



Pension Board

Tuesday 3 September 2024 at 6.00 pm

This will be held as an online virtual meeting

The press and public are welcome to view proceedings online [HERE](#):

Membership:

Members

David Ewart

Representing

Independent Chair

Councillor Members

Councillor Kabir

Councillor T Smith

Brent Employer representative

Brent Employer representative

Co-opted Members

Bola George

Chris Bala

Robert Wheeler

Member representative (Unison)

Pension Scheme Members Representative

Member Representative (GMB Trade Union)

Vacancy

Employer Member (Non-Brent Council)

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Notes for Members - Declarations of Interest:

If a Member is aware they have a Disclosable Pecuniary Interest* in an item of business, they must declare its existence and nature at the start of the meeting or when it becomes apparent and must leave the room without participating in discussion of the item.

If a Member is aware they have a Personal Interest** in an item of business, they must declare its existence and nature at the start of the meeting or when it becomes apparent.

If the Personal Interest is also significant enough to affect your judgement of a public interest and either it affects a financial position or relates to a regulatory matter then after disclosing the interest to the meeting the Member must leave the room without participating in discussion of the item, except that they may first make representations, answer questions or give evidence relating to the matter, provided that the public are allowed to attend the meeting for those purposes.

***Disclosable Pecuniary Interests:**

- (a) **Employment, etc.** - Any employment, office, trade, profession or vocation carried on for profit gain.
- (b) **Sponsorship** - Any payment or other financial benefit in respect of expenses in carrying out duties as a member, or of election; including from a trade union.
- (c) **Contracts** - Any current contract for goods, services or works, between the Councillors or their partner (or a body in which one has a beneficial interest) and the council.
- (d) **Land** - Any beneficial interest in land which is within the council's area.
- (e) **Licences** - Any licence to occupy land in the council's area for a month or longer.
- (f) **Corporate tenancies** - Any tenancy between the council and a body in which the Councillor or their partner have a beneficial interest.
- (g) **Securities** - Any beneficial interest in securities of a body which has a place of business or land in the council's area, if the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body or of any one class of its issued share capital.

****Personal Interests:**

The business relates to or affects:

(a) Anybody of which you are a member or in a position of general control or management, and:

- To which you are appointed by the council;
- which exercises functions of a public nature;
- which is directed is to charitable purposes;
- whose principal purposes include the influence of public opinion or policy (including a political party or trade union).

(b) The interests a of a person from whom you have received gifts or hospitality of at least £50 as a member in the municipal year;

or

A decision in relation to that business might reasonably be regarded as affecting the well-being or financial position of:

- You yourself;

a member of your family or your friend or any person with whom you have a close association or any person or body who is the subject of a registrable personal interest.

Agenda

Item	Page
1 Apologies for absence	
2 Declarations of interests	
Members are invited to declare at this stage of the meeting, the nature and existence of any relevant disclosable pecuniary or personal interests in the items on this agenda and to specify the item(s) to which they relate.	
3 Minutes of the previous meeting	1 - 12
To approve the minutes of the previous meeting held on Monday 25 March 2024 as a correct record.	
4 Matters arising (if any)	
Board Reports	
5 Pensions Administration Update	
This report updates the Pension Board on various pensions administration matters as part of its remit to oversee the administration of the Brent Pension Fund.	13 - 84
Please note agenda republished to include this item on the 28 th August 2024.	
6 Chairs Annual Report	85 - 90
To receive the Chair's Annual Report to the Pension Board for 2023/24, providing an update on the work carried out by the Board during the year.	
7 Risk Register	91 - 112
This report presents the revised Risk Strategy and updated Risk Register for the Brent Pension Fund Pensions Administration Service.	
8 Local Government Pension Scheme Update	113 - 228
The purpose of this report is to update the Board on recent developments within the Local Government Pension Scheme (LGPS) regulatory environment and any recent consultations issued which would have a significant impact on the Fund.	

9 Training Update 229 - 246

The purpose of this report is to inform members of the Pension Board and provide an update on the provision of the LGPS Online Learning Facility.

Reports referred from the Brent Pension Fund Sub-Committee

10 Quarterly Monitoring Report - Q1 2024 247 - 270

To receive the Brent Pension Fund Q1 2024 Investment Monitoring Report.

11 Draft Pension Fund Year End Accounts 2023-24 271 - 340

To receive the draft Pension Fund Annual Accounts for the year ended 31 March 2024.

12 Update on Net Zero Road Map 341 - 354

To present an update on the Fund's net zero road map and updated London CIV responsible investment policy.

13 Local Authority Pension Fund Forum Engagement Update 355 - 372

To present members with an update on engagement activity undertaken by the Local Authority Pension Fund Forum (LAPFF) on behalf of the Fund.

14 Training Plan 373 - 390

To receive an update on the provision of the LGPS online learning facility.

15 Meeting Dates 2024-25

To note the dates of the remaining Pension Board meetings for the 2024-25 Municipal Year, as follows:

- Thursday 7 November 2024 at 6:00pm
- Monday 24 March 2025 at 6:00pm

16 Any other urgent business

Notice of items to be raised under this heading must be given in writing to the Deputy Director of Democratic Services or their representative before the meeting in accordance with Standing Order 60.

17 Exclusion of the Press and Public

To consider the exclusion of the press and public from the remainder of the meeting as the remaining reports to be considered contain the following category of exempt information as specified in Paragraph 3, Part 1 Schedule 12A of the Local Government Act 1972, namely:

"Information relating to the financial or business affairs of any particular person (including the authority holding that information)"

18 London CIV Update

391 - 530

To receive a report updating on recent developments regarding Brent Pension Fund investments held within the London CIV (CIV).

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MINUTES OF THE PENSION BOARD **Held as an online meeting on Monday 25 March 2024 at 6.00 pm**

PRESENT: (in remote attendance): Mr David Ewart (Chair), Councillor Kabir (Employer's Representative), Chris Bala (Pension Scheme Member Representative), Bola George (Member Representative - Unison) and Robert Wheeler (Member Representative - GMB).

Also Present: (in remote attendance): Councillor Mili Patel (Deputy Leader and Cabinet Member for Finance, Resources and Reform), Ravinder Jassar (Deputy Director of Finance), Sawan Shah (Head of Finance, Brent Council), John Smith, (Pensions Manager, Brent Council), George Patsalides (Finance Analyst, Brent Council), John Crowhurst (Local Pensions Partnership Administration).

1. Apologies for Absence

Apologies were received from Councillor Akram (Employer's Representative) and Sunil Gandhi (Employer Member – Non Brent Council).

2. Declarations of Interests

No declarations of interests were made.

3. Minutes of the Previous Meeting

The minutes of the previous meeting held on Wednesday 8 November 2023 were **AGREED** as an accurate record.

4. Matters Arising (If Any)

None.

5. Pension Administration Update

John Smith (Pensions Manager, Brent Council) introduced the report, which updated the Pension Board on various pensions' administration matters as part of its remit to oversee the administration of the Brent Pension Fund.

In discussing the overall performance of LPPA during Quarter 3 2023/24, members were advised that, despite retirements from active status (91.7%) and deaths (90.8%), casework performance was above service level agreements (SLAs). Nevertheless, given that retirements and deaths should be considered as top priorities, officers had previously raised concerns that the more critical work was falling below the expected performance standard. The Board was then informed of the most recent Helpdesk performance, in which the average wait time fell below 3 minutes, under the 4 minute SLA target. However, although percentage of calls waiting over 15 minutes decreased to almost 0, nearly 20% of callers waited between 5 and 15 minutes. In moving to consider the number of complaints received during the reporting period, John Smith detailed that 27 new complaints had been received which was considered high by historical standards. To conclude,

John Smith reviewed the interim performance data for January 2024 in which 92.9% of retirements from active status and 92.6% of retirements from deferred status had been processed within SLAs, in addition to 100% of cases relating to deaths. This was an incremental improvement on performance during Quarter 3, with the key metrics either within SLA or improving upon recent performance.

Following the introduction of the report, the Chair welcomed John Crowhurst from LPPA, the Council's administration service provider, who provided a verbal update regarding recent pensions administration performance, with the update summarised below:

- In providing a further update on performance regarding cases relating to retirements from active status and deaths in Quarter 4 2024, members were advised that the percentage of deaths cases being processed within SLA was currently 99.2% and the percentage of retirements from active status being processed within SLA was just under 92%. To give further context behind the statistics, John Crowhurst attributed the improvement in processing deaths cases to improved staff training and contingency planning with operational teams and managers. Moreover, the continued poor performance relating to retirements from active was due to a number of factors. One such factor was a technical issue in uploading the required data for those of normal pension age who received an uplift which led to some delays, although the Board was reassured that this issue had now been resolved. Nevertheless, members noted that the technical issue would likely cause lags in performance over Quarter 4 and it was hoped that Quarter 1 2024/25 performance data would show performance improvements in processing retirements from active status.
- Regarding Helpdesk performance, the Board was informed that the data related specifically to calls from Brent members, with the volume of calls dropping from 431 in November to 257 in December, which was not surprising as there were fewer working days in December. In highlighting the abandonment rate of calls, it was detailed that 10.6% of callers were abandoning calls in January 2023 compared to 2.4% in December 2023. Furthermore, in December just under 60% of calls were answered in 2 minutes or less, with a third being answered between 2 and 10 minutes. In explaining that LPPA had undertaken a detailed review of Helpdesk performance, John Crowhurst stated that Monday mornings were the busiest time for the Helpdesk, with mornings generally busier than afternoons in addition to working days following bank holidays. In response to the review, LPPA was ensuring that Helpdesk staff were deployed to calls during peak periods, rather than assisting with emails and portal enquiries.
- In discussing the Helpdesk satisfaction score, members heard that the score was quite volatile, with a significant increase in satisfaction during December 2023 to 87.5%. However, the Board noted that responses to satisfaction surveys were relatively low as the data only related to Brent members, with 8 responses received out of 257 calls. Consequently, John Crowhurst stated that overall satisfaction scores could be provided if necessary to give a better indication of LPPA performance. Similarly, only one response had been received regarding retirements from active satisfaction and therefore the

overall satisfaction score would provide a better overview of customer satisfaction.

- Concerning the main drivers behind customer satisfaction, John Crowhurst detailed that satisfaction increased the closer that one was paid to their retirement date, which was impacted by numerous factors such as when LPPA were notified of the retirement, whether disinvestment was required, data returns from employers and how quickly LPPA commenced the retirement process once the required information had been received (normally within 5 working days but the aspiration was to start the process within 24 hours, although it was stated that this aspiration would take some time to achieve). Regarding the aforementioned factors determining the date of payment, members were advised that work was ongoing to improve information flows and communication to improve data returns and general processes.
- In referencing page 40 of the agenda pack which outlined the number of members signed up to the online portal, the Board noted that registrations had steadily increased (3,683 as of December 2023) although the number of registered members was lower than the previous member portal which was approximately 4,200.
- In finalising, John Crowhurst updated members on The Pensions Regulator (TPR) data quality scores. It was explained that the common score was stable, sitting at 96.24% as of December 2023. The 4% missing mainly related to missing data from deferred members, with both officers and third parties attempting to trace members for updated information. In moving to the scheme score, the Board heard that this was more volatile with expected dips between April and August each year due to Annual Benefit Statement data which generally recovered in the following six months, with Quarter 4 data particularly illustrating improvements. Prior to concluding, John Crowhurst informed members that LPPA was conducting a data project to improve data scores, with more detail to follow once further progress had been made.

After the verbal update, the Chair invited questions from Board members, with questions and responses summarised below:

- Regarding the general nature of the new complaints, the Board noted that 8 related to delays and 19 related to the general service provided.
- In response to a query concerning whether the Council and LPPA met with payroll providers to reduce delays and discrepancies, it was detailed that payroll providers were engaged via the Employers Forum and employers were encouraged to hold regular meetings with their payroll providers to ensure that they were carrying out their duties. Moreover, the Board was informed that monthly data returns were launched in April 2023 which had led to over 80% of membership data being collected and reconciled as of December 2023, showing that employers had adapted quickly to the new system. The next step to improve the service was to agree a standard notice of retirement, with the aspiration of one month notice to allow LPPA to commence the processes required.

- In discussing the underperformance of LPPA in relation to processing bereavements and retirements from active status, members were advised that the main issue regarding the bereavement process had been resources, with additional training delivered to improve capacity and reduce delays. Concerning the retirement process, it was detailed that a system issue had resulted in delays which had now been resolved, although performance lags would still be visible in the Quarter 4 performance report.
- Given that complaints were the main indicator of customer satisfaction due to the low response rates for customer satisfaction surveys, the Board queried whether more information could be provided in relation to complaints. In response, members were advised that LPPA broke down complaints by process type and therefore more granular data could be provided. Furthermore, LPPA recorded complaints that arose due to issues outside of LPPA's control, such as late notification of retirement and delays in submitting information. Consequently, the Board requested for more in-depth information to be provided regarding complaints at the next meeting.

In turning the Board's attention to the next part of the report which related to the internal audit of the Pension Fund's arrangements regarding the monitoring of the pensions administration contract and the collection of pension contributions, Sawan Shah (Head of Finance, Brent Council) explained that internal audits of the Council's key financial areas were conducted on a rolling basis every 3 years, with the last Pension Fund audit occurring in 2019. Importantly, no critical, high or low risk issues were identified during the audit, although there was one medium risk identified which related to late submissions of monthly contribution returns by employers/payroll providers and where repercussions outlined within the Pension Administration Strategy were not followed through. However, the scheme manager was aware of this risk as it had been previously flagged, which mainly related to a specific payroll provider used by many schools, with officers writing to schools who made use of this payroll provider's services to highlight the need to ensure that their payroll provider was fulfilling all their responsibilities and to ensure that appropriate contract management was taking place. In response, many schools had elected to move to another provider.

In addition to the risk identified above, the audit flagged a number of examples of good practice including: a clear and up to date Pension Administration Strategy, the management of data contribution returns, the oversight of the LPPA pensions administration contract by officers and the Board.

In thanking Sawan Shah for the update, the Chair welcomed questions from the Board, with questions and responses summarised below:

- In response to a query as to whether any other risks outside of the monitoring of the pensions administration contract and pension contributions were identified, members were advised that the audit was limited in scope to these issues and therefore no further risks were identified.

As there were no further questions from Members, the Chair thanked the Pension Team and John Crowhurst for the update, and it was **RESOLVED** that the report be noted.

6. Local Government Pension Scheme Update

John Smith (Pensions Manager, Brent Council) presented a report that updated the Board on recent developments within the Local Government Pension Scheme (LGPS) regulatory environment and any recent consultations issued which would have a significant impact on the Fund. To begin, John Smith detailed that LGPS was now valued at £357.2 billion, a decrease of 1.9%, with 6.2 million scheme members as of 31 March 2023 and 87,129 retirements during 2021/22, a decrease of 8%.

As CPI in September was 6.7%, the Board was advised that pension contribution bands were increasing by the same amount. However, the details of the 2024/25 pay award were not yet known, however in 2023/24 the average pay award was significantly lower than the prevailing rate of CPI inflation and therefore as the employee contribution bands were being uplifted by a higher rate than the average pay award there were likely to be more members of staff dropping into a lower band than in previous years which reduced the contributions payable to the Fund by members. It was explained that this would have a small negative impact on the cashflow position of the Fund in the short term, however, higher inflation expectations had been factored into the 2022 valuation and therefore it was not a cause for concern in the longer term. Additionally, on 2 November 2023 His Majesty's Treasury (HMT) confirmed that the Lifetime Allowance would be abolished from 6 April 2024.

In concluding, John Smith informed the Board that in October 2023 DLUHC published its initial prioritisation policy for McCloud which was attached in Appendix 6 of the report. Moreover, as whole-time teachers could not be in the Teachers' Pension scheme in respect of a concurrent part-time teaching role, this group would become eligible for retrospective membership of the LGPS from 1 April 2015 – 31 March 2022 based on their part-time excess service. Lastly, it was detailed that the LGA had e-mailed administering authorities a spreadsheet for calculating the non-club element of transfers affected by McCloud on 24 February 2024 and the LPPA had advised the Fund that Civica (UPM) would load the red flags, which identified potential underpin cases, over the coming weeks.

Following the initial overview, the Chair opened the floor for questions and comments from the Board, with contributions summarised below:

- In discussing the impact of McCloud on Brent members, it was explained that to benefit from the underpin members would need to be entitled to a significant final salary pension and therefore only a small cohort of members were expected to be impacted.
- In response to a query as to why retirements had decreased, members were advised that one likely reason was the cost-of-living crisis and the other was the increase of retirements during the pandemic, although no research had been conducted on the issue.

In moving to the second part of the report, concerning The Pensions Regulator (TPR) Single Code, John Smith detailed that the Single Code consolidated ten of the existing codes and incorporated content from all 15 codes, coming into force on

27 March 2024. Moreover, the Single Code consisted of five sections: The Governing Body, Funding and Investment, Administration, Communications and Disclosure and Reporting to TPR. In discussing the main governance implications, the Board noted the following:

- The LGPS the scheme manager was identified as the governing body, albeit the role appeared to be a composite of the Board, the Committee and officers.
- The Code required effective systems of governance (ESOG) with greater emphasis on documentation of policies and procedures.
- The scheme should carry out its own risk assessment (ORA) to identify the main governance risks facing the LGPS and it was good practice to develop business continuity/disaster recovery plans.
- The module on cyber controls focussed on reducing the number of incidents and addressing any that may arise. Although this was identified as good practice, the code set out the legal obligations of public sector pension schemes.
- The code expected schemes to have procedures and controls governing the selection and management of advisors and service providers that were supported by an effective conflicts of interest policy.
- The code extended the requirements for Board and Committee members knowledge and understanding to include investment management and financial risk.
- The code included modules on investment governance, investment monitoring and climate change although they were identified as good practice, as opposed to a requirement.
- The module on administration focused on planning service delivery, conducting sound financial transactions, data security and maintaining IT systems.
- The communication and disclosure modules set out general principles for scheme communications and observing the disclosure requirements, with a strong emphasis on scam prevention.
- The Single Code presented fresh challenges and the LGPS and its advisors were currently reviewing the changes. Professional advisors were developing self-assessment tools to help schemes gauge their compliance and monitor their progress.

Prior to inviting comments and questions, John Smith reiterated that the LGPS already had high standards of governance and the new code represented evolution rather than revolution, with regulators stating that compliance did not have to occur immediately. Regarding next steps, members noted that officers would work with its advisors to ensure that the Fund's policies and procedures were compliant with the

Single Code of Practice and would publish reports that explained any changes to seek approval from the Board.

The Chair then welcomed contributions from members, with the resultant discussion summarised below:

- Regarding the deadline for compliance for the new regulations, the Board was informed that a deadline had not been provided although officers were beginning preparations regardless.
- In response to a query as to who was responsible if the Fund did not adhere to governance regulations, members noted that the Sub-Committee, Board and officers were all responsible, with members noting that TPR could utilise enforcement notices to compel the Fund to undertake an action and issue fines. In providing an example of the Board upholding its responsibilities, the Chair detailed that the Board recently reported the Fund to TPR regarding the late issuing of Annual Benefit Statements, although it was found that a material breach had not occurred.

With no additional contributions and in thanking John Smith for the update, the Board **RESOLVED** to note the report.

7. **Members' Learning and Development**

George Patsalides (Finance Analyst, Brent Council) presented the report, which informed members of the provision of a Local Government Pensions Scheme (LGPS) focused online pensions learning facility for officers, Pension Fund Sub-Committee members and Pension Board members. The Board was advised that members should have completed the training in line with the plan attached in Appendix 2 of the report to comply with best practice, with officers advising members to contact them in the case of any issues.

Following the introduction, comments and queries were sought, with questions and responses summarised below:

- Members outlined technical issues with the site in addition to some missing information which was needed to answer the module questions.
- The Board noted that more frequent reminders could be distributed to remind members to complete training.

With officers outlining that all concerns would be forwarded to Hymans Robertson and the Chair emphasising the importance of completing the training, the Board **RESOLVED** to note the report.

8. **Risk Register**

Sawan Shah (Head of Finance, Brent Council) introduced the report, which updated the Board on the Risk Register, attached as Appendix 1 of the report, for the Brent Pension Fund Pensions Administration Service. The Board was advised that the Risk Register was a standing item at all Pension Board meetings which allowed the Fund to identify and manage risks related to the Pension Scheme. In identifying the

main amendments to the Risk Register, the Board noted that the following key changes had been made:

- The risk regarding the transfer of LPP Administration System from Heywoods to Civica, item 5.6, had decreased as Civica had addressed several software issues relating to McCloud and enhanced UPM's functionality.
- The risk relating to Pension Board training, item 8.2, had been increased as knowledge and understanding was a key topic in the Pension Regulator's (TPR) Single Code, which came into force on 27 March. However, the risk had been partially mitigated by the Fund rolling out e-learning to all Board and Committee members.
- The comments relating to Item 8.6, concerning discretions, had been altered in response to the Fund taking positive steps to mitigate this risk by approving revised Administering Authority discretions and a template of Employing Authority discretions for employers to populate.
- The risk concerning McCloud, item 9.3, had been increased due to its expanded scope, although it had been partially mitigated by improvements in the remedy functionality of UPM.

In thanking Sawan Shah for the overview, the Chair welcomed questions and contributions from Board members. Contributions, questions, and responses were as follows:

- In response to a query as to why some risks, such as those relating to cyber security, were ranked lower in the Pensions Risk Register compared to the corporate Risk Register, members noted that risk registers were inherently subjective and therefore scores would naturally vary. In addressing cyber concerns specifically, officers expressed confidence in the risk score attributed due to the number of controls present both within the Council and LPPA, although feedback on the Risk Register was always welcomed.

The Board welcomed the report and as no further issues were raised it was **RESOLVED** to note the overall report including the key changes set out in section 3.2.4 of the report.

9. **Pass-Through Policy**

John Smith (Pensions Manager, Brent Council) presented a report that outlined the preferred arrangements for contractors participating in the Brent Pension Fund. In providing an overview of the proposal, John Smith explained that outsourced LGPS members had a right to remain within the LGPS scheme and therefore an agreement was required between the Letting Authority and the Contractor regarding factors such as the Contractor contribution rates, bonds and cessation fees. Due to the need to determine the above elements, the conventional approach, which passed investment risk to the Contractor, resulted in high consultation fees, more expensive contracts for the Letting Authority and a slower overall process. Thus, to improve this process, it was proposed to introduce a 'Pass-Through' policy which passed significantly less pension risk to the Contractor and reduced the costs of

participation. This was largely due to the Contractor's contribution rate being equal to the Letting Authority's contribution rate and Contractors not being liable to pay cessation fees, which reduced uncertainty for Contractors seeing as they were not exposed to potential volatile market conditions, which was said should improve the competitiveness of the tendering process for LGPS Letting Authorities.

Furthermore, it was detailed that default Pass-Through would apply to all future arrangements for Contractors with fewer than 15 transferring members. For new Contractors with 15 or more transferring members, the Administering Authority would agree the most suitable arrangement with the Letting Authority. Additionally, it was explained that Pass-Through was being proposed now due to the Department for Education (DfE) recently extending their Academy Guarantee to cover Pass-Through which meant that the Fund could claim expenses back from the DfE if an academy were to cease operating. In finalising, the Board was informed that any early retirement strains and augmentation costs that arose were met by the Contractor via additional lump sum contribution(s), Brent would only ask for a bond or other security if the contract was perceived to be high risk or the letting authority insisted (which meant that a fixed rate would be paid for the majority of small Contractors), and Pass-Through was not suitable for large Contractors (with the Fund retaining the right to opt for a traditional agreement instead of Pass-Through). In outlining that stakeholders were being consulted prior to formal adoption, officers emphasised the benefits of Pass-Through such as more suitable risk sharing, cost savings and lighter administrative processes.

Having thanked John Smith for the introduction, the Chair invited the Board to comment on the proposal, with the consequent discussion summarised below:

- In response to a question regarding how the Pass-Through policy would be fairly implemented, it was detailed that discretions had been minimised as the policy would apply to specific situations and Contractors. Moreover, the policy meant that Contractors only took on risk that they were in direct control over which benefited Employing Authorities via reduced contracts and Contractors through reduced exposure to risk.
- The Board was advised that the Letting Authority was whoever let the contract, such as a school, academy or the Council.
- Regarding built in reviews of the policy to ensure its future appropriateness, it was explained that reviews could be scheduled, although positive feedback concerning Pass-Through had been given from other local authorities who had adopted the policy and therefore it was not anticipated to revert to the conventional approach for small contractors.

The Board welcomed the report and as no further issues were raised it was **RESOLVED** to:

- (1) Note the proposed Pass-Through approach as the default for admission agreements in line with the principles as specified in the report.
- (2) Note that the Pension Fund Sub-Committee recommended that the proposed Pass-Through approach detailed in section 2.1 of the report is approved by the General Purposes Committee at its next meeting.

10. **Administering Authority and Employing Authority Discretions**

John Smith (Pensions Manager, Brent Council) introduced the report, which outlined Brent's Administering Authority Discretions and a blank template for Employing Authority Discretions which could be used as a framework by all the employers in the Pension Fund to develop their own policies. In explaining that a discretion was essentially a choice, John Smith detailed the two differing discretions, voluntary and mandatory discretions. Members noted that it was a legal requirement to publish the required mandatory policies and it was considered best practice to publish a policy outlining how administering/employing authorities intended to exercise their discretions, as it ensured consistency in decision making and helped to guard against challenges and appeals from discontented parties, in addition to demonstrating good governance and providing clarity to members of the scheme. In finalising, John Smith stated that the discretions were not prescriptive and used phrases such as 'may do', 'only in exceptional circumstances' and 'each case will be evaluated on its own merits' to provide the Council and Employing Authorities maximum freedom.

Having heard that the Administering Authority and Employing Authority Discretions had already been approved by the Pension Fund Sub-Committee, the Board **RESOLVED** to note the report.

11. **H2 2023 Investment Monitoring Report**

Before moving on to remaining items on the agenda, the Chair reminded Board members that agenda items 11, 12, 13, 15, 16 and 17 were reports referred to the Pension Board for information following their consideration at the Brent Pension Fund Sub-Committee.

The Board received an update on the Brent Pension Fund Investment Monitoring, which reviewed the Fund's performance over the second half of 2023. Members noted that the value of the Fund had increased by 6% over the reporting period, with a valuation of £1,203m up from £1,125.7m at the end of Quarter 2 2023. It was explained that the Fund's passive global equity exposure was the main driver of positive return on an absolute basis. In addition, members noted that information on the Fund's funding level was included in page 284 of the agenda pack, which showed that the funding level had increased from 87% in Quarter 2 2022 to 115% in Quarter 4 2023 mainly due to asset growth and a reduction in liabilities.

In noting that the report had been subject to detailed review at the Brent Pension Fund Sub-Committee on 21 February 2024, the Board **RESOLVED** to note the H2 2023 Investment Monitoring Report without any further detailed comment.

12. **DLUHC Consultation Outcome on LGPS Investments and TPR General Code of Practice**

The Board received a report that detailed the outcome of the consultation on proposals relating to the investments of the Local Government Pension Scheme (LGPS) in addition to the recently published Pensions Regulator's General Code of Practice. Sawan Shah (Head of Finance, Brent Council) began by turning members' attention to 60 Second Summary, attached as Appendix 1 of the report, which

succinctly concluded the key points. Moreover, the Board was informed that that the government intended to proceed with the majority of the proposals which included:

- A March 2025 deadline for the pooling of assets, however this was now on a 'comply or explain' basis.
- Revised guidance to encourage Funds to invest a 10 per cent allocation to private equity, however this was an ambition and not mandatory.
- A requirement in guidance to set a training policy for pensions committee members and to report against the policy.

Regarding next steps, it was explained that the Fund was awaiting further details on how the proposals would be formalised in LGPS regulations and/or statutory guidance.

In commending the 60 Second Summary, members **RESOLVED** to note the updates included in the report.

13. **LAPFF Engagement Report**

The Board received an update on engagement activity undertaken by LAPFF (the Local Authority Pension Fund Forum) on behalf of the Fund, which demonstrated the Fund's commitment to Responsible Investment and engagement as a way to achieve its objectives. Without further comment, the Board **RESOLVED** to note the report.

14. **Exclusion of the Press and Public**

At this stage in proceedings the Pension Board was asked to consider whether they wished to exclude the press and public for consideration of the final reports on the agenda. Given the following items had been submitted for information and it was felt that they could be considered without the need to disclose any information classified as exempt it was **RESOLVED** not to exclude the press and public from the remainder of the meeting.

The meeting then continued in open session.

15. **Diversified Growth Fund**

The Board received a report that provided analysis of the LCIV Diversified Growth Fund. As there were no additional comments, the Board **RESOLVED** to note the update provided.

16. **London CIV Update**

The Board received and **RESOLVED** to note, without further comment, a report that provided an update on recent developments regarding Brent Pension Fund investments held within the London CIV


17. **Any Other Urgent Business**

The Board noted that the provisional dates for the 2024/25 municipal year were as follows:

- Thursday 25 July 2024
- Thursday 7 November 2024
- Monday 24 March 2025

The meeting closed at: 7:45pm

MR. DAVID EWART
Chair

 <p>Brent</p>	<p>Pension Board 3 September 2024</p> <hr/> <p>Report from the Corporate Director, Finance and Resources</p>
<p>Pension Administration Update</p>	

Wards Affected:	All
Key or Non-Key Decision:	Non key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
List of Appendices:	<p>Three</p> <p>Appendix 1: Q1 2024/25 Brent Pension Fund – Quarterly Administration Report</p> <p>Appendix 2: Q4 2023/24 Brent Pension Fund – Quarterly Administration Report</p> <p>Appendix 3: Payroll onboarding timeline</p>
Background Papers:	Not applicable
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	<p>Minesh Patel, Corporate Director, Finance and Resources 020 8937 minesh.patel@brent.gov.uk</p> <p>Amanda Healy, Deputy Director of Finance 020 8937 5912(amanda.healy@brent.gov.uk)</p> <p>Sawan Shah, Head of Finance 020 8937 1955 (sawan.shah@brent.gov.uk)</p> <p>John Smith, Pensions Manager 020 8937 1985 (john.smith@brent.gov.uk)</p>

1.0 Executive Summary

1.1 This report updates the Pension Board on pensions administration performance and related matters as part of its remit to oversee the administration of the Brent Pension Fund.

2.0 Recommendation(s)

2.1 The board is asked to note the report.

3.0 Detail

3.1 This report reviews the performance of Local Pensions Partnership Administration (LPPA) against agreed Service Level Agreements (SLA's) during the period April to June 2024 (Quarter 1).

3.2 Contribution to Borough Plan Priorities & Strategic Context

3.2.1 The work of the Pension Fund is critical in ensuring that it undertakes statutory functions on behalf of the Local Government Pension Scheme and complying with legislation and best practice. Efficient and effective performance and service delivery of the Pension Fund underpins all Borough Plan priorities.

3.3 Background

3.3.1 It is important to note that LPPA have migrated both its pension administration and workflow systems to UPM.

3.3.2 Although migration was very disruptive initially, LPPA should have adjusted to the new system by now and it should be business as usual.

3.3.3 The figures reported have improved significantly; however, it should be noted that the LPPA only reports on the cases it is able to complete, not the volume of work it receives.

3.3.4 Brent is liaising with the LPPA to develop enhanced performance metrics that should benefit everyone.

3.3.5 Overall, the service is getting better but there are still areas where there is room for improvement.

3.4 LPPA Quarter 1 performance report

3.4.1 Brent Pension Fund had 24,247 members on 30th June 2024 of which:

- 6,645 were active members,
- 10,149 were deferred members, and
- 7,453 were pensioner and dependant members.

3.4.2 Figure 1 shows the current age demographic of the Brent Pension Fund members. This is broken down between active, deferred and pensioner members.

Figure 1:



- 3.4.3 This shows that most of the working age active members fall into the 35 to 60 age groups while, as would be expected, 35-60 is the cohort with the highest number of deferred members.
- 3.4.4 For pensioner and dependant members, the numbers in the 65-75 banding are broadly the same before progressively declining gently with age.
- 3.4.5 The number of deferred pensioners is disproportionately high and may indicate a backlog of intra-fund transfers (members moving within the fund whose pension benefits have not been aggregated) and, possibly, backlogs in other areas.
- 3.4.6 The average percentage of cases processed on time was reported as 98.5% April, 98.6% May and 99.0% in June.
- 3.4.7 Figure 2 provides detail on the number of cases that have been processed grouped by category.

Figure 2:



3.4.8 An important aspect of pensions administration is how the administrators respond to difficult complaints. The LPPA's performance in this area has been good with key officers such as the Operations Manager and the Technical Manager taking ownership of the complaints and resolving them promptly.

3.4.9 The Casework performance metric shows that performance was good but there is an underlying backlog of 1,936 cases. This is too high for a fund the size of Brent and it needs to be steadily reduced.

3.4.10 The Helpdesk call performance graphic measures the average wait time and calls answered. During the quarter wait times were 3 minutes 22 seconds in April, 1 min 40 seconds in May and 2 mins 4 seconds in June. The performance was generally good, although over a fifth (21.8%) of calls missed the four-minute target.

3.4.11 Overall, two thirds of Help Desk callers (67%) were satisfied and a twelfth (8.4%) were dissatisfied.

3.4.12 The performance report for the previous period, January to March 2024, is attached in Appendix 2.

3.5 Complaints

3.5.1 Since the last Pension Board, 38 new complaint cases have been received at a rate of 7.6 per month. The number of complaints received during the quarter is analysed by case type as shown in table 2 below. It is acknowledged that levels of complaints are high compared to the historical averages, but they are gradually falling.

Table 2: complaints received by month:

Month	Delays	General Service*	Total
February 24	0	13	13
March 24	0	9	9
April 24	1	6	7
May 24	1	4	5
June 24	3	1	4

**General Service includes four payroll complaints although the Pensions Payroll is currently administered in-house.*

3.5.2 No Internal Dispute Resolution Procedure (“IDRP”) were received in the quarter and one outstanding case was determined, and was upheld. Brent and LPPA take action to ensure that IDRP cases are resolved swiftly, however, the complex nature of some cases means that this is not always possible to do so. Each case is reviewed following completion to ensure any lessons are learned and, if necessary, processes and procedures are amended.

3.6 Annual benefit statements (ABS)

3.6.1 It is a statutory requirement for the scheme manager to issue an Annual Benefit Statement (ABS) to all eligible active and deferred members by 31 August each year.

3.6.2 Scheme employers are required to submit monthly returns within agreed timescales to enable LPPA to produce an ABS. After submitting their returns, employers may be required to respond to queries on the return before an ABS can be produced. It is therefore important that monthly returns are received promptly as delays may result in ABS not being issued by the deadline.

3.6.3 Employer training sessions were delivered for monthly returns to support them in submitting their returns and resolving queries. Various email communications were sent to employers in advance of the deadline and after the deadline to any employers who failed to submit their returns.

3.6.4 The Fund moved to monthly returns in April 2023 and all the active employers were up to date, save four. The four who were unable to submit monthly returns submitted annual returns. A lot of work has gone into promoting monthly returns over the course of the year and officers believe that the Fund is in a better position than it was last year.

3.6.5 The Pensions Administration Strategy allows the scheme manager to take action against employers that do not comply with their statutory and legal obligations to the Pension Fund. These actions will be considered should employers not respond to requests for information in a timely manner.

3.7 Pensions Payroll Migration

3.7.1 General Purposes Committee approved to extend the existing shared service arrangements for pensions administration to include pensions payroll in April and work has now started to move from Brent's Oracle payroll to LPPA's UPM payroll. This will facilitate the end-to-end processing of calculation of pension benefits and payment of pensions to be carried out on the same system and negate the issues experienced over many years with having maintain data across two systems.

3.7.2 From a member's perspective, an integrated pension payroll and pension administration system will enable an improved service and all administration related to pensions will be contained within a single team and all pensioner data will be visible on the existing PensionPoint portal.

3.7.3 Updates on the project:

- Agreements on the project initiation and data sharing have been signed.
- The key service design principles including payment dates, methods and processes for overseas payments, deductions and payslips have been agreed.
- Brent General Ledger reporting requirements have been provided to LPPA.
- In June 2024, a payroll file provided by Brent was matched against UPM pension member records and the pre-migration data cleanse is on-going with priority given to cases where there was no match or members with multiple employments.
- Payroll data extracts for the first parallel run have been provided.

3.7.4 The project is being managed a dedicated project manager at LPPA, who is working closely with Brent pension and payroll team officers, LPPA teams and Civica. Weekly project meetings are being held to discuss tasks in progress, upcoming deadlines/tasks, risks, issues and dependencies. The high-level project timetable is attached in Appendix 3.

4 Stakeholder and ward member consultation and engagement

4.1 This is not applicable to this report.

5 Financial Considerations

5.1 There are no specific financial implications associated with this report.

6 Legal Considerations

6.1 There are no specific legal considerations arising from this report.

7 Equality, Diversity & Inclusion (EDI) Considerations

7.1 There are none directly arising from this report.

8 Climate Change and Environmental Considerations

8.1 There are none directly arising from this report.

9 Human Resources/Property Considerations (if appropriate)

9.1 There are none directly arising from this report.

10 Communication Considerations

10.1 None that are applicable to this report.

Report sign off:

Minesh Patel

Corporate Director, Finance and Resources

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Quarterly Administration Report

Brent Pension Fund

1st April - 30th June 2024

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DEFINITIONS

Page 9

Total Fund Membership

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

Page 10 & 11

Current Age Demographic

The age profile of the Membership is split across three types of status:

Active Members – members who are currently contributing toward their pension benefits.

Deferred Members – members who hold a deferred benefit in the fund.

Pensioner Members – pensioners and dependants who are currently receiving a pension.

Page 13

Casework Performance - All Cases

Performance is measured once all information is made available to LPPA to enable them to complete the process.

Relevant processes are assigned a target timescale for completion, and the performance is measured as the percentage of processes that have been completed within that timescale.

Page 14

Casework Performance - Standard

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

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

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

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

Page 15

Ongoing Casework at the end of the Reporting Quarter

Please note the number of processes brought forward, does not match the corresponding number of outstanding processes reported in the previous quarter (due to various reasons which can include but are not limited to, the deletion of a process, or changes to the process category that a case is assigned to).

