered positive returns of 7.9% and 5.2% p.a. on a net of fees basis over the year and annualised three years respectively to 31 March 2024, underperforming its fixed weight benchmark by 4.0% and 0.6% p.a. over the year and three years respectively.
- Short term deviations from benchmark can be expected where the underlying fund is measured against a target that does not move in line with the respective asset class, for example a number of the private markets funds are measured against a cash-plus target. Details of the benchmarks used for each fund can be found in the Appendix.
- The chart to the right compares the net performance of the Fund relative to the fixed weight benchmark over the three years to 31 March 2024. The 3-year rolling excess return remained negative over the first quarter of 2024 despite outperforming the benchmark over the quarter, with the Fund having underperformed the fixed weight benchmark over each of the five quarters in succession leading to the end of December 2023.

Total Fund Performance – Last Three Years



Asset Allocation as at 31 March 2024

Fund	Actual Asset Allocation				
	31 Dec 2023 (£m)	31 March 2024 (£m)	31 Dec 2023 (%)	31 March 2024 (%)	Benchmark Allocation (%)
LCIV Global Equity Quality	167.6	179.7	12.7	13.2	13.0
LGIM Low Carbon Mandate	375.3	412.6	28.5	30.3	27.0
Total Equity	543.0	592.3	41.2	43.5	40.0
LCIV Absolute Return Fund	152.4	151.2	11.6	11.1	10.0
Allspring Buy & Maintain (Climate Transition)	129.0	135.3	9.8	9.9	10.0
LCIV Buy & Maintain (Long Duration)	33.9	33.5	2.6	2.5	2.5
LCIV Buy & Maintain (Short Duration)	32.9	33.1	2.5	2.4	2.5
Total Dynamic Asset Allocation	348.1	353.1	26.4	25.9	25.0
Partners Group MAC	8.1	6.5	0.6	0.5	-
Oak Hill Advisors Diversified Credit Strategies	71.7	73.6	5.4	5.4	5.0
Partners Direct Infrastructure	39.8	33.2	3.0	2.4	5.0
Aviva Infrastructure Income	20.5	15.2	1.6	1.1	-
Quinbrook Renewables Impact	42.1	47.6	3.2	3.5	3.5
abrdn Multi Sector Private Credit	48.4	51.2	3.7	3.8	4.0
Darwin Alternatives Leisure Development Fund	29.0	29.0	2.2	2.1	2.5
Secure Income	259.6	256.3	19.7	18.8	20.0
Abrdn Long Lease Property	50.8	49.6	3.9	3.6	5.0
Alpha Real Capital Inflation Linked Income Fund	78.7	79.0	6.0	5.8	7.5
Man GPM	24.5	23.6	1.9	1.7	2.5
Total Inflation Protection	154.0	152.2	11.7	11.2	15.0
Bank Balance	13.1	7.3	1.0	0.5	-
Total Assets	1,317.9	1,361.1	100.0	100.0	100.0

Fund Activity

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Item	Action points / Considerations	Status
Infrastructure and Renewable Infrastructure	<p>Aviva Investors Infrastructure Income Fund ("AIIIF")</p> <ul style="list-style-type: none"> At the 20 June 2022 Pension Fund Committee Meeting, the Pension Fund Committee agreed to proceed with the proposed full disinvestment from the Fund's investment in the Aviva Investors Infrastructure Income Fund and, in June 2022, the Pension Officers served notice to fully disinvest from AIIIF. The London Borough of Hammersmith and Fulham Pension Fund received £5.4m on 30 January 2024, which represents the first tranche of the redemption proceeds. The remaining redemption proceeds are expected to follow in one further tranche during Q3 2024. <p>Quinbrook Renewables Impact Fund</p> <ul style="list-style-type: none"> Over the quarter, Quinbrook issued two draw down requests for £3.1m to be paid by 23 January 2024 and £2.6m to be paid by 28 February 2024, funded from excess cash held in the Trustee bank account. Following quarter end, Quinbrook issued a further draw down request for £1.1m for payment by 30 May 2024, also funded from excess cash. Resultantly, following payment of the latest draw down request, the Fund's £45m commitment is c. 95% drawn for investment as at 30 May 2024. 	<p>●</p> <p>●</p>
Affordable Housing	<p>Man GPM Community Housing</p> <ul style="list-style-type: none"> Man GPM did not issue any further capital calls over the first quarter of 2024. Following quarter end, Man GPM issued a draw down request for £0.2m for payment by 9 May 2024, funded from excess cash held in the Trustee bank account. As such, as at 9 May 2024 following payment of this request, the Fund's total commitment is c. 79% drawn for investment. 	<p>●</p>

Summary

This page sets out the key Fund activity updates over the quarter and following quarter end.

Any updates that require action or discussion are flagged accordingly with the key below.