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

Page 17 & 18

Contact Centre Performance

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

Page 20 & 21

Contact Centre Call Satisfaction

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

Page 22 & 23

Retirement Satisfaction

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

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

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

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

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

Dissatisfied responses include dissatisfied and very dissatisfied.

Neutral responses are not included in the data tables.

Page 25

Member Online Portal

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

Page 29

Common/Scheme Specific Data Fails

The Pensions Regulator requires administrators to keep member data up to date to ensure benefits are accurately paid. This is split by Common Data (basic details that are specific to the Member) and Scheme Specific Data (data that is related to a member data and specific circumstances surrounding their record).

Individual Fails shows the total number of unique members that have a single or multiple number of Common Data or Scheme Specific Data fails. On both charts, the Accuracy Rate (%) then compares the number of Individual Fails to the total number of Scheme Members.

For more detail on the Data Items / Error types presented in these charts, please visit either the [TPR](#) or [PASA](#) (The Pension Administration Standards Association) websites.

OUR CORE VALUES

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

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




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



STATUTORY DEADLINES

 COMPLETED
  DUE

Page 25

	Apr 24	May 24	Jun 24	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25
Annual Benefit Statement and Newsletter to Deferred Members												
Pension Increases												
P60s and Newsletter to Pensioners												
Annual Benefit Statement and Newsletter to Active Members												
Pension Saving Statements												

EXECUTIVE SUMMARY

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

This performance report covers the reporting period of Q1 2024/25 (April – June 2024)

Casework SLA performance

Overall operational casework performance was 98.7% against overall Service Level Agreements (SLAs) for the quarter.

Contact Centre

Contact Centre wait times have been consistently under the targeted 4-minute wait time with an average wait time over the quarter of 2 minutes 28 seconds.

Satisfaction scores

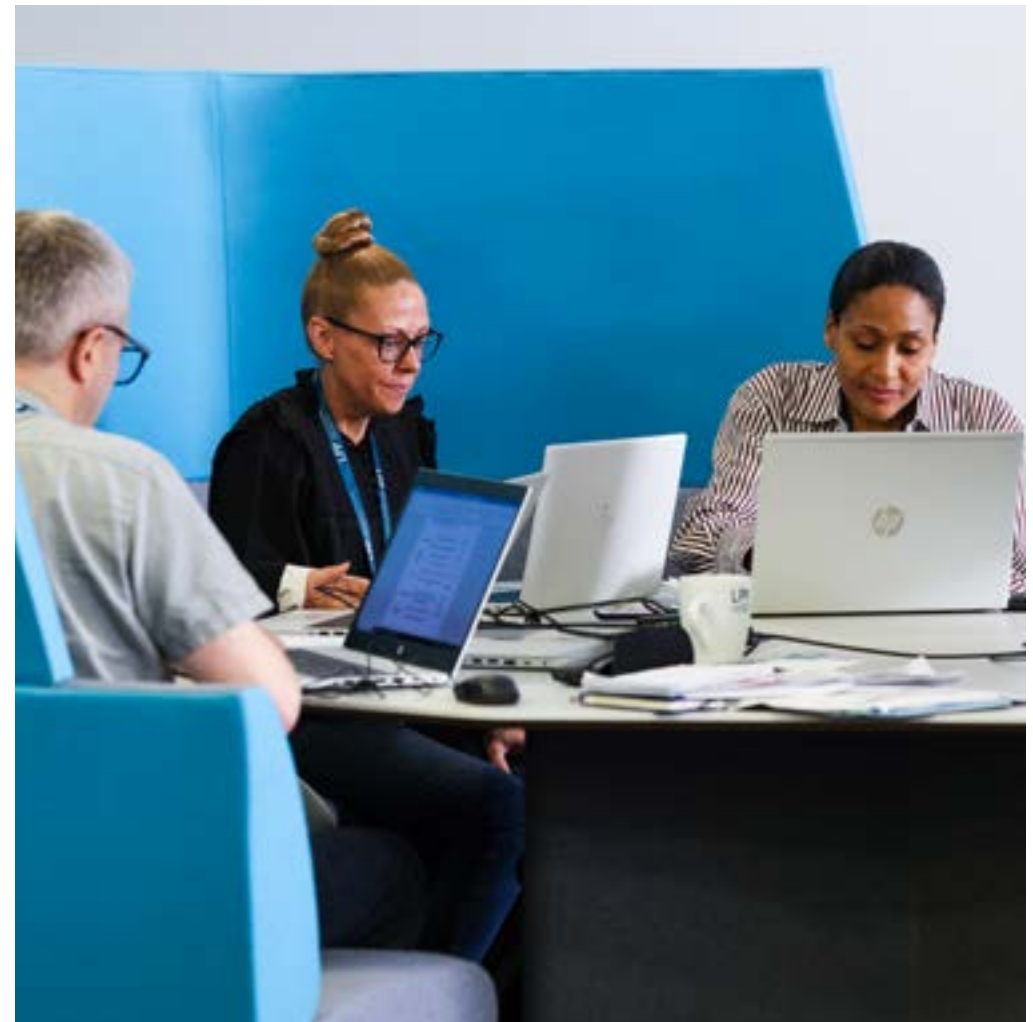
This report includes a new presentation of member satisfaction for retirements. The majority of those surveyed about their retirement experience do not respond. Of those that responded to the survey, the customer satisfaction was 63.6%. Low survey responses can lead to high volatility in the satisfaction scores.

Contact Centre satisfaction now includes both overall satisfaction and satisfaction with the individual call handler that the member spoke to. Satisfaction with the individual call handler is typically higher than overall satisfaction, with satisfaction rates for the quarter at 92.7% and 63.6% respectively.

Outlook

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

- Embedding of monthly returns for all employers and managing the associated spikes in work driven by the late and concentrated submission of monthly return files from some employers
- Production of Annual Benefit Statements ahead of the 31st August deadline.
- Efficiency and Service Improvement Programme (ESIP) of work.
- Activity to continue to improve the member experience in key areas.
- Significant regulatory change including implementation of McCloud remedy and the Pensions Dashboard.



LPPA PROJECTS - UPDATE

McCloud Remedy

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

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

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

Current Position

- Employers were given to 31st March 2024 to confirm that all data held in respect of remedy (e.g. hours, service, etc.) is correct.
- Eligibility flags are in place to identify all members in scope for remedy.
- We are now calculating benefits and applying the underpin for active members retiring (for those members with a McCloud eligible flag, and whose data has been verified as being present and correct).
- Systems functionality to revisit eligible revision cases (e.g. those that have already retired) in line with nationally agreed cohorts and timescales is due in October 24.

Efficiency and Service Improvement Programme

LPPA mobilised an Efficiency and Service Improvement Programme (ESIP) shortly after the move to the new administration system (UPM). ESIP is designed to leverage the investment in UPM, delivering automation and improved self-service capability. ESIP currently has 10 projects in flight. ESIP's automation of Deferred (CARE only) Retirement Quote is on track to go live in July (this is the third process automation following the automation of refund quotes and deferred statements). Other activity in flight includes work to improve the monthly returns process and the member and employer online portals.

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

Data Project

LPPA is partnering with Civica and Intellica on a data project to improve data quality ahead of valuation and the introduction of the Pensions Dashboard. Work is well underway on the creation of the systems test environments. As part of the initiation phase, we have been working closely with our supplier to work through a series of detailed workshops and agree the scope of the Data Validation Checks (DVCs) that we will check the integrity of member data against.

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

While we are working through the early phases of the project, delivery dates are yet to be finalised, but we expect to be able to share the initial dashboard results with the Fund during Q2 i.e. between July – September 2024.

Pensions Dashboard

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

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

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

Fund Membership

In this section...

- Total fund membership
- Current age demographic

TOTAL FUND MEMBERSHIP

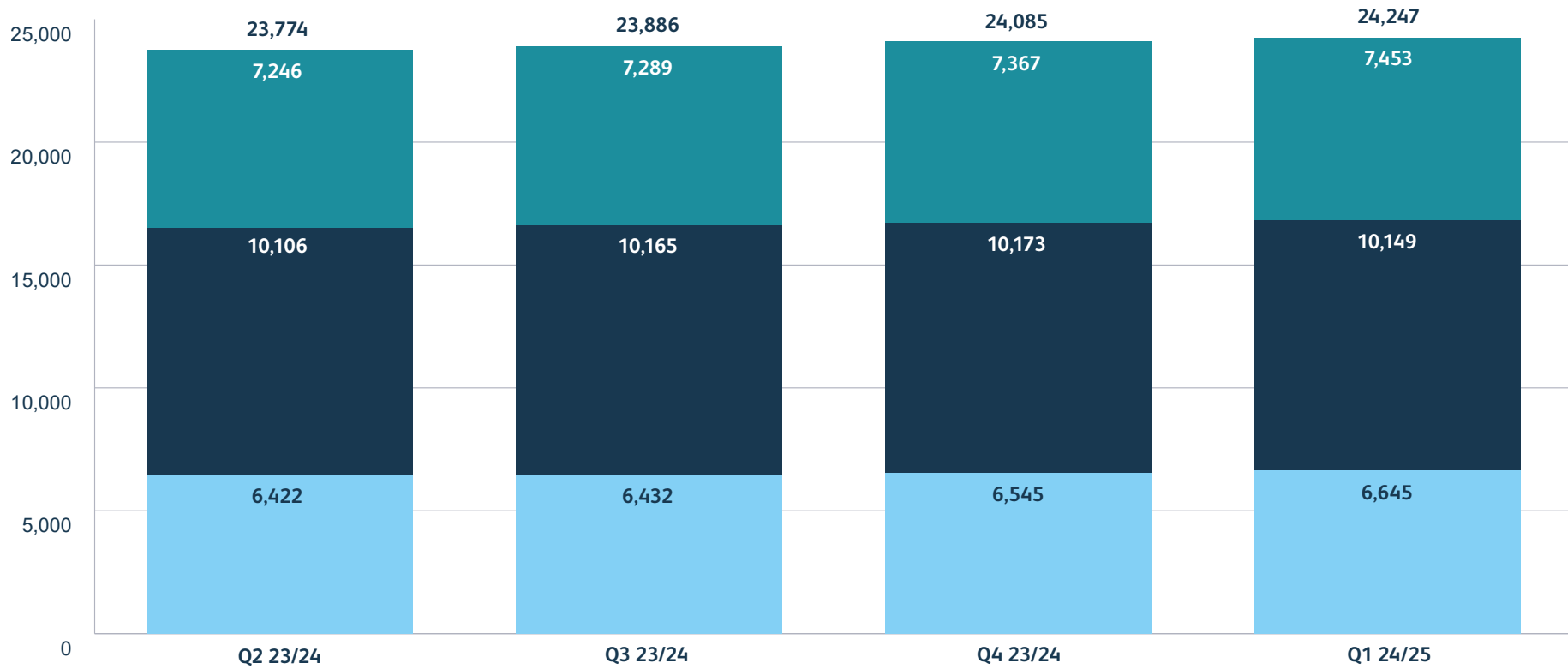


TOTAL FUND MEMBERSHIP

CLIENT SPECIFIC

Active Contributors Deferred Beneficiaries Pensioners & Dependants

Page 29



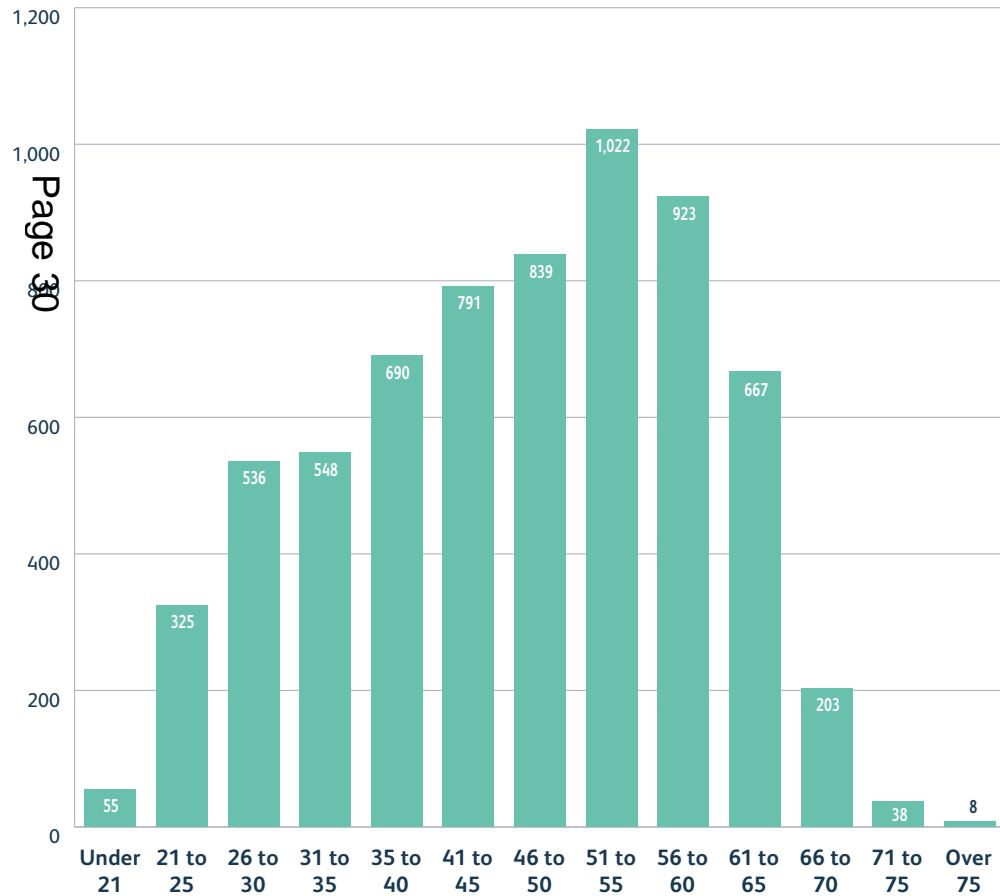
TOTAL FUND MEMBERSHIP



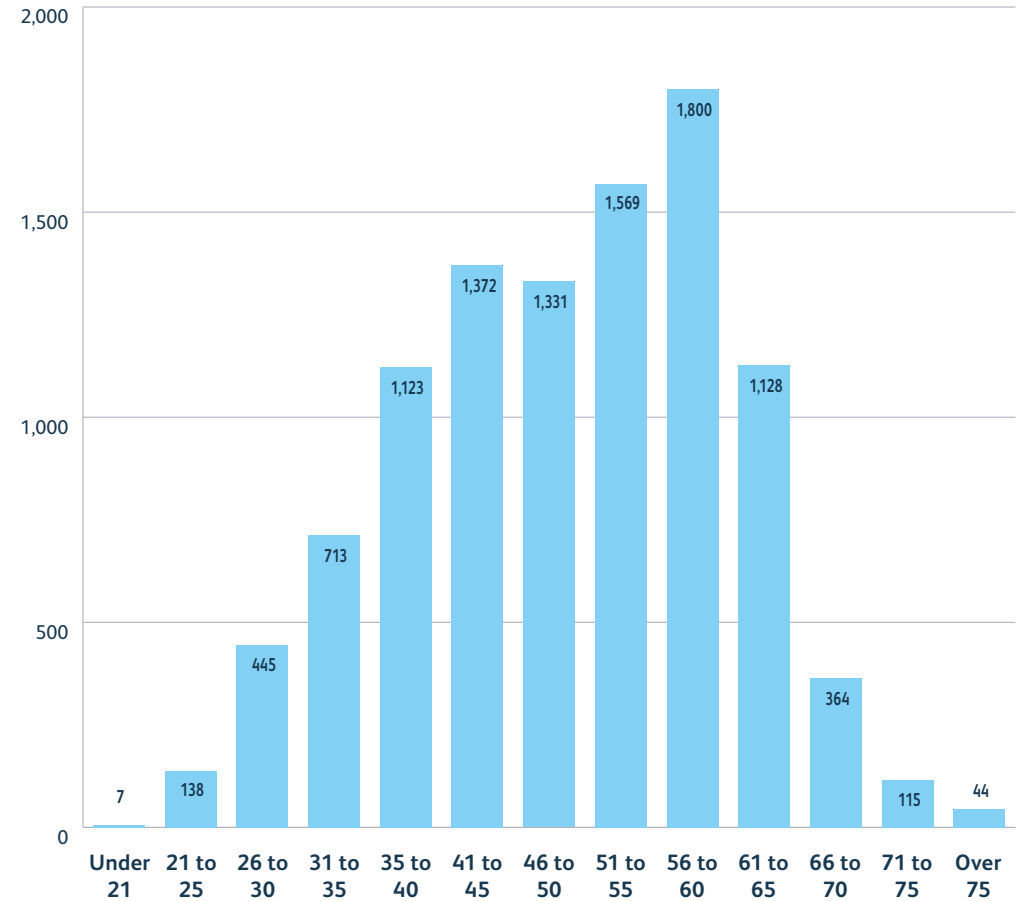
CURRENT AGE DEMOGRAPHIC

CLIENT SPECIFIC

Active



Deferred



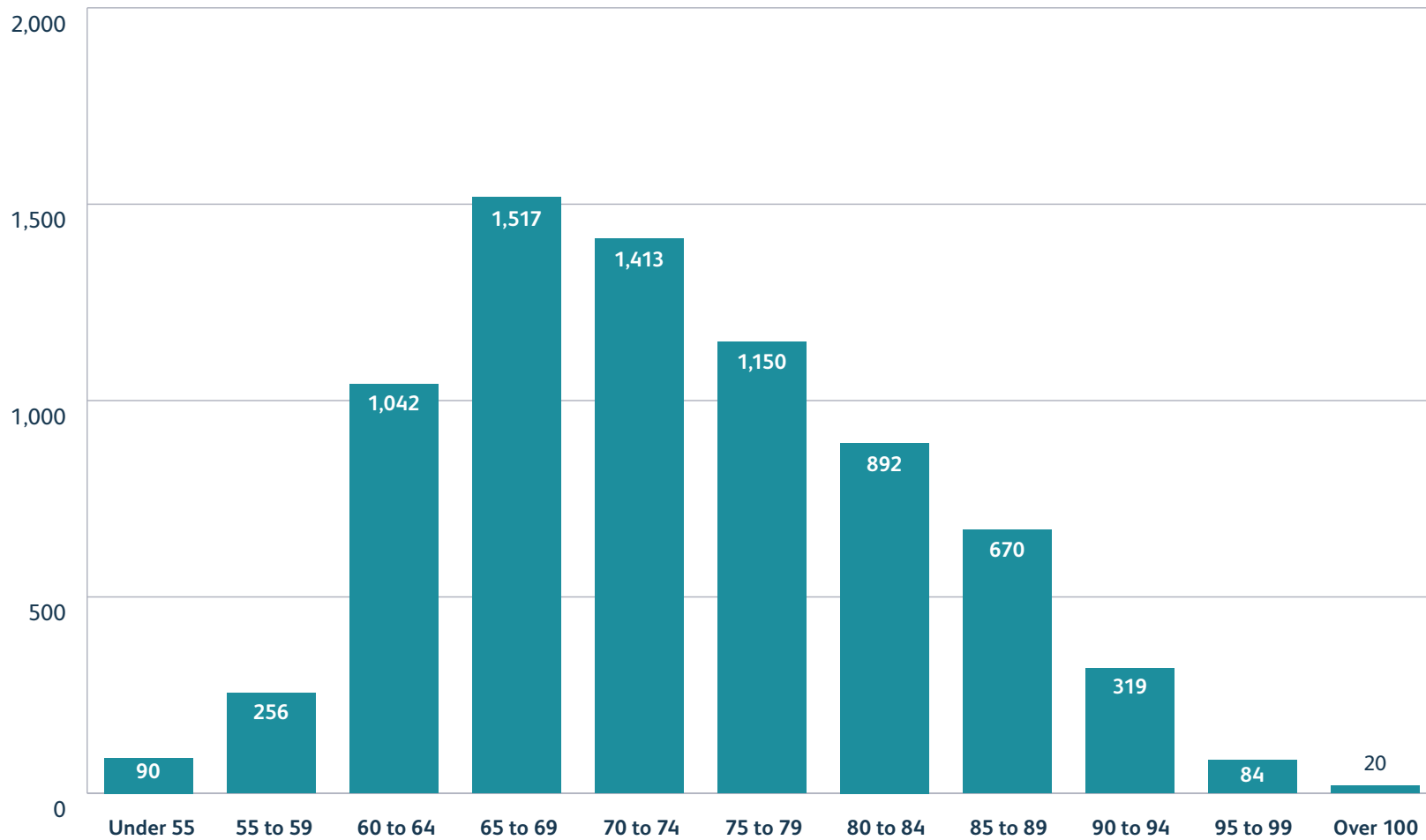
TOTAL FUND MEMBERSHIP



CURRENT AGE DEMOGRAPHIC

CLIENT SPECIFIC

Retired



Casework Performance

In this section...

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

CASEWORK PERFORMANCE



PERFORMANCE – ALL CASES

CLIENT SPECIFIC

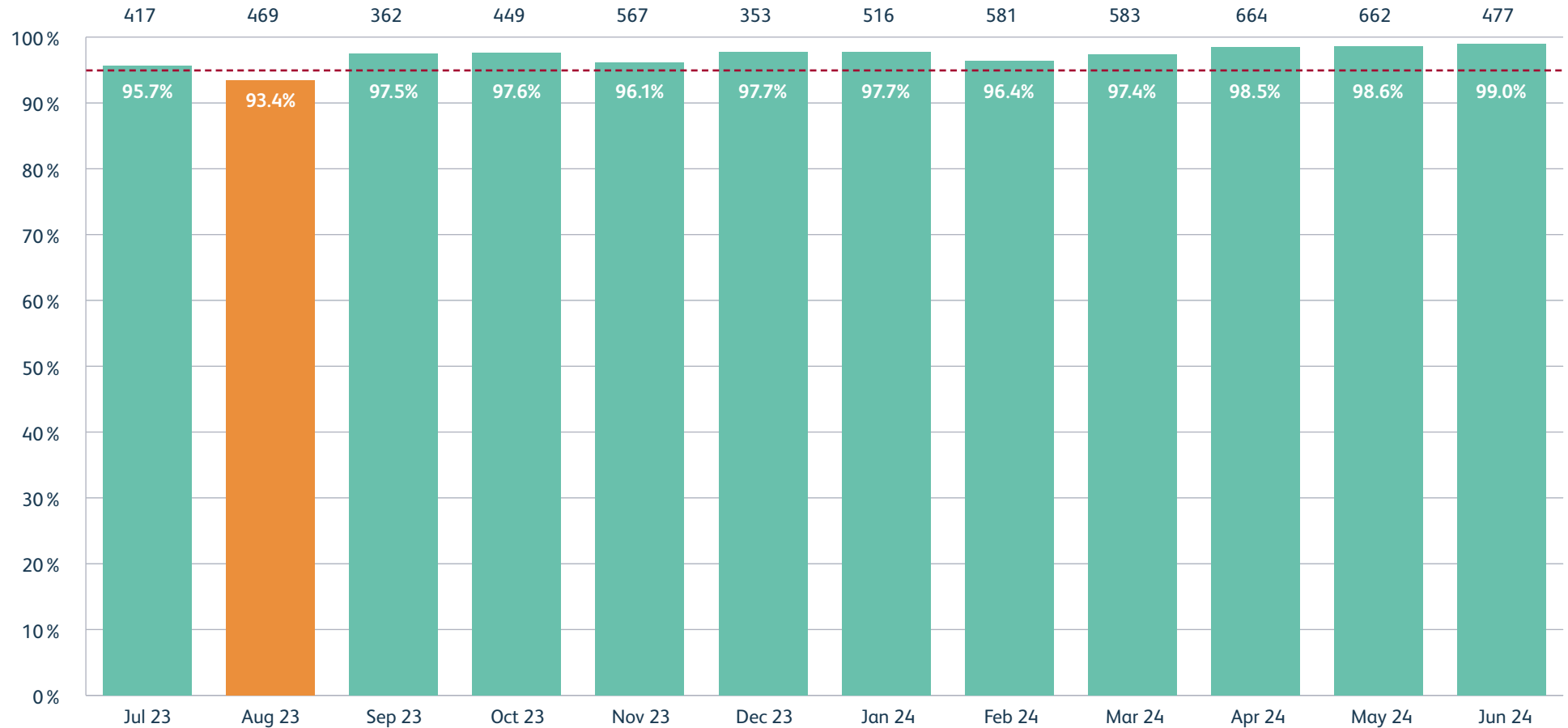
----- Target

The quarterly SLA performance was **98.7%**

Total completed cases included for each month.

Page 33

Performance



CASEWORK PERFORMANCE

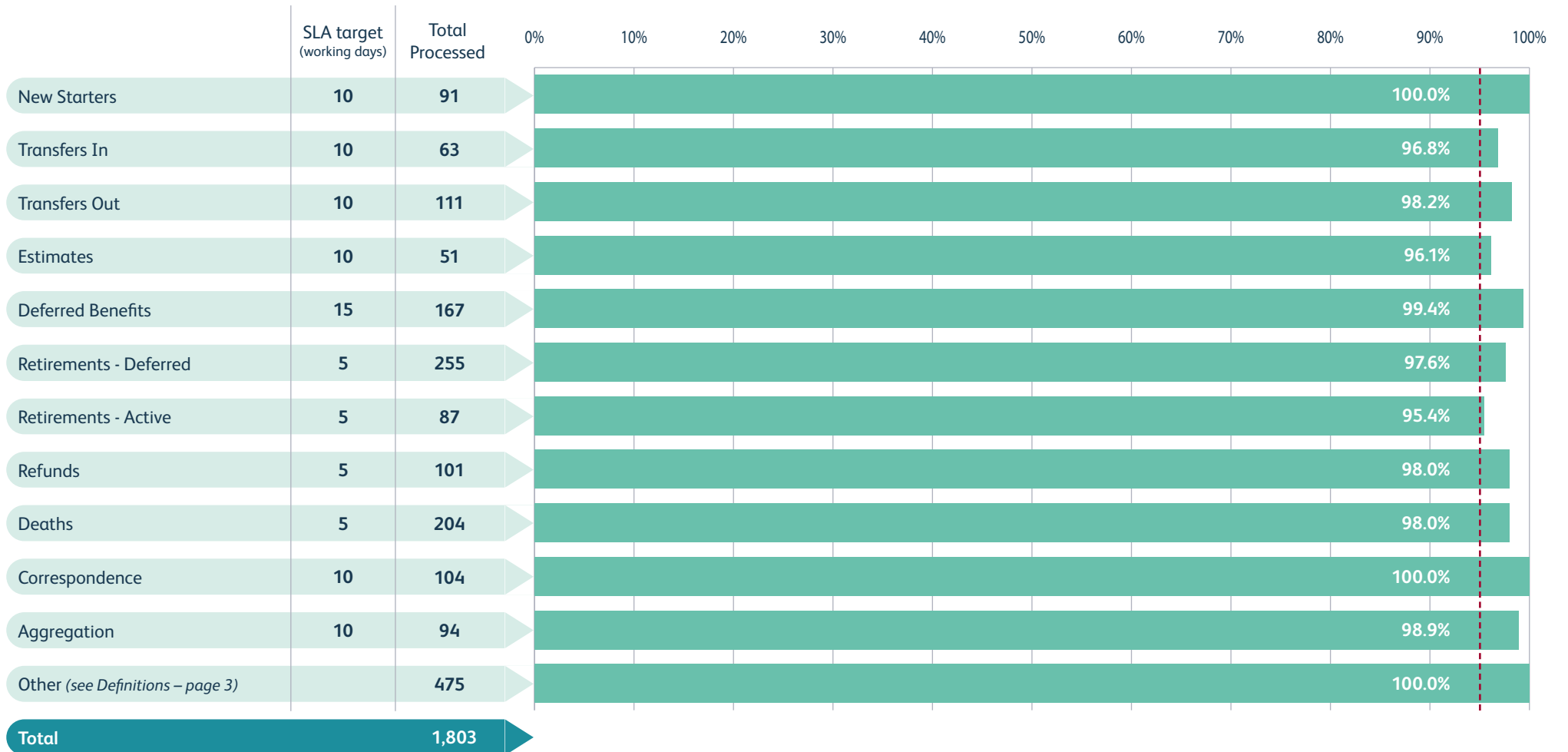


PERFORMANCE STANDARD

CLIENT SPECIFIC

----- Target (95%)

Page 34



CASEWORK PERFORMANCE

Please note:

*From Q1, Deaths includes 'Overpayments' and 'Update Pension and Payroll' processes.

ONGOING CASEWORK AT THE END OF THE REPORTING QUARTER CLIENT SPECIFIC

The following table is created by identifying all reportable casework within UPM, and includes those that have subsequently Completed / Aborted / Remain Outstanding within the quarter. The figures in this table cannot be compared to those in the previous slide for a number of reasons including: the table includes aborted cases, but the horizontal bar graph does not; the SLA 'stop trigger' can be actioned before the process has been completed.

	Brought Forward at 01/04/24	Received (Inbound)	Completed (Outbound)	Outstanding as of 30/06/24
New Starters	11	135	145	1
Transfers In	167	125	120	172
Transfers Out	220	161	147	234
Estimates	24	52	61	15
Deferred Benefits	252	324	278	298
Retirements - Deferred	241	293	278	256
Retirements - Active	86	132	130	88
Refunds	51	200	158	93
Deaths*	421	364	290	495
Correspondence	106	205	193	118
Aggregation	125	117	127	115
Other	58	497	504	51
Total	1,762	2,605	2,431	1,936

Contact Centre Calls Performance

The Contact Centre 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

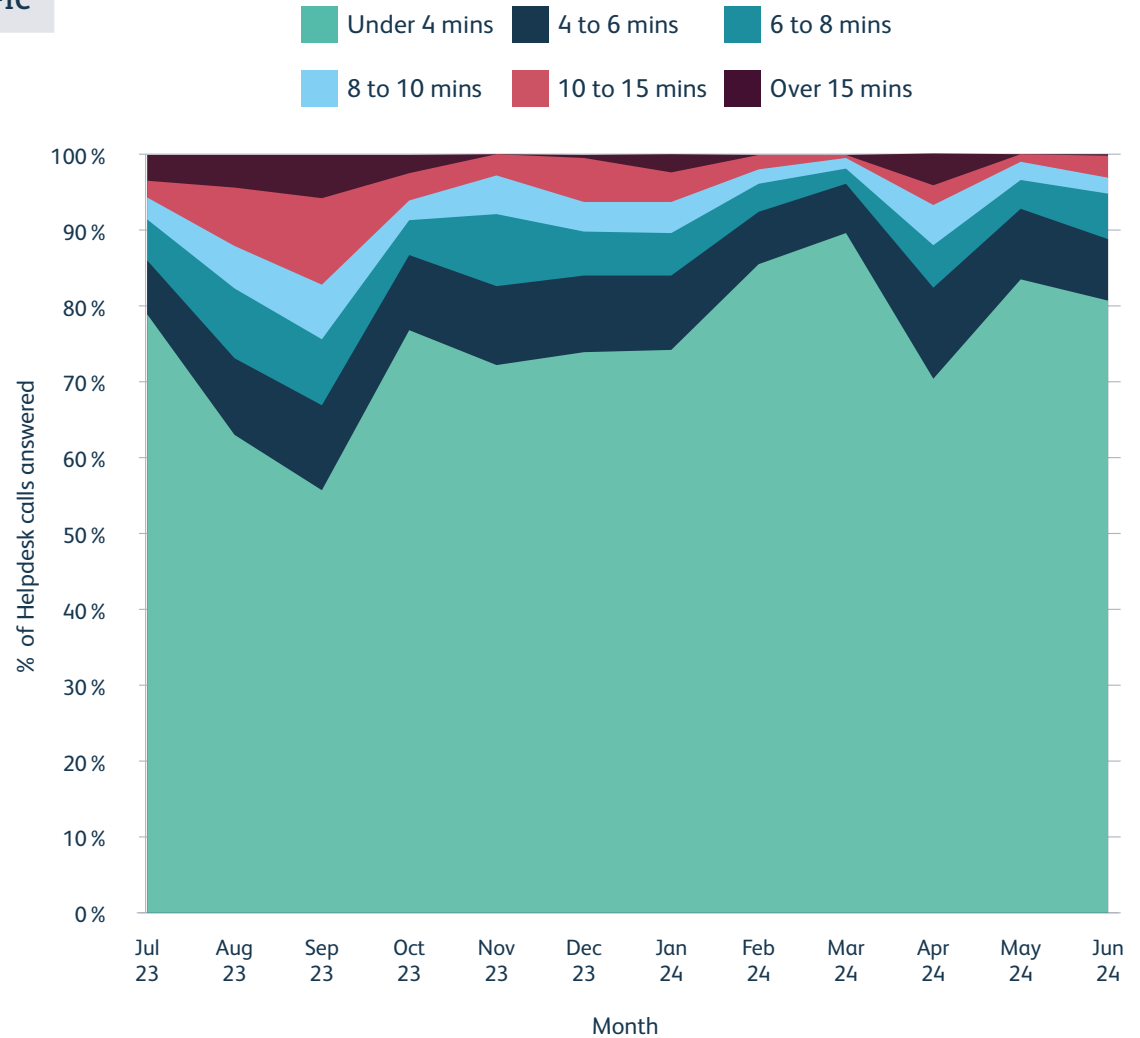
CONTACT CENTRE CALLS PERFORMANCE



WAIT TIME RANGE

CLIENT SPECIFIC

	Under 4 mins	4 to 6 mins	6 to 8 mins	8 to 10 mins	10 to 15 mins	Over 15 mins
Jul 23	78.9%	7.1%	5.4%	2.9%	2.2%	3.4%
Aug 23	63.0%	10.1%	9.2%	5.6%	7.7%	4.3%
Sep 23	55.7%	11.2%	8.7%	7.2%	11.4%	5.7%
Oct 23	76.8%	9.9%	4.6%	2.6%	3.6%	2.4%
Nov 23	72.2%	10.4%	9.5%	5.1%	2.8%	0.0%
Dec 23	73.9%	10.1%	5.8%	3.9%	5.8%	0.4%
Jan 24	74.2%	9.8%	5.6%	4.1%	3.9%	2.4%
Feb 24	85.5%	6.9%	3.7%	1.9%	1.9%	0.0%
Mar 24	89.6%	6.5%	2.0%	1.4%	0.4%	0.0%
Apr 24	70.4%	12.0%	5.6%	5.3%	2.6%	4.2%
May 24	83.5%	9.3%	3.8%	2.4%	1.0%	0.0%
Jun 24	80.7%	8.1%	6.0%	2.1%	2.9%	0.2%



CONTACT CENTRE CALLS PERFORMANCE



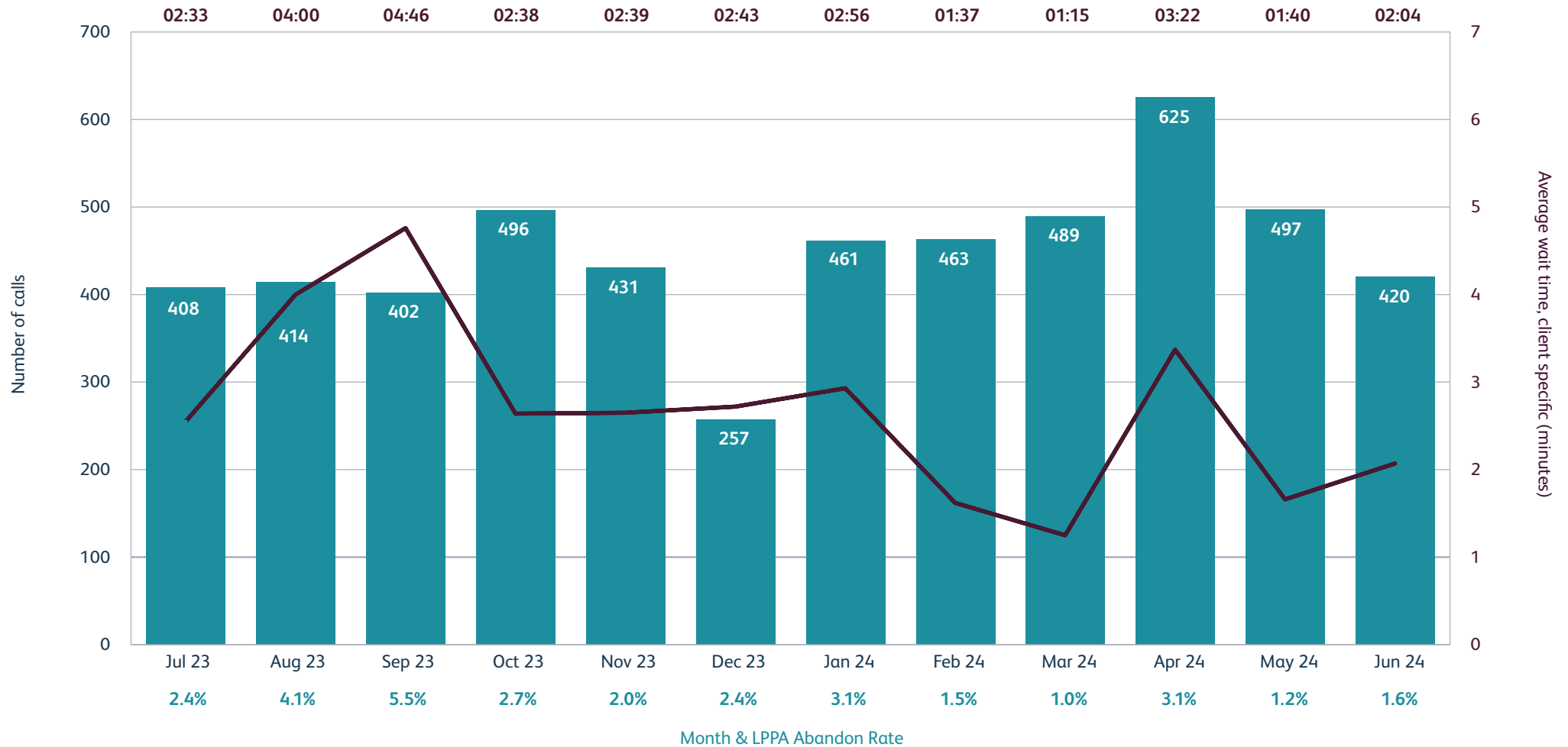
CALLS ANSWERED

CLIENT SPECIFIC

— Average wait time (mm:ss)

Quarterly average wait time was 2 minutes 28 seconds

Page 38



Average wait time, client specific (minutes)

Customer Satisfaction Scores

In this section...