Status key

- Action
- Decision
- Discussion
- Information only

Fund Activity

Item	Action points / Considerations	Status
Partners Group	<p>Partners Group Multi Asset Credit</p> <ul style="list-style-type: none"> Following quarter end, on 10 May 2024, Partners Group wrote to investors in the Multi Asset Credit Fund 2014 to seek consent to extend the term of the strategy by three years to 28 July 2027. There are 5 investments remaining in the portfolio and Partners Group is seeking an extension to the fund life in order to facilitate an orderly wind-down – to avoid selling the remaining assets at substantial discount as a result of current market dynamics and to allow additional time for the remaining assets to realise their value creation potential. Partners Group anticipates that the majority of asset exits will complete within the next 12-18 months, but has proposed a 3 year extension to allow flexibility. 	●
Allspring Global Investments	<p>Allspring Climate Transition Global Buy & Maintain</p> <ul style="list-style-type: none"> Following quarter end, on 22 April 2024 Allspring Global Investments announced that Stephane Fiévée will be named as the new Head of European Credit Research on the Global Fixed Income Research Team, effective 1 June 2024. This action will coincide with the retirement of Duncan Warwick-Champion, current Head of European Credit Research. Prior to taking on the new role, Stephane was a senior research analyst for the Global Fixed Income Research Team, having joined Allspring in 2017. Stephane has 20 years of investment industry experience. Isio held a meeting with Allspring on 15 May 2024 to discuss the change in personnel. Allspring have confirmed that there are no plans to modify the conviction or approach undertaken by the European Credit Research Team, and have detailed that continuity of research team methodology and structure has been a key factor behind the decision to promote Stephane. Allspring has constructed its research teams to ensure that, where there are team changes, there is minimal impact to services. We are comfortable with the proposed changes considering Stephane’s experience in the industry and that the European Credit Research Team is relatively large and supported by the wider global Allspring teams. We will, however, continue to monitor the strategy in the light of the agreed changes. 	●

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Summary

This page sets out the key Fund activity updates over the quarter and following quarter end.

Any updates that require action or discussion are flagged accordingly with the key below.

Status key

- Action
- Decision
- Discussion
- Information only

Appendices

Fund and Manager Benchmarks

Manager	Asset Class	Allocation	Benchmark	Inception Date
LCIV	Global Equity Quality	13.0%	MSCI AC World Index	30/09/20
LGIM	Low Carbon Target	27.0%	MSCI World Low Carbon Target Index	18/12/18
Ruffer	Dynamic Asset Allocation	10.0%	3 Month Sterling SONIA +4% p.a.	31/07/08
LCIV	Short Duration Buy & Maintain Credit	2.5%	iBoxx £ Collateralized & Corporates 0-5	06/12/2023
LCIV	Long Duration Buy & Maintain Credit	2.5%	iBoxx £ Collateralized & Corporates 10+	06/12/2023
Allspring	Climate Transition Global Buy & Maintain	10.0%	ICE BofA Sterling Corp Bond	07/11/2023
Partners Group	Multi Asset Credit	0.0%	3 Month Sterling SONIA +4% p.a.	28/01/15
Oak Hill Advisors	Multi Asset Credit	5.0%	3 Month Sterling SONIA +4% p.a.	01/05/15
abrdn	Multi Sector Private Credit	4.0%	3 Month Sterling SONIA / ICE ML Sterling BBB Corporate Bond Index	08/04/2020
Partners Group	Infrastructure Fund	5.0%	3 Month Sterling SONIA +8% p.a.	31/08/15
Quinbrook	Renewables Impact Fund	3.5%	3 Month Sterling SONIA +6% p.a.	24/08/23
Darwin Alternatives	Leisure Development Fund	2.5%	3 Month Sterling SONIA +6% p.a.	01/01/22
abrdn	Long Lease Property	5.0%	FT British Government All Stocks Index +2.0%	09/04/15
Alpha Real Capital	Ground Rents	7.5%	BoAML >5 Year UK Inflation-Linked Gilt Index +2.0%	17/05/21
Man GPM	Affordable / Supported Housing	2.5%	3 Month Sterling SONIA +4% p.a. (Target)	02/06/21
	Total	100.0%		

Explanation of Market Background

This glossary explains the components of the Market Background charts at the beginning of this report.

All returns are in Sterling terms, unhedged, unless otherwise stated. Where “hedged” returns are quoted, these are local currency returns (i.e. any costs and imprecisions in hedging are assumed to be negligible).

Market Background Overview

- Returns by Asset Class – The market indices underlying this chart are as follows:
 - UK Equity: FTSE All-Share
 - Global Equity: FTSE World (Unhedged and Hedged)
 - Emerging Market Equity: MSCI Emerging Markets
 - Diversified Growth Funds: mean of a sample of DGF managers
 - Property: IPD Monthly UK
 - Global High Yield: BoAML Global High Yield (GBP Hedged)
 - UK Inv. Grade Credit: BoAML Sterling Non-Gilt
 - Over 15 Years Gilts: FTSE Over 15 Year Gilt
 - Over 5 Years Index-Linked Gilts: FTSE Over 5 Year Index-Linked Gilt
 - Example Liabilities: a simplified calculation illustrating how a typical pension scheme’s past-service liabilities may have moved

Market Background – Global Equity

- Regional Returns – The market indices underlying this chart are as follows:
 - World: FTSE World
 - UK: FTSE All Share
 - North America: FTSE North America
 - Europe ex UK: FTSE Europe ex UK
 - Japan: FTSE Japan
 - Emg Mkts: MSCI Emerging Markets
- Sector Returns – The market indices underlying this chart are the relevant sectors from the MSCI All-Countries index.
- VIX Volatility Index – This is a forward-looking indicator. It represents the expected range of movement (in percentage terms) in the S&P 500 index (i.e. US equities in dollar terms) over the next year, at a 68% confidence level. It is calculated using options prices over a 30-day horizon.

Explanation of Market Background

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Market Background – DGF

- Diversified Growth Funds (“DGFs”) – Due to the lack of a market index for DGFs, we illustrate their performance by showing the returns of ten of the largest funds by assets under management.
- Returns are shown net of each manager’s standard fee. While every effort has been taken to select vehicles with institutional/clean fee structures, the impact may not necessarily reflect any particular client’s fee arrangements.
- The ‘Average DGF’ performance is an equally-weighted average of the sample of 10 managers’ performance figures.
- We have shown Cash+3.5% as an example performance comparator, although it should be noted that not all DGFs will have this performance target.
- 3m Libor is used for the underlying cash return.
- Volatility is calculated by annualising the volatility of daily returns.
- As clients have specific selection criteria, the managers included may not necessarily meet any given client’s criteria.
- DGFs encompass a range of investment approaches, return targets, and risk profiles. Consequently, different managers’ returns are not necessarily a like-for-like comparison.

Market Background – Real Assets

- Real Assets – The market indices underlying these charts are:
 - Core UK Property: IPD Monthly UK Index
 - Long Lease UK Property: IPD Long Income Property Fund Index

Explanation of Market Background

This glossary explains the components of the Market Background charts at the beginning of this report.

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Market Background – Credit

- Sector Returns and Credit Spreads – The market indices underlying this chart are as follows:
 - UK Inv Grade: BoAML Sterling Non-Gilt
 - US Inv Grade: BoAML US Corporate (GBP Hedged)
 - Euro Inv Grade: BoAML Euro Corporate (GBP Hedged)
 - Global High Yield: BoAML Global High Yield (GBP Hedged)
 - Emerging Markets: JP Morgan EMBI Global (GBP Hedged)
 - Leveraged Loans: S&P/LSTA US Leveraged Loan Equity (GBP Hedged)
- Global Broad Credit Market Return – The market index underlying this chart is the BoAML Global Broad Market Corporate Index (GBP Hedged):
 - The Global Broad Market Index tracks the performance of investment grade public debt issued in the major domestic and eurobond markets, including 'global' bonds.
 - Qualifying bonds must have at least one year remaining term to maturity and a fixed coupon schedule. Bonds must be rated investment grade and be domiciled in a country having an investment grade foreign currency long-term debt rating (based on a composite of Moody's and S&P).

Market Background – Yields

- Yields – Yields shown are annual yields (i.e. they have been converted from the “continuously compounded” basis quoted by the Bank of England).
- Example Liabilities – This illustrates how a typical scheme’s past-service liabilities may have moved.
 - It is based on a simplified calculation assuming a scheme with duration 20 years and liabilities split 70% inflation-linked and 30% fixed.
 - Liability movement is calculated using yield changes and unwinding (short-term interest rate with no premium) only, with no accrual, outgo, or inflation experience.
 - A rise in yields equates to a fall in the calculated value of the liabilities (due to the higher discount rate at which the future cashflows are valued); conversely, a fall in yields means a rise in liabilities.

Disclaimers

Performance, Opinions, and Estimated Liabilities

- This report sets out the past performance of various asset classes and fund managers. It should be noted that past performance is not a guide to the future.
- Our opinions (and comparison vs criteria) of the investment managers stated in this report are based on Isio's research and are not a guarantee of future performance. These are valid at the time of this report but may change over time.
- Our opinions of investment products are based on information provided by the investment management firms and other sources. This report does not imply any guarantee as to the accuracy of that information and Isio cannot be held responsible for any inaccuracies therein. The opinions contained in this report do not constitute any guarantees as to the future stability of investment managers which may have an effect on the performance of funds.

Funds that make use of derivatives are exposed to additional forms of risk and can result in losses greater than the amount of invested capital.