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

CUSTOMER SATISFACTION SCORES

Please note:

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

Survey responses as a % of Q1 calls answered - 6.7%

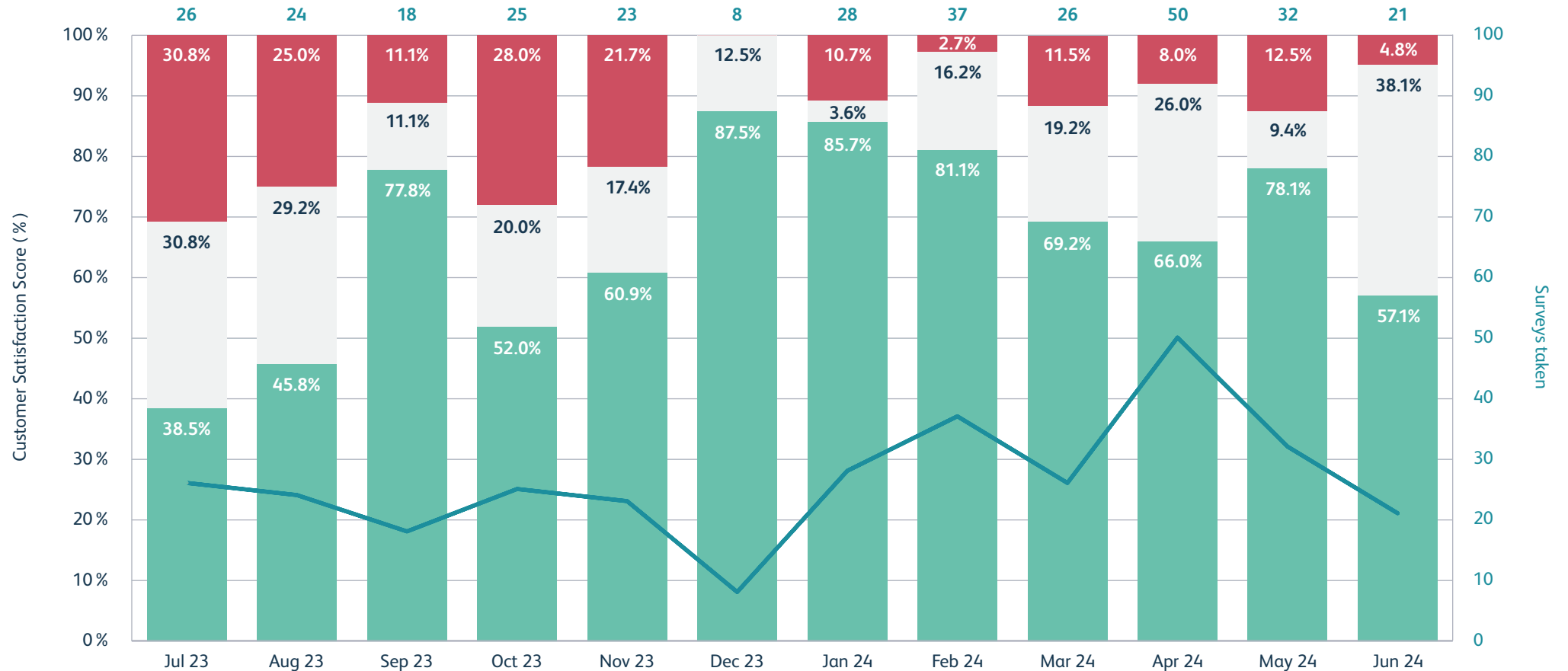


CONTACT CENTRE CALLS SATISFACTION - OVERALL

CLIENT SPECIFIC

Overall member satisfaction for the quarter was 63.6%

■ Dissatisfied
 ■ Neutral
 ■ Satisfied
 — Surveys taken



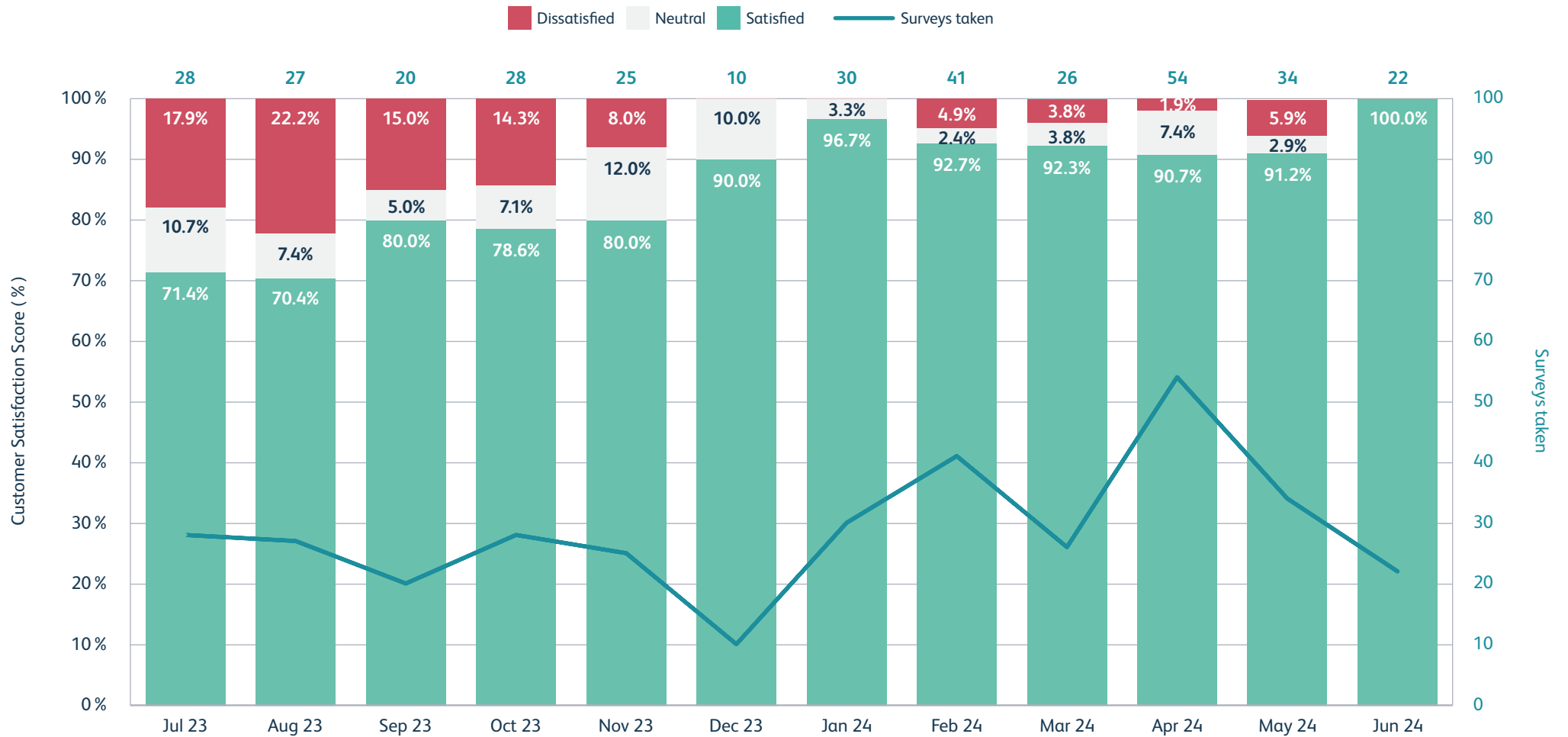
CUSTOMER SATISFACTION SCORES

Please note:

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

CONTACT CENTRE CALLS SATISFACTION - AGENT CLIENT SPECIFIC

Agent specific member satisfaction for the quarter was 92.7 %



CUSTOMER SATISFACTION SCORES

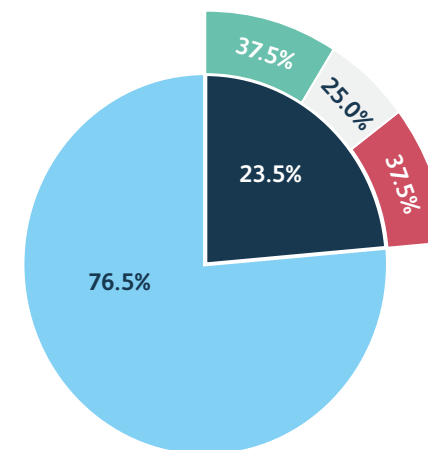
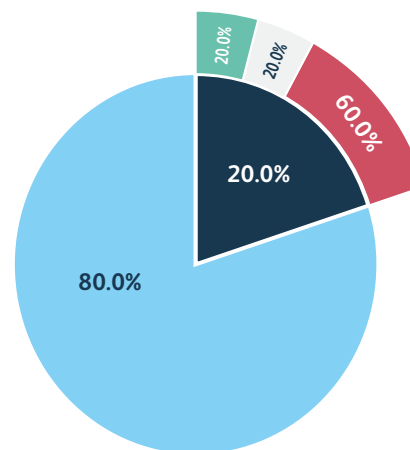
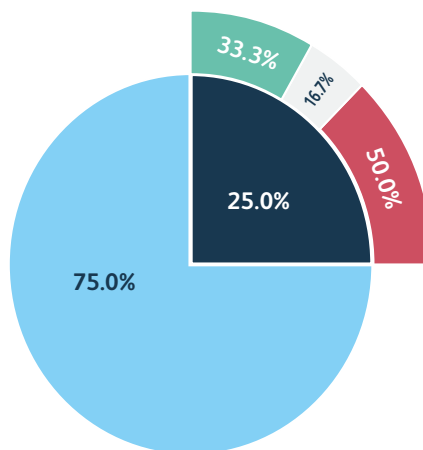
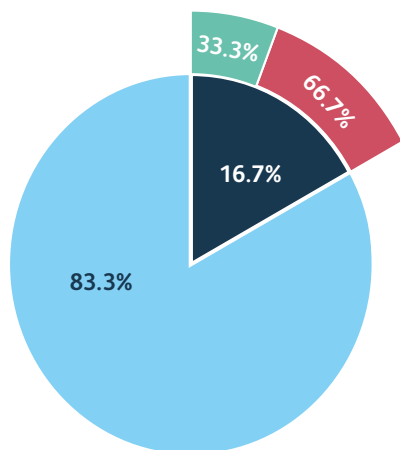
Please note:

Graphs show a breakdown of quarterly retirement surveys:

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

RETIREMENTS - ACTIVE

CLIENT SPECIFIC



	Q2 23/24		Q3 23/24		Q4 23/24		Q1 24/25	
Retirements processed, completed	25		33		33		45	
Surveys issued and as a % of retirements	18	72.0%	24	72.7%	25	75.8%	34	75.6%
Satisfied Responses (as a % of surveys issued)	1	5.6%	2	8.3%	1	4.0%	3	8.8%
Dissatisfied Response (as a % of surveys issued)	2	11.1%	3	12.5%	3	12.0%	3	8.8%
Non Responses and as a % of surveys issued	15	83.3%	18	75.0%	20	80.0%	26	76.5%
Responses and as a % of surveys issued	3	16.7%	6	25.0%	5	20.0%	8	23.5%
Satisfied Responses and as a % of responses	1	33.3%	2	33.3%	1	20.0%	3	37.5%
Dissatisfied Responses and as a % of responses	2	66.7%	3	50.0%	3	60.0%	3	37.5%

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

CUSTOMER SATISFACTION SCORES

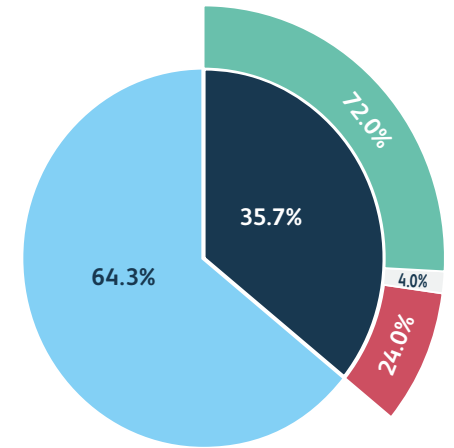
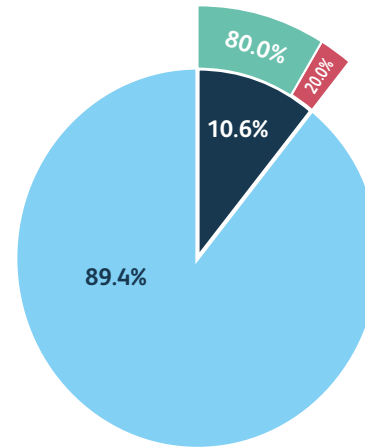
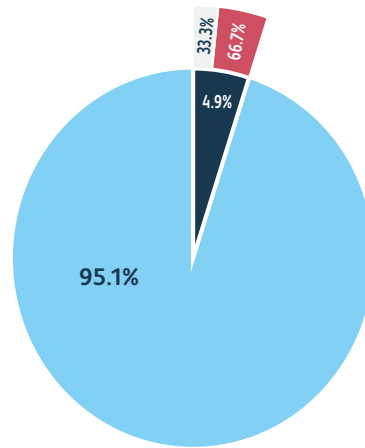
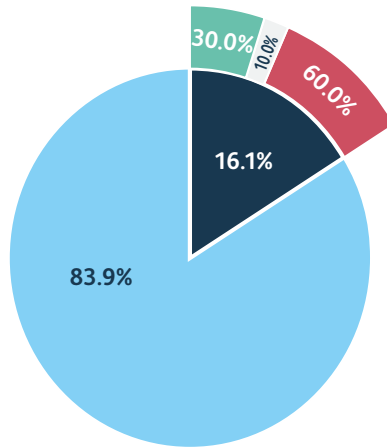


RETIREMENTS - DEFERRED

CLIENT SPECIFIC

- Satisfied
- Neutral
- Dissatisfied
- Responses
- Non responses

Page 43



	Q2 23/24		Q3 23/24		Q4 23/24		Q1 24/25	
Retirements processed, completed	65		102		99		112	
Surveys issued and as a % of retirements	62	95.4%	61	59.8%	47	47.5%	70	62.5%
Satisfied Responses (as a % of surveys issued)	3	4.8%	0	0.0%	4	8.5%	18	25.7%
Dissatisfied Response (as a % of surveys issued)	6	9.7%	2	3.3%	1	2.1%	6	8.6%
Non Responses and as a % of surveys issued	52	83.9%	58	95.1%	42	89.4%	45	64.3%
Responses and as a % of surveys issued	10	16.1%	3	4.9%	5	10.6%	25	35.7%
Satisfied Responses and as a % of responses	3	30.0%	0	0.0%	4	80.0%	18	72.0%
Dissatisfied Responses and as a % of responses	6	60.0%	2	66.7%	1	20.0%	6	24.0%



Member Online Portal

In this section...

- Total members registered

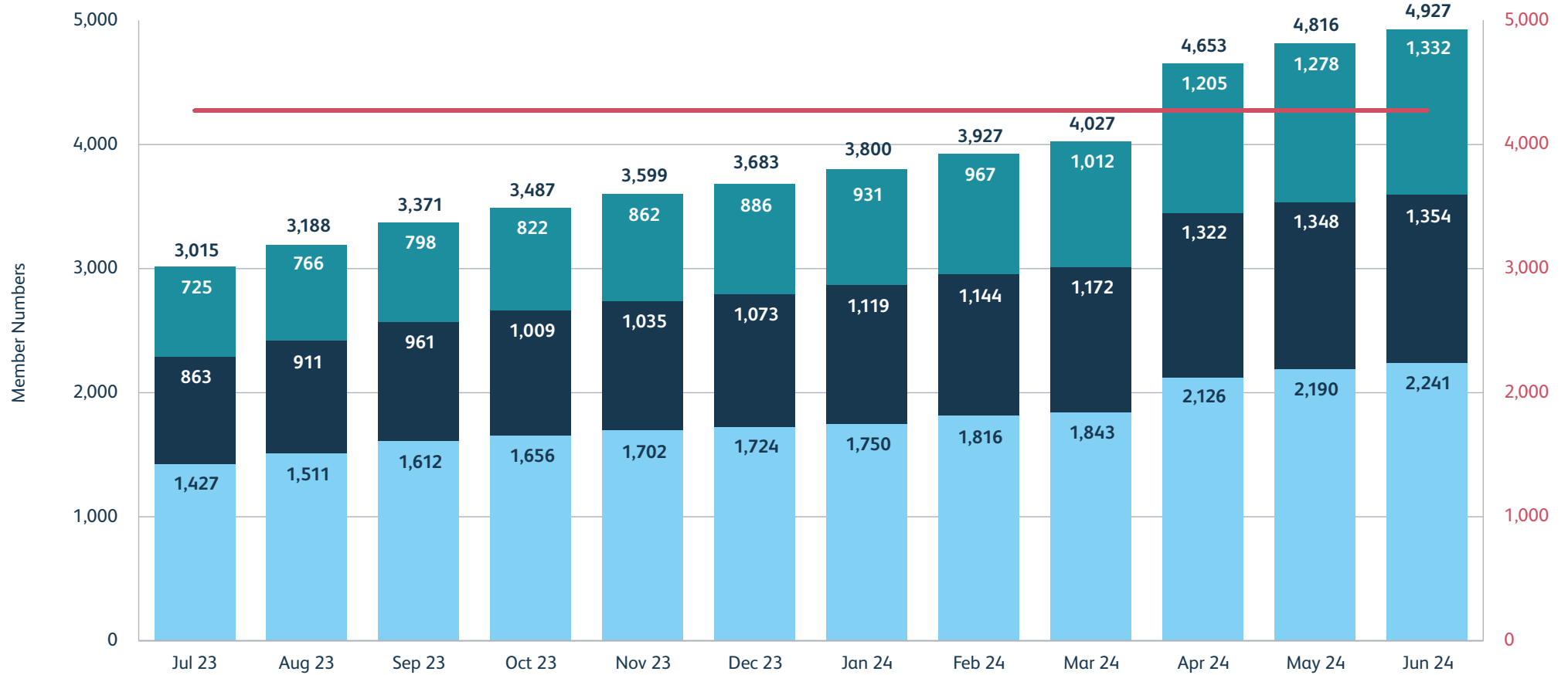
↓ TOTAL MEMBERS REGISTERED

CLIENT SPECIFIC

Active Deferred Pensioner

4,271 (previous My Pension Online registrations as of October 2022)

Page 45



Employer Engagement & Member Communication Activity

In this section...

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

EMPLOYER ENGAGEMENT & COMMUNICATION ACTIVITY



DELIVERED

ALL LPPA

- Member training sessions were delivered, including Making Sense of Your (LGPS) Pension, and Making Sense of Your Retirement.
- Employer training sessions were successfully delivered including:
 - Monthly Returns (successfully submitting files and resolving data queries).
 - LGPS Scheme Essentials (including support with calculating final pay, CARE pay and assumed pensionable pay).
 - Scheme Leavers (support with submitting leaver details using the employer portal).
 - Employer Responsibilities (support with ongoing pension administration responsibilities).
 - Absence and Ill Health (support with managing different types of absence in the LGPS).
- P60 notification communications were issued to retired members in April and May and completed by the statutory deadline.
- Email communications were issued to employers as a reminder to submit any outstanding monthly return files (22/23) by the April deadline (links to support resources on the LPPA website were also provided).
- Our employer newsletter (Pension Pulse) was issued with features including:
 - The importance of on-time leaver notifications.
 - Website resources available to your employees.
 - Employer training available to attend.

- The 2024 LPPA retiree's online newsletter was issued to members. This included updates on:
 - 2024 pension increases.
 - Understanding your P60.
 - Pension pay dates (2024/25).
 - Information on 'returning to work in retirement' and 'how to spot a pension scam'.
 - Information on McCloud remedy.
- Several important updates were made to the LPPA pensions website in Q1, including:
 - Retirements (how final LGPS benefits are calculated).
 - Updated Annual Allowance (2024/25) figures.
 - Updated 2024/25 pensioner pay dates.
 - Contribution rates.
 - Complaints and Appeals.
 - Understanding your 2023/24 Annual Benefit Statement.



DELIVERED

ALL LPPA

- Email notifications will be issued to active and deferred members, highlighting that their Annual Benefit Statement (ABS, 2023/24) will be available by the 31 August 2024.
- ABS documents will be issued in the post to members who request a paper copy.
- The annual (online) newsletter will also be issued to active and deferred members, and will include updates on ABS timescales, and how to access their document.
- Further improvements will be made to the LPPA pensions website.

Data Quality

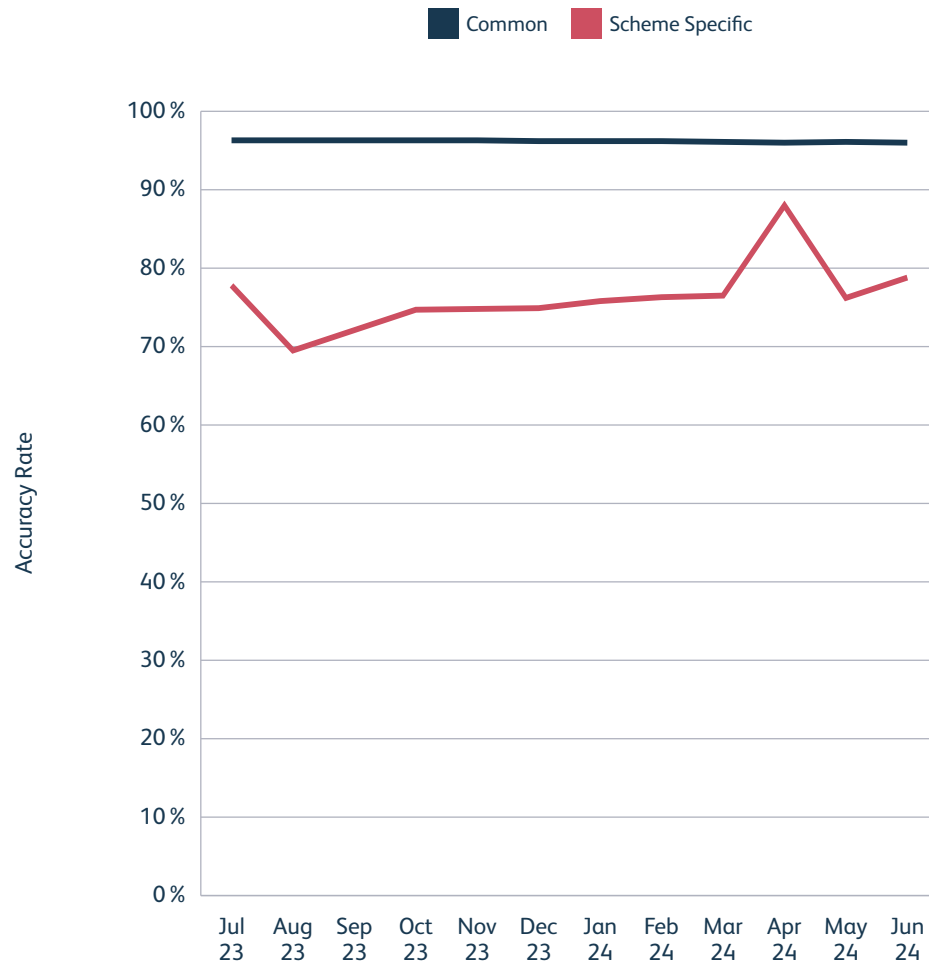
In this section...

- TPR data scores
- Common data
- Scheme specific data

DATA QUALITY

TPR DATA SCORES

CLIENT SPECIFIC



	Common (Target 95%)	Scheme Specific (Target 90%)
Jul 23	96.3%	77.8%
Aug 23	96.3%	69.5%
Sep 23	96.3%	72.1%
Oct 23	96.3%	74.7%
Nov 23	96.3%	74.8%
Dec 23	96.2%	74.9%
Jan 24	96.2%	75.8%
Feb 24	96.2%	76.3%
Mar 24	96.1%	76.5%
Apr 24	96.0%	88.0%
May 24	96.1%	76.2%
Jun 24	96.0%	78.8%

END OF QUARTER DATA QUALITY

(TPR SCORES)

COMMON DATA

CLIENT SPECIFIC

Data Item	Active	Deferred	Pensioner / Dependant
Invalid or Temporary NI Number	2	79	39
Duplicate effective date in status history	1	24	14
Gender is not Male or Female	26	1	0
Duplicate entries in status history	14	49	27
Missing (or known false) Date of Birth	0	0	0
Date Joined Scheme greater than first status entry	8	2	4
Missing Surname	0	0	0
Incorrect Gender for member's title	0	0	0
Invalid Date of Birth	9	0	0
No entry in the status history	2	0	0
Last entry in status history does not match current status	39	8	6
Member has no address	75	520	37
Missing Forename(s)	0	6	1
Missing State Retirement Date	26	1	0
Missing postcode	77	558	56
Missing Date Joined Pensionable Service	0	0	0
Total Fails	279	1,248	184
Individual Fails	156	683	125
Total Members	6,645	10,149	7,453
Accuracy Rate	97.7%	93.3%	98.3%
Total accuracy rate			96.0%

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SCHEME SPECIFIC DATA

CLIENT SPECIFIC

Data Item	Fails
Divorce Records	0
Transfer In	100
AVCs/Additional Contributions	20
Deferred Benefits	3
Tranches (DB)	686
Gross Pension (Pensioners)	51
Tranches (Pensioners)	637
Gross Pension (Dependants)	76
Tranches (Dependants)	89
Date of Leaving	222
Date Joined Scheme	228
Employer Details	3
Salary	245
Crystallisation	152
CARE Data	810
CARE Revaluation	1
Annual Allowance	1,855
LTA Factors	142
Date Contracted Out	5
Pre-88 GMP	682
Post-88 GMP	570
Total Fails	6,577
Individual Fails	5,142
Total Members	24,247
Accuracy Rate	78.8%

LPP

Local Pensions Partnership
Administration

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LPP

Local Pensions Partnership
Administration

Brent Pension Fund

Quarterly Administration Report

1st January - 31st March 2024

lppapensions.co.uk

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DEFINITIONS

Page 8

Total Fund Membership

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

Current Age Demographic

The age profile of the Membership is split across three types of status:

Active Members – Members who are currently contributing toward their pension benefits.

Deferred Members – Members who hold a deferred benefit in the fund.

Pensioner Members – Pensioners and Dependants who are currently receiving a pension.

Page 10

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 11

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.

Page 12

Ongoing Casework at the end of the Reporting Quarter

Please note the number of processes brought forward, does not match the corresponding number of outstanding processes reported in the previous quarter (due to various reasons which can include; but not limited to, the deletion of a process or changes in assigned categories).

Page 14 & 15

Helpdesk Performance

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

Page 20 & 21

Member Online Portal

The number and percentage of member records by status, that are registered for LPPA's Member Self-Service facility, PensionPoint.

Page 29

Common/Scheme Specific Data Fails

The Pensions Regulator requires Administrators to keep Member data up to date to ensure benefits are accurately paid. This is split by Common Data (details that are specific to the Member) and Scheme Specific Data (data that is related to the pension).

Individual Fails shows the total number of unique Members that have a single or multiple number of Common Data or Scheme Specific Data fails. On both charts, the Accuracy Rate (%) then compares the number of Individual Fails to the total number of Scheme Members.

For more detail on the Data Items / Error types presented in these charts, please visit either the [TPR](#) or [PASA](#) (The Pension Administration Standards Association) websites.

OUR CORE VALUES

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

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

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



ANNUAL PLAN

✓ COMPLETED 📅 DUE

Page 57

	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24
Annual Benefit Statement and Newsletter to Deferred Members				✓								
Pension Increases		✓										
P60s and Newsletter to Pensioners		✓										
Annual Benefit Statement and Newsletter to Active Members					✓							
Pension Saving Statements							✓					
HMRC Scheme Returns							✓					
IAS19 data				✓	✓				✓			✓

EXECUTIVE SUMMARY

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

This performance report covers the reporting period of Q4 2023/24 (January – March 2024)

Statutory deadlines

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

- IAS19 data

Casework SLA performance

Overall performance continues to be strong. Performance in the key areas of repayments and bereavements is now at or close to the 95% target.

Satisfaction scores

Satisfaction scores across the Helpdesk and retirements are reported at client level. Low survey responses can lead to volatility. Improvements to member satisfaction is a key focus area.

Pensions Helpdesk

Helpdesk wait times have been consistently under the targeted 4 minute wait time. Both average wait time and call volumes are reported at client level. Abandoned calls percentage has also been consistently favourable to target. Abandoned rate is reported across all LPPA clients as we do not know which client a member was calling from until after a call has been accepted.



Fund Membership

In this section...

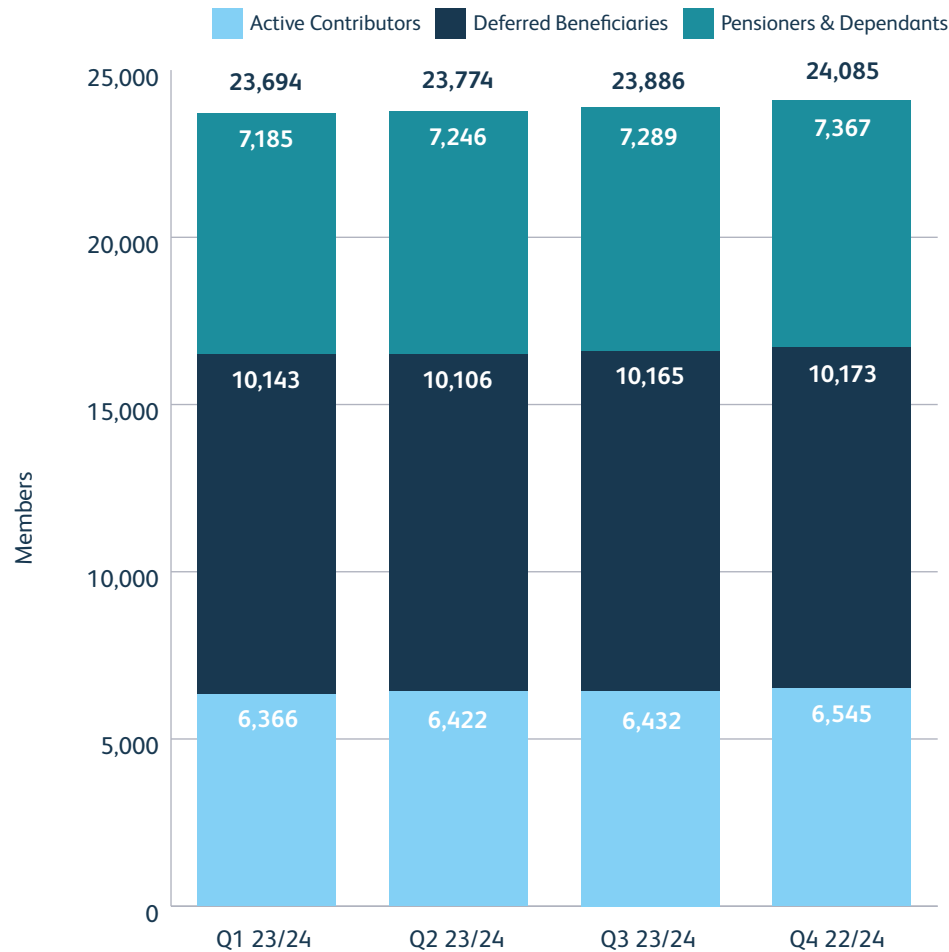
- Total fund membership
- Current age demographic

TOTAL FUND MEMBERSHIP



TOTAL FUND MEMBERSHIP

CLIENT SPECIFIC



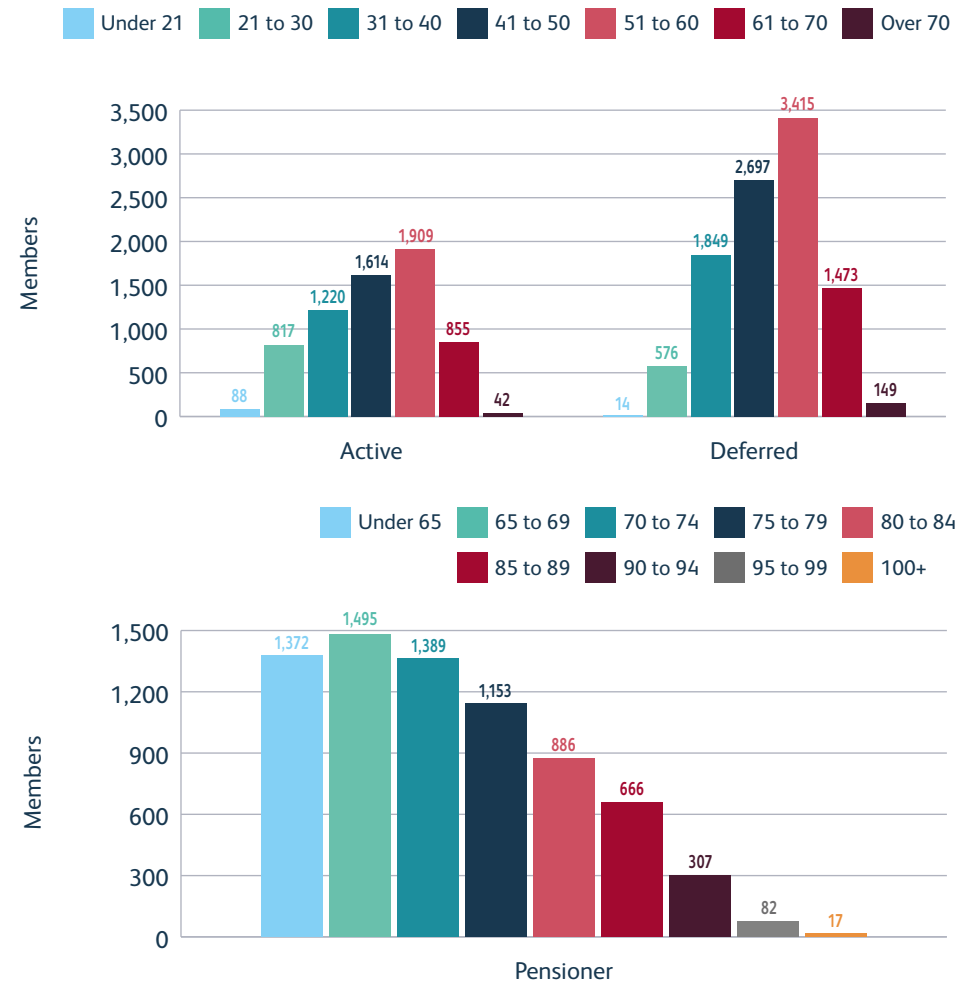
Page 60

Members



CURRENT AGE DEMOGRAPHIC

CLIENT SPECIFIC



Members

Members

Casework Performance

In this section...

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

CASEWORK PERFORMANCE



PERFORMANCE – ALL CASES

CLIENT SPECIFIC

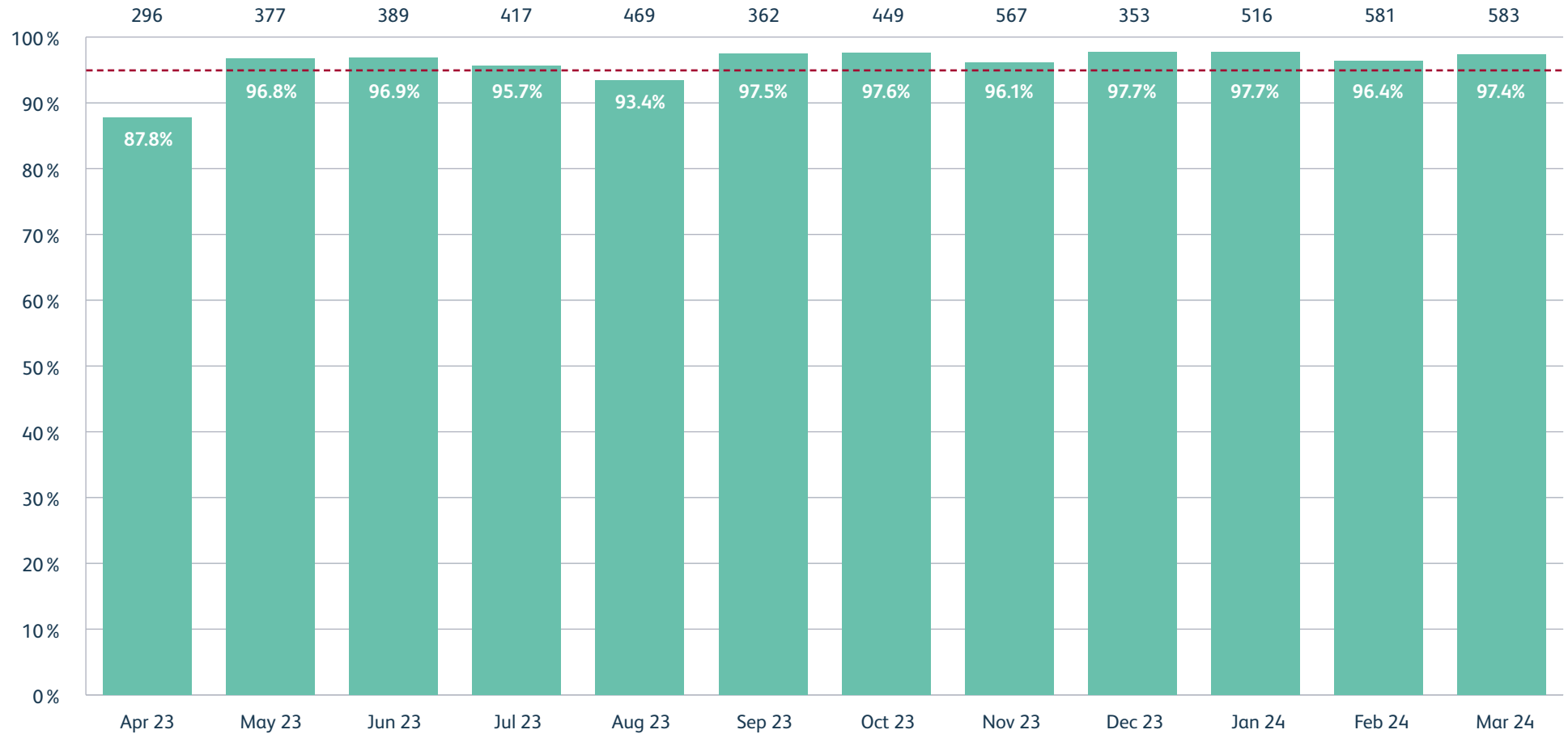
--- Target

The quarterly SLA performance was 97.1%

Total completed cases included for each month.