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London Borough of Hammersmith and Fulham Pension Fund Risk Register					Appendix 4	
Risk Group	Risk Ref.	Risk Description	Mitigation actions	Revised likelihood	Total risk score	Reviewed on
Asset and Investment Risk	1	Significant volatility and negative sentiment in global investment markets following disruptive geopolitical and economic uncertainty. Within this consideration is given to Covid-19, Brexit, and the invasion of Ukraine, current events in the Middle East.	TREAT 1) Continued dialogue with investment managers regarding management of political risk in global developed markets. 2) Investment strategy integrates portfolio diversification and risk management. 3) The Fund alongside its investment consultant continually reviews its investment strategy in different asset classes.	3	30	31/03/2024
Liability Risk	2	There is insufficient cash available to the Fund to meet pension payments due to reduced income generated from underlying investments, leading to investment assets being sold at sub-optimal prices to meet pension obligations.	TREAT 1) Cashflow forecast maintained and monitored. Cashflow position reported to sub-committee quarterly. 2) The Fund receives quarterly income distributions from some of its investments to help meet its short term pensions obligations. 3) The fund will review the income it receives from underlying investments and make suitable investments to meet its target income requirements.	2	24	31/03/2024
Asset and Investment Risk	3	The London Collective Investment Vehicle (LCIV) disbands or the partnership fails to produce proposals/solutions deemed sufficiently ambitious.	TOLERATE 1) Partners for the pool have similar expertise and like-mindedness of the officers and members involved with the fund, ensuring compliance with the pooling requirements. 2) Monitor the ongoing fund and pool proposals are comprehensive and meet government objectives. 3) Fund representation on key officer groups. 4) Ongoing Shareholder Issue remains a threat 5) LCIV new CEO Dean Bowden has now started as of January 2023.	2	20	31/03/2024
Asset and Investment Risk	4	Investment managers fail to achieve benchmark/outperformance targets over the longer term: a shortfall of 0.1% on the investment target will result in an annual impact of £1.25m.	TREAT 1) The Investment Management Agreements (IMAs) clearly state LBHF's expectations in terms of investment performance targets. 2) Investment manager performance is reviewed on a quarterly basis. Outperformance for the year is 3% 3) The Pension Fund Committee is positioned to move quickly if it is felt that targets will not be achieved. 4) Portfolio rebalancing is considered on a regular basis by the Pension Fund Committee. 5) The Fund's investment management structure is highly diversified, which lessens the impact of manager risk compared with less diversified structures.	2	20	31/03/2024
Asset and Investment Risk	5	Global investment markets fail to perform in line with expectations leading to deterioration in funding levels and increased contribution requirements from employers.	TREAT 1) Proportion of total asset allocation made up of equities, fixed income, property funds and other alternative asset funds, limiting exposure to one asset category. 2) The investment strategy is continuously monitored and periodically reviewed to ensure optimal risk asset allocation. 3) Actuarial valuation and strategy review take place every three years post the actuarial valuation. 4) IAS19 data is received annually and provides an early warning of any potential problems. 5) The actuarial assumption regarding asset outperformance is regarded as achievable over the long term when compared with historical data.	2	20	31/03/2024
Asset and Investment Risk	6	Implementation of proposed changes to the LGPS (pooling) does not conform to plan or cannot be achieved within laid down timescales	TOLERATE 1) Officers consult and engage with DLUHC, LGPS Scheme Advisory Board, advisors, consultants, peers, various seminars and conferences. 2) Officers engage in early planning for implementation against agreed deadlines. 3) Uncertainty surrounding new DLUHC guidance	3	18	31/03/2024
Asset and Investment Risk	7	London CIV has inadequate resources to monitor the implementation of investment strategy and as a consequence are unable to address underachieving fund managers.	TREAT 1) Tri-Borough Director of Treasury & Pensions is a member of the officer Investment Advisory Committee which gives the Fund influence over the work carried out by the London CIV. 2) Officers continue to monitor the ongoing staffing issues and the quality of the performance reporting provided by the London CIV.	2	16	31/03/2024
Liability Risk	8	Impact of economic and political decisions on the Pension Fund's employer workforce.	TOLERATE 1) The Fund Actuary uses prudent assumptions on future of employees within workforce. 2) Employer responsibility to flag up potential for major bulk transfers outside of the LBHF Fund. 3) Officers to monitor the potential for a significant reduction in the workforce as a result of the public sector financial pressures.	2	16	31/03/2024
Asset and Investment Risk	9	Failure to keep up with the pace of change regarding economic, policy, market and technology trends relating to climate change	TREAT 1) Officers regularly receive updates on the latest ESG policy developments from the fund managers. 2) The Pensions Fund is a member of the Local Authority Pension Fund Forum (LAPFF) which engages with companies on a variety of ESG issues including climate change.	2	12	31/03/2024

Asset and Investment Risk	10	Increased scrutiny on environmental, social and governance (ESG) issues, leading to reputational damage. The Council declared a climate emergency in July 2019, the full impact of this decision is uncertain. TCFD regulations impact on LGPS schemes currently under consultation and expected to come into force during 2023. Reporting expected to come into effect from December 2024.	TREAT 1) Review ISS in relation to published best practice (e.g. Stewardship Code, Responsible Investment Statement) 2) The Fund currently holds investments all it passive equities in a low carbon tracker fund, and is invested in renewable infrastructure. 3) The Fund's actively invests in companies that are contributing to global sustainability through its Global Core Equity investment 4) The Fund has updated its ESG Policy and continues to review its Responsible Investment Policy 5) The Fund is a member of the Local Authority Pension Fund Forum (LAPFF), which raises awareness of ESG issues and facilitates engagement with fund managers and corporate company directors. 6) Officers attend training sessions on ESG and TCFD requirements.	2	18	31/03/2024
Asset and Investment Risk	11	Mismatching of assets and liabilities, inappropriate long-term asset allocation or investment strategy, mistiming of investment strategy	TREAT 1) Active investment strategy and asset allocation monitoring from Pension Fund Committee, officers and consultants. 2) Officers, alongside the Fund's advisor, set fund specific benchmarks relevant to the current position of fund liabilities. 3) Fund manager targets set and based on market benchmarks or absolute return measures.	1	11	31/03/2024
Asset and Investment Risk	12	Inadequate, inappropriate or incomplete investment or actuarial advice is actioned leading to a financial loss or breach of legislation.	TREAT 1) At time of appointment, the Fund ensures advisers have appropriate professional qualifications and quality assurance procedures in place. 2) Committee and officers scrutinise, and challenge advice provided routinely.	1	10	31/03/2024
Asset and Investment Risk	13	Financial failure of third party supplier results in service impairment and financial loss.	TREAT 1) Performance of third party suppliers regularly monitored. 2) Regular meetings and conversations with global custodian (Northern Trust) take place. 3) Actuarial and investment consultancies are provided by two different providers.	1	10	31/03/2024
Asset and Investment Risk	14	Failure of global custodian or counterparty.	TREAT 1)At time of appointment, ensure assets are separately registered and segregated by owner. 2)Review of internal control reports on an annual basis. 3)Credit rating kept under review.	1	10	31/03/2024
Asset and Investment Risk	15	Financial failure of a fund manager leads to value reduction, increased costs and impairment.	TREAT 1) Adequate contract management and review activities are in place. 2) Fund has processes in place to appoint alternative suppliers at similar price, in the event of a failure. 3) Fund commissions the services of Legal & General Investment Management (LGIM) as transition manager. 4) Fund has the services of the London CIV.	1	10	31/03/2024
Liability Risk	16	Failure to identify GMP liability leads to ongoing costs for the pension fund.	TREAT 1) GMP to be identified as a Project as part of the Service Specification between the Fund and LPPA.	1	6	31/03/2024
Liability Risk	17	Rise in ill health retirements impact employer organisations.	TREAT 1) Engage with actuary re assumptions in contribution rates.	1	5	31/03/2024
Liability Risk	18	Rise in discretionary ill-health retirements claims adversely affecting self-insurance costs.	TREAT 1) Pension Fund monitors ill health retirement awards which contradict IRMP recommendations.	1	5	31/03/2024
Liability Risk	19	Price inflation is significantly more than anticipated in the actuarial assumptions: an increase in CPI inflation by 0.1% over the assumed rate will increase the liability valuation by upwards of 1.7%. Inflation continues to rise in the UK and globally due to labour shortages, supply chain issues, and high energy prices.	TREAT 1) The fund holds investments in index-linked bonds (RPI protection which is higher than CPI) and other real assets to mitigate CPI risk. Moreover, equities will also provide a degree of inflation protection. 2) Officers continue to monitor the increases in CPI inflation on an ongoing basis. 3) Short term inflation is expected due to a number of reasons on current course.	3	30	31/03/2024
Liability Risk	20	Scheme members live longer than expected leading to higher than expected liabilities.	TOLERATE 1)The scheme's liability is reviewed at each triennial valuation and the actuary's assumptions are challenged as required. 2)The actuary's most recent longevity analysis has shown that the rate of increase in life expectancy is slowing down.	2	22	31/03/2024
Liability Risk	21	Employee pay increases are significantly more than anticipated for employers within the Fund. Persistently high inflation will potentially lead to unexpectedly high pay awards.	TOLERATE 1) Fund employers continue to monitor own experience. 2) Assumptions made on pay and price inflation (for the purposes of IAS19/FRS102 and actuarial valuations) should be long term assumptions. Any employer specific assumptions above the actuary's long term assumption would lead to further review. 3) Employers to made aware of generic impact that salary increases can have upon the final salary linked elements of LGPS benefits (accrued benefits before 1 April 2014). 4) Pay rises generally remain below inflation.	2	20	31/03/2024
Liability Risk	22	Ill health costs may exceed "budget" allocations made by the actuary resulting in higher than expected liabilities particularly for smaller employers.	TOLERATE 1) Review "budgets" at each triennial valuation and challenge actuary as required. 2) Charge capital cost of ill health retirements to admitted bodies at the time of occurring. 3) Occupational health services provided by the Council and other large employers to address potential ill health issues early.	2	14	31/03/2024
Liability Risk	23	Impact of increases to employer contributions following the actuarial valuation.	TREAT 1) Officers to consult and engage with employer organisations in conjunction with the actuary. 2) Actuary will stabilise employer rates when valuation concludes March 2023.	1	13	31/03/2024