Page 62

Performance



CASEWORK PERFORMANCE

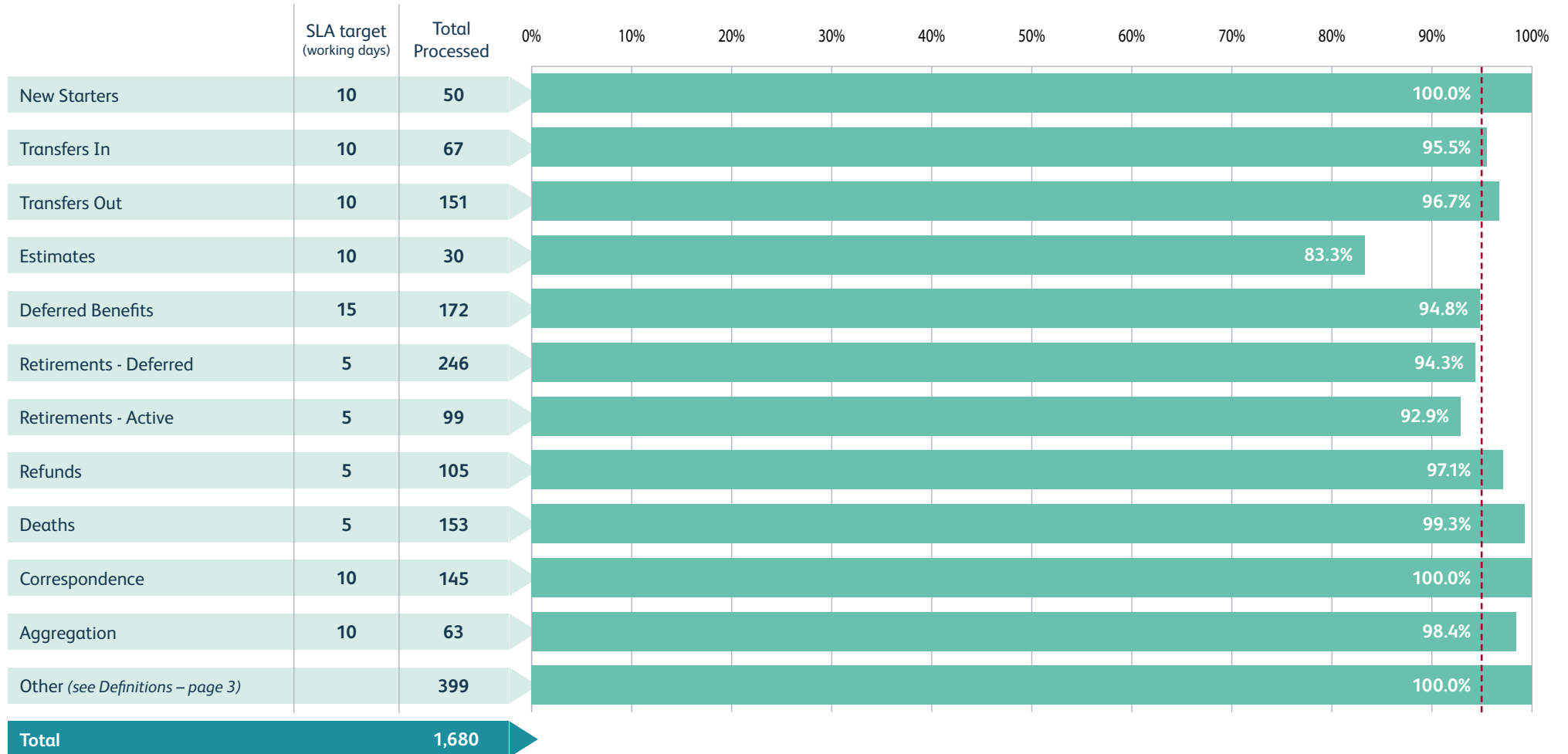


PERFORMANCE STANDARD

CLIENT SPECIFIC

----- Target (95%)

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CASEWORK PERFORMANCE

ONGOING CASEWORK AT THE END OF THE REPORTING QUARTER CLIENT SPECIFIC

The following table is created by identifying all reportable casework within UPM, and includes those that have subsequently Completed / Aborted / Remain Outstanding within the quarter. The figures in this table cannot be compared to those in the previous slide for a number of reasons including: the table includes aborted cases, but the horizontal bar graph does not; the SLA 'stop trigger' can be actioned before the process has been completed.

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	Brought Forward at 01/02/24	Received (Inbound)	Completed (Outbound)	Outstanding as of 31/03/24
New Starters	-	67	58	9
Transfers In	182	97	114	165
Transfers Out	253	172	205	220
Estimates	23	40	39	24
Deferred Benefits	270	248	266	252
Retirements - Deferred	228	267	255	240
Retirements - Active	62	126	102	86
Refunds	73	173	195	51
Deaths	242	211	173	280
Correspondence	102	205	201	106
Aggregation	105	115	95	125
<i>Other</i>	57	418	417	58
Total	1,597	2,139	2,120	1,616

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

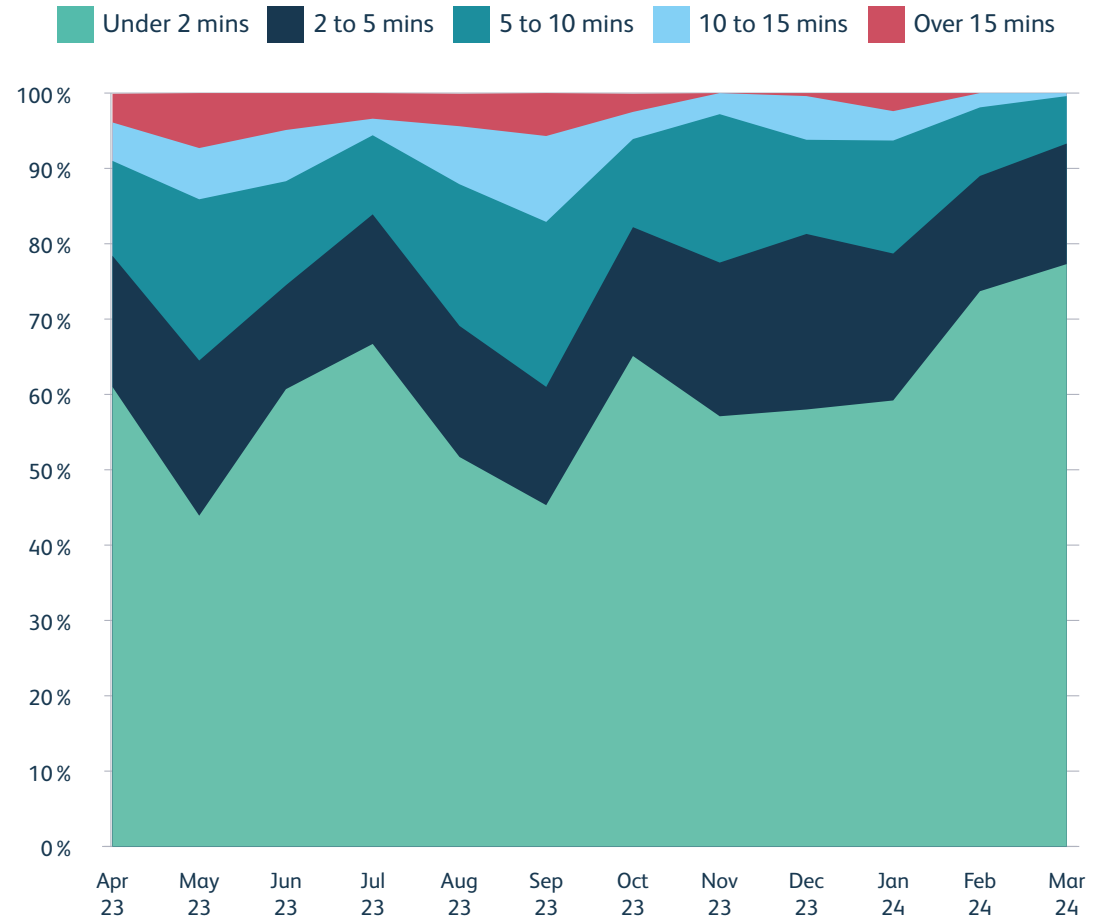
HELPDESK CALLS PERFORMANCE



WAIT TIME RANGE

CLIENT SPECIFIC

	Under 2 mins	2 to 5 mins	5 to 10 mins	10 to 15 mins	Over 15 mins
Apr 23	61.0%	17.4%	12.6%	5.1%	3.8%
May 23	43.9%	20.6%	21.4%	6.8%	7.3%
Jun 23	60.7%	13.8%	13.8%	6.8%	4.9%
Jul 23	66.7%	17.2%	10.5%	2.2%	3.4%
Aug 23	51.7%	17.4%	18.8%	7.7%	4.3%
Sep 23	45.3%	15.7%	21.9%	11.4%	5.7%
Oct 23	65.1%	17.1%	11.7%	3.6%	2.4%
Nov 23	57.1%	20.4%	19.7%	2.8%	0.0%
Dec 23	58.0%	23.3%	12.5%	5.8%	0.4%
Jan 24	59.2%	19.5%	15.0%	3.9%	2.4%
Feb 24	73.7%	15.3%	9.1%	1.9%	0.0%
Mar 24	77.3%	16.0%	6.3%	0.4%	0.0%



HELPDESK CALLS PERFORMANCE

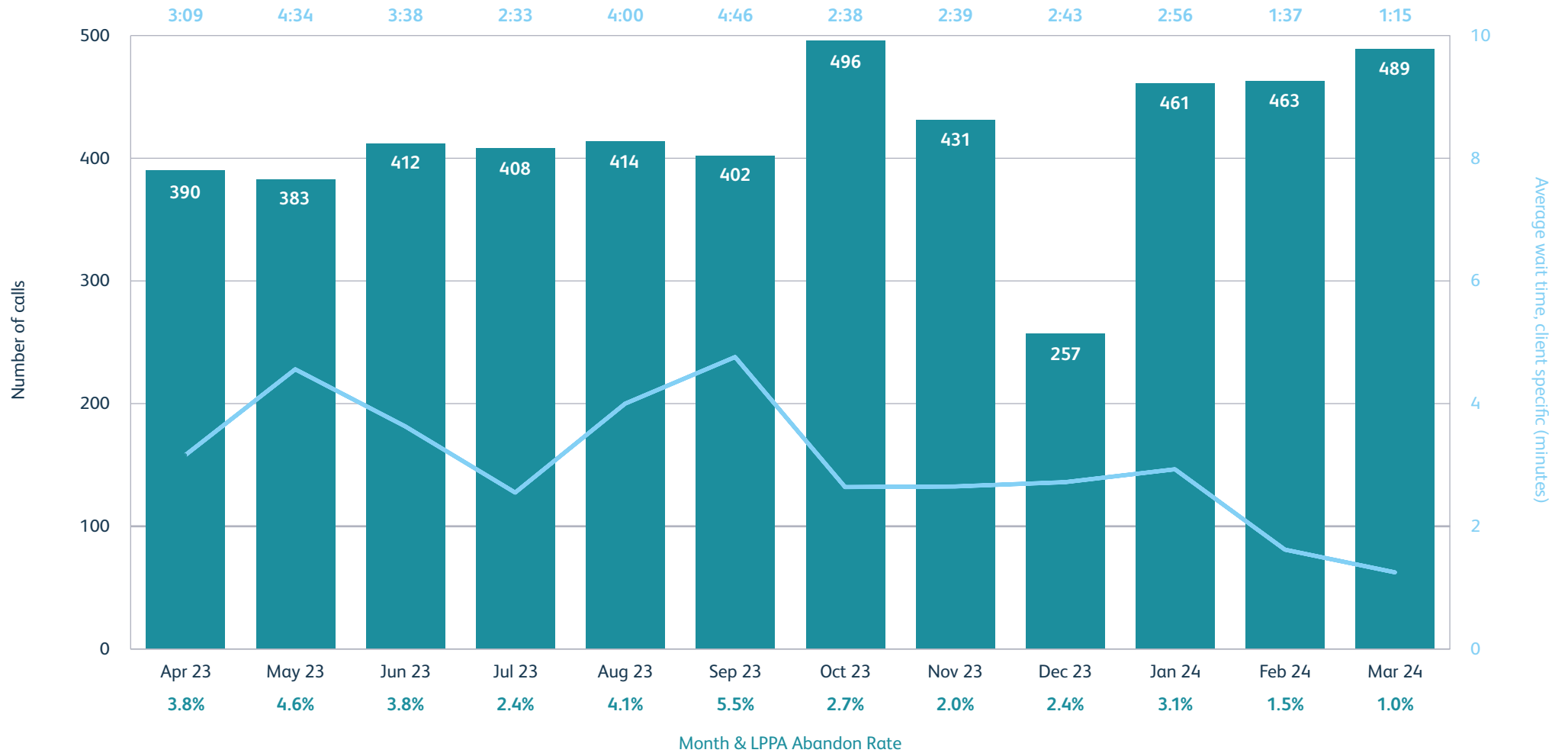


CALLS ANSWERED

CLIENT SPECIFIC

— Average wait time (mm:ss)

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Customer Satisfaction Scores

In this section...

- Helpdesk calls satisfaction
- Retirements

CUSTOMER SATISFACTION SCORES

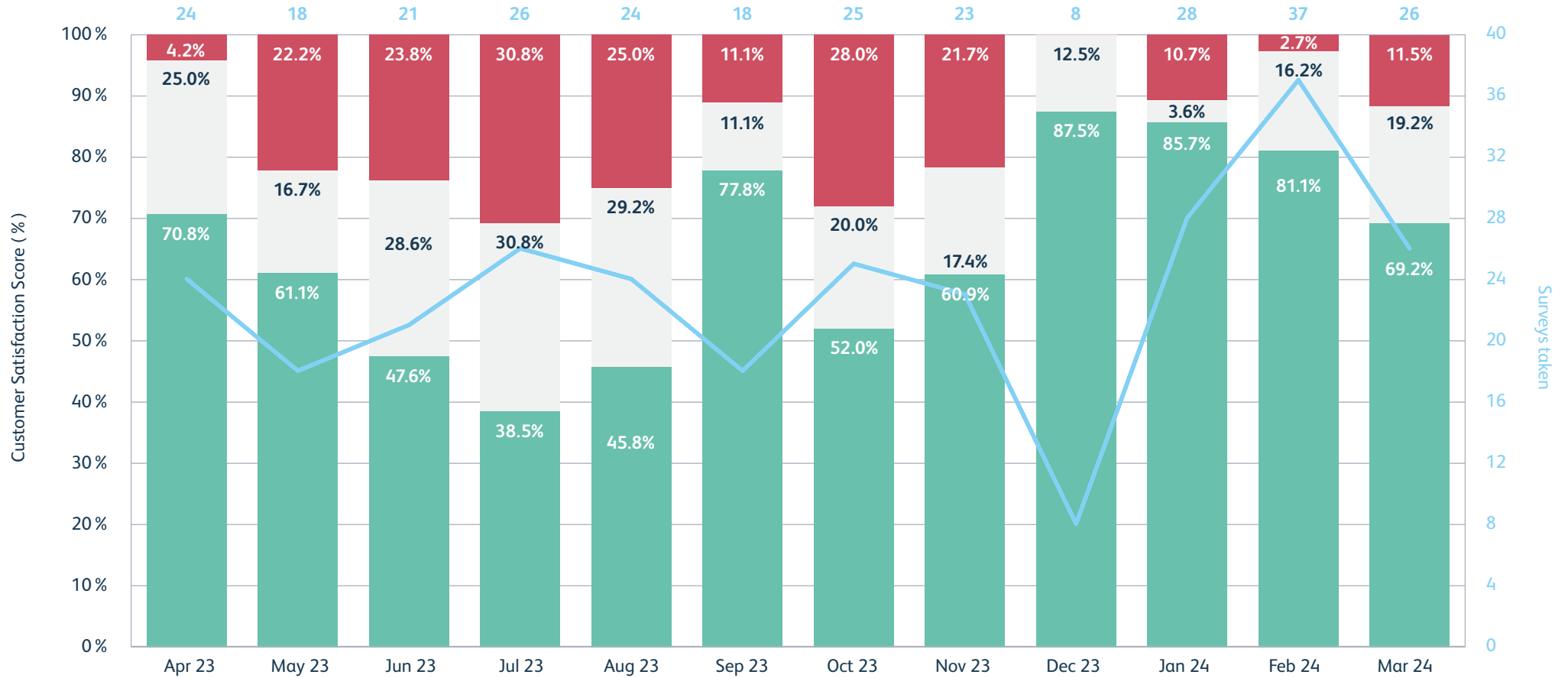


HELPDESK CALLS SATISFACTION

CLIENT SPECIFIC

■ Dissatisfied
 ■ Neutral
 ■ Satisfied
 — Surveys taken

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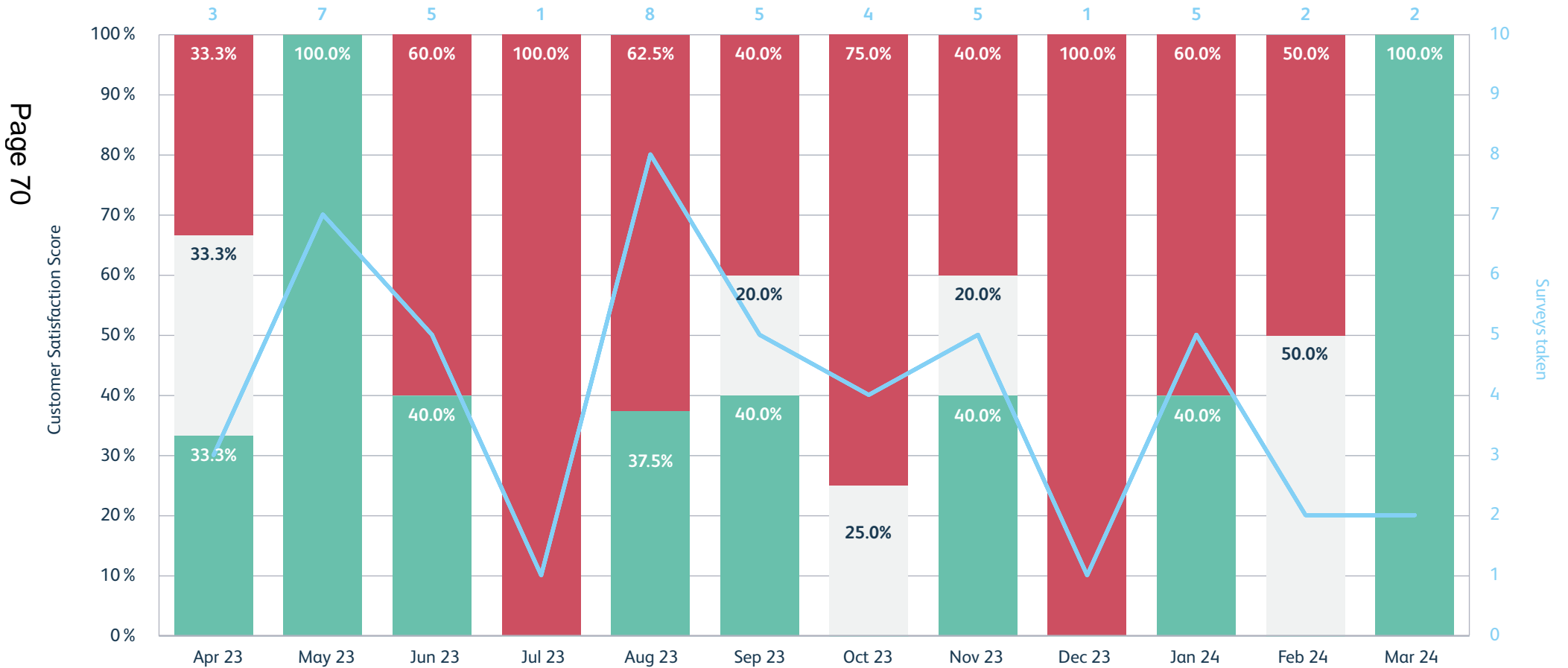
CUSTOMER SATISFACTION SCORES



RETIREMENTS

CLIENT SPECIFIC

■ Dissatisfied
 ■ Neutral
 ■ Satisfied
 — Surveys taken



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Member Online Portal

In this section...

- Total members registered
- Members registered (%)



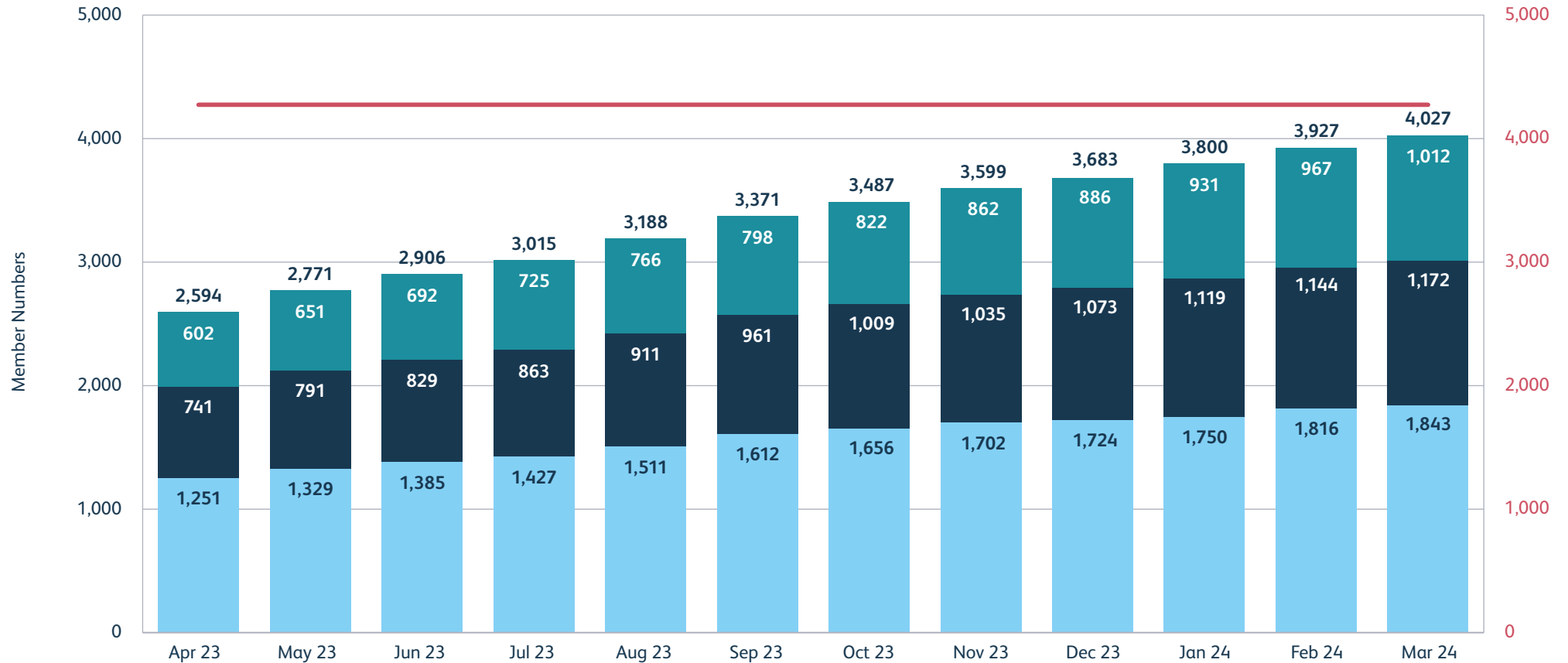
TOTAL MEMBERS REGISTERED

CLIENT SPECIFIC

Active Deferred Pensioner

4,271 (previous My Pension Online registrations as of October 2022)

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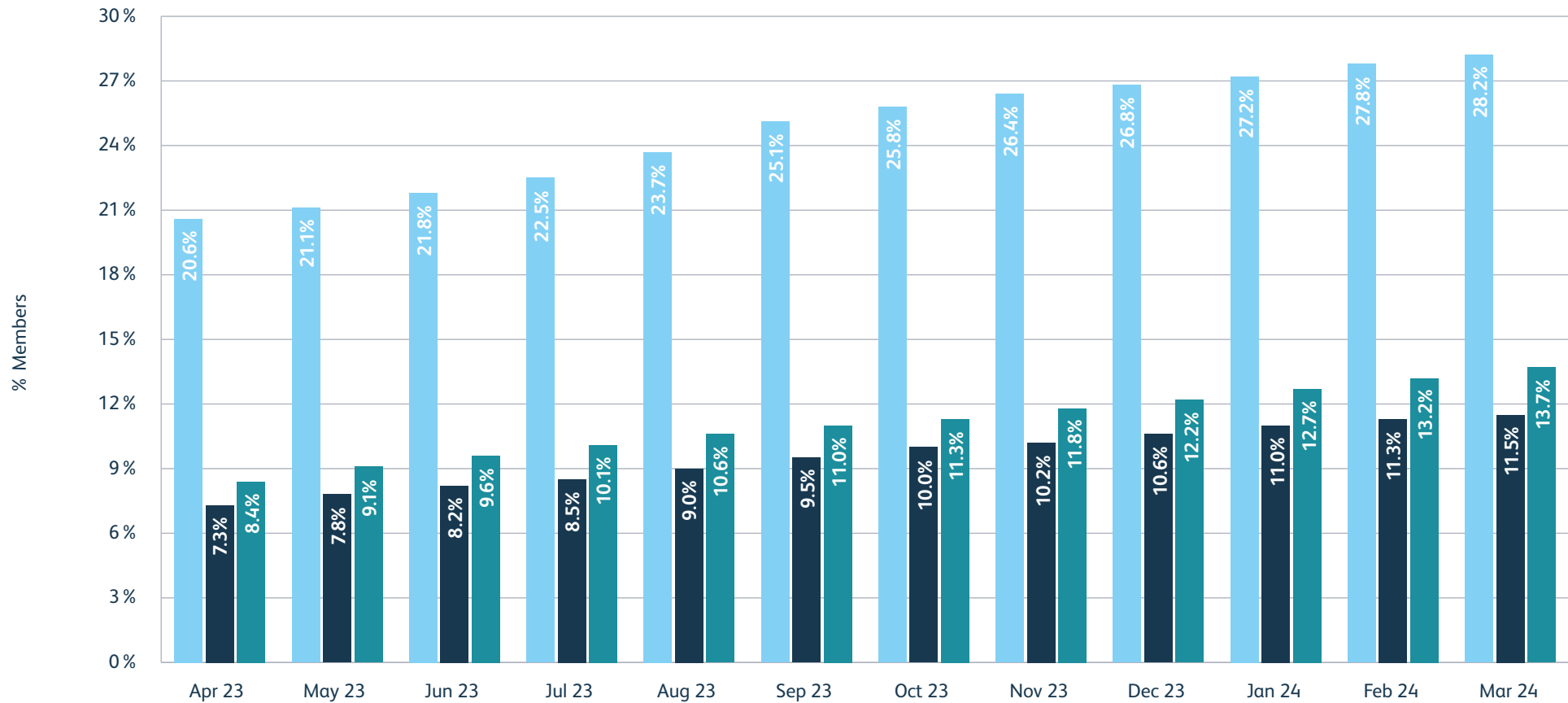




MEMBERS REGISTERED (%)

CLIENT SPECIFIC

Active Deferred Pensioner



Employer Engagement & Member Communication Activity

In this section...

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

EMPLOYER ENGAGEMENT & COMMUNICATION ACTIVITY



DELIVERED

ALL LPPA

Page 75

- Monthly return reminder emails have continued to go out to employers, including updates on the [validations process](#) (explaining that ‘Reasons for Leaving’ must be added in the right format when completing their monthly return – this will help reduce the number of individual leaver forms needed in the future).
- A new Retirement section has been added to the LPPA website to help members understand and navigate the retirement process. Key pages that have been updated for members include (click links to view):
 1. [New retirement landing page](#)
 2. [LGPS planning for retirement page](#)
 3. [Early retirement](#)
 4. [Late retirement](#)
- [Planning for retirement](#) emails were also sent to active members aged over 55, to signpost them through to the new retirement website section for more information.
- Further LPPA website pages were updated for members, with information provided on [P60s](#), [pension increases and CARE revaluation](#), and [employee contribution rates](#).

- The [50/50 page](#) has also been updated to promote the benefits of staying in the LGPS.
- A [Pension Pulse](#) employer bulletin was produced in February highlighting the key dates for employers to look out for throughout 2024 – also promoting the [employer toolkit](#) and [training schedules](#).
- In addition, an additional [Pension Pulse](#) was issued to employers in March, with useful updates on new contribution and APC rates, carer’s leave regulations and CARE revaluation.
- Annual [life certificate emails](#) have been sent to retirees who live outside of the UK.
- The PensionPoint [resources page](#) on the LPPA website has been updated to promote the benefits of PensionPoint and improvements (view service history etc), and [emails](#) have been issued / are planned to increase registration numbers.
- A letter review project has been implemented, with an initial focus on retirement letters. The aim of this project is to make sure letters are jargon-free, easy to understand and support members with the right information at the right time. The project will continue until March 2025.
- Finally, the 2024 / 25 LPPA communications schedule, highlighting planned, statutory campaigns was circulated to clients.

EMPLOYER ENGAGEMENT & COMMUNICATION ACTIVITY

▾ SCHEDULED

- P60s will be added to PensionPoint by 31 May 2024 and emails will be sent in Q1 to any members where we hold an email address. Paper P60s will be mailed to those who have opted out of digital communications or contact LPPA to request a copy.
- An online newsletter will be emailed to retired members and will be made available on the LPPA website.
- Email communications and telephone calls will continue to non-submitting (monthly return file) employers.
- ABS communications will be prepared for issue in Q2 (by August 31), including letters, emails and website pages.
- The LPPA Communications team are working on further, planned improvements to the LPPA website.

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EMPLOYER ENGAGEMENT & COMMUNICATION ACTIVITY



ENGAGEMENT COMMUNICATIONS

CLIENT SPECIFIC

- 3 virtual employer visits were held.
- UPM employer portal training was delivered with 1 employer attending.
- Submitting monthly returns training was delivered with 1 employer attending.
- Monthly member sessions were delivered, with 2 Brent Fund members attending the Making Sense of your Pension sessions and 1 attending the Making Sense of your Retirement sessions.

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EMPLOYER ENGAGEMENT & COMMUNICATION ACTIVITY



EMPLOYERS

CLIENT SPECIFIC

Date	Employer	Activity	Number in attendance
23 Jan	The Village School	Virtual Employer Visit	1
30 Jan	Anson Primary School	UPM Employer Portal	1
05 Feb	Ark Academy	Submitting Monthly Returns	1
12 Feb	The Village School	Virtual Employer Visit	1
23 Feb	Islamia School	Virtual Employer Visit	1

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MEMBERS

CLIENT SPECIFIC

Date	Employer	Activity	Number in attendance
15 Feb	BPF Members	Making Sense of Your Pension	1
19 Mar	BPF Members	Making Sense of Retirement	1
22 Mar	BPF Members	Making Sense of Your Pension	2



Data Quality

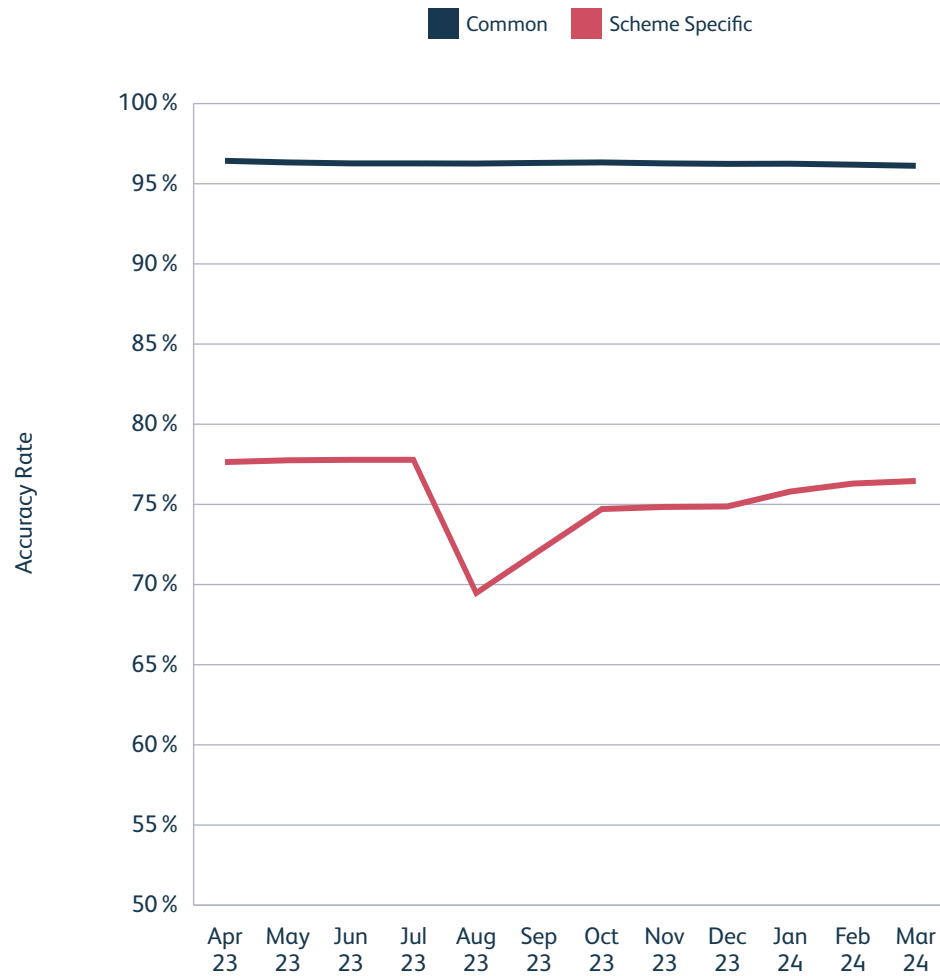
In this section...

- TPR data scores
- Common data
- Scheme specific data

DATA QUALITY

TPR DATA SCORES

CLIENT SPECIFIC



	Common (Target 95%)	Scheme Specific (Target 90%)
Apr 23	96.43%	77.64%
May 23	96.33%	77.75%
Jun 23	96.27%	77.78%
Jul 23	96.27%	77.78%
Aug 23	96.26%	69.47%
Sep 23	96.30%	72.10%
Oct 23	96.33%	74.71%
Nov 23	96.27%	74.84%
Dec 23	96.24%	74.87%
Jan 24	96.25%	75.80%
Feb 24	96.19%	76.30%
Mar 24	96.12%	76.46%

END OF QUARTER DATA QUALITY

(TPR SCORES)



COMMON DATA

CLIENT SPECIFIC

Data Item	Active	Deferred	Pensioner / Dependant
Invalid or Temporary NI Number	2	79	33
Duplicate effective date in status history	1	25	13
Gender is not Male or Female	24	0	0
Duplicate entries in status history	11	48	26
Missing (or known false) Date of Birth	0	0	0
Date Joined Scheme greater than first status entry	14	1	4
Missing Surname	0	0	0
Incorrect Gender for members title	0	0	0
Invalid Date of Birth	9	0	0
No entry in the status history	2	0	0
Last entry in status history does not match current status	30	8	6
Member has no address	66	521	35
Missing Forename(s)	0	6	1
Missing State Retirement Date	24	0	0
Missing postcode	68	559	54
Missing Date Joined Pensionable Service	0	0	0
Total Fails	251	1,247	172
Individual Fails	138	680	117
Total Members	6,545	10,173	7,367
Accuracy Rate	97.9%	93.3%	98.4%
Total accuracy rate			96.1%

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SCHEME SPECIFIC DATA

CLIENT SPECIFIC

Data Item	Fails
Divorce Records	0
Transfer In	99
AVCs/Additional Contributions	21
Deferred Benefits	2
Tranches (DB)	686
Gross Pension (Pensioners)	52
Tranches (Pensioners)	2,984
Gross Pension (Dependants)	78
Tranches (Dependants)	88
Date of Leaving	199
Date Joined Scheme	205
Employer Details	3
Salary	258
Crystallisation	153
CARE Data	848
CARE Revaluation	1
Annual Allowance	369
LTA Factors	128
Date Contracted Out	5
Pre-88 GMP	679
Post-88 GMP	559
Total Fails	7,417
Individual Fails	5,669
Total Members	24,085
Accuracy Rate	76.5%


LPP

Local Pensions Partnership
Administration

APPENDIX 3 - TIMELINE OF PAYROLL ONBOARDING

Month	Activity
February 24	LPPA to understand Brent's existing payroll arrangements incl overseas member's position
April 24	LPPA and Brent to agree overall proposal
May 24	Brent provide to provide LPPA with 1st Brent Data cut
June 24	LPPA to identify & address 1st data cut actions with Brent
July 24	Design and system setup to commence
August 24	Data Extracts to provided
	Create communication plan and agree service design
September 24	LPPA & Brent to prepare for 1st parallel payroll run
October 24	LPPA & Brent to fix any 1st parallel run actions
	LPPA & Brent to prepare for 2nd payroll run
November 24	LPPA & Brent to fix any 2nd parallel run actions
	LPPA & Brent to prepare for 3rd payroll run
January 25	First full payroll run completed by LPPA
February 25	LPPA & Brent post go live review & identification of any follow up action requirements
	LPPA & Brent complete any post go live actions

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	<p align="center">Pension Board 3 September 2024</p>
	<p align="center">Report from the Independent Chair of the Pension Board</p>
<p>Annual Report 2023/24</p>	

Wards Affected:	All
Key or Non-Key Decision:	Non-key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
List of Appendices:	None
Background Papers:	N/A
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	David Ewart, Independent Chair of the Pension Board Sawan Shah, Head of Finance (sawan.shah@brent.gov.uk)

1.0 Executive Summary

1.1 This is the Chair’s Annual Report to the Board for 2023/24. It provides an update on the work carried out by the Board during the year.