Regulatory and Compliance Risk	24	Changes to LGPS Regulations	TREAT 1) Fundamental change to LGPS Regulations implemented from 1 April 2014 (change from final salary to CARE scheme). 2) Future impacts on employer contributions and cash flows will be considered during the 2019 actuarial valuation process. 3) Fund will respond to several ongoing consultation processes. 4) Impact of LGPS (Management of Funds) Regulations 2016 to be monitored. Impact of Regulations 8 (compulsory pooling) to be monitored.	2	12	31/03/2024
Liability Risk	25	Changes to LGPS Scheme moving from Defined Benefit to Defined Contribution	TOLERATE 1) Political power required to effect the change.	1	10	31/03/2024
Liability Risk	26	Transfers out of the scheme increase significantly due to members transferring their pensions to DC funds to access cash through new pension freedoms.	TOLERATE 1) Monitor numbers and values of transfers out being processed. If required, commission transfer value report from Fund Actuary for application to Treasury for reduction in transfer values. 2) Evidence has shown that members have not been transferring out of the CARE scheme at the previously anticipated rates.	1	10	31/03/2024
Liability Risk	27	Scheme matures more quickly than expected due to public sector spending cuts, resulting in contributions reducing and pension payments increasing.	TREAT 1) Review maturity of scheme at each triennial valuation. 2) Deficit contributions specified as lump sums, rather than percentage of payroll to maintain monetary value of contributions. 3) Cashflow position monitored monthly.	1	9	31/03/2024
Liability Risk	28	The level of inflation and interest rates assumed in the valuation may be inaccurate leading to higher than expected liabilities.	TREAT 1) Review at each triennial valuation and challenge actuary as required. 2) Growth assets and inflation linked assets in the portfolio should rise as inflation rises.	2	14	31/03/2024
Regulatory and Compliance Risk	29	Pensions legislation or regulation changes resulting in an increase in the cost of the scheme or increased administration.	TREAT 1) Maintain links with central government and national bodies to keep abreast of national issues. 2) Respond to all consultations and lobby as appropriate to ensure consequences of changes to legislation are understood.	1	7	31/03/2024
Employer Risk	30	Structural changes in an employer's membership or an employer fully/partially closing the scheme. Employer bodies transferring out of the pension fund or employer bodies closing to new membership. An employer ceases to exist with insufficient funding or adequacy of bond placement.	TREAT 1) Administering Authority actively monitors prospective changes in membership. 2) Maintain knowledge of employer future plans. 3) Contributions rates and deficit recovery periods set to reflect the strength of the employer covenant. 4) Periodic reviews of the covenant strength of employers are undertaken and indemnity applied where appropriate. 5) Monitoring of gilt yields for assessment of pensions deficit on a termination basis.	2	18	31/03/2024
Employer Risk	31	Failure of an admitted or scheduled body leads to unpaid liabilities being left in the Fund to be met by others. Current economic conditions will cause strain on smaller employers.	TREAT 1) Transferee admission bodies required to have bonds in place at time of signing the admission agreement. 2) Regular monitoring of employers and follow up of expiring bonds.	1	11	31/03/2024
Resource and Skill Risk	32	Administrators do not have sufficient staff or skills to manage the service leading to poor performance and complaints.	TREAT 1) Change to LPPA has increased resilience in the administration service 2) Ongoing monitoring of contract and KPIs	2	14	31/03/2024
Resource and Skill Risk	33	Poor reconciliation process leads to incorrect contributions.	TREAT 1) Reconciliation is undertaken by the pension fund team. Officers to ensure that reconciliation process notes are understood and applied correctly the team. 2) Ensure that the Pension Fund team is adequately resourced to manage the reconciliation process.	2	8	31/03/2024
Resource and Skill Risk	34	Failure to detect material errors in bank reconciliation process.	TREAT 1) Pensions team to continue to work closely with staff at HCC to smooth over any teething problems relating to the newly agreed reconciliation process.	1	6	31/03/2024
Resource and Skill Risk	35	Failure to pay pension benefits accurately leading to under or over payments.	TREAT 1) There are occasional circumstances where under/over payments are identified. Where underpayments occur, arrears are paid as soon as possible, usually in the next monthly pension payment. Where an overpayment occurs, the member is contacted, and the pension corrected in the next month. Repayment is requested and sometimes this is collected over several months.	1	6	31/03/2024
Resource and Skill Risk	36	Unstructured training leads to under developed workforce resulting in inefficiency.	TREAT 1) Implementation and monitoring of a Staff Training and Competency Plan as part of the Service Specification between the Fund and LPPA. 2) Officers regularly attend training seminars and conferences 3) Designated officer in place to record and organise training sessions for officers and members	1	6	31/03/2024
Resource and Skill Risk	37	Lack of guidance and process notes leads to inefficiency and errors.	TREAT 1) The team will continue to ensure process notes are updated and circulated amongst colleagues in the Pension Fund and Administration teams.	1	5	31/03/2024
Resource and Skill Risk	38	Lack of productivity leads to impaired performance.	TREAT 1) Regular appraisals with focused objectives for pension fund and admin staff.	1	5	31/03/2024

Resource and Skill Risk	39	Failure by the audit committee to perform its governance, assurance and risk management duties	TREAT 1) Audit Committee performs a statutory requirement for the Pension Fund with the Pension Fund Committee being a sub-committee of the audit committee. 2) Audit Committee meets regularly where governance issues are regularly tabled.	2	12	31/03/2024
Resource and Skill Risk	40	Officers do not have appropriate skills and knowledge to perform their roles resulting in the service not being provided in line with best practice and legal requirements. Succession planning is not in place leading to reduction of knowledge when an officer leaves.	TREAT 1) Person specifications are used at recruitment to appoint officers with relevant skills and experience. 2) Training plans are in place for all officers as part of the performance appraisal arrangements. 3) Shared service nature of the pensions team provides resilience and sharing of knowledge. 4) Officers maintain their CPD by attending training events and conferences.	1	10	31/03/2024
Resource and Skill Risk	41	Committee members do not have appropriate skills or knowledge to discharge their responsibility leading to inappropriate decisions.	TREAT 1) External professional advice is sought where required. Knowledge and skills policy in place (subject to Committee Approval) 2) Comprehensive training packages will be offered to members. 3) Co-opted members boost resilience.	2	18	31/03/2024
Resource and Skill Risk	42	Loss of 'Elective Professional Status' with any Fund managers and counterparties resulting in reclassification of fund from professional to retail client status impacting Fund's investment options and ongoing engagement with the Fund managers.	TREAT 1) Keep quantitative and qualitative requirements under review to ensure that they continue to meet the requirements. 2) Training programme and log are in place to ensure knowledge and understanding is kept up to date. Two half day events have taken place in 22/23 and a third will take place before the end of March 2023. 3) Existing and new Officer appointments subject to requirements for professional qualifications and CPD.	1	8	31/03/2024
Resource and Skill Risk	43	Change in membership of Pension Fund Committee leads to dilution of member knowledge and understanding	TREAT 1) Succession planning processes are in place. 2) Ongoing training of Pension Fund Committee members. 3) Pension Fund Committee new member induction programme. 4) Training to be based on the requirements of CIPFA Knowledge and Skills Framework under designated officer.	1	5	31/03/2024
Administrative and Communicative Risk	44	The Pension Fund is recruiting for a brand new retained HR and Pensions administration team, with finding candidates for all positions likely to be a challenge.	TREAT 1) A task force of key stakeholders has been assembled. Officers to feed into the internal processes necessary for the setup of an effective retained pensions team 2) Recruitment is almost complete for the retained team 3) Officers have received handover pack from the departing RBKC retained pensions team. 4) Members have chosen the new service provider as the London Pensions Partnership, with a project team established to manage the transition, which has almost fully completed. 5) A number of staff have been recruited with few posts unfilled.	2	20	31/03/2024
Administrative and Communicative Risk	45	COVID-19 affecting the day to day functions of the Pensions Administration services including customer telephony service, payment of pensions, retirements, death benefits, transfers and refunds.	TOLERATE 1) The Pensions Administration team have shifted to working from home 2) The administrators have prioritised death benefits, retirements including ill health and refunds. If there is any spare capacity the administrators will prioritise transfers and divorce cases. 3) Revision of processes to enable electronic signatures and configure the telephone helpdesk system to work from home. 4) Since the original outbreak the administrator has been able to return to business as usual	1	8	31/03/2024
Administrative and Communicative Risk	46	Failure of fund manager or other service provider without notice resulting in a period of time without the service being provided or an alternative needing to be quickly identified and put in place.	TREAT 1) Contract monitoring in place with all providers. 2) Procurement team send alerts whenever credit scoring for any provider changes for follow up action. 3). Officers to take advice from the investment advisor on fund manager ratings and monitoring investment	2	18	31/03/2024
Administrative and Communicative Risk	47	Concentration of knowledge in a small number of officers and risk of departure of key staff.	TREAT 1) Process notes are in place. 2) Development of team members and succession planning improvements to be implemented. 3) Officers and members of the Pension Fund Committee will be mindful of the proposed CIPFA Knowledge and Skills Framework when setting objectives and establishing training needs.	2	14	31/03/2024
Administrative and Communicative Risk	48	Incorrect data due to employer error, user error or historic error leads to service disruption, inefficiency and conservative actuarial assumptions.	TREAT 1) Update and enforce admin strategy to assure employer reporting compliance. TOLERATE 1) Northern Trust provides 3rd party validation of performance and valuation data. Admin team and members can interrogate data to ensure accuracy.	1	11	31/03/2024
Administrative and Communicative Risk	49	Failure of financial system leading to lump sum payments to scheme members and supplier payments not being made and Fund accounting not being possible.	TREAT 1) Contract in place with HCC to provide service, enabling smooth processing of supplier payments. 2) Process in place for LPPA to generate lump sum payments to members as they are due. 3) Officers undertaking additional testing and reconciliation work to verify accounting transactions.	1	8	31/03/2024