2.0 Recommendation(s)

2.1 That the Board notes the contents of the report.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

3.1.1 The work of the Pension Fund is critical in ensuring that it undertakes statutory functions on behalf of the Local Government Pension Scheme (LGPS) and complying with legislation and best practice. Efficient and effective performance and service delivery of the Pension Fund underpins all Borough Plan priorities.

3.2 Introduction

3.2.1 This is the annual report of the Independent Chair of the Pensions Board for the Municipal Year 2023/24.

- 3.2.2 The Pensions Board is established under the Public Service Pensions Act 2013, and the Local Government Pension Scheme Regulations 2013 (as amended). The Board is not a committee constituted under the Local Government Act. In effect the Board's role is to provide a scrutiny function to the work of the Council's Pension Fund Sub-Committee. It does not have decision making powers but its purpose is to assist the Sub-Committee and the scheme manager in carrying out its functions. Its remit therefore covers both pension's administration and investment.
- 3.2.3 The Board has seven members, three representing the Fund employers, two Councillors and one other employer's representative and three scheme members' representatives, including one pensioner's representative. As well as an independent Chair. The Board met three times during the Municipal Year, in all cases remotely on Zoom, which is permitted as the Board meets under different legislation to the other Council Committees.
- 3.2.4 I should like to begin by expressing my thanks to the members of the Board, and the Council officers who support the Board's work.
- 3.2.5 Before going any further, it is probably worth reflecting on the size of the Brent Pension Fund before proceeding, as at 31st March 2024 the Fund had assets of £1.26 billion, 22,366 members (of which, 6,545 were active members, 8,454 were deferred members, and 7,367 were pensioner and dependants), and 43 active employers participating in the Fund.

3.3 Summary

- 3.3.1 The work of the Board falls in effect into two parts, firstly the review of the investment activity and secondly reviewing the performance of the pensions administration function. With some additional roles such as risk management and reviewing decisions on discretionary powers made by the Sub Committee.
- 3.3.2 The 2023/24 year has been a busy year with three very full agendas, but an encouraging year, with very positive reports coming from the Sub Committee and a slow but general improvement in most areas of performance of the pension administration function.

3.4 Overview of Investment Activities

- 3.4.1 Although in many ways the most important function of the Board, this aspect of the Board's work has taken up a relatively small part as the Board's time as the Sub Committee oversees this area and there is general agreement on the action being taken. Both with regard to the move to the revised asset allocation and de-carbonisation.
- 3.4.2 Nevertheless, the Board has continued to receive the quarterly investment monitoring reports, the investment strategy, actuarial reports and general updates from the London CIV (the investment pool for London, used by the Fund) and are very mindful of our duty to effectively scrutinise the investment activity of the fund.

3.4.3 The Board has also continued to receive and monitor copies of reports on the Fund's journey to "Net Zero" in terms of the Fund's carbon footprint, and the collective engagement on wider environmental, social and governance (ESG) issues in terms of the Fund's investments.

3.5 Overview of the fund's administrative functions.

3.5.1 The Board spent most of its time on reviewing the fund's administrative functions. The Board has no executive powers and all decisions about the fund's administration are taken by the General Purposes Committee or Cabinet.

3.5.2 The Board has taken the lead in scrutinising the performance of the Fund's pensions administration partner Local Pensions Partnership Administration (LPPA), which has generally been improving since they completed a major systems upgrade and is much improved compared with previous partners/contractors. However, a number of performance indicators remain below target, including some of most sensitive such as dealing with retirement from active membership, and death in service. The Board is continuing to monitor these and the general level of performance.

3.5.3 The Board also regularly reviews the level and progress of resolution of complaints.

3.5.4 Another area regularly reported on is the quality of data held, an important function and key to the quality of the Fund actuarial valuation.

3.5.5 A number of other areas have been considered, such as the production of annual benefits statements (ABSs) (a legal duty). The board was pleased to note that the vast majority (95%) of statements were delivered by the deadline. The main reason for an ABS not being produced in a small number of cases is where other employers, or more accurately their payroll provider, have failed to return the data required by the Fund or there was an outstanding query.

3.6 Risk Management

3.6.1 The Board also takes the lead on risk management reviewing the Pension Fund risk register at every meeting. Although the level of risk is generally lower than that for the Council corporately there are a number of increasing risks around cyber security and unlawful action as well the long standing ones concerning funding levels (significantly reduced), meeting the Fund's statutory duties (particularly with regard ABS, due to late receipt of data from a couple of non-Council employers) and complying with the requirements of the revised Codes.

3.7 Training

3.7.1 A major initiative during the year has been to improve the training and hence knowledge of Board members (along with the members of the Pension Fund Sub-committee). Therefore, the Fund introduced access to online e-learning, provided by the Fund's actuaries on top of the training offered to Board

members before every Sub-committee meeting. The level of take up by both Board and Sub-committee members has been variable therefore further focus is required in the 2024/25 year.

- 3.7.2 Additionally, at all meetings of the Board, a general LGPS update was included providing updates within the sector, the LGPC Bulletins provided by the Local Government Pension Committee, DLUHC/MHCLG correspondences and similar information.

3.8 Conclusion

- 3.8.1 As stated above, 2023/24 has been a busy for the Board and generally encouraging year for the Brent Pension Fund, despite the increasing risks and pressures on the Fund.

- 3.8.2 The funding level has continued to improve. Investments returns were strong on an absolute basis however they have slightly under performed relative to the Fund's benchmark. The Fund has also continued progress against its net zero road map. The year has also been an encouraging one in terms of the level of service to the Fund's members, and quality of data held, although in both areas improvements are still required.

- 3.8.3 I should like to end by expressing my thanks to the members of the Board for their work, support and understanding, particularly with regard to the size of the agenda. The Council officers and those of the Fund's partners for their support and open provision of information, and particularly the pensions staff of the Finance & Resources Department, and Governance Officers for their diligent support during the year.

4.0 Stakeholder and ward member consultation and engagement

- 4.1 Not applicable.

5.0 Financial Considerations

- 5.1 This report is for noting, so there are no direct financial implications.

6.0 Legal Considerations

- 6.1 Not applicable.

7.0 Equality, Diversity & Inclusion (EDI) Considerations

- 7.1 Not applicable.

8.0 Climate Change and Environmental Considerations

- 8.1 Not applicable.

9.0 Human Resources/Property Considerations (if appropriate)

9.1 Not applicable.

10.0 Communication Considerations


10.1 Not applicable.

Report sign off:

David Ewart

Independent Chair of the Pension Board

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	<p align="center">Pension Board 3 September 2024</p>
	<p align="center">Report from the Corporate Director, Finance and Resources</p>
<p>Brent Risk Register</p>	

Wards Affected:	N/A
Key or Non-Key Decision:	N/A
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
List of Appendices:	Two: Appendix 1: Risk Register Appendix 2: Risk Strategy
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	<p>Minesh Patel, Corporate Director, Finance and Resources 020 8937 minesh.patel@brent.gov.uk</p> <p>Amanda Healy, Deputy Director of Finance 020 8937 5912(amanda.healy@brent.gov.uk)</p> <p>Sawan Shah, Head of Finance 020 8937 1955 (sawan.shah@brent.gov.uk)</p> <p>John Smith, Pensions Manager 020 8937 1985 (john.smith@brent.gov.uk)</p>

1.0 Executive Summary

1.1 This report presents the revised Risk Strategy and updated Risk Register for the Brent Pension Fund Pensions Administration Service.

2.0 Recommendation(s)

2.1 The board is asked to agree the updated Risk Strategy.

2.2 The board is asked to note the overall report including the key changes set out in section 3.2.8.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

3.1.1 The work of the Pension Fund is critical in ensuring that it undertakes statutory functions on behalf of the Local Government Pension Scheme and complying with legislation and best practice. Efficient and effective performance and service delivery of the Pension Fund underpins all Borough Plan priorities.

3.2 Background

3.2.1 Effective risk management is the foundation of sound corporate governance and the focus should be on all aspects of the pension scheme's operation, not just investment matters. Having a strategy and register in place is a way for the scheme manager to identify and manage scheme risks and it is considered good practice to have a strategy and register in place alongside established reporting mechanisms.

3.2.2 It is recognised that risk management works well when the administering authority, the Pension Board and employers work together. All parties then understand each other's capacity and appetite for risk. Key elements of this strategy were discussed at a working party set up with the scheme manager, administrator and select employers for feedback and comment.

3.2.3 The risk strategy was due for review and the pensions team have updated the document to reflect changes in the LGPS and wider environment.

3.2.4 The revised Risk Strategy is attached in Appendix 2. The main revisions include:

- Update section 7 of the strategy to develop key principles of risk management.
- Section 10, risk analysis has been updated to adjust the scoring of impact and likelihood to a five point scale. The descriptions have been brought into line with the Council's risk strategy.

3.2.5 The revised risk strategy scores impact across financial impact, service impact and reputational impact. All three elements of each risk will then be bundled and weighed to arrive at a composite score for impact. The impact scoring criteria below has been set for evaluating risks:

Impact Scoring Criteria			
Score	Descriptor		
	Financial	Service Delivery	Reputation
5	Major Financial loss (above £2m)	Major disruption to a number of critical services	Long term damage – e.g. adverse national publicity.
4	Significant Financial loss (above £1m)	Major disruption to a critical service.	Medium to long term damage – e.g. adverse local publicity.
3	Moderate Financial Loss (less than £1m)	Moderate disruption to a critical service	Medium term damage
2	Small Financial loss (less than £500k)	Moderate disruption to an important service.	Short term damage
1	Minor financial loss (less than £100k)	Brief disruption to important service	Some damage to specific functions

3.2.6 The following criteria is used to determine the likelihood - the probability of a risk occurring:

Likelihood Scoring Criteria		
Score	Level	Descriptor
5	Very Likely	<i>This event is expected to occur in most circumstances.</i>
4	Likely	<i>There is a strong possibility this event will occur.</i>
3	Possible	<i>This event might occur at some point and/or there is history of occurrence of this risk at this and/or other Councils.</i>
2	Unlikely	<i>Not expected, but there's a slight possibility it may occur at some point.</i>
1	Rare	<i>Highly unlikely, but it may occur in exceptional circumstances. It could happen, but probably never will.</i>

3.2.7 It has been agreed in previous Board meetings that the Risk Register would become a standing agenda item at these meetings, with new risks and any changes to classifications of risks being reported to the Board.

3.2.8 Key changes to the Risk Register attached in Appendix 1:

- All risks have been re-scored in line with the updating scoring descriptions in the risk strategy.
- The risk register has been completely refreshed. Some similar risks have been consolidated to avoid unnecessary duplication.
- Item 3.5 – a new risk has been added to cover the transfer of Brent's Pensions Payroll to LPPA.

3.2.9 There have been other changes made to the Risk Register to keep the document up to date. These changes are highlighted in blue.

3.2.10 The Board is asked to notify the scheme manager if it disagrees with any of these classifications and present any new risks that they would like to be considered.

3.2.11 The revised Risk Register is attached at Appendix 1 and it is proposed to present any changes or updates to this document to the Pension Board at every meeting.

4.0 Stakeholder and ward member consultation and engagement

5.1 This is not applicable for this report.

5.0 Financial Considerations

6.1 There are no specific financial implications relating to this report.

6.0 Legal Considerations

7.1 There are no specific legal implications relating to this report.

7.0 Equality, Diversity & Inclusion (EDI) Considerations

8.1 There are none directly arising from this report.

8.0 Climate Change and Environmental Considerations

9.1 There are none directly arising from this report.

9.0 Human Resources/Property Considerations (if appropriate)

10.1 There are none arising directly from this report.

10.0 Communication Considerations

11.1 This is not applicable to this report.

Report sign off:

Minesh Patel

Corporate Director, Finance and Resources

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The London Borough of Brent Pension Fund Risk Register 2024

Index	A	B	C	D	E	F	G	H	I
1	Risk Area Business Continuity	Risk & Outline	Likelihood	Impact	Score	Control	Owner	Date of Review	Comment
1.1	Business Continuity	LPP Financial Standing	1	5	5	LPP Service Contract	Brent	Aug-24	Brent Council discuss LPP budget at regular contract monitoring meetings. Update received from LPPA for Q2 2023/24 and budget proposal received for 2024/25.
1.2	Operational Disaster Recovery Plans Brent	Loss of or unable to access admin systems for: a) Pensions b) Payroll c) Pensioner payroll	1	4	4	Brent Council Business Continuity Procedures	Brent	Aug-24	Brent Council disaster recovery plan in place
1.21		Pension Systems I.T.	1	4	4	Database of all: a) Advisors b) Suppliers c) Contracts	Brent	Aug-24	Held as hard copy by Brent Council's Legal Department
1.3	Operational Disaster Recovery Plans LPP	Loss of or unable to access LPP admin systems for pensions	1	4	4	LPP Shared Service Agreement.	LPP	Aug-24	From 1 October 2018 LPP disaster recovery plan in place as part of their Shared Service Agreement with Brent Council
1.31		LPP Pensions Admin System (UPM) used by Brent Council Employers, Maintained Schools and Academies	1	4	4	LPP Shared Service Agreement	LPP	Aug-24	LPP have a recovery plan in place for their pension admin platform UPM (External provider Civica). LPPA is ISO 27001 accredited and has Cyber Essential Plus accreditation, showing that LPPA have processes and procedures in place that keep information and systems secure.
2	Risk Area Data Security	Risk & Outline	Likelihood	Impact	Score	Control	Owner	Date of Review	Comment
2.1	Data Security	External attack, loss of data, locked out of data, poor internal procedures can lead to an increased risk of attack from: a) outside b) or internal fraud Not backing up data regularly using secure backup systems	2	5	10	Brent Council and LPPA Data Back Up Procedures	Brent	Aug-24	Procedures on data security in place, systems kept up to date with latest security updates. Data is backed up on an incremental basis daily, Brent STS have invested in an enhanced backup solution.
2.11		a) Clean desk policies not being adhered to: b) Cabinets left open or not locked c) Documents left out overnight d) Documents left on colleagues desk when they are away e) Computer not locked when operator leaves their desk Taking laptops away from desk that are not password protected with encryption, using them on public transport Not storing laptops in secure location when not in use	2	4	8	Brent Council Data Security Procedures Mandatory clear desk policy and documents secured Annual data security refresher training Laptops password protected and encrypted	Brent	Aug-24	Possibility of: a) Sensitive data being seen by unauthorised persons b) Data theft or large losses of sensitive data c) GDPR breached d) Brent Council's reputation put at risk e) Breach of Council's policies and dismissal from service
2.2	General Data Protection Regulations	General Data Protection Regulations (GDPR) came into effect 25 May 2018, failure to comply with GDPR will lead to: a) Complaints b) Data breaches c) Possible fines d) Loss of reputation	1	5	5	Brent GDPR Policies Annual data security refresher training	Brent	Aug-24	Brent has GDPR policies in place and publishes GDPR privacy notices: a) Online b) Viva Engage (formerly Yammer) c) In news letters d) In communications to its members, employers, academy's, maintained schools
2.21		Sending sensitive data by email ensuring it will be sent to the right recipient and encrypted, or using a secure transmission system	2	4	8	Brent GDPR Policies	Brent	Aug-24	Sensitive data being sent to an unauthorised person or business leading to breach of GDPR
2.3	Cyber Security	Unlawful cyber access or attacks could be serious for a scheme and its members, and could in the end result in identity theft, loss of data or even loss of financial assets	4	4	16	Brent Council Data Security Procedures (e.g. Implemented tools to monitor and detect abnormal activity, Security Logging and Endpoint Management, Enhanced awareness and training across specialist IT and all Brent users.) LPP Cyber Security Procedures	Brent	Aug-24	STS and Brent have cyber strategies in place and are in the process of updating those strategies considering the prevailing threats. The protection in place for the Council to prevent an intrusion is considered high however, recent attacks impacting councils and other public sector organisations have targeted backup systems and third party suppliers. The impact of a cyber attack could be significant, so it is important for these to be permanently up to date. Brent Officers periodically review the current cyber security strategy ensuring that extensive measures are in place and up to date in order to safeguard the integrity, confidentiality and availability (ICA) of information. LPPA have also implemented a number of controls and technologies in relation to cyber security including network firewalls, daily backups online and to tape to protect against the loss of data, system corruption or ransomware and disaster recovery tests.

3	Risk Area Pension Administration	Risk & Outline	Likelihood	Impact	Score	Control	Owner	Date of Review	Comment
3.1	(Employer and Scheme Data) Scheme Data Provided to LPP for: Maintained Schools Academies Employers	Missing common and Scheme Specific data not provided by employers, maintained schools and academies leads to delay in progressing administration for members and the actuary using prudent assumptions.	3	4	12	LPP Data Check Regular data cleanses and projects (e.g. McCloud). Monthly contribution returns drive more accurate data. Employer Engagement Employers Forum PAS 2023	Brent/LPP	Aug-24	LPP run a test of the data each quarter. These scores are included in the administration update report taken to each Pension Board meeting. Employers to export data monthly to LPP system highlighting data problems by import validation, also reporting from the admin systems of missing files leads to early indication of employers having data problems. Monthly returns have been rolled out to all employers from April 2023. Training to be provided to employers by the LPP on using the systems and what LPP requires from employers. A concerted programme of encouraging employers to complete monthly contribution returns has led to almost all employers complying and the few who failed to do so completing annual returns. The Pensions Administration Strategy allows the scheme manager to take action against employers that do not comply with their statutory and legal obligations to the Pension Fund. These actions will be considered should employers not respond to requests for information in a timely manner. LPPA have provided the Fund with a dashboard with the status of monthly scheme data returns for all employers. LPPA and officers are regularly contacting employers who have outstanding returns.
3.2	Record Keeping Planning	Not updating the record keeping plan to take into account changes of circumstances thorough the year could lead to a failure to take corrective action leading to a drop in the quality of scheme data or delays in processing member benefits	1	3	3	TPR Data Scores, Data cleanse project Regular data cleanses and projects (e.g. McCloud) Monthly contribution returns drive more accurate data.	Brent	Aug-24	Data quality has improved following multiple data cleanse projects and is now being monitored quarterly. The Fund has also commissioned a data cleanse project to carry out data mismatch analysis and record rectification in respect of pension data records held on LPPA's UPM system and Brent's Oracle system with a total 1404 records in scope. Monthly contribution returns promise better data going forward.
3.3	Loss of Key Staff Members	Specialist nature of the work means there are relatively few staff members with knowledge of the Local Authority Pensions Regulations and Pensions Administration requirements. Significant knowledge gap left if specialist staff leave, likely to cause short-term disruption.	3	4	12	Structured Training Plan Key members of staff are mapping processes and maintaining folders of key documents, training notes and commentaries on the respective regulations. Regular cross-training between staff.	Brent	Aug-24	Key Officers to ensure processes are documented and knowledge is being passed on to other members of the team, to ensure limited disruption in the event of an unexpected absence or leaving the position. Training events delivered by external parties are available and staff are encouraged to attend There are regular in-house training sessions and the experienced officers mentor their colleagues, maintain process maps and collate key documents and relevant extracts from the regulations in folders as part of the team's succession planning. External Support is available to mitigate this risk, both from external advisors and LPP who manage the fund's administration
3.4	Impact of Future Pandemics	Increase in staff who are unwell leading to: a) Delays in administrative processing and increase in backlog cases b) Member benefits being delayed c) Increase in complaints d) Difficulties in meeting key deadlines such as year-end Delays in implementing the agreed investment strategy due to volatile financial markets.	1	2	2	Brent Council Business Continuity Procedures LPP Business Continuity Procedures Hymans Robertson Business Continuity Plan (as Fund Actuary and Investment Advisors) Resilience and flexibility developed during the Covid-19 pandemic.	Brent	Aug-24	Situation is being monitored on an ongoing basis. Staff to observe Government and NHS guidance. Increased use of flexible and remote working technologies are now in place to enable staff to operate in an efficient and effective manner. The Pensions Administration and Finance team are able to work from home and in offices.
3.5	Transfer of Brent's Pensions Payroll to the LPP	Risk in transferring of payroll data to LPP: a) Delays in timely completion of transfer leading to delays and pensions not being paid b) Inaccurate transfer of scheme data from one system to the other leading to incorrect tax codes and Pensions Increase awards c) Member's pensions being incorrect or delayed d) Increase in complaints e) Places an unwarranted and costly drain on Brent resources of providing support to its pensioners	2	5	10	Risk and Project Plan LPP data cleanse In-house team data cleanse Parallel runs on both payroll systems to eradicate errors	Brent/LPP	Aug-24	The Pensions Payroll is migrating from Oracle to the LPP. It is being delivered by a dedicated team of project managers and ringfenced project roles to ensure no impact to the pension administration function. There will be (at least) two parallel runs before the data is migrated. LPP are providing Brent officers with regular updates in monthly meetings. Updates are also being provided to the Pension Board. The logistics are being planned at regular meetings. The in-house team are cleansing the Pension Payroll data in preparation for the move.
3.6	Auto Enrolment / Re-Enrolment	Failure to process auto enrolment / re-enrolment on time leads to: a) Member complaints b) Members unable to opt-out or in c) Delayed administration d) Possible action by the regulator to improve or be fined	3	2	6	Auto Enrolment Procedures Planning meetings to manage re-enrolment. Communications prepared in anticipation of re-enrolment.	Brent	Aug-24	Auto enrolment checked monthly for: a) Enrolment b) Opt outs c) Opt Ins d) Auto Enrol Renewal, as part of Brent procedures for pensions and payroll e) Re-enrolment triennially

4	Risk Area Plan Events	Risk Outline	Likelihood	Impact	Score	Control	Owner	Date of Review	Comment
4.1	Pension Events Planning	Plan events such as: a) Annual benefits statements b) Year end reporting to the TPR c) Accounting d) Pension increases e) Plan valuations g) Re-enrolment	2	4	8	Plan Calendar Prepare employers Plan communications	Brent	Aug-24	Plan Calendar to identify events: a) What work is required b) What recourses will be used c) Completion and sign off
4.11		Pension projects such as: a) Changes in legislation that needs to be actioned b) McCloud	2	4	8	Plan Calendar	Brent	Aug-24	To allow longer term planning for items such as: a) New legislation coming in to effect b) Ensure Plan events are completed on time c) Prepare for GMP equalisation
4.2	Annual Benefits Statements 2024/25	Failure to have the necessary correct and accurate data will lead to: a) Statements not being sent b) Possible delay sending statements whilst this data is obtained and systems updated c) Inaccurate ABS based on out-of date figures (e.g. last year's pay)	3	5	15	LLP Shared Service Agreement and PAS. Scheme employers are chased on a regular basis. Regular data cleanse and projects (e.g. McCloud) Monthly returns drive more accurate and up-to-date data.	Brent	Aug-24	It is a statutory responsibility for the scheme manager to issue an annual benefit statement (ABS) to all eligible active and deferred members by 31 August each year. Scheme employers are required to submit monthly returns, albeit that less than a handful submitted annual returns, in order to be able to produce an ABS. Following submission of the return, employers may be required to respond to queries to clarify any data on the return before an ABS can be produced. It is therefore important that end of year returns are received promptly. Delays in submission of returns can lead to a risk that the ABS are not issued by the deadline. Where returns have not been promptly received, Brent and LPP will work together directly with employers to ensure prompt and accurate submission of end of year returns.
4.21		Annual Benefits Statement dependant on: a) Common Data b) Scheme Specific data c) Data being improved from the Record Keeping Plan (RKP)	2	5	10	LLP Shared Service Agreement	Brent	Aug-24	Improvement to common and Scheme Specific data being carried out under RKP. There have been numerous data cleansing projects designed to improve the quality of our data. Monthly contribution returns will ensure that we have more accurate data going forward.
4.3	Deferred Member Benefit Statements 2024/25	Incorrect Statuses, no address, missing data to calculate leads to: a) Statements not being issued b) Statements inaccurate c) Incorrect valuation and liabilities for the Plan.	2	5	10	LLP Shared Service Agreement Periodic address tracing.	Brent	Aug-24	Member data is being dealt with under the Record keeping Plan. Consider address tracing as they approach SPA (people who move tend to move again).
4.4	Monthly Contribution Return	Failure to complete monthly return and submit on time leads to fines	2	5	10	PAS Employer Training Sessions Regular monitoring of performance by LPP and the Pensions Team.	Brent	Aug-24	The Fund moved to monthly returns from April 2023. Completion of returns by employers is being monitored by the Fund and employers who are yet to submit a monthly return have been contacted and are being chased for returns by officers. Only four active employers had to complete annual returns in 2023/24. Training sessions are provided to employers to assist completion.
4.5	Admission Agreements	Failure to process an admission agreement within the time frames set on in LGPS regulations can lead to transferring employers pension entitlements being delayed, legal issues stopping the agreement from being implemented and costs incurred that can not be recovered	2	5	10	Internal Controls Regular monitoring meetings Introduction of pass-through to streamline process.	Brent	Aug-24	Admission agreements are regularly reviewed by officers in finance and legal to resolve issues encountered in the admission agreement process and progress to completion. Pass-through approach is expected to streamline the process. It has been endorsed by the Pension Fund Sub-committee and is pending approval from General Purposes Committee.
4.51		Not having procedures and processes and monitor agreements are on track and any reason for delayed identified and acted on could lead to delays in implementation of the agreement	2	5	10	Internal Controls Regular monitoring meetings Introduction of pass-through to streamline process. Pensions Team to collaborate in drafting template admission agreements	Brent	Aug-24	Admission agreements are regularly reviewed by officers in finance and legal to resolve issues encountered in the admission agreement process and progress to completion.
4.52		Oversight of the legal team and ensuring that they are processing the legal agreements in the time set out in the procedures and requirements of admission agreements is a major factor on processing an admission agreement on time	2	5	10	Internal Controls Regular monitoring meetings	Brent	Aug-24	Overseeing of the legal team on admission agreement by the Scheme Manager to ensure no delays and prompt processing of agreement becomes a priority
4.53		Failure to keep to rules and regulation on admission agreement will require this failure to be reported to the TPR	2	5	10	Internal Controls Regular meetings Pensions Team participate in drafting admission agreements	Brent	Aug-24	Breaches log to bring attention of failing and lessons learned in processing admission agreements. Pass-through is expected to mitigate/resolve this issue.

5	Risk Area Regulatory	Risk & Outline	Likelihood	Impact	Score	Control	Owner	Date of Review	Comment
5.1	Anti Fraud Initiatives Mortality Existence	Benefits paid to people not entitled to benefits from the LGPS	2	3	6	Brent anti-fraud plan 2022/23 Annual life certificates for overseas pensioners Tell us once (TUO), Target mortality screening and NFI reports Life certificates issued if correspondence/pension payments returned.	Brent	Aug-24	Administration processes check for fraud Brent Anti-fraud plan 2022/23 Life certificate issued if letter/pension payment returned Annual life certificates to overseas pensioners TUO, Target Mortality screening and National Fraud Initiative (NFI) reports Rigorous vetting of payees
5.2	Pension Board Training	Pension Board members not having the appropriate degree of knowledge and understanding to perform their duties. Pension Board member not having the right knowledge to make informed decisions and challenge Officers of the Council.	1	3	3	Pension Board Training Arrange training immediately before meetings Keep a log of attendees	Brent	Aug-24	Regular training is provided via a training programme for Pension Board members All Pensions Board members to complete and pass the TPR public pensions course online. The Fund has rolled out e-learning to all pension committee and board members in November 2023, progress is being reported at each meeting.
5.3	Pension Board Conflict Of Interest	Conflicts of interest must be declared in the Register of Interests Failure to declare an interest can lead to serious consequences and pose a risk to the Plan and possibly member	1	2	2	Register of interests Arrange training Regular reviews	Brent	Aug-24	The register of interests and other relevant documents are circulated to the Pension Board for ongoing review and are published on the Brent Council's website.
5.4	Governance	Failure to have good governance plans in place which are reviewed and monitored can lead to: a) Poor administration b) Increased administration costs c) Poor investment outcomes d) Increased levels of risk e) Not understanding what the risks are and having plans to manage the risk f) Statutory requirements not being met such as: g) Annual benefits statements not being produce and sent out h) Pension saving statements not being produce and sent out i) Year end returns being done late	1	5	5	Multi areas cover governance: a) Plan Rules b) Business Plan c) PAS 2023 d) Scheme Manager e) Pensions Board f) Pensions Sub Committee	Brent	Aug-24	Governance is monitored by: a) Scheme Manager b) Pensions Board c) Pensions Sub Committee d) Internal and External Controls
5.5	Discretions	A decision to add pension or disregard a reduction on pension for early payment leads to increased costs to the employer	2	3	6	Corporate Director, Finance and Resources	Brent	Aug-24	Discretions under review on early retirement with actuarial reduction, Discretions are covered under LGPS Regulations 31(2) and (5). In preparing such a statement the Council must have regard to the extent to which the discretions are exercised to avoid a loss of confidence in the service provided. An updated Administering Authority discretions policy was approved at the March 2024 meeting of the Pension Fund Sub-committee, a template Employing Authority discretions policy has also been prepared. The discretions template encourages employers to carefully consider any discretions that generate pension costs.
5.6	Data Protection Breaches	Breaches not recorded and failure to report a breach to the regulator can lead to fines and loss of reputation	2	5	10	Breaches Log / policy	Brent	Aug-24	Breaches log to monitor all breaches and report material breaches to the regulator Breaches policy

6	Risk Plan Funding & Accounting	Risk & Outline	Likelihood	Impact	Score	Control	Owner	Date of Review	Comment
6.1	The Fund's Assets Insufficient to Meet Long Term Liabilities	Pension Fund Assets not sufficient to pay: a) Pension benefits b) Transfers c) Death benefits d) Could lead to raising of pensions contributions e) Plan has to reduce benefits f) Reassessment of the funding strategy	2	5	10	Public Sector Payroll Controls	Brent	Aug-24	Contributions are checked on a monthly basis. Overdue Contributions for employers including academies and maintained schools are actively chased.
6.11			1	5	5	The Funding Strategy Statement Regular meetings with Fund's actuaries	Brent	Aug-24	Preliminary meeting with our actuaries for the 2025 valuation has taken place. Liaising with employers as necessary. Numerous data cleanses to ensure that the Fund's data is accurate. A report on the 2022 Triennial Review (including the Funding Strategy Statement) was presented to the Pension Board at the March 2022 meeting. Next triennial valuation 2025.
6.12			1	5	5	Fund's Funding Level Assessment	Brent	Aug-24	The Fund receives regular performance reports on its investments from the custodian. The Fund actuary, Hymans Robertson, completes a valuation of liabilities every 3 years. The proposed final valuation report was presented to the Pension Sub-committee in February 2023 and the Pension Board in March 2023.
6.2	Geographical and economic risk in relation to investments	Significant volatility and potential downturn in global investment markets following disruptive geopolitical events and economic uncertainty.	4	4	16	The Fund holds a well-diversified portfolio of assets, which has been invested in line with the investment strategy statement	Brent	Aug-24	Officers, in conjunction with our investment advisors, fund managers, London CIV and actuary, are monitoring events on an ongoing basis and continually assessing risks in relation to geopolitical events. The Fund's investment advisor provides advice and updates to the Pension sub-committee on the Fund's investment strategy and performance at every meeting. The Fund holds a well diversified investment portfolio which includes a mixture of growth, income and protection assets and limits concentration in any one specific market. The investment performance of the Pension Fund is brought to each Pensions Sub-committee for consideration.
6.3	Impact of McCloud judgement on Long Term Liabilities	Court of Appeal ruling that transitional protections were unlawful on the grounds of age discrimination could increase employer contributions. The scope of McCloud has broadened and the software providers are making progress in implementing the remedy solutions.	4	2	8	Triennial valuation/ Funding Strategy Statement. McCloud remedy solution in UPM	Brent	Aug-24	This risk continues to evolve and two sets of tax rectification regulations have been produced and the Local Government Pension Scheme (Amendment) (No. 3) Regulations 2023 came into effect from 1 October 2023. It is likely that greater administration resource will be required at a cost to the Pension Scheme. Retirees from October 23 onwards will need to be revisited and systems functionality is gradually being delivered in UPM.
6.4	Pension Contributions not Paid by:	Effects the Plans abilities to: a) Pay out benefits b) Braking the law on pension contribution collections c) Unnecessary costs for chasing for contributions d) Continuing non payment for pension contributions will lead to: e) Breaches for the payment of pension contribution regulations f) Being reported for breaches as required by law g) Delay benefits beginning paid h) Can lead to delays in accounting for pension contributions	2	5	10	PAS	Brent	Aug-24	Procedures in place to deal with pension contributions not being made or late.
6.41	Maintained Schools Academies Employers		2	5	10	PAS	Brent	Aug-24	Engaging with: a) Employers b) Academies c) Maintained Schools d) With working parties and employer forums e) LPP to provide more support in this area
6.42	a) On time b) Or not at all c) Refusal to pay		2	5	10	PAS	Brent	Aug-24	Contributions are monitored on a monthly basis and late or non payers reported. 2023 Revised PAS includes fines for non compliers.
6.5	Pension Plan Accounting	Failure to comply with accounting regulations will lead to serious consequences: a) Possible fines b) Loss of reputation	1	5	5	Annual audit	Brent	Aug-24	Draft accounts for 2023/24 have been published. Audit of accounts is currently underway.
6.51			1	5	5	Triennial valuations	Brent	Aug-24	2022 triennial completed. Next triennial valuation 2025
6.52			1	5	5	The Funding Strategy Statement	Brent	Aug-24	A report on the 2022 Triennial Review (including the Funding Strategy Statement) was presented to the Pension Board at the March 2022 meeting. Next triennial valuation 2025.
6.6	Inflation is higher than expected	Price inflation is significantly more than anticipated in the actuarial assumptions. High inflation: a) increases the Fund's liability as pensions in payment are linked to CPI inflation b) places short-term pressure on the Fund's cashflows to meet increased benefit payments and increase the demand for investment income.	4	3	12	Triennial valuations Investment Strategy Cashflow modelling	Brent	Aug-24	Inflation rose significantly in 2022 due labour shortages, supply chain issues, and high energy prices however inflation has fallen in recent months and is now at the Bank of England's 2% target. Inflation is reviewed at each triennial valuation and the actuary is challenged as required. The Fund's investment strategy is routinely reviewed and the Fund is a long-term investor and takes a long-term view on market conditions and inflation. A significant proportion of the Fund's assets are growth assets which are expected to outperform inflation over the longer term. The pension fund completed a review of its investment strategy following the 2022 valuation.

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Brent

**London Borough of
Brent
Risk Strategy**

Brent Risk Strategy August 2024

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1. Introduction

The London Borough of Brent Pension Fund ("the Fund") participates in the Local Government Pension Scheme ("LGPS"). The LGPS is a statutory defined benefit pension scheme.

This is the Risk Management Strategy of Brent Pension Fund which is managed and administered by the London Borough of Brent ("the Administering Authority"). The Risk Strategy details the Fund's approach to managing risk including:

- the risk philosophy guiding the management of the fund and its attitude and appetite for risk
- how risk is managed and mitigated
- risk management responsibilities
- the procedures that are incorporated in the Fund's risk management process
- the key internal controls operated by the Administering Authority and other parties responsible for the management of the Fund

2. Scope

This strategy applies to all members of the Pension Fund Sub-committee and the Pension Board and all officers involved in the management of the Fund.

Officers involved in the daily management of the Fund and administration of the LGPS will be required to have an appropriate understanding of risk management, which will be determined by the Section 151 Officer.

Advisers and suppliers to the Fund are expected to be aware of the strategy and to help officers, Committee and Board members meet its objectives.

3. Strategy objectives

In relation to understanding and monitoring risks, the Administering Authority aims to:

- integrate risk management into the culture, procedures and the day-to-day activities of the Fund
- raise awareness of the need for risk management by all those connected with the management of the Fund including the Pensions Board, advisers, employers and other partners
- minimise the probability of negative outcomes for the Fund and its stakeholders
- establish and maintain a robust framework and procedures for identification, analysis, assessment and management of risk, and the reporting and recording of events, based on best practise and tPR guidance on risk
- ensure consistent application of the risk management methodology across all Fund activities, including projects and partnerships.

To assist in achieving these objectives in the management of the Fund, the Administering Authority will aim to comply with:

- the CIPFA Managing Risk publication
- the Pensions Act 2004
- the Pensions Regulator's Single Code of Practice.

4. Purpose of the strategy

The Administering Authority recognises that effective risk management is an essential element of good governance in the LGPS. By identifying and managing risks through an effective policy and risk management strategy, the Administering Authority can:

- demonstrate best practise in governance
- improve financial management
- ensure high quality administration
- minimise risk and the effect of adverse conditions
- identify and maximise opportunities for improvement that may arise
- minimise threats

The Administering Authority adopts best practise risk management, which supports a structured and focused approach to managing risks, and ensures risk management is an integral part of the governance of the Fund at a strategic and operational level.

5. Effective date

This policy is to go before the Pension Board on 3 September 2024 for approval and will be in effect from that date.

6. Review

To be reviewed quarterly by the Scheme Manager and the Pensions Board and updated as required, unless the risk management arrangements, or other matters included within the strategy, merit reconsideration.

7. Risk Management Philosophy

The Fund recognises that it cannot deliver a high-quality service by avoiding risk. Risk is inherent in everything the pension fund does and we need to invest in a considered risk management policy designed to balance opportunity and risk effectively.

The Fund must embed risk management in its culture and promote openness and transparency. It must question conventional tropes and encourage constructive challenge and incisive scrutiny. This strategy must be underpinned by an ethos of cooperation and collaboration.

Key principles

Risk management shall;

- be fundamental to how the Pension Fund is directed, managed and controlled
- be an integral part of decision making and setting objectives
- be collaborative and informed by the best available information and professional advice
- enable identifying and assessing risks accurately
- assist the design and application of effective risk monitoring and timely and precise risk reporting
- facilitate the careful assessment and treatment/mitigation of risk

- continuously evolve and improve in the light of experience

In managing risk, the Administering Authority will:

- involve stakeholders in decision making
- be open and transparent about the nature of risks and how it is addressing them
- act proportionately and consistently
- base treatments mitigations on relevant evidence and expert advice
- ensure that risks are managed and mitigated by the officers best able to control them
- adopt a system that will enable the Fund to anticipate and respond positively to change
- ensure that there is a proper balance between risk taking and the opportunities to be gained
- minimise loss and damage to the Fund and its stakeholders
- make sure that any new areas of activity (investment strategies, joint-working, framework agreements etc.), are only undertaken if the risks are fully understood and accounted for in decision making.

The benefits of sound risk management include better decision-making, improved performance, better delivery of services, more effective use of resources and avoiding reputational damage.

8. CIPFA and the Pensions Regulator's Requirements

CIPFA Managing Risk Publication

CIPFA has published technical guidance on managing risk in the LGPS. The publication explores how risk manifests itself across the broad spectrum of activity that constitutes LGPS financial management and administration, and how, by using established risk management techniques, those risks can be identified, analysed and managed effectively.

The publication also considers how to approach risk in the LGPS in the context of the role of the administering authority as part of a wider local authority and how the approach to risk might be communicated to other stakeholders.

The Pension Regulator's Single Code of Practice

The Public Service Pensions Act 2013 added the following provision to the Pensions Act 2004 relating to the requirement to have internal controls in public service pension schemes.

249B Requirement for internal controls: public service pension schemes

1) The scheme manager of a public service pension scheme must establish and operate internal controls which are adequate for the purpose of securing that the scheme is administered and managed:

- (a) in accordance with the scheme rules, and*
- (b) in accordance with the requirements of the law.*

(2) Nothing in this section affects any other obligations of the scheme manager to establish or operate internal controls, whether imposed by or by virtue of any enactment, the scheme rules or otherwise.

(3) In this section, “enactment” and “internal controls” have the same meanings as in section 249A.” Section 90A of the Pensions Act 2004 requires the Pensions Regulator to issue a code of practice relating to internal controls. The Pensions Regulator has issued such a code in which he encourages scheme managers (i.e. administering authorities in the LGPS) to employ a risk based approach to assessing the adequacy of their internal controls and to ensure that sufficient time and attention is spent on identifying, evaluating and managing risks and developing and monitoring appropriate controls.

The Pensions Regulator’s Single Code of Practice (the code) guidance on internal controls requires scheme managers to carry out a risk assessment and produce a risk register which should be reviewed regularly.

The risk assessment should begin by:

- setting the objectives of the scheme
- determining the various functions and activities carried out in the running of the scheme, and
- identifying the main risks associated with those objectives, functions and activities.

The code goes on to say that schemes should consider the likelihood of risks arising and the effect if they do arise when determining the order of priority for managing risks, and focus on those areas where the impact and likelihood of a risk materialising is high. Schemes should then consider what internal controls are appropriate to mitigate the main risks they have identified and how best to monitor them. The code includes the following examples as issues which schemes should consider when designing internal controls to manage risks:

- how the control is to be implemented and the experience of the person(s) performing the control
- the level of reliance that can be placed on information technology solutions where processes are automated
- whether a control is capable of preventing future recurrence or merely detecting an event that has already happened
- the frequency and timeliness of a control process
- how the control will ensure that data are managed securely, and
- the process for flagging errors or control failures, and approval and authorisation controls.

The code states that risk assessment is a continual process and should take account of a changing environment and new and emerging risks. It further states that an effective risk assessment process will provide a mechanism to detect weaknesses at an early stage and that schemes should periodically review the adequacy of internal controls in:

- mitigating risks
- supporting longer-term strategic aims, for example relating to investments
- identifying success (or otherwise) in achieving agreed objectives, and
- providing a framework against which compliance with the scheme regulations and legislation can be monitored.

The Administering Authority adopts the principles contained in CIPFA’s Managing Risk in the LGPS document and the Pension Regulator’s Code of Practice. This Risk Strategy highlights how the Administering Authority strives to achieve those principles through use of risk management processes and internal controls incorporating regular monitoring and reporting.

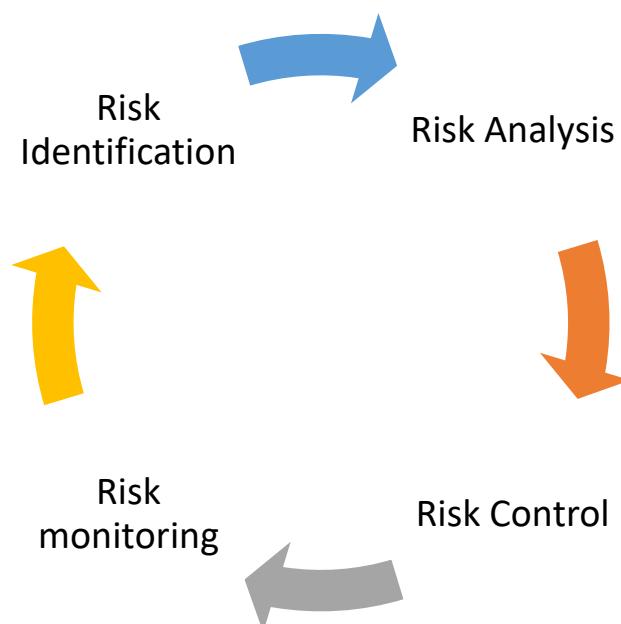
9. Responsibility

The Administering Authority must be satisfied that risks are appropriately managed. For this purpose, the officers are responsible for ensuring the process outlined below is carried out, subject to the oversight of the Pension Board.

However, it is the responsibility of each individual covered by this Strategy to identify any potential risks for the Fund and ensure that they are fed into the risk management process.

10. The London Borough of Brent Pension Fund Risk Management Process

The Administering Authority's risk management process is consistent with that recommended by CIPFA and is a continuous approach which systematically looks at risks surrounding the Fund's past, present and future activities. The main processes involved in risk management are identified in the figure below and detailed in the following sections.



Risk identification (1)

The risk identification process is both proactive and reactive. Risks are identified by several means including, but not limited to:

- formal risk assessment exercises overseen by the Scheme Manager, Pension Board, and Pension Sub Committee
- performance measurement against agreed objectives
- findings of internal and external audit and other adviser reports
- feedback from the Pension Board, employers and other stakeholders
- liaison with other organisations, regional, national associations, and professional groups

- legal determinations including those of the Pensions Ombudsman, the Pensions Regulator and court cases

Once identified, risks will be documented in the Fund's risk register, which is the primary control document for the subsequent analysis, control and monitoring of those risks.

Risk analysis (2)

The three main consequences of risk are;

- Financial impact
- Service impact
- Reputational impact

Once the potential risks have been identified, the next stage is to analyse and profile each one. The elements of each risk will then be bundled and weighed to arrive at a composite score for impact. The final stage is to consider the likelihood of the risk occurring and the consequences if it does occur, with the score for likelihood being multiplied by the score for impact to determine the current overall risk rating, as illustrated in the table below.

Impact Scoring Criteria			
Score	Descriptor		
	Financial	Service Delivery	Reputation
5	Major Financial loss (above £2m)	Major disruption to a number of critical services	Long term damage – e.g. adverse national publicity.
4	Significant Financial loss (above £1m)	Major disruption to a critical service.	Medium to long term damage – e.g. adverse local publicity.
3	Moderate Financial Loss (less than £1m)	Moderate disruption to a critical service	Medium term damage
2	Small Financial loss (less than £500k)	Moderate disruption to an important service.	Short term damage
1	Minor financial loss (less than £100k)	Brief disruption to important service	Some damage to specific functions

Likelihood Scoring Criteria

Score	Level	Descriptor
5	Very Likely	<i>This event is expected to occur in most circumstances.</i>
4	Likely	<i>There is a strong possibility this event will occur.</i>
3	Possible	<i>This event might occur at some point and/or there is history of occurrence of this risk at this and/or other Councils.</i>
2	Unlikely	<i>Not expected, but there's a slight possibility it may occur at some point.</i>
1	Rare	<i>Highly unlikely, but it may occur in exceptional circumstances. It could happen, but probably never will.</i>

When considering the risk rating, the Administering Authority will have regard to the existing controls in place and these will be summarised in the risk register.

Risk control (the five “Ts”) (3)

The Head of Finance will review the extent to which the identified risks are covered by existing internal controls and determine whether any further action is required to control the risk, including reducing the likelihood of a risk event occurring or reducing the severity of the consequences should it occur.

Before any such action can be taken, Pension Board and Pension Sub Committee approval may be required where appropriate officer delegations are not in place.

The result of any change to the internal controls could result in any of the following:

- Terminate - for example, ceasing an activity or course of action that would give rise to the risk.
- Treat - for example, choosing a course of action that has a lower probability of risk or putting in place procedures to manage risk when it arises.
- Take - positive opportunities to mitigate the risk
- Transfer - for example, transferring the risk to another party either by insurance or through a contractual arrangement.
- Tolerate – do nothing as the cost outweighs the benefits or it is something outside the Fund’s control

The Fund’s risk register details all further action in relation to a risk and the owner for that action.

Risk monitoring (4)

Risk monitoring is the final part of the risk management cycle and will be the responsibility of the Pensions Board. In monitoring risk management activity, the Pension Board will consider whether:

- the risk controls have achieved the desired outcomes
- the procedures adopted and the information gathered were appropriate
- greater knowledge of the risk and potential outcomes would have improved the decision-making process
- are there any lessons to be learned for the future assessment and management of risk.

11. Reporting and monitoring

Progress in managing risks will be monitored and recorded on the risk register. The risk register, including any changes to the internal controls, will be presented to the Pension Board each quarter.


As a matter of course, the Local Pension Board will be provided with the same information as the Pension Committee (or Pension Sub-Committee, as appropriate) and they will be able to provide comment and input to the management of risks.

The Administering Authority will review the delivery of the requirements of this Strategy quarterly to determine whether the objectives of this policy are being met. In doing so it will take any feedback from the Pensions Board and the Pensions Sub Committee into consideration.

12. Key risks to the effective delivery of the strategy

The key risks to the delivery of this Strategy are outlined below. The Pension Board will monitor these and other key risks and consider how to respond to them following updates and recommendations from officers:

- Risk management is not embedded in the day-to-day management of the Fund and consequently the objectives of the Policy are not delivered
- Changes in Pension Sub-committee/Board membership and/or senior officers lead to key risks not being identified due to lack of knowledge
- Insufficient resources are available to satisfactorily assess and take appropriate action or to mitigate identified risks
- Risks are incorrectly assessed due to a lack of knowledge or understanding, leading to inappropriate levels of risk being taken without proper controls
- Lack of engagement or awareness of external factors means that key risks are not identified
- Conflicts of interest or other factors lead to a failure to identify or assess risks appropriately
- Risk plan is not monitored to ensure actions to reduce risk have been taken or new risks that have been identified are not recorded, monitored and mitigated, will lead to risk not being managed in accordance with the Risk Strategy.

	<p align="center">Pension Board 3 September 2024</p>
	<p align="center">Report from the Corporate Director, Finance and Resources</p>
<p>LGPS Update Report</p>	
<p>Wards Affected:</p>	<p>All wards</p>
<p>Key or Non-Key Decision:</p>	<p>Non-Key</p>
<p>Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small></p>	<p>Open</p>
<p>List of Appendices:</p>	<p>Five: Appendix 1: LGPC Bulletin – March 2024 Appendix 2: LGPC Bulletin – April 2024 Appendix 3: LGPC Bulletin – May 2024 Appendix 4: LGPC Bulletin – June 2024 Appendix 5: LGPC Bulletin – July 2024</p>
<p>Background Papers:</p>	<p>None</p>
<p>Contact Officer(s): <small>(Name, Title, Contact Details)</small></p>	<p>Minesh Patel, Corporate Director, Finance and Resources 020 8937 minesh.patel@brent.gov.uk</p> <p>Amanda Healy, Deputy Director of Finance 020 8937 5912(amanda.healy@brent.gov.uk)</p> <p>Sawan Shah, Head of Finance 020 8937 1955 sawan.shah@brent.gov.uk)</p> <p>John Smith, Pensions Manager 020 8937 1985 john.smith@brent.gov.uk)</p>

1.0 Executive Summary

- 1.1 The purpose of this report is to update the Board on recent developments within the Local Government Pension Scheme (LGPS) regulatory environment and any recent consultations issued which would have a significant impact on the Fund.

2.0 Recommendation(s)

2.1 The Committee is asked to note the recent developments in the LGPS.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

3.1.1 The work of the Pension Fund is critical in ensuring that it undertakes statutory functions on behalf of the Local Government Pension Scheme and complying with legislation and best practice. Efficient and effective performance and service delivery of the Pension Fund underpins all Borough Plan priorities.

3.2 Background

Introduction for any new members

There are a few key topics that justify an introduction.

A) McCloud

When the Government introduced the new public sector pension schemes in 2014-15 they built in protections for older members. A member of the Judges' Pension Scheme (McCloud) successfully argued that the protection was age discriminatory and should be offered to all members.

B) The lifetime allowance

The lifetime allowance applied to all pension schemes and it placed limits on how much pension a member could accrue and how much they could take as tax free lump sum. Although the Government decided to abolish the lifetime allowance with effect from 6th April 2024, it chose to retain limits on how much members could draw as a tax-free lump sum.

C) Pension dashboards

The Government wants members of pension schemes to be able to access details of all the elements of their pension schemes from one portal. The challenge is to balance accessibility with data protection considerations.

LGPS England and Wales

3.2.1 Following the 2024 General Election, Jim McMahon MP was appointed Minister of State at Ministry of Housing, Communities, and Local Government (MHCLG) on 6 July 2024. The role includes ministerial responsibility for local government, including the LGPS.

3.2.2 On 20 July 2024, the Government announced a pensions review as part of its mission to 'boost growth and make every part of Britain better off'. The review will look at how to 'unlock the investment potential of the £360 billion LGPS'

and the Government will consider legislating to mandate pooling if insufficient progress is made by March 2025.

Scheme Advisory Board (SAB)

- 3.2.3 The Divestments and Sanctions Bill reached the committee stage after its second reading in the House of Lords on 17th April 2024. The bill tries to stop Administering Authorities investment policy being influenced by moral or political disapproval of a states conduct, unless it is required by Government legal sanctions, embargoes or restrictions.
- 3.2.4 The Board asked Lydia Seymour (Counsel) to update her advice on Sharia Law in relation to LGPS investments. In her view, the risk of a successful challenge against a scheme is unlikely.
- 3.2.5 The SAB conducted a webinar for employers on excess service in the Teachers' Pension Scheme.
- 3.2.6 Teachers who are entitled to an underpin, and had not retired by 31st October 2023, will have their excess membership "rolled back" to the legacy final salary pension scheme (LGPS). When the employer is contacted by Teachers' Pensions they will have to;
- determine whether the teacher is employed by an LGPS employer and whether they are an active, deferred or pensioner member,
 - verify or correct the information provided by Teachers' Pensions and
 - provide the information required to build an LGPS pension record.
- 3.2.7 The Education and Skills Funding Agency has published new guidance for academies produced by the Academies Working Group.
- 3.2.8 The SAB intends to update the March 2024 annual report guidance in the light of feedback and publish it by the end of the year.
- 3.2.9 The Board in concert with the Institute of Chartered Accountants in England and Wales (ICAEW) has commissioned a guide to outline the milestones and information flow for the triennial valuation for accounting and audit purposes and it was published on the board's website in June.
- 3.2.10 The Board has established a working party to update the funding strategy statement (FSS) guidance that was published in 2016. The guidance will include detailed coverage of setting up academies on conversion and explore the possibilities, and the potential pitfalls, generated by employer flexibility and deferred debt arrangements and offer considered advice. The general election has stalled the Good Governance recommendations, but the SAB will ensure they are raised as a priority with the new Minister.

3.2.11 The Government Actuary's Department (GAD) has completed its scheme cost assessment under regulation 116; however, the Board runs a parallel exercise using its own methodology and assumptions. The Board's exercise assessed the costs as being 20.50% of pensionable pay, which is 1% above the 19.5% target. Although this is within the range that the Board could recommend changes in the benefit structure. It decided against doing so.

The Government Actuary (GAD)

3.2.12 The Ministry for Housing, Communities and Local Government (MHCLG) has updated actuarial guidance covering a wide range of processes. The guidance focuses on how to apply the McCloud remedy and it does not contain new factors.

TPR (the Pensions Regulator)

3.2.13 The board held an online focus group for administering authorities to gather initial feedback on the Pension regulator's Single Code and provide support and interpretation to help them to comply. The Secretariat hosted a webinar to discuss the overlaps within some of the modules and it hopes that the implementation of the good governance recommendations will help resolve these ambiguities; however, authorities should not delay reviewing their compliance with the new Code while waiting for the results.

3.2.14 The following modules overlap; the governing body - funding and investment - administration - communications and disclosure - reporting to TPR. There is no regulatory timescale for complying with the code but having a clear plan and setting out milestones towards being fully compliant is strongly encouraged by TPR.

National LGPS Frameworks

3.2.15 The National LGPS Framework for Additional Voluntary Contribution (AVC) Services was launched in July. It is split into two Lots; AVC services and AVC Consultancy services, which are designed to help administering Authorities to access AVC services and assist with issues relating to AVC provision, respectively.

Dashboards

3.2.16 The Pensions Regulator (TPR) has published a 'Check your connect by date' tool to help administrators understand their deadline for connecting with the dashboard. All public sector schemes must connect by 31st October 2025.

3.2.17 The Pensions Dashboards Programme (PDP) published data standards version 1.2. On 13th May 2024, which sets out the requirements for 'finding' and 'viewing' pensions information and are mandatory for providers and schemes connecting to the ecosystem. Administering authorities should discuss the data standards with their integrated service provider (ISP) to ensure they are compliant.

The Pensions Ombudsman (TPO)

3.2.18 The TPO is devising a three-year corporate plan to increase efficiency and cut waiting times.

3.2.19 The Kings Speech set out the Government's intention to confirm that The Pensions Ombudsman (TPO) as a competent court. This would remove the need to apply to the courts to enforce a TPO decision relating to overpayments.

Virgin Media v NTL case

3.2.20 The High Court ruled that amendments of Section 9(2B) in scheme rules were void unless the scheme's actuary confirmed that they still met the contracting-out adequacy test. The appeal focused whether this ruling applied to rights accrued before and after the changes. The court of appeal determined that it applied to both and, as it is understood it will affect the public sector pension schemes, HM Treasury is assessing its implications.

Farley v Paymaster

3.2.21 A group of members took action against their scheme administrators because pension correspondence marked "private and confidential" with a return address on the envelope had been sent to the wrong addresses. Some of the claims were unsuccessful because they relied on the *assumption* that the correspondence had been opened; however, 14 were allowed to proceed because they claimed that the correspondence intended for them *had* been opened by a third party (not that it *could* have been opened).

3.2.22 This case illustrates the importance of data quality, accuracy, marking correspondence that includes personal information "private and confidential" and including a return address on envelopes.

4.0 Stakeholder and ward member consultation and engagement

4.1 This is not applicable to this report.

5.0 Financial Considerations

5.1 There are no specific financial implications associated with this report.

6.0 Legal Considerations

6.1 There are no specific legal considerations arising from this report.

7.0 Equality, Diversity & Inclusion (EDI) Considerations

7.1 There are none directly arising from this report.

8.0 Climate Change and Environmental Considerations

8.1 There are none directly arising from this report.

9.0 Human Resources/Property Considerations

9.1 There are none directly arising from this report.

10.0 Communication Considerations

10.1 None that are applicable to this report.

Report sign off:

Minesh Patel

Corporate Director, Finance and Resources

LGPC Bulletin 249 – March 2024

This bulletin contains updates for all LGPS stakeholders. It includes important articles on:

- [Annual Report Guidance 2024](#) - review the new guidance and implement the new requirements
- [SPPA Circular 3/2024](#) (Scotland) - review and follow the updated ill health guidance
- [SPPA contributions guidance](#) (Scotland) - ensure employers are using the correct version of the contributions table
- [Transfer GAD guidance](#) (Scotland) - review the new guidance and amend processes accordingly
- [Abolition of the LTA administrator guide](#) - review the new guidance and amend processes accordingly
- [Training programme 2024](#) (England and Wales) - share information about the employer role training with employers and discuss potential for commissioned training at Pension Officer Group meetings

which need action by certain stakeholders.

If you have any comments or articles for future bulletins, please contact query.lgps@local.gov.uk.

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LGPS England & Wales Scheme Advisory Board (SAB)

Annual Report Guidance 2024

Updated guidance for preparing the fund annual report can be found on the [Guidance page of the Board's website](#). This is the first publication which has been reviewed and jointly approved by the SAB's Compliance and Reporting Committee (CRC), the Chartered Institute of Public Finance and Accountancy (CIPFA) Public Finance Management Board and the Department for Levelling Up, Housing and Communities (DLUHC). It replaces the 2019 guidance produced by the CIPFA Pensions Panel, which was disbanded in 2021. The SAB, CIPFA and DLUHC would like to acknowledge the contribution of all those involved in the production of the new guidance.

The guidance applies to 2023/24 annual reports which are due for publication by 1 December 2024, and later years. As confirmed in [Bulletin 247](#), the guidance says administering authorities should use their best endeavours to comply fully with the requirements for the 2023/24 annual report but exercise judgement where, because of changes to the previous content, to do so would require disproportionate effort or cost. The guidance will be kept under regular review.

In Scotland, the guidance is advisory only, but administering authorities are encouraged to adopt it on a best practise basis. We understand that the Scottish Public Pensions Agency and the Scotland SAB are considering adopting it as statutory guidance.

Action for administering authorities

Review the new guidance and implement the new requirements when producing and publishing your Fund's Annual Report.

Economic Activity of Public Bodies (Overseas Matters) Bill enters Committee Stage

The [Economic Activity of Public Bodies \(Overseas Matters\) Bill](#), also known as the Boycotts, Divestments and Sanctions Bill, entered Committee Stage after its second reading in the House of Lords on 20 February 2024.

The Bill seeks to ban administering authorities from making investment decisions influenced by political or moral disapproval of foreign state conduct, except where this is required by formal Government legal sanctions, embargoes and restrictions.

We have issued technical briefings in response to each stage. The latest one, issued following the second reading in the House of Lords, is available on the [briefing and responses page of LGA's website](#).

The Board's Secretariat will continue to evaluate amendments put forward and will suggest amendments that would improve the Bill if no similar amendments are tabled.

The Bill team has indicated their expectation that Royal Assent will be attained swiftly once Parliamentary proceedings are complete. A Bill team is a team of civil servants which is assigned to oversee the drafting and passage of a Bill.

A fuller update on the Bill's activity since June 2023 can be found in [Item 5 at the Board meeting held on 11 March 2024](#).

Further legal advice following Sharia Law / LGPS report

In December 2023, the Board asked Lydia Seymour (Counsel) to update her [initial legal advice](#) to address the outstanding questions from her earlier advice. This follows receipt of a report into the relationship between Sharia Law and the LGPS written by Mufti Faraz Adam of Amanah Advisors.

The key message from her updated advice is that the legal risk of a case being successfully brought against a Scheme employer in an Employment Tribunal on the basis of indirect discrimination, or a judicial review being brought against an administering authority or DLUHC for breach of the public sector equality duty, remains extremely low. The summary of Counsel's advice is on the [Legal Opinions and Summaries page of the Board's website](#).

Gender Pensions Gap blog

Jo Donnelly, Head of Pensions at the LGA and Secretary to the SAB, has written a [blog post for employers on the Gender Pensions Gap in the LGPS](#).

The blog covers the work the SAB undertook to analyse the gap and highlights the action plan. The plan looks at possible changes to the LGPS that might help reduce levels of inequality.

As part of the ongoing work programme on the Gender Pensions Gap, the LGA is hosting a virtual event on 9 May 2024 at 2pm aimed at HR/senior managers at councils and LGPS administrators. The event is free for local authorities who are LGA members. To find out more and book a place, visit [the event's page on LGA's website](#).

SAB issues response to DLUHC's audit backlog consultation

The SAB [issued a short response](#) to DLUHC's consultation on '[Addressing the local audit backlog in England](#)', which closed on 7 March 2024.

The Compliance and Reporting Committee discussed the consultation when it met on 12 February 2024. The Committee agreed that the Board should express concern that if there were widespread disclaiming of LGPS administering authority accounts to meet the new deadlines, there would be knock-on consequences for the 18,000 scheme employers that rely on information from the pension fund audit to complete their own audits. Essentially, the employer's auditor will need to do further work to gain assurance on the information provided to it by the LGPS fund actuary on its assets and liabilities under the scheme, which could be material, depending on a range of factors.

The SAB's response also takes the opportunity to re-emphasise the representations it made in an [earlier letter asking that pension fund audits be separated from the host authority audit](#). This would also resolve some of the consequential problems with backlogs as it is not the audit of the pension fund accounts which is usually holding up completion of the host authority's audit report.

Website

[The SAB's website](#) provides information about its work. Use the links below to find out more about:

- [a summary of the last Board meeting](#)
- [latest news](#)
- [SAB meeting and agenda papers](#)
- [committee meetings and agenda papers](#)
- [Responsible Investment Advisory Group meetings and agenda papers](#).

LGPS England & Wales

McCloud non-Club calculator

Rachel Abbey informed administering authorities via email on 13 March 2024 about the release of version 1.1 of the McCloud non-Club calculator.

The updated version omits the tab for taper protected members due to an identified error in version 1.0.

We are working on a new version of the calculator for relevant dates after March 2024. The new version will also correct the error for taper members. We will publish this as soon as we can.

You can find the calculator on the [Administrator guides and documents](#) page of www.lgpsregs.org.

The North East Mayoral Combined Authority (Establishment and Functions) Order 2024

The Department for Levelling Up, Housing and Communities (DLUHC) laid [The North East Mayoral Combined Authority \(Establishment and Functions\) Order 2024](#) on 20 March 2024, establishing the North East Mayoral Combined Authority.

The Order also amends the LGPS Regulations 2013, designating South Tyneside Council as the appropriate administering authority for employees of the new combined authority. Article 12 of the Order addresses the LGPS liabilities for employers who are being replaced by the new authority.

We will update the timeline regulations shortly.

The South Yorkshire Mayoral Combined Authority (Election of Mayor and Transfer of Police and Crime Commissioner Functions) Order 2024

The Home Office laid [The South Yorkshire Mayoral Combined Authority \(Election of Mayor and Transfer of Police and Crime Commissioner Functions\) Order 2024](#) on 21 March 2024, transferring the functions of the Police and Crime Commissioner (PCC) for South Yorkshire to the South Yorkshire Mayoral Combined Authority.

The Order also modifies regulation 64 of the LGPS Regulations 2013 so that no exit payment is due in respect of the PCC.

We will update the timeline regulations shortly.

Teachers' excess service – webinar for employers

The Teachers' Pension Scheme (TPS) has produced a [video for employers about excess service in the TPS](#). The webinar explains what the McCloud remedy will mean for teachers with excess service, depending on whether they are employed by an LGPS employer or not, and whether the member is active, deferred or a pensioner.

The webinar also explains what employers will need to do when TPS contacts them about their employees with excess service. They will have to:

- verify or correct the information supplied by TPS, and
- provide the information that their administering authority will need to build a LGPS pension record for members who are rolled back to the LGPS.

LGPS Scotland

SPPA Circular 3/2024

The Scottish Public Pensions Agency (SPPA) published Circular 3/2024 on 14 March 2024. The circular introduces revised ill health guidance.

SPPA updated the guidance, incorporating feedback from stakeholders and aligning with the principles set out by The Pensions Ombudsman.

The circular and guidance are available on the [SPPA circulars and guidance](#) page of www.scotlgpsregs.org, and also on the [Circulars page of SPPA's website](#).

We will update the template ill health certificates shortly.

Action for administering authorities

Review and follow the updated guidance.

Let your employers know about the updated guidance.

SPPA contributions guidance

SPPA released version 18 of the Tiered Contribution Guidance on 14 March 2024, which includes the average contribution rates table for 2024/25. SPPA had separately sent administering authorities the table in an Excel document.

Discrepancies emerged between the table shown in the guidance and the one in the Excel document. The guidance said that the max pay figure for 9.9 per cent was £135,926 and the min pay figure for 10.6 per cent was £196,156. The Excel document showed the respective figures to be £138,926 and £196,414.

SPPA confirmed, in an email to administering authorities on 20 March 2024, that the figures shown in the Excel document were correct. Subsequently, SPPA reissued corrected guidance on 22 March 2024.

Our annual update bulletin ([Bulletin 248](#)) copied the table from the Excel document.

You can access the corrected guidance on the [SPPA circulars and guidance](#) page of www.scotlgpsregs.org or the [circulars page of SPPA's website](#).

Action for administering authorities

Ensure your employers are using the correct version of the table.

Transfer GAD guidance

On 5 March 2024, Craig Finlay, Policy Officer at the SPPA, emailed administering authorities with a new version of the Transfer actuarial guidance and an Interfund addendum document. Both documents came into effect immediately. You can find these documents on the [Actuarial Guidance page](#) of www.scotlgpsregs.org.

The transfer guidance does not contain any new factors but does provide additional information about how the McCloud remedy will affect certain calculations.

Interfund addendum

In October 2023, SPPA confirmed that interfund transfer payments in respect of members protected by the McCloud remedy could continue based on the methodology set out in the Individual Incoming & Outgoing Transfers guidance dated 14 August 2020. The Interfund guidance addendum published on 5 March 2024 confirms this arrangement can continue until 29 April 2024.

SPPA understands that updates to administration systems because of the new actuarial guidance will not happen immediately. These transitional arrangements aim to prevent administering authorities from building up a backlog of interfund cases while systems are updated and checked.

Update on transfers

Certain cases have been on hold since the LGPS regulations were amended to implement the McCloud remedy from 1 October 2023. Publication of the Individual Incoming & Outgoing Transfers guidance means administering authorities have the information they need to process:

- transfers in on Club and non-Club terms
- transfers out of deferred benefits on Club and non-Club terms.

We understand conversations with software suppliers about system updates to reflect the new calculations are ongoing. Administering authorities may wish to consider running manual calculations in urgent cases to ensure any statutory deadlines are met.

Action for administering authorities

Review the new guidance and amend your processes accordingly. Discuss the changes with your pensions administration software supplier.

Deferred refunds

There are outstanding queries concerning transfers out of deferred refunds. It is not clear whether the McCloud remedy applies to any or all members who hold a

deferred refund in the LGPS, nor whether they would gain or retain protection on transfer to a different public service pension scheme. We recommend the following:

- Club transfers of deferred refunds potentially impacted by the underpin: remain on hold
- non-Club transfers of deferred refunds: check whether the cash transfer sum would increase because of remedy protection. If not, the transfer can continue. If it would increase, we recommend the case remains on hold.

We will provide updates as soon as we can.

Divorce cases

Administering authorities can proceed with divorce quote cases for members protected by the McCloud remedy. In the coming weeks, SPPA will be issuing new actuarial guidance on divorce debits and credits which will be needed to process a pension sharing order for a member protected by the remedy.

Non-Club transfer spreadsheet

On 8 March 2024, Rachel Abbey emailed administering authorities confirming we have published a spreadsheet for calculating the McCloud element of a non-Club transfer value.

The spreadsheet is a basic one that will allow authorities to calculate the McCloud element of a non-Club transfer value for a member who is under 65. Authorities will need to have calculated the provisional underpin amount and provisional assumed benefits on the underpin date in order to use the calculator.

Please do read the 'notes' tab of the spreadsheet before using it.

The spreadsheet can be used for calculations in the current Scheme year. We are working on a new version of the calculator for relevant dates after March 2024. We will publish this as soon as we can.

We have not protected the spreadsheet. This is to allow users to make local changes to the appearance or labels of the spreadsheet. We recommend introducing protections to any local versions so the factors and formulas are not mistakenly over-written.

The calculator is on the [Administrator guides and documents page](#) of www.scotlgpsregs.org.

The publication of this tool does not change the transitional arrangements for interfund payments. Authorities can continue to calculate these payments in line

with the GAD guidance on incoming and outgoing transfers in force before 5 March 2024 until 29 April 2024.

We will not be creating a spreadsheet for Club transfers.

HMT

Spring Budget 2024

The Chancellor, Jeremy Hunt, delivered the Spring Budget on 6 March 2024. For the LGPS, the [Budget documents](#) confirm:

- the Government will work with the LGPS to consider the role they could play in unlocking investment in new children's homes
- as early as April 2024, the LGPS (England and Wales) will be required to publicly disclose the breakdown of their asset allocations, including UK equities.

The Finance Act 2004 (Registered Pension Schemes and Annual Allowance Charge) Order 2024

On 15 March 2024, HMT laid [The Finance Act 2004 \(Registered Pension Schemes and Annual Allowance Charge\) Order 2024](#) before Parliament.

Effective from 6 April 2024, for the tax year 2023/24 and all subsequent years, the regulations insert a new section 236ZA into the Finance Act 2004. The new section provides for service in a specified legacy public service pension scheme and service in a reformed scheme to be combined for calculating an individual's annual allowance pension input amount. This allows individuals to balance any negative input from a legacy scheme with a positive input from a reformed scheme.

The Order has no effect on LGPS annual allowance calculations. This is because separate pension input amounts are not calculated for final salary and CARE benefits.

The Pensions (Abolition of Lifetime Allowance Charge etc) Regulations 2024

HMT laid [The Pensions \(Abolition of Lifetime Allowance Charge etc\) Regulations 2024](#) before Parliament on 14 March 2024, coming into force on 6 April 2024.

They amend relevant legislation to ensure the smooth operation of the new pensions tax framework following the abolition of the lifetime allowance. This includes providing for transitional issues that were not included in the Finance Act

2024 and issues with the Act that were identified through consultation with industry after it was published.

The Pensions Increase (Review) (No.2) Order 2024

HMT laid [The Pensions Increase \(Review\) \(No.2\) Order 2024](#) before Parliament on 15 March 2024, coming into force on 8 April 2024.

On 8 March 2024, HMT initially laid [The Pensions Increase \(Review\) Order 2024](#). However, a sequencing error in relation to the equivalent benefits uprating order rendered it legally null. Consequently, HMT had to lay it again as a second order.

The Related legislation pages of www.lgpsregs.org and www.scotlgpsregs.org have been updated to refer to the second order.

The Public Service Pensions (Exercise of Powers, Compensation and Information) (Amendment) Directions 2024

HMT made The Public Service Pensions (Exercise of Powers, Compensation and Information) (Amendment) Directions 2024 on 20 March 2024, which came into force on 21 March 2024.

The Directions amend The Public Service Pensions (Exercise of Powers, Compensation and Information) Directions 2022. These complement the McCloud remedy legislation.

Specifically for the LGPS, the new directions delete the direction setting out the interest rate to apply on an amount owed by a member to the scheme and the direction providing for netting off. These were deemed unnecessary for the LGPS.

You can access both directions on the related legislation pages (see Directions and Guidance tab) of www.lgpsregs.org and www.scotlgpsregs.org.

HMRC

LTA guidance newsletter – March 2024

HMRC published a new [LTA guidance newsletter](#). The newsletter answers FAQs about the LTA abolition from April 2024. These cover the following topics:

- lump sums and lump sum death benefits
- protection and enhancement factors
- reporting requirements
- transitional tax-free amount certificates
- standard transitional calculations

- member statements
- pension commencement excess lump sums
- enhanced protection
- primary protection
- overseas transfer allowance.

HMRC updated the newsletter on 15 March 2024 adding extra information to questions 14, 20 and 37.

The newsletter complements previous guidance HMRC provided in:

- [LTA guidance newsletter – March 2023](#)
- [LTA guidance newsletter — December 2023](#)
- [pension schemes newsletter 155](#)
- [LTA guidance newsletter — February 2024](#).

McCloud

Consultation on statutory guidance

Con Hargrave, Senior Policy Adviser at the Department for Levelling Up, Housing and Communities (DLUHC), started a closed consultation on the draft McCloud statutory guidance on 1 March 2024.

The draft guidance was sent to:

- the McCloud statutory guidance working group
- the Scheme Advisory Board (England and Wales)
- software providers.

We are part of the guidance group, along with representatives from the regional pensions officer groups and fund actuaries.

The guidance will apply to administering authorities in England and Wales. We expect the Scottish Public Pensions Agency to issue similar guidance for authorities in Scotland. The guidance covers several issues related to the McCloud remedy, including:

- data collection and verification
- identifying members in scope
- prioritisation
- compensation.

The consultation ends on Friday 12 April 2024.

DWP

The Pensions Act 2004 (Codes of Practice) (Revocation) Order 2024

The Department for Work and Pensions (DWP) laid [The Pensions Act 2004 \(Codes of Practice\) \(Revocation\) Order 2024](#) on 4 March 2024, which came into force on 28 March 2024.

The Order revokes the 10 codes of practice from The Pensions Regulator that are now covered by the new general code of practice. This includes Code of Practice 14 (governance and administration of public service pension schemes).

Dashboards

Blog on common questions

On 21 March 2024, the Pensions Dashboard Programme (PDP) published a [blog addressing some common questions](#). These cover:

- What is the timeframe for returning value data triggered by a successful find request?
- Can trustees assume that user consent is present via the consent and authorisation service?
- Who is responsible for making additional voluntary contributions (AVCs) data available to members on dashboards?

Guidance on staged timetable

The DWP released [guidance on the staged timetable](#) on 25 March 2024, accompanied by a [written ministerial statement](#).