Administrative and Communicative Risk	50	Inability to respond to a significant event leads to prolonged service disruption and damage to reputation.	TREAT 1) Disaster recovery plan in place as part of the service specification between the Fund and new provider LPPA 2) Ensure system security and data security is in place 3) Business continuity plans regularly reviewed, communicated and tested 4) Internal control mechanisms ensure safe custody and security of LGPS assets. 5) Gain assurance from the Fund's custodian, Northern Trust, regarding their cyber security compliance.	1	8	31/03/2024
Administrative and Communicative Risk	51	Failure of pension payroll system resulting in pensioners not being paid in a timely manner.	TREAT 1) In the event of a pension payroll failure, we would consider submitting the previous months BACS file to pay pensioners a second time if a file could not be recovered by the pension administrators and our software suppliers.	1	7	31/03/2024
Administrative and Communicative Risk	52	Failure of pension administration system resulting in loss of records and incorrect pension benefits being paid or delays to payment.	TREAT 1) Pension administration records are stored on the LPPA servers who have a disaster recovery system in place and records should be restored within 24 hours of any issue. 2) All files are backed up daily.	2	6	31/03/2024
Regulatory and Compliance Risk	53	Failure to hold personal data securely in breach of General Data Protection Regulation (GDPR) legislation.	TREAT 1) Data encryption technology is in place which allow the secure transmission of data to external service providers. 2) LBHF IT data security policy adhered to. 3) Implementation of GDPR 4) Project team in place to ensure smooth transition	1	11	31/03/2024
Regulatory and Compliance Risk	54	Failure to comply with recommendations from the Local Pensions Board, resulting in the matter being escalated to the scheme advisory board and/or the pensions regulator	TREAT 1) Ensure that a cooperative, effective and transparent dialogue exists between the Pension Fund Committee and Local Pension Board.	1	9	31/03/2024
Reputational Risk	55	Loss of funds through fraud or misappropriation leading to negative impact on reputation of the Fund as well as financial loss.	TREAT 1) Third parties regulated by the FCA and separation of duties and independent reconciliation processes are in place. 2) Review of third party internal control reports. 3) Regular reconciliations of pensions payments undertaken by Pension Finance Team. 4) Periodic internal audits of Pensions Finance and HR Teams.	1	10	31/03/2024
Reputational Risk	56	Financial loss of cash investments from fraudulent activity	TREAT 1) Policies and procedures are in place which are regularly reviewed to ensure risk of investment loss is minimised. 2) Strong governance arrangements and internal control are in place in respect of the Pension Fund. Internal audit assist in the implementation of strong internal controls. Processes recently firmed up 3) Fund Managers have to provide annual SSAFE16 and ISAE3402 or similar documentation (statement of internal controls).	1	11	31/03/2024
Reputational Risk	57	Failure to comply with legislation leads to ultra vires actions resulting in financial loss and/or reputational damage.	TREAT 1) Officers maintain knowledge of legal framework for routine decisions. 2) Eversheds retained for consultation on non-routine matters.	1	11	31/03/2024
Reputational Risk	58	Inaccurate information in public domain leads to damage to reputation and loss of confidence	TREAT 1) Ensure that all requests for information (Freedom of Information, member and public questions at Council, etc) are managed appropriately and that Part 2 Exempt items remain so. 2) Maintain constructive relationships with employer bodies to ensure that news is well managed.	2	10	31/03/2024
Reputational Risk	59	Procurement processes may be challenged if seen to be non-compliant with OJEU rules. Poor specifications lead to dispute. Unsuccessful fund managers may seek compensation following non-compliant process	TREAT 1) Ensure that assessment criteria remains robust and that full feedback is given at all stages of the procurement process. 2) Pooled funds are not subject to OJEU rules.	1	7	31/03/2024
Regulatory and Compliance Risk	60	Non-compliance with regulation changes relating to the pension scheme or data protection leads to fines, penalties and damage to reputation.	TREAT 1) The Fund has generally good internal controls regarding the management of the Fund. These controls are assessed on an annual basis by internal and external audit as well as council officers. 2) Through strong governance arrangements and the active reporting of issues, the Fund will seek to report all breaches as soon as they occur in order to allow mitigating actions to take place to limit the impact of any breaches.	1	8	31/03/2024
Regulatory and Compliance Risk	61	Failure to comply with legislative requirements e.g. ISS, FSS, Governance Policy, Freedom of Information requests	TREAT 1) Publication of all documents on external website. 2) Officers expected to comply with ISS and investment manager agreements. 3) Local Pension Board is an independent scrutiny and assistance function. 4) Annual audit reviews.	1	10	31/03/2024