The Pensions Dashboard Regulations 2022 (as amended by The Pensions Dashboards (Amendment) Regulations 2023) provide for a single connection deadline of 31 October 2026 for relevant schemes to connect to the dashboard ecosystem.

The guidance published on 25 March 2024 sets out a staged timetable to smooth the process of connecting thousands of schemes by 31 October 2026. The guidance specifies 31 October 2025 for public service pension schemes. This date has been pushed back by one month from that initially proposed in 2023, to allow for a staging break in the summer of 2025.

Though the staged timetable is not mandatory, pension schemes must have regard to the guidance.

TPR

Blog on automatic enrolment

TPR published [a blog on automatic enrolment](#) on 4 March 2024.

The blog provides updates on the progress of automatic enrolment and highlights the efforts to ensure compliance with pension duties. The blog emphasises the importance of re-enrolment and compliance for employers, as well as the support available through the improved online service.

General Code of Practice update

The Department for Work and Pensions (DWP) laid [The Pensions Act 2004 \(General Code of Practice\) \(Appointed Day, Amendment and Revocations\) Order 2024](#) on 26 March 2024.

The Order appoints 28 March 2024 as the day for the coming into effect of TPR General Code of Practice.

The General Code of Practice was laid before Parliament in January 2024, which we covered in [Bulletin 246](#). It replaces Code of Practice 14 for public service pension schemes and brings together ten previous codes into one.

Speech on the growing role of TPR

Nausicaa Delfas, the Chief Executive of TPR, delivered a speech at the recent JP Morgan Pensions and Savings Symposium.

The speech looked at the evolving landscape of the pensions industry and the growing role of TPR.

You can read the [full speech on TPR's website](#).

Trustee diversity and inclusion survey

TPR published [the results of its first trustee diversity and inclusion survey](#) on 19 March 2024.

Conducted from July to August 2023, the survey garnered responses from 2,197 trustees and public service pension scheme board members.

The survey confirms that trustees / pension board members are less diverse than the overall population.

The results establish a baseline to measure progress towards ensuring high standards of diversity and inclusion on pension boards.

Other news and updates

Abolition of the LTA administrator guide

On 22 March 2024, Jayne Wiberg emailed administering authorities about the release of an administrator guide on the 'Abolition of the LTA' and a draft 'Previous pension benefits declaration form'.

The guide is to help LGPS administering authorities in England, Scotland and Wales implement the changes brought about by the abolition of the lifetime allowance (LTA) from 6 April 2024.

The declaration form is a first draft and still in development because we have not had a chance to consult with the Communications Working Group. However, we thought it might be helpful to publish our initial thoughts.

The guide represents our understanding of the Finance Act 2024, related FAQs and draft pension tax manual (PTM) guidance issued by HMRC.

The guide and form can be found on the Administrator guides and documents pages of www.lgpsregs.org and www.scotlgpsregs.org.

Action for administering authorities

Review the new guidance and amend your processes accordingly.

Bulletin 248 – annual update

On 13 March 2024, we published bulletin 248 setting out the rates and bands that apply from April 2024 for various purposes.

The bulletin can be found on the Bulletins pages of www.lgpsregs.org and www.scotlgpsregs.org.

National LGPS Technical Group minutes published

On 27 March 2024, we published the minutes from the National LGPS Technical Group meeting of 8 March 2024. Topics discussed included McCloud, dashboards, additional voluntary contributions and terms of reference.

You can find the minutes on the Technical group pages of www.lgpsregs.org and www.scotlgpsregs.org.

Transfer GAD guidance – errors in the examples

We have become aware of errors in the examples within the latest version of the Transfer GAD guidance.

We have contacted GAD detailing these errors and asked them to correct them as soon as possible.

You can access the Transfer GAD guidance on the Actuarial guidance pages of www.lgpsregs.org or www.scotlgpsregs.org.

HM Treasury revaluation issue 2021 and 2022

On 6 July 2023, HM Treasury (HMT) issued a [written ministerial statement](#) acknowledging an error in the earnings percentages used in HMT revaluation orders for the years 2020/21 to 2021/22. These orders are used to revalue CARE benefits in public service schemes.

Historically, HMT used the Office for National Statistics (ONS) final earnings figure released in December for the year ending the previous September. However, for the years 2020/21 and 2021/22, HMT instead used the provisional figures released in November. This meant that 2.4 per cent was used instead of 2.6 per cent for 2020/21 and 4.1 per cent instead of 4.5 per cent for 2021/22.

HMT said in the statement that:

“It is the Government’s view that the previous practice of using the revised [final] ONS estimates should have been maintained for 2021 and 2022. The Government thus intends to correct the position”

The schemes which used earnings for HM Treasury revaluation for these years are the Firefighters and Armed Forces CARE schemes.

The issue is being corrected by amending each scheme’s regulations. Thus far, the following schemes have amended their regulations to correct the issue:

- Firefighters’ CARE Scheme (England) (amendments took effect from 27 March 2024)
- Firefighters’ CARE Scheme (Scotland) (amendments took effect from 2 February 2024).

Further updates will be provided once the other schemes update their regulations.

The issue also impacts inner-Club transfers from the affected schemes to other public service schemes (such as the LGPS). This is because the transfer credits should reflect the same revaluation as the sending scheme.

For inner-Club transfers with a relevant date after 31 March 2021, we are waiting to hear whether, and how, these will need to be recalculated. We will update administering authorities when we know more.

Training

Training programme 2024

All 2024 training events are available to book via the [LGA events website](#). The link for each course contains the course programme, pricing and booking link.

Bookings are on a first come, first served basis. Each topic is capped at five delegates per organisation over the course of the training programme.

If you are unable to book a place on a course, or would like more than five places, email training.lgps@local.gov.uk with details of the course you would like to attend. Please include how many places you require and the format - online or in person. We will keep a waiting list and consider running additional training if the demand is high enough.

We also accept requests for commissioned training. If you would like us to run training for your authority, or a group of authorities, please email training.lgps@local.gov.uk.

Aggregation training (England and Wales)

- [18 June 2024 – London](#)

Survivor benefits training (England and Wales)

- [30 October 2024 - London](#)
- [6 November 2024 – online](#)
- [13 November 2024 – online](#)

Employer role training (England and Wales)

- [13 August 2024 – London](#)
- [29 August 2024 – online](#)
- [1 October 2024 – online](#)
- [7 November 2024 – online](#)
- [6 December 2024 – online](#)

Action for administering authorities

Share information about the employer role training with your Scheme employers.

Discuss potential for commissioned training at Pension Officer Group meetings.

Wider landscape

Considering Social Factors in Pension Scheme Investment guidance

The Taskforce on Social Factors has published guidance called '[Considering Social Factors in Pension Scheme Investments](#)'.

The guidance aims to support pension schemes in assessing the social risks and opportunities of their scheme's investment.

Teachers' Pension Scheme (TPS) grant guidance

On 11 March 2024, the Education and Skills Funding Agency added [guidance for 2024 to 2025](#). The guidance sets out how the TPS employer contribution grant is allocated. The grant provides funding to cover the increased TPS employer contributions.

Legislation

Statutory Instruments

[The Finance Act 2004 \(Registered Pension Schemes and Annual Allowance Charge\) Order 2024](#) [SI 2024/357]

[The North East Mayoral Combined Authority \(Establishment and Functions\) Order 2024](#) [SI 2024/402]

[The Pensions Act 2024 \(Codes of Practice\) \(Revocation\) Order 2024](#) [SI 2024/273]

[The Pensions Act 2004 \(General Code of Practice\) \(Appointed Day, Amendment and Revocations\) Order 2024](#) [SI 2024/273]

[The Pensions \(Abolition of Lifetime Allowance Charge etc\) Regulations 2024](#) [SI 2024/356]

[The Pensions Increase \(Review\) \(No.2\) Order 2024](#) [SI 2024/372]

[The South Yorkshire Mayoral Combined Authority \(Election of Mayor and Transfer of Police and Crime Commissioner Functions\) Order 2024](#) [SI 2024/414]

Useful links

[LGPS member website \(England and Wales\)](#)

[LGPS member website \(Scotland\)](#)

[LGPS Advisory Board website \(England and Wales\)](#)

[LGPS Advisory Board website \(Scotland\)](#)

[LGPS Regulations and Guidance website \(England and Wales\)](#)

[LGPS Regulations and Guidance website \(Scotland\)](#)

[Public Sector Transfer Club](#)

[Recognised Overseas Pension Schemes](#) that have told HMRC that they meet the conditions to be a ROPS and have asked to be included on the list.

LGPS pensions section

Raising a query

If you have a technical query, please email query.lgps@local.gov.uk and one of the team's LGPS pension advisers will get back to you. To avoid delays in receiving a response, please do not email advisers directly.

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Further information

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Whilst every attempt is made to ensure the accuracy of the bulletin, it would be helpful if readers could bring to the attention of the Secretariat any perceived errors or omissions by emailing query.lgps@local.gov.uk.

LGPC Bulletin 250 – April 2024

This bulletin contains updates for all LGPS stakeholders. It includes important articles on:

- [Gender Pensions Gap – virtual event on 9 May 2024 at 2pm](#) – share details of the event.
- [Pension schemes newsletter 157](#) – ensure you are using the correct HMRC form for QROPS transfers.
- [Annual benefit statement wording \(McCloud\)](#) – consider using the standard wording in the 2024 annual benefit statements.
- [Impact of the abolition of the LTA on the McCloud remedy](#) – make further enquiries in respect of an application for a transitional tax-free amount certificate from a member with previous benefits in a different public service scheme.
- [Abolition of the LTA administrator guide](#) - review and implement changes.
- [New page for LGPS job adverts](#) - make relevant people aware of the page.

which need action by certain stakeholders.

If you have any comments or articles for future bulletins, please contact query.lgps@local.gov.uk.

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LGPS England & Wales Scheme Advisory Board (SAB)

Audit information note being finalised

As reported in [bulletin 247](#), the SAB and the Institute of Chartered Accountants in England and Wales (ICAEW) have jointly commissioned an information note. The note sets out the timeline and information flow for the triennial valuation, audit and accounting processes in the LGPS. It explains the current accounting requirements, information flows, valuation processes and the various roles of actuaries, employers, and administering authorities during key times.

The document is being finalised, following feedback from the SAB's audit roundtable on 17 April 2024, and will be made available in the coming weeks.

Cost control assessment complete

The Government Actuary's Department has recently published the [2020 cost control valuation](#) for the LGPS (England and Wales).

The valuation found the core 'cost cap cost' falls outside the 3 per cent corridor - 3.2 per cent below target cost. The new 'economic cost cap cost' also falls outside the 3 per cent corridor though in the other direction - 7.3 per cent above target cost. As a result, the mechanism as a whole is not breached and the Government is not proposing to make any changes to scheme benefits.

The SAB is required to undertake a scheme cost assessment and the final report will be published shortly. However, the Board has already seen the initial results and agreed not to recommend to the Secretary of State any changes to benefits through that process.

More details are available on the [SAB website news page](#).

Economic Activity of Public Bodies (Overseas Matters) Bill enters Lords Committee Stage

The [Economic Activity of Public Bodies \(Overseas Matters\) Bill](#), also known as the Boycotts, Divestments and Sanctions Bill, was discussed for a second time in the House of Lords on 17 April 2024. The recording of the discussion is available on [parliamentlive.tv](#) - discussion starts from 16:28:35.

The LGA has published a [technical briefing](#) commenting on proposed amendments and current concerns with the Bill. To date, none of the amendments proposed by peers, or by the LGA, have been incorporated into the Bill.

The Bill team has indicated their expectation that Royal Assent will be attained swiftly once Parliamentary proceedings are complete.

Gender Pensions Gap – virtual event on 9 May 2024 at 2pm

As part of the SAB's ongoing work programme on the Gender Pensions Gap, the LGA is hosting a virtual event. During the event, they will look at how and when pensions gaps arise and actions that can be taken to help to close or reduce the gap over time.

This event is aimed at HR/Senior Managers at Councils and interested LGPS administrators. It will take place on 9 May 2024 at 2pm and is free for local authorities who are LGA members. For more information and to book a place, visit [the event's page on the LGA website](#).

Action for administering authorities

Share the details of the event with HR professionals at your authority, as well as senior managers at local authority employers and interested LGPS officers.

LGPS Live webinar on the new Annual Report Guidance

The updated guidance for preparing the fund annual report can be found on the [SAB website](#). As confirmed in [bulletin 247](#), the guidance says administering authorities should use their best endeavours to comply fully with the requirements for 2023/24 but exercise judgement where, because of changes to the previous content, to do so would require disproportionate effort or cost.

The April edition of LGPS Live addressed what the new guidance covers and how it differs from the 2019 guidance in a discussion with joint authors of the guidance. This included representatives from the SAB, Department for Levelling Up, Housing and Communities (DLUHC) and the Chartered Institute of Public Finance and Accountancy (CIPFA), along with LGPS experts. The recording of the session is available on the [LGPS Live website](#).

Minor correction to Annual Report Guidance and overview document published

The new Annual Report guidance has had two minor corrections made to references in the last two rows of the table on page 29. The references were previously D5 and D6 but should be E5 and E6. The updated guidance is available on the [SAB website](#).

A short document has also been published on the [SAB website](#), giving a high-level overview of key areas in the new guidance where there has been significant change or new reporting added, compared to the previous guidance.

Website

[The SAB's website](#) provides information about its work. Use the links below to find out more about:

- [a summary of the last Board meeting](#)
- [latest news](#)
- [SAB meeting and agenda papers](#)
- [committee meetings and agenda papers](#)
- [Responsible Investment Advisory Group meetings and agenda papers](#).

Your LGPS contacts – stay connected

The SAB secretariat uses the 'Your LGPS Contacts' database to keep practitioners informed about its ongoing and future workstreams. Unfortunately, emails often result in a high number of 'undeliverable' messages. Therefore, the SAB Secretariat asks that all administering authorities review their political and finance contacts as soon as possible and, in particular, if these change following upcoming local elections.

Administering authorities are responsible for maintaining their contacts details on '[Your LGPS Contacts](#)'. Authorities should regularly review their details so they remain accurate and up to date.

Action for administering authorities

Review and update the information on '[Your LGPS contacts](#)'.

LGPS England and Wales

LGPS guidance for academies

The Education & Skills Funding Agency has released [new LGPS guidance for academies](#). The guidance, produced by the Academy Working Group, was published on 24 April 2024 and is aimed at academies in England.

Key areas of the guidance:

- LGPS overview
- regular valuations
- LGPS academy guarantee from the Department for Education

- pooling
 - academy conversions and transfers
 - engaging with the LGPS.
-

LGPS Scotland

2020 HM Treasury cost control mechanism results

On 19 April 2024, the Government Actuary's Department released [the results for the 2020 HM Treasury cost control](#).

The results showed that the core cost was 12.4 per cent of pensionable pay. This is 2.8 per cent below the employer cost cap of 15.2 per cent. As this lies within 3 per cent of the cost cap corridor, there is no breach of the cost control mechanism. Therefore, there is no requirement for Scottish Ministers to consult on changes to the scheme.

HMRC

Abolition of the LTA

Consolidated version of the FAQs

On 26 April 2024, HMRC published a [consolidated version of all the frequently asked questions](#) (FAQs) published, in pension scheme newsletters and Lifetime Allowance (LTA) newsletters, since January 2024. Including those published in [pension schemes newsletter 157](#).

Updates to PTM

HMRC [updated the Pensions Tax Manual](#) (PTM) with the changes brought about by the abolition of the LTA on 6 April 2024.

The PTM details the changes made by Finance Act 2024 and the Pensions (Abolition of Lifetime Allowance Charge etc) Regulations 2024. Any changes subject to further regulations will be highlighted in the PTM by pointing users towards the relevant LTA newsletters.

If you have feedback on or wish to request changes to the PTM, please send these to ptm.consultation@hmrc.gov.uk.

Pension schemes newsletter 157

HMRC published [pension schemes newsletter 157](#) on 28 March 2024.

The newsletter covers:

- additional security on the Managing Pension Schemes service
- migrating to the Managing Pension Schemes service
- updates to HMRC forms that are used for qualifying recognised overseas pension schemes (QROPS) transfers
- an invitation to volunteer to assist HMRC develop the function to submit the APSS262 form on the Managing Pension Schemes service
- updates to the event report due to the abolition of the LTA.

The newsletter also contains additional FAQs on the abolition of the LTA.

Action for administering authorities

Ensure you are using the correct version of the HMRC forms for QROPS transfers.

Consider if you wish to volunteer to help HMRC develop the function to submit the APSS262 form on the Managing Pension Schemes service.

Pension schemes newsletter 158

On 4 April 2024, HMRC published [pension schemes newsletter 158](#). The newsletter gives more information on the abolition of the LTA. This includes:

- an update on future communications and guidance
- an outline of changes that will shortly be made through regulations. These will have effect from 6 April 2024 and cover:
 - transitional tax-free amount certificates
 - reporting requirements
 - protections
 - lump sum death benefits
 - overseas transfer allowance
 - scheme-specific lump sum protection
- guidance on how schemes should operate before the regulations come into force.

The newsletter also covers the impact of the abolition of the LTA on the McCloud remedy. See the [McCloud section](#).

Pension schemes newsletter 159

On 26 April 2024, HMRC published [pension schemes newsletter 159](#). The newsletter gives more information on the abolition of the LTA. This includes clarification on:

- how to treat benefits paid from 6 April 2024 where the individual became entitled to them before that date
- pension commencement excess lump sums
- the statutory override
- lump sum death benefits and transitional calculations
- how to deal with cases where further regulations are required and the member requires payment and cannot wait due to financial hardship
- lump sum reporting.

The newsletter also covers the tax treatment of interest payments for McCloud recalculations (covered in an [article under the McCloud section](#)).

McCloud

Annual benefit statement wording

The LGA, in conjunction with the Communications Working Group, has produced standard wording for administering authorities to use in the 2024 annual benefit statements. Using the standard wording will help to provide a consistent message to LGPS members.

The McCloud remedy

When public service pension schemes changed from final salary schemes to career average schemes in 2014 and 2015, older members were protected from the changes.

In 2018, the Courts found that younger members had been discriminated against because the protection did not apply to them. Changes made to the LGPS from 1 October 2023 removes the discrimination found in the court case. These changes are called the McCloud remedy.

Not all LGPS members are affected by the changes. You can find more information on the national LGPS website, including a short video. Please visit www.lgpsmember.org/mccloud-remedy/ [or, for Scotland, Please visit www.scotlgpsmember.org/mccloud-remedy/].

If you are affected, you do not need to write into the pension fund or make any decisions. If you are contacted by a third party organisation selling a service to help you claim additional pension, you should not engage with them.

As a member of the LGPS, you do not need to take any action to claim your protection under the McCloud remedy. If you qualify, the pension fund will automatically apply the protection when you take your LGPS pension.

Action for administering authorities

Consider using the standard wording in the 2024 annual benefit statements.

Impact of the abolition of the LTA on the McCloud remedy

On 4 April 2024, HMRC published [pension schemes newsletter 158](#), which covers the consequences of abolishing the lifetime allowance (LTA) on the McCloud remedy. For the LGPS, the key points are:

- Pensioner members will have a new tax entitlement if their benefits increase due to McCloud recalculations. The original benefit crystallisation events do not change.
- If the entitlement to the extra pension arises after 5 April 2024 and the member can and does elect to commute part of the extra pension for lump sum, a relevant benefit crystallisation event (RBCE) occurs, using up some of their lump sum allowance and lump sum death benefit allowance.
- Regulation 31 of The Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) Regulations 2023 needs to be amended. It covers top-up death grants from McCloud recalculations. It aims to treat top-up death grants paid after the 'relevant two-year period' as being paid within that period for tax purposes if the original death grant was. The 'relevant two-year period' begins with the date the administrator first knew of the death, or could first reasonably have known of it. Due to changes to abolish the LTA from 6 April 2024, regulation 31 no longer delivers the intention. HMRC will consult with public service schemes to resolve this.
- Administering authorities will need to be careful upon receiving transitional tax-free amount certificate applications from members with previous benefits in other public service schemes - other than the LGPS. This is due to the retrospective nature of the McCloud remedy in those schemes. Before issuing a certificate, additional enquiries are necessary. For more

information, refer to the section entitled 'Transitional tax-free amount – all scheme types' in newsletter 158.

- HMRC plans to extend the deadline for applying for Fixed Protection 2016 or Individual Protection 2016 for members with remediable service, changing it from 5 April 2025 to 5 April 2027.

Action for administering authorities

Make further enquiries if you receive a transitional tax-free amount certificate application for a member who has previous benefits in a different public service pension scheme.

LGA response to McCloud implementation statutory guidance consultation – England & Wales

Earlier in April, LGA responded to DLUHC's closed consultation on draft statutory guidance on McCloud implementation. On 29 April 2024, we emailed administering authorities, software suppliers and actuarial firms to provide a link to a copy of our response.

As the consultation was closed, we are waiting for DLUHC to confirm if we can publish the draft guidance and our response. However, we wanted stakeholders to be aware of the comments we had made about the draft guidance and any issues we raised in our response.

If you represent an administering authority in England or Wales and you did not receive the 29 April 2024 email, please contact rachel.abbey@local.gov.uk to request a link to the LGA response.

Tax treatment of interest payment on McCloud recalculations

In [newsletter 159](#), HMRC confirmed it has updated previous guidance in [newsletter 156](#) regarding the tax treatment of interest payments on arrears / top up payments stemming from McCloud recalculations.

Before it was updated, newsletter 156 suggested a portion of the interest payment may have been an unauthorised payment. The updated guidance clarifies if the interest is paid on an authorised payment, the whole interest payment is also an authorised payment. See the amended guidance in [newsletter 156](#) for more details.

Temporary unavailability of remedy adjustment online service

Due to an urgent technical issue, HMRC's public service pensions remedy adjustment online service is currently offline.

The online service allowed members to calculate and report annual allowance and lifetime allowance tax adjustments due to the McCloud remedy to HMRC.

HMRC is working on reinstating the online service. There is no timescale for when they expect this to be done.

Therefore, members are currently unable to calculate and report their relevant tax adjustments to HMRC. HMRC apologises to any LGPS members affected.

Next steps

- **For updates:** HMRC will contact members when the service is reinstated. To be included in these updates, members should email publicservicepensionsremedy@hmrc.gov.uk, putting 'PSPR submission' as the title and giving their name and contact email address / number. Members can also monitor the service's status by visiting [the online service's availability page](#).
- **For members unable to wait for the service to be reinstated:** HMRC is exploring potential alternative solutions. Affected members should send their name and contact number / email address to publicservicepensionsremedy@hmrc.gov.uk. HMRC will contact them with details of an alternative solution as soon as it is available.

Action for administering authorities

If you are aware of any members who need to calculate and report an annual allowance or lifetime allowance adjustment due to the McCloud remedy to HMRC, share this article with them.

Dashboards

Check your 'connect by' date

The Pensions Regulator (TPR) has published a ['Check your connect by date' tool](#). Administrators can use this tool to work out by when they should connect to the dashboards ecosystem in line with guidance published by the Department for Work and Pensions (DWP).

All public service pension schemes should connect to the ecosystem by 31 October 2025.

FCA consultation on regulatory framework for firms offering dashboards

On 27 March 2024, the Financial Conduct Authority (FCA) started [a consultation on new guidance for firms intending to offer dashboards to customers](#). The new guidance is intended to help firms understand the scope of offering dashboards – which is a new regulated activity and when FCA authorisation and permission is required.

The consultation closes on 8 May 2024.

PDP progress update report

PDP published its [ninth progress update report](#) on 26 April 2024.

The report looks back at the achievements since October 2023, as well as looking ahead to its focus areas for the next six months.

TPR

Blog on equality, diversity and inclusion

On 26 March 2024, TPR published [a blog on equality, diversity and inclusion](#): how transparency can help to build trust. The blog discusses transparency on TPR's pay gaps and why this is a small but important part of making workplace pensions for all savers. It also includes publication of TPR's gender pay gap data.

Other news and updates

Abolition of the LTA administrator guide

We have published two updates to the administrator guide since it was first published on 22 March 2024.

Version 2.0 was published on 2 April 2024 and version 2.1 on 26 April 2024.

The main changes:

- clarify a pension commencement excess lump sum (PCELS) can be paid when none of the member's lump sum allowance (LSA) or lump sum death benefits allowance (LSDBA) is available – the guide incorrectly said 'LSA and LSDBA'
- confirm HMRC has advised the new method of valuing crystallised rights when assessing if a trivial commutation lump sum can be paid is under review

- clarify the rules around reporting and paying tax charges on lump sum death benefits – the personal representative is responsible for assessing if the LSDBA has been exceeded. Administering authorities do not need collect information about previous pension benefits when paying a death grant.

There are many other important changes. We provided a full list when we emailed authorities to notify the guide had been updated. You can also view the changes in tracked versions of the guide.

Clean and tracked version are available on the Administrator guides and documents pages of www.lgpsregs.org and www.scotlgpsregs.org. To view old versions of guides and documents, you need to tick 'old' under status in the blue filters bar.

We are still waiting for DLUHC / SPPA to confirm if a PCELS can be paid from the LGPS. If you have any live cases please email query.lgps@local.gov.uk with the details.

Action for administering authorities

Review the revised guidance and amend your processes accordingly.

Let us know if you have any cases where a PCELS could be paid.

Previous benefits declaration form

On 26 April 2024, we published an updated version of the declaration form. The initial form was published as a draft on 2 April 2024.

We also circulated [draft notes on completing the declaration form](#) for members. The notes are currently under review and will be finalised shortly.

The declaration form is designed to be sent as a hard copy. If authorities wish to upload it to a website, they will need to amend it to make sure it complies with [Web Content Accessibility Guidelines \(WCAG\)](#).

Although authorities only need to know the used up lifetime allowance (LTA) per cent from benefit crystallisation events that took place between 6 April 2006 and 5 April 2024, the declaration form allows members to provide pension and lump sum amounts where they do not know their used up LTA.

We included these columns because feedback from the Communications Working Group (CWG) indicated members do not often know their percentage of used up LTA, but they can provide their pension and lump sum figures. We understand authorities will make further enquiries if the member is near the limit of the lump sum allowances. The declaration form also assumes authorities will make further

enquiries if the member ticks they are taking other pension benefits on the same day.

We thank the CWG for their help in producing these documents.

Version 1.0 of the form is available on the Administrator guides and documents pages of www.lgpsregs.org and www.scotlgpsregs.org.

Cost control judicial review

On 17 April 2024, the Court of Appeal published its verdict on the case of [The British Medical Association, R \(on the Application Of\) v His Majesty's Treasury & Anor 2024](#).

The British Medical Association and the Fire Brigades Union judicially reviewed the Public Service Pensions (Valuations and Employer Cost Cap) (Amendment) Directions 2021. These directions set out that McCloud costs are included as member costs in HM Treasury's cost control process.

In March 2023, the High Court dismissed the judicial review - see [Bulletin 236](#). Following this, the unions took their appeal to the Court of Appeal, which has also dismissed their appeal.

HM Treasury revaluation issue 2021 and 2022

[Bulletin 249](#) covered the HM Treasury revaluation issue for years 2021 and 2022.

Regulatory amendments were necessary for the firefighter and armed forces CARE schemes to correct the issue. So far, the following have been amended:

- Firefighters' CARE Scheme (England) (amendments took effect from 27 March 2024)
- Firefighters' CARE Scheme (Scotland) (amendments took effect from 2 February 2024)
- Armed Forces CARE scheme (UK) (amendments took effect from 6 May 2024).

We will provide updates when the regulations for the firefighter schemes in Wales and Northern Ireland are updated.

New page for LGPS job adverts

We have set up a new webpage to advertise current [LGPS job vacancies](#). We will no longer be sending out details of vacancies by email. You can find a link to the jobs page in the menu at the top right of the screen on www.lgpsregs.org and www.scotlgpsregs.org.

If you would like to advertise an LGPS job, email query.lgps@local.gov.uk and use 'Job advert' as the subject of your email. Please let us know:

- employer
- job title
- application link
- location
- closing date.

We plan to update the page every Monday. Please email us by the end of a Thursday with details of any job you want us to advertise the following week.

If you have recently contacted us to share details of a current vacancy, and the closing date has not yet passed, that job should already be on the new page. Let us know by contacting query.lgps@local.gov.uk if any open vacancies are missing or if you spot any errors.

The LGPS investment pool Border to Coast has produced a video that will shortly be made available on the [LGPS Jobs page](#). It is a two minute video that can be used by LGPS funds to help encourage interest in working in the LGPS. The video talks about the work of funds and the importance of the LGPS to its members.

Where you are advertising / promoting vacancies on social media, we strongly encourage you to use #LGPSJobs. This will enable potential candidates to find job opportunities more easily.

Action for administering authorities

Let your teams and anyone in your organisation responsible for advertising LGPS vacancies know about the new page and video www.lgpsregs.org/jobs.php. Use #LGPSJobs on social media platforms.

CWG minutes published

We have published the minutes of the Communications Working Group (CWG) meeting held on 11 April 2024. At the meeting the group discussed:

- member engagement
- promotion of the LGPS
- latest updates on McCloud and pensions dashboards
- the abolition of the lifetime allowance
- the workplan for 2024/25 – which has now been published.

You can find the 2024/25 workplan and the minutes from past meetings on the:

- [Communications Working Group page \(England and Wales\)](#)
- [Communications Working Group page \(Scotland\)](#).

LGPC minutes published

On 16 April 2024, the draft minutes of the LGPC meeting held on 11 March 2024 were published. The minutes will be agreed at the next meeting. Topics discussed included:

- restructure of LGPC secretariat team
- subscriptions for 2024/25
- regulatory updates
- SAB update
- Technical Group update
- training and conference update.

The minutes can be found on the LGPC minutes page of www.lgpsregs.org and www.scotlgpsregs.org.

Training

Training programme 2024

All 2024 training events are available to book via the [LGA events website](#). The link for each course contains the course programme, pricing and booking link.

Bookings are on a first come, first served basis. Each topic is capped at five delegates per organisation over the course of the training programme.

If you are unable to book a place on a course, or would like more than five places, email training.lgps@local.gov.uk with details of the course you would like to attend. Please include how many places you require and the format - online or in person. We will keep a waiting list and consider running additional training if the demand is high enough.

We also accept requests for commissioned training. If you would like us to run training for your authority, or a group of authorities, please email training.lgps@local.gov.uk.

Aggregation training (England and Wales)

- [1 August 2024 - online](#)

Survivor benefits training (England and Wales)

- [6 November 2024 – online](#)

- [13 November 2024 – online](#)

Employer role training (England and Wales)

- [13 August 2024 – London](#)
- [29 August 2024 – online](#)
- [1 October 2024 – online](#)
- [7 November 2024 – online](#)
- [6 December 2024 – online](#)

Transfer training (England and Wales)

All courses are currently at capacity.

Insight training (England and Wales)

All courses are currently at capacity.

Action for administering authorities

Share information about the employer role training with your Scheme employers.

Discuss potential for commissioned training at Pension Officer Group meetings.

Wider landscape

2020 HM Treasury cost control valuation results

The Government Actuary's Department (GAD) has published the [2020 cost control valuation results](#).

These cover 20 public service pension schemes across all regions of the UK. The valuations assess the results of the cost control mechanism. For the unfunded schemes, they also outline employer contribution rates from April 2024.

See the above [Scheme Advisory Board \(England and Wales\) section](#) for an article on the LGPS (England and Wales) results and the [Scotland section](#) for an article on the LGPS (Scotland) results.

For information on the results of the other public service pension schemes, visit [GAD's page of the gov.uk website](#) (see 'Latest from the Government Actuary's Department').

Useful links

[LGPS member website \(England and Wales\)](#)

[LGPS member website \(Scotland\)](#)

[LGPS Advisory Board website \(England and Wales\)](#)

[LGPS Advisory Board website \(Scotland\)](#)

[LGPS Regulations and Guidance website \(England and Wales\)](#)

[LGPS Regulations and Guidance website \(Scotland\)](#)

[Current LGPS job vacancies](#)

[Public Sector Transfer Club](#)

[Recognised Overseas Pension Schemes](#) that have told HMRC that they meet the conditions to be a ROPS and have asked to be included on the list.

LGPS pensions section

Raising a query

If you have a technical query, please email query.lgps@local.gov.uk and one of the team's LGPS pension advisers will get back to you. To avoid delays in receiving a response, please do not email advisers directly.

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Whilst every attempt is made to ensure the accuracy of the bulletin, it would be helpful if readers could bring to the attention of the Secretariat any perceived errors or omissions by emailing query.lgps@local.gov.uk.

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LGPC Bulletin 251 – May 2024

This bulletin contains updates for all LGPS stakeholders. It includes important articles on:

- [Gender pensions gap research – call for volunteers](#) - share with employers
- updates to guides and factsheets ([England and Wales article](#)) ([Scotland article](#)) - update any local versions of the guides, factsheets and leaflets
- [PCELS update](#) (England and Wales) - review and apply the transitional arrangements
- [Data standards version 1.2](#) - discuss the data standards with ISP to make sure the ISP is compliant
- [consultation on PSIG](#) - consider responding to the consultation
- [previous pension benefits declaration form version 1.1](#) - review and consider using the updated form and the accompanying notes

which need action by certain stakeholders.

If you have any comments or articles for future bulletins, please contact query.lgps@local.gov.uk.

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LGPS England & Wales Scheme Advisory Board (SAB)

Annual report guidance

The SAB intends to briefly review the [current version of the annual report guidance](#) towards the end of 2024. The review will obtain feedback from administering authorities on their experience of implementing the guidance.

The current version of the guidance was published in March 2024, which we covered in [Bulletin 249](#).

Additionally, the LGA and the Department for Levelling Up, Housing and Communities (DLUHC) will meet to review proposals to amend the SF3 return so that it asks for a similar table of data on investments.

Audit information guide

As reported in [Bulletin 250](#), the Board along with the Institute for Chartered Accountants in England and Wales has commissioned a guide to explain the timeline and information flow for triennial valuation and accounting/audit purposes.

The guide should be published imminently on the [Board's website](#).

The aims of the guide are:

- to aid mutual understanding, explaining some of the background and respective constraints
- to include signposting for the different parties to where they should be requesting the information they need
- to provide visual maps showing the flow of information between employers, actuaries, funds, custodians and auditors
- to provide a model questionnaire with key questions for actuaries to complete each year and provide to scheme employer auditors.

The intended audience are auditors, fund practitioners and employers. Once published, administering authorities will be encouraged to share the guide with employers.

Consolidation of LGPS administering authorities

The Local Government Minister, Simon Hoare MP, has written to all LGPS administering authority chief executives in England, asking them for an update on pooling of investments. At the same time, he asked them to consider whether they could make 'long-term savings and efficiencies if your LGPS fund became part of a larger fund through merger or creation of a larger pensions authority'. The Minister

asked for 'plans' to be returned by 19 July 2024 and has held roundtable events to discuss the plans.

The Board presumes that the calling of the General Election for 4 July 2024 means that the responses are no longer expected, but it is possible that some administering authorities may wish to respond.

In response to this and ongoing discussion within the LGPS community on structures, the Board is also arranging several events in late June. Pension committee chairs have been invited to a discussion with the Board's Chair, Cllr Roger Phillips, in person on 27 June 2024 at the LGA offices, and online on 25 June – both 6pm to 7pm. Officers will shortly be invited by email to an in-person event at the LGA offices at 11am on 17 June 2024. The event will be chaired by Jo Donnelly and held under Chatham House rules.

Funding strategy statement (FSS) guidance

The current FSS guidance was last updated in 2016. The Board has established a working group and has begun a detailed review of the guidance. As part of this, the group is currently drafting revised content with the ambition to:

- deal more fully with the setting up of academies on conversion
- cover the 'new' employer flexibilities and deferred debt arrangements
- develop guidance on consulting with employers and other relevant parties
- address recent employer representations around asset strategies and 'partial terminations'
- give pointers on policies needed for considering exit debts and credits.

Key aims are to make the guidance shorter, sharper and more accessible for all stakeholders – such as scheme employers. The ambition is to get a revised draft approved through SAB, the Chartered Institute of Public Finance and Accountancy (CIPFA) and DLUHC channels before the end of the calendar year.

Gender pensions gap research – call for volunteers

As part of the ongoing work that the SAB is doing on the gender pensions gap in the LGPS, we are looking for employers interested in taking part in further research to help determine the underlying causes of the gap and ways to help close the gap. We would appreciate the support of fund officers in sharing this request with their employers. Those who are interested can contact the SAB by emailing sabsecretariat@local.gov.uk.

Action for administering authorities

Share with your employers the SAB's call for volunteers.

Gender pensions gap - letter to the Chief Secretary to the Treasury

The Board has sent [a letter about the gender pensions gap](#) to the Chief Secretary to the Treasury, Laura Trott MP. The letter suggests that the Government takes a consistent and active approach to the gender pensions gap across public sector pension schemes.

Cllr Roger Phillips, the Board Chair, argued that a gender pensions gap analysis, like that commissioned by the Board, would give a dynamic picture of how scheme members' salaries change over time and illustrates the different trajectories of men and women's careers. As such it would add context and richness to the statutory gender pay analysis that public sector employers already undertake.

An update on the work of the Gender Pensions Gap Working Group will be provided to the Cost Management, Benefit Design and Administration Committee when it next meets on 1 July 2024.

Good governance consultation update

The Board had hoped that the long-awaited consultation on DLUHC's response to the good governance recommendations would be launched in early summer 2024. The consultation was expected to include draft amendments to regulations and guidance to implement most of the recommendations made. The main regulations that were to be changed were regulations 55 (governance compliance statements) and 59 (pension administration strategy).

This will now be delayed due to the General Election on 4 July.

The Local Government Minister has allowed budget in year 2024/25 for the SAB to take on another member of staff, with initial thinking being that this person will scope out the good governance recommendation to establish a peer support offer for LGPS funds.

Opt out survey now live

On 20 May 2024, the Board issued a short survey to local government employers with the aim of improving understanding of the LGPS membership and why some people choose to opt out.

The Board is interested in what data these employers hold, their experience of staff opting out and the value placed on offering a high-quality defined benefit scheme like the LGPS in recruitment and retention.

The survey was sent to the main HR/personnel contacts within the LGA's member councils. It closes on 7 June 2024.

The Pensions Regulator's (TPR) new General Code

In February 2024, shortly after the new Code was published, the Board held an online focus group for administering authorities. The purpose was to gather initial feedback on the Code and understand what support and interpretation is needed to assist authorities with compliance.

Subsequently, the SAB Secretariat met separately with the main governance advisers to ensure that there are no mixed messages being sent to administering authorities. The Secretariat also hosted a webinar to discuss the Code's requirements and challenges it presents for the LGPS.

The Secretariat knows that there are clear overlaps in some modules with the expected-consultation on the good governance recommendations (as well as the compliance and reporting committee's workstreams). While the Secretariat hopes that implementation of the good governance recommendations should help resolve some of the ambiguity, authorities should not delay reviewing their own compliance with the Code while awaiting the consultation.

The Board has also met with TPR to discuss the review of the public sector toolkit. TPR has said that this is being revised but would not commit to it remaining a standalone product for the public sector and said it might be incorporated into a new series of thematic toolkits that they were producing.

Valuation reports

Regulation 66 of the LGPS Regulations 2013 requires administering authorities to publish and supply to the Secretary of State any valuation reports or certificates obtained under regulations 62 or 64. The Board reasonably assumes that this is intended to also apply to regulations 64A and 64B.

The Board would appreciate it if administering authorities also share valuation reports, including updates/variations, with the Board, so that it can maintain its [fund valuation page on its website](#).

When sending updates or variations, it would be helpful to flag where changes have been made so the Board can keep a clear account of changes on its website.

Website

[The SAB's website](#) provides information about its work. Use the links below to find out more about:

- [a summary of the last Board meeting](#)
 - [latest news](#)
 - [SAB meeting and agenda papers](#)
 - [committee meetings and agenda papers](#)
 - [Responsible Investment Advisory Group meetings and agenda papers.](#)
-

LGPS England & Wales

Academy LGPS guidance updated

On 7 May 2024, the Education and Skills Funding Agency published updated [guidance on academies and LGPS liabilities](#). The updated guidance now includes a definition of 'pass-through arrangements'.

The guidance is aimed at academy trusts, administering authorities and actuaries. It covers the LGPS academy guarantee provided by the Department for Education.

Updates to guides, factsheets and leaflets

On 23 May 2024, Rachel Abbey emailed administering authorities confirming we have published updated versions of our guides.

Member guides

- Employee brief guide - version 2.5
- Retirement planning guide - version 1.6
- Councillors full guide - version 2.5
- Annual allowance factsheet for members - version 1.11
- Guide to AVCs - version 2.5
- Update for councillors in England - version 2.4
- Introductory leaflet for councillors in Wales - version 2.1.

The updates include:

- the latest on the McCloud position
- the removal of the lifetime allowance and the introduction of the lump sum allowances
- 2024/25 contribution tables
- new APC limits
- other minor changes.

Employer guides

- HR guide - version 4.5
- Payroll guide - version 4.5.

The new versions, plus versions showing tracked changes, can be found on the [Administrator guides and documents page](#) of www.lgpsregs.org.

The guides are published in Word so administering authorities can add contact information and any other specific details.

Additional steps may be needed if the documents are converted to PDF for publication, to ensure they comply with [the Public Sector Bodies \(Websites and Mobile Applications\) \(No. 2\) Accessibility Regulations 2018](#) - for more information see [Bulletin 190](#). For example, any tables will need tagging correctly.

You can find more information online about:

- how to [create accessible PDFs](#)
- [creating accessible PDFs in Adobe Acrobat](#).

Action for administering authorities

Update any local versions of the guides, factsheets and leaflets.

PCELS update

Lorraine Bennett forwarded an email from DLUHC on 15 May 2024 about the payment of pension commencement excess lump sums (PCELS) from the LGPS.

The email confirmed that DLUHC is currently considering the long-term policy on whether to allow PCELSs to be paid from the LGPS (and if so, what the limits should be).

A consultation on the long-term policy was expected to be published very shortly; however, it has been delayed due to the General Election.

The email also set out DLUHC's view on what administering authorities should do in the meantime:

[...] paragraph 132 of Schedule 9 to the Finance Act 2024 contains transitional provisions that allow administrators to pay PCELSs in the period before scheme rules are updated. Under this paragraph, where a scheme had a rule relating to a member's entitlement to a lifetime allowance excess lump sum (LTAELS), that rule has effect, so far as possible, as if it was a rule relating to the entitlement to a PCELS.

Prior to the LTA's abolition, the LGPS in England and Wales allowed members to take all of their benefits exceeding the lifetime allowance as a LTAELS, subject to contracting out limits (as set out in actuarial guidance).

Because this was the rule, the Department's view is that, until the new LGPS rules on access to PCELSs are in place, where a member has used up all of their LSA (or their lump sum and death benefit allowance), administering authorities must offer members the ability to take the benefits that would have been in excess of the LTA as a PCELS, to be taxed at their marginal rate. This will be subject to any overall conditions that apply to PCELSs, including that a member must become entitled to a relevant pension at the same time a PCELS is paid (so if the member has no LSA remaining, they can't commute all of their pension to take a PCELS – at least £1 of annual pension has to be paid).

We have updated the 'Abolition of the LTA' technical guide to include examples. See the [later article about version 2.2 of the guide](#).

Action for administering authorities

Review and apply the transitional arrangements set out in DLUHC's email.

LGPS Scotland

Exit credits consultation

The Scottish Public Pensions Agency ran a short technical consultation on the draft Local Government Pension Scheme (Scotland) (Amendment) (No. 2) Regulations 2024. The consultation ran from 9 May 2024 to 30 May 2024.

The draft regulations propose:

- introducing a discretionary power for administering authorities to determine the amount of exit credit payable to an employer leaving the LGPS (aligning with the approach in LGPS England and Wales)
- implementing a six-month deadline from the exit date to pay exit credits (or such longer time as the authority and employer may agree).

The regulations are intended to also cover employers who left between 1 June 2018 and the date the regulations come into force (proposed to be 29 June 2024) where the exit credit has yet to be paid.

We responded to the consultation on 23 May 2024.

A working group of the Scottish Scheme Advisory Board is considering whether any guidance is needed for administering authorities on the factors to consider when exercising the discretion, to ensure a degree of consistency.

The consultation documents, including our response, are available on the [Scheme consultations](#) page of www.scotlgpsregs.org.

SAB bulletin – May 2024

The Scottish Scheme Advisory Board (SAB) recently published its [May bulletin](#).

The bulletin follows its latest meeting held on 15 May 2024 and covers:

- the gender pensions gap
- the 2023 fund valuations
- the exit credit consultation (see [earlier article](#))
- LGPS specific cost control mechanism for Scotland
- Economic Activity of Public Bodies (Overseas Matters) Bill
- fund annual reports
- agreed measures to develop the SAB's work.

Updated GAD guidance

The Scottish Public Pensions Agency emailed administering authorities with new LGPS actuarial guidance on 14 May 2024, which took effect immediately. The guidance does not contain any new factors, but does provide additional information about how the McCloud remedy will affect certain calculations. The guidance listed below is available on the [Actuarial Guidance page](#) of www.scotlgpsregs.org:

- Early payment of pension guidance
- Late Retirement guidance.

Updates to guides and factsheets

On 23 May 2024, Rachel Abbey emailed administering authorities confirming we have published updated versions of the following guides:

- Employee brief guide - version 2.4
- Retirement planning guide – version 1.4
- Councillors brief guide - version 2.3
- Annual allowance factsheet for members - version 1.11.

The updates include:

- the latest on the McCloud position
- the removal of the lifetime allowance and the introduction of the lump sum allowance
- 2024/25 contribution tables
- new APC limits

- other minor changes.

The new versions, plus versions showing tracked changes, can be found on the [Administrator guides and documents page](#) of www.scotlgpsregs.org.

The guides are published in Word so administering authorities can add contact information and any other specific details.

Additional steps may be needed if the documents are converted to PDF for publication, to ensure they comply with [the Public Sector Bodies \(Websites and Mobile Applications\) \(No. 2\) Accessibility Regulations 2018](#) - for more information see [Bulletin 190](#). For example, any tables will need tagging correctly.

You can find more information online about:

- how to [create accessible PDFs](#)
- [creating accessible PDFs in Adobe Acrobat](#).

Action for administering authorities

Update any local versions of the guides, factsheets and leaflets.

McCloud

McCloud protection

We have received a number of queries about which pension accounts qualify for McCloud protection. These queries are connected with the section of the McCloud administrator guide that covers disqualifying gaps.

A disqualifying gap is a period of more than five years when a member was not in pensionable service in a McCloud remedy scheme. A McCloud remedy scheme is a public service pension scheme in England, Wales, Scotland or Northern Ireland that covers:

- civil servants
- teachers
- the judiciary
- local government workers
- NHS staff
- firefighters
- police officers
- armed forces personnel.

A gap that ended before 31 March 2012 is not disqualifying.

You will need to assess whether there was a disqualifying gap if an individual:

- was a member of the LGPS or another McCloud remedy scheme on or before 31 March 2012, and
- joined the LGPS after 31 March 2012.

If the individual was a member of a McCloud remedy scheme on 31 March 2012, a disqualifying break could only start after that membership ended. If the individual was not a member of a McCloud remedy scheme on 31 March 2012, the earliest a disqualifying gap could start is the day after their last period of membership ended before 31 March 2012.

Examples

In these examples we have used LGPS membership, but membership of a different scheme could be substituted.

Example 1:

- Period 1: 1 April 2006 to 6 September 2009
- Period 2: 17 August 2014 to 30 November 2016.

The pension built up from 17 August 2014 to 30 November 2016 (1 April 2015 to 30 November 2016 in LGPS Scotland) is protected by the underpin. The gap between leaving on 6 September 2009 and re-joining on 17 August 2014 is less than five years and is therefore not a disqualifying gap.

- Period 3: 1 February 2022 to 31 May 2024

If the same member re-joined the LGPS in 2022, the benefits built up from 1 February 2022 to 31 March 2022 would not be protected by the underpin. The gap between leaving on 30 November 2016 and re-joining on 1 February 2022 is more than five years and is therefore disqualifying.

The benefits built up in period 2 would continue to be protected if the member elects for separate benefits. The benefits built up in period 2 would not be protected if they were aggregated with the new pension account.

Example 2:

- Period 1: 1 January 2012 to 31 May 2016
- Period 2: 4 February 2019 to 31 August 2024

The benefits built up in the remedy period are protected by the underpin:

1 April 2014 to 31 May 2016 (1 April 2015 to 31 May 2016 in LGPS Scotland)
4 February 2019 to 31 March 2022.

The gap between leaving on 31 May 2016 and re-joining on 4 February 2019 is less than five years. It is therefore not a disqualifying break.

Non-club spreadsheet 2024/25

On 8 May 2024, Rachel Abbey emailed administering authorities in England, Scotland and Wales to tell them about the publication of the 2024/25 version of the spreadsheet for calculating the McCloud element of a non-Club transfer value.

The new version is available on the Administrator guides and documents page of www.lgpsregs.org (for LGPS England and Wales) or www.scotlgpsregs.org (for LGPS Scotland). It can be used for relevant dates between 8 April 2024 and 31 March 2025. Please read the 'Notes' tab before using it. Let us know if you find any errors or if you have any other feedback.

The new version follows the publication of the 2023/24 version earlier this year. We covered this in [Bulletin 247](#) (England and Wales) and [Bulletin 249](#) (Scotland). For administering authorities still needing the 2023/24 version, it is available on the Administrator guides and documents page of www.lgpsregs.org (England and Wales) or www.scotlgpsregs.org (Scotland). Use the filter to find 'Old' status documents.

HMRC

Newsletter 160

HMRC published [newsletter 160](#) on 30 May 2024.

The newsletter includes articles on:

- **transitional tax-free amount certificates:** a link to a new online member tool to check if they can apply and a reminder on what must be included on certificates
- **payroll reporting for 2024/25:** information on reporting certain authorised lump sums, such as death grants
- **managing pension schemes service:** information on submitting pension scheme returns, a reminder to migrate and a request for volunteers to assist HMRC with their plans to move the lifetime allowance protection look-up service onto the Managing pension schemes service

- **contacting HMRC pension schemes services:** a reminder of the correct routes for pension administrators to raise queries.

Pensions dashboards

Data standards version 1.2

On 30 April 2024, the Pensions Dashboards Programme (PDP) published version 1.2. On 13 May 2024, it published [a blog on the new version of the data standards](#).

The data standards cover the data requirements for 'finding' and 'viewing' pensions information and are mandatory for providers and schemes connecting to the ecosystem. They are there to build a common set of message handling tools to receive and reply with data.

We understand most administering authorities will connect to the ecosystem by an already-connected third party - an integrated service provider (ISP). The ISP will use their processes to meet the data standards. However, as the standards apply to administering authorities, they remain responsible for compliance, even if implementation is delegated to an ISP.

Further guidance on connection and the technical, reporting and design standards will be published once tested and validated by the volunteer participants.

Action for administering authorities

Discuss the data standards with your ISP to ensure your administering authority is compliant.

Deferred connection guidance updated

The Department for Work and Pensions updated the [guidance on deferring connection](#) on 30 April 2024.

Updates are made to section 3.4, giving further advice on how to apply to defer connection.

PASA dashboards working group – Spring 2024 update

On 14 May 2024, the Pensions Administration Standards Association (PASA) published an [update from its dashboards working group](#).

The update outlines the ongoing development of guidance and resources related to:

- additional voluntary contributions

- test case matrix
 - matching
 - administration readiness.
-

TPO

Operating model review blog

Robert Loughlin, Chief Operating Officer at the Pensions Ombudsman (TPO), published [a blog on TPO's operating model review](#) on 21 May 2024.

In this blog, Robert primarily discusses the operating model review, which aims to improve TPO's efficiency and reduce waiting times.

Three areas of focus for improvement are mentioned:

- resolution team changes
- expedited determinations
- thresholds for accepting complaints.

TPO plans to deliver the full programme of changes over the next three years. Additionally, they have set a target of achieving an improved position over the next 12 to 18 months.

TPO will host a stakeholder forum on 27 June 2024 to discuss their plans in more detail and answer any questions. You can [register online](#).

TPR

Corporate plan for 2024 to 2027

The Pensions Regulator (TPR) published its [new Corporate Plan 2024 to 2027](#) on 3 May 2024.

The plan sets out TPR's direction for the next three years, explaining how it will protect savers' money, help to enhance the pensions system and support innovation in the interests of savers.

Speech at Professional Pensions Live

On 22 May 2024, Nausicaa Delfas, Chief Executive at TPR, delivered a keynote speech at Professional Pensions Live. Nausicaa covered the following topics:

- TPR's corporate plan
- driving value for money

- securing the future for defined benefit schemes
- raising standards across all scheme types
- data quality
- TPR's future approach to regulation.

For more details, see the [full transcript of the speech](#) on TPR's website, along with [the accompanying press release](#).

Other news and updates

Abolition of the LTA guide – version 2.2

On 15 May 2024, we published version 2.2 of the guide.

The new version covers the email from the DLUHC setting out its view on the transitional arrangements for PCELS in the LGPS (England and Wales), along with examples. See [earlier article 'PCELS update'](#).

The new version of the guide also reflects that in [newsletter 159](#), HMRC confirmed that a PCELS cannot be paid where an uncrystallised funds pension lump sum (UFPLS) could be paid under tax legislation (section 166 of the Finance Act 2004), **even if the scheme rules do not permit the payment of an UFPLS**. For the LGPS, this will prevent AVCs being paid as PCELSs.

Clean and tracked versions of the guide are available on the administrator guides and documents pages of www.lgpsregs.org and www.scotlgpsregs.org.

Consultation on PSIG

The Pensions Scams Industry Group (PSIG) is [consulting on its future strategy](#).

PSIG is a voluntary body created by the pensions industry to combat pension scams. PSIG is primarily focused on sharing good practice on how to stop these scams.

The consultation aims to understand the value provided by PSIG, possible future direction and how this could be achieved, including potential funding options.

The consultation runs for three months and closes on 31 July 2024.

Action for administering authorities

Consider responding to the consultation.

Digital engagement guide

Rachel Abbey emailed administering authorities letting them know that we have recently published version 1.1 of the Digital engagement technical guide.

We have updated the guide to include a summary of the responses to the digital engagement survey we ran earlier this year. We would like to extend our sincere thanks to all administering authorities that completed the survey, and to the Communications Working Group for their invaluable input into the production of the guide.

The new version, plus a version showing tracked changes, can be found on the Administrator guides and documents pages of www.lgpsregs.org and www.scotlgpsregs.org.

FBU seeks permission to appeal against cost control judgment

The Fire Brigades Union (FBU) recently announced in [a press release](#) that it is seeking permission to appeal to the Supreme Court regarding its judicial review of HM Treasury's cost control process.

The British Medical Association and the FBU judicially reviewed the Public Service Pensions (Valuations and Employer Cost Cap) (Amendment) Directions 2021. These directions set out that McCloud costs are included as member costs in HM Treasury's cost control process.

Previously, both the High Court and the Court of Appeal have dismissed the judicial review, which we covered in [Bulletin 236](#) and [Bulletin 250](#), respectively.

National LGPS Frameworks – ISP and Member Data Services go live

Further to the article in [Bulletin 247](#) we can confirm the National LGPS Framework for Integrated Service Provider (ISP) and Member Data Services is live.

The [National LGPS Frameworks press release](#) provides more information.

To contact the National LGPS Frameworks please email nationalLGPSFrameworks@norfolk.gov.uk, call 01603 306846, or visit the [National LGPS Frameworks website](#).

Previous pension benefits declaration form version 1.1

On 8 May 2024, Lorraine Bennett emailed administering authorities in England, Scotland and Wales to tell them about the publication of the updated version of the previous pension benefits declaration form (version 1.1).

Question 3 on page 1 of the form has been updated to direct users to section 5 if they answer 'no' (rather than to section 7). This is the only change.

Additionally, a final version (1.0) of the accompanying notes has been published. The notes are for members to use when completing the form.

The updated form and the accompanying notes are available on the Administrator guides and documents pages of www.lgpsregs.org and www.scotlgpsregs.org.

Action for administering authorities

Review and consider using the updated form and the accompanying notes.

Training

Training programme 2024

All 2024 training events are available to book via the [LGA events website](#). The link for each course contains the course programme, pricing and booking link.

Bookings are on a first come, first served basis. Each topic is capped at five delegates per organisation over the course of the training programme.

If you are unable to book a place on a course, or would like more than five places, email training.lgps@local.gov.uk with details of the course you would like to attend. Please include how many places you require and the format - online or in person. We will keep a waiting list and consider running additional training if the demand is high enough.

We also accept requests for commissioned training. If you would like us to run training for your authority, or a group of authorities, please email training.lgps@local.gov.uk.

Aggregation training (England and Wales)

- [1 August 2024 - online](#)

Survivor benefits training (England and Wales)

- [13 November 2024 – online](#)

Employer role training (England and Wales)

- [13 August 2024 – London](#)
- [29 August 2024 – online](#)
- [1 October 2024 – online](#)
- [7 November 2024 – online](#)

- [6 December 2024 – online](#)

Transfer training (England and Wales)

All courses are currently at capacity.

Insight training (England and Wales)

All courses are currently at capacity.

Action for administering authorities

Share information about the employer role training with your Scheme employers.

Discuss potential for commissioned training at Pension Officer Group meetings.

Wider landscape

‘Check your State Pension forecast’ service

On 29 April 2024, the UK Government launched [the 'Check your State Pension Forecast' digital service](#). This is designed to make it easier for individuals to check for and fill any gaps in their National Insurance record to help increase their State Pension.

HM Treasury 2020 cost control reports

The Government Actuary's Department has recently published [a webpage which contains links to the 2020 cost control valuation reports](#) for all relevant UK public service pension schemes.

We covered the LGPS 2020 cost control results in [Bulletin 250](#).

Useful links

[LGPS member website \(England and Wales\)](#)

[LGPS member website \(Scotland\)](#)

[LGPS Advisory Board website \(England and Wales\)](#)

[LGPS Advisory Board website \(Scotland\)](#)

[LGPS Regulations and Guidance website \(England and Wales\)](#)

[LGPS Regulations and Guidance website \(Scotland\)](#)

[Current LGPS job vacancies](#)

[Public Sector Transfer Club](#)

[Recognised Overseas Pension Schemes](#) that have told HMRC that they meet the conditions to be a ROPS and have asked to be included on the list.

LGPS pensions section

Raising a query

If you have a technical query, please email query.lgps@local.gov.uk and one of the team's LGPS pension advisers will get back to you. To avoid delays in receiving a response, please do not email advisers directly.

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Whilst every attempt is made to ensure the accuracy of the bulletin, it would be helpful if readers could bring to the attention of the Secretariat any perceived errors or omissions by emailing query.lgps@local.gov.uk.

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LGPC Bulletin 252 – June 2024

This bulletin contains updates for all LGPS stakeholders. It includes important articles on:

- [McCloud and annual benefits statements](#) (England and Wales)
- [transitional arrangements for paying PCELSs](#) (Scotland)
- [McCloud protection and non-Club CETV calculations](#)
- [McCloud implementation statutory guidance published](#) (England and Wales)
- [Concurrent adjustments](#) (England and Wales)
- [TPR nudge campaign for pensions dashboards](#)

which need action by certain stakeholders.

If you have any comments or articles for future bulletins, please contact query.lgps@local.gov.uk.

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LGPS England & Wales

McCloud ABS consultation

The Department for Levelling Up, Housing and Communities (DLUHC) launched a limited technical consultation on potential changes to the LGPS regulations concerning McCloud protection and annual benefit statements (ABS). DLUHC emailed the details to relevant stakeholders on 4 June 2024. The consultation closes on 9 July 2024. DLUHC is consulting on whether underpin information is included in ABSs for Scheme years 2023/24 and 2024/25.

The consultation does not indicate the approach that any future government will take. Decisions will be taken by new Ministers after the general election.

ABSs for active, deferred and deferred pensioner members

Current legislation requires administering authorities to include estimated underpin information for qualifying active members in ABSs for 2023/24 onwards. Underpin information is the estimated final guarantee amount and estimated survivor guarantee amount. For deferred and deferred pensioner members, the rules are less specific.

Before preparing 2023/24 ABSs, for all CARE accounts the authority would need to:

- identify whether the account qualifies for underpin protection
- obtain, validate and load all relevant McCloud service data
- revisit past transfers in and aggregations that qualify for underpin protection to ensure they are correctly and fully recorded for McCloud
- calculate the provisional assumed benefits and provisional underpin amount for deferred members, deferred pensioner members and active members who are over their final salary scheme normal retirement age.

Also, the authority's software would have to be able to calculate and include the estimated underpin information in the statements.

The consultation contains draft regulations that would mean administering authorities do not need to include estimated underpin information in the 2023/24 ABSs. This would implement the approach set out in paragraph 118 of [DLUHC's response to the 2020 McCloud consultation](#). Administering authorities would have the discretion to provide this information for certain members or classes of members if they are able to. The amendment would be backdated to 1 October 2023, so that it captures 2023/24 ABSs that were sent before the regulations are made.

DLUHC is also seeking views on a further change which would extend this to the 2024/25 ABSs. If Ministers decide to take this approach, authorities will have discretion not to include the estimated underpin information for certain members or classes of members if they consider it reasonable to do so. Where such a determination has been made for a member, underpin information would not need to be included in ABSs until the 2025/26 statements are issued.

Authorities using this discretion would need to make the determination before 31 July 2025 and tell all affected members in the ABS for 2024/25. To avoid the risk that this discretion could be used too broadly and delay the McCloud remedy, DLUHC are consulting on whether to issue guidance on the circumstances in which it may be appropriate to use the discretion for 2024/25 and, if so, what those circumstances are.

Pension credit members ABSs

Authorities are required to revisit pension credit calculations where the pension debit member qualified for underpin protection and the pension sharing order effective date was between 1 April 2014 and 30 September 2023. The authority needs to recalculate the cash equivalent, taking into account underpin protection, and, if it is higher than the original, recalculate the credit. We will provide more information on this in the next instalment of the McCloud technical guide. Before we can issue that, we are waiting for the amended GAD guidance on divorce and the GAD note on revisiting past cases.

Technically, ABSs for pension credit members for 2023/24 onwards should reflect the recalculated amount.

As administering authorities are unable to recalculate these pension credits, the same proposed discretions applying to active, deferred and deferred pensioner members for ABSs 2023/24 and 2024/25 would also apply to pension credit members for those years.

McCloud implementation statutory guidance

DLUHC has issued final statutory guidance on McCloud implementation. The guidance is intended to support administering authorities implement the McCloud remedy by providing:

- the Government's view on the approach that should be taken in certain types of cases to achieve consistent application of the remedy across the LGPS
- additional guidance on how certain technical issues that may arise should be approached.

DLUHC conducted a closed consultation on the guidance between 1 March and 12 April 2024.

We have published the guidance on www.lgpsregs.org on the following pages:

- [Administrator guides and documents](#) page – use the 'subject' filter to find all McCloud documents
- [LGPS Regulations 2013](#) – in the 'statutory guidance' section.

Updated trivial commutation actuarial guidance

DLUHC issued new actuarial guidance on trivial commutation which is in force from 17 June 2024. The guidance does not contain any new factors, but does provide additional information about how the McCloud remedy affects trivial commutation calculations.

You can find the guidance on the [Actuarial guidance](#) page of www.lgpsregs.org.

Aggregation and concurrency

At the National Technical group meeting on 7 June 2024, the group discussed LGPS regulation changes. You can read the [Technical group's recommended regulation changes](#) that they agreed to pursue.

The group decided not to pursue an earlier recommendation concerning concurrent aggregations. Regulation 10(8) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 requires an adjustment to the pre 1 April 2014 service in the terminated job when concurrent membership ends only if both the terminated and ongoing pension accounts include membership built up before 1 April 2014. Technical group had previously recommended a change to require an adjustment to the pre 1 April 2014 service in cases where the ongoing pension account included only post-31 March 2014 membership.

As there will be no changes to this provision, administering authorities should follow the regulations as they stand.

The Scottish Public Pensions Agency is considering the issue for LGPS Scotland.

Members with underpin protection

If a member is protected by the underpin, the provisional underpin amount is based on the pension the member would have built up if 'the member had accrued membership under the 2008 Scheme rather than the 2014 Scheme'. When a concurrent employment ends, it will be necessary to calculate a concurrent adjustment for any 'notional' final salary service built up in the remedy period. This is the case irrespective of the date the membership in the terminated or ongoing post started.

Action for administering authorities

Review your concurrent aggregation processes to ensure that they are in line with the regulations.

LGPS Scotland

PCELS update

Craig Finlay, Policy Officer at the Scottish Public Pensions Agency (SPPA), sent an email to administering authorities on 6 June 2024 about the payment of pension commencement excess lump sums (PCELS) from the LGPS.

The email confirmed that SPPA is currently considering the long-term policy on whether to allow PCELSs to be paid from the LGPS, and if so, what the limits should be.

The email also set out SPPA's view on what administering authorities should do in the meantime:

[...] paragraph 132 of Schedule 9 to the Finance Act 2024 contains transitional provisions that allow administrators to pay PCELSs in the period before scheme rules are updated. Under this clause, where a scheme had a rule relating to a member's entitlement to a lifetime allowance excess lump sum (LTAELS), that rule continues to have effect, as if it was a rule relating to the entitlement to a PCELS.

Prior to the LTA's abolition, the LGPS in Scotland allowed members to take some or all of their benefits exceeding the lifetime allowance as a LTAELS,

subject to contracting out limits (as set out in actuarial guidance). Therefore, until the new LGPS rules on access to PCELSs are in place, where a member has used up all of their LSA (or their lump sum and death benefit allowance), administering authorities must offer members the ability to take all or some of the benefits that would have been in excess of the LTA as a PCELS (to be taxed at their marginal rate). This will be subject to any overall conditions that apply to PCELSs, including that a member must become entitled to a relevant pension at the same time a PCELS is paid (so if the member has no LSA remaining, they can't commute all of their pension to take a PCELS – at least £1 of annual pension has to be paid).

We have updated the 'Abolition of the LTA' technical guide to include examples. You can find the latest version of the guide (version 2.3) on the [Administrator guides and documents](#) page of www.scotlgpsregs.org.

Action for administering authorities

Review and apply the transitional arrangements set out in SPPA's email.

Ill health certificates

On 17 June 2024, Steven Moseley emailed administering authorities letting them know that we have published version 1.1 of the ill health certificates.

The new version reflects the revised [ill health statutory guidance](#) published by SPPA in March 2024.

The new version of the certificates (including a tracked changes version) is available on the [Administrator guides and documents](#) page of www.scotlgpsregs.org.

Action for administering authorities

Review the changes and update your certificates.

Pensions dashboards

PASA Spring 2024 dashboards update

On 13 May 2024, the Pensions Administration Standards Association (PASA) published their [Spring update on dashboards](#). The update looks at AVCs, a matrix of synthetic test cases, matching and administration readiness.

TPR nudge campaign

TPR is about to recommence their programme of nudge communications to schemes.

Your 'key dashboards contact', can expect to receive a series of five emails in the run up to the 'connect by' date of 31 October 2025. For public service pension schemes the emails will commence in July 2024. Please use the link within the nudge emails to nominate further contacts.

The nudge emails will contain key messages about where TPR expects administering authorities to be in the dashboards implementation process.

In November 2024, authorities can expect to receive their first dashboards readiness survey from TPR. The survey covers nine key areas including:

- awareness of duties
- preparation for connection
- data preparation
- compliance and
- engagement.

All responses will be kept anonymous. We strongly recommend you complete the surveys to enable TPR to create a picture of the dashboards implementation progress across the public sector.

Action for administering authorities

Make sure you have registered your 'key dashboards contact' and use the link within your first nudge email to nominate further contacts.

McCloud

Non-Club CETVs for members with McCloud protection

We have received a number of queries concerning the calculation of a non-Club cash equivalent transfer value (CETV) for a member protected by the McCloud remedy. It is clear that not all administering authorities are following the instructions in the GAD guidance on individual incoming and outgoing transfers. You can find the relevant information in:

- Sections 4.5 to 4.15 of the [GAD transfers guidance for England and Wales](#) dated 24 January 2024

- Sections 4.5 to 4.15 of the [GAD transfers guidance for Scotland](#) dated 29 February 2024.

We expect DLUHC / SPPA to publish revised versions of the guidance shortly that will include updated examples. Please make sure you are referring to the latest version of the guidance by visiting the:

- [Actuarial guidance \(England and Wales\)](#) page of www.lgpsregs.org
- [Actuarial guidance \(Scotland\)](#) page of www.scotlgpsregs.org.

Any adjustment to the non-Club CETV for a member with McCloud protection is based on the cash equivalent value of the revalued provisional underpin amount and provisional assumed benefits. If the cash equivalent value of the provisional underpin amount is higher, the difference is added to the CETV payable. In some cases, there will also be an addition relating to the survivor pension.

It is not always possible to tell whether there should be an addition to the non-Club CETV based on the provisional figures calculated on the underpin date. For members with an NPA greater than 65, a higher factor is used to work out the cash equivalent value of the provisional underpin amount than is used for the provisional assumed benefits. Only by calculating the cash equivalent values can authorities be certain whether the CETV should increase.

There are no longer any interim arrangements for interfund payments. If you are making an interfund payment to a different administering authority in respect of a member with McCloud protection, that payment should include any addition to the CETV that results from their underpin protection.

We have produced a spreadsheet to calculate the McCloud element of a non-Club CETV. You can find the spreadsheet and all McCloud documents we have produced by using the 'Subject' filter on the:

- [Administrator guides and documents \(England and Wales\)](#) page of www.lgpsregs.org
- [Administrator guides and documents \(Scotland\)](#) page of www.scotlgpsregs.org.

Action for administering authorities

Review your transfer, divorce and interfund processes to make sure your non-Club CETV calculations are correct for members with McCloud protection.

Make sure you are using the latest version of the McCloud CETV calculator – see the next article.

New versions of McCloud non-Club transfer calculator published

On 26 June 2024, we published new versions of the 2024/25 spreadsheets for calculating the McCloud element of a non-Club CETV. We have corrected an error in the previous version that stopped calculations for members with an underpin date in the current year being processed.

You can find version 1.1 of the McCloud non-Club calculator on the:

- [Administrator guides and documents \(England and Wales\)](#) page of www.lgpsregs.org
- [Administrator guides and documents \(Scotland\)](#) page of www.scotlgpsregs.org.

Public service pensions remedy newsletter

HMRC published the latest [public service pensions remedy newsletter](#) on 14 June 2024. The newsletter covers:

- the interim process for members while the ‘Calculate your public service pension adjustment service’ is unavailable
- planned improvements to the ‘Calculate your public service pension adjustment service’ and proposed release dates. HMRC plans to re-open the service with some improvements in place in mid-July 2024, with further updates in September 2024
- a request for volunteers to email publicservicepensionsremedy@hmrc.gov.uk if they would like to influence the future development of the service.

LGPS England & Wales Scheme Advisory Board (SAB)

SAB statement on Minister’s letter to LGPS funds on efficiencies

Administering authorities in England have been encouraged to reply to the [Minister’s letter dated 15 May 2024](#) by responding directly to officials in the DLUHC pensions team. This will help them brief new ministers after the general election on 4 July 2024. The Board has issued a [statement and drafted suggested text for authorities to include in their response](#).

Publication of the Scheme Annual Report

The SAB has published its [eleventh Scheme Annual Report](#). The aim of the Scheme Annual Report is to provide a single source of information about the status

of the LGPS for its members, employers, and other stakeholders. This report combines information supplied in the England and Wales LGPS fund annual reports, as of 31 March 2023 for the reporting year 2022/23.

New LGPS informer document launched

The SAB and the Institute of Chartered Accountants in England and Wales (ICAEW) have published [an informer document](#) to explain the timeline and information flow for the triennial valuation and accounting/audit purposes.

The document is intended to be a practical document that explains:

- how the LGPS works in practice
- key information flows between employing bodies, pension funds and actuaries
- the content and purpose of annual accounting reports and triennial valuations
- key accounting requirements for employing bodies
- the role of external auditors.

The primary audience for this informer is Scheme employers and their external auditors. Pension fund officers and actuaries will also find the document useful. ICAEW and the SAB have also created a video on the Informer, in which Jack Bower (ICAEW) and Becky Clough (LGPS SAB) discuss why it was developed and how to use it.

The SAB secretariat wishes to thank all the participants listed on page three of the document, in particular Peter Worth of Worth Technical Accounting Solutions Ltd, members of the Compliance and Reporting Committee Audit Working Group and those who attended the audit roundtable for all their input into the document.

Any feedback should be sent to: sabsecretariat@local.gov.uk

Action for administering authorities

Please share the new audit informer document with Scheme employers and ask them to share it with their auditors.

Good Governance

We reported in [Bulletin 251](#) that the SAB's working group and DLUHC had made significant progress on the draft regulations and consultation document to implement the Good Governance recommendations. The General Election on 4 July 2024 means it is very unlikely that we will have clarity for some months (possibly towards the end of this calendar year). The SAB will ensure that the implementation of the Good Governance recommendations is raised as a priority with the Minister when the new Government is formed.

The Pensions Regulator's (TPR) General Code

We reported in [Bulletin 251](#) that DLUHC's implementation of the Good Governance recommendations should help resolve some of the ambiguity in the General Code ('the Code') for the LGPS but that administering authorities should not delay reviewing their own compliance, while awaiting the consultation. For example, there is overlap in the Good Governance recommendations with the requirements in the following TPR Code modules:

- the governing body
- funding and investment
- administration
- communications and disclosure
- reporting to TPR.

Further delays to the Good Governance consultation reinforce the view that authorities should be planning and reviewing their own compliance with the Code.

The Board is aware that many authorities have started to plan and report to their governance bodies on how they intend to review their own compliance against the Code and some have completed their compliance review. All authorities will have different starting positions and will need differing action plans and timescales to be able to demonstrate full compliance. There is no regulatory timescale to comply within the Code, but having a clear action plan setting out how and when the administering authority is planning to address Code compliance has been strongly encouraged by TPR. The Board suggests that Code compliance should be an agenda item for upcoming pension committee and local pension board meetings if it has not already been considered.

Code of Transparency data system early market engagement exercise

To support compliance with the LGPS Code of Transparency, the SAB is now researching the longer-term future of the data compliance system that supports it. As part of this work, the Secretariat is launching an early market engagement exercise to explore the possible future iterations of the data system and estimated costs.

The [code of transparency compliance system](#) allows:

- the SAB to have oversight of compliance with the Code of Transparency
- funds to run a suite of reports
- funds to compare their costs with funds of a similar size.

The early market engagement exercise will be launching soon. Once it is live, the details of the areas we are exploring will be available on our website. Please send any queries to sabsecretariat@local.gov.uk.

Opt out survey now closed

In [Bulletin 251](#), we reported that the SAB had issued a short survey to local government employers in England on opt outs in the LGPS. The survey was sent to the main HR/personnel contacts within the LGA's member councils and closed on 7 June 2024.

The SAB has analysed the 53 responses to the survey. A [paper outlining the main findings and suggesting next steps for action](#) has been submitted to the Cost Management, Benefit Design and Administration Committee for its meeting on 1 July 2024. It is hoped the data collected can improve understanding of the membership of the LGPS and why some people choose to opt out. The SAB Secretariat would like to thank all employers who took the time to respond to the survey.

SAB view of ESFA as Guarantor of Academy Schools

The Education and Skills Funding Agency (ESFA) is the [ultimate guarantor of academy schools](#). In the light of this, the SAB has been asked to confirm its view that the ESFA is a body whose rights and/or liabilities under the Scheme may be the subject of decisions made by the administering authority. This is most likely to arise in connection with decisions relating to the exit of an academy school, eg whether exit payments or credits are due under regulation 64 of the LGPS Regulations 2013. As the ESFA is a body whose rights and/or liabilities under the Scheme may be the subject of decisions made by the administering authority, ESFA should be kept informed and is entitled to make representations as to its interests.

Gender pensions gap research – call for volunteers

Thank you to the fund officers for sharing the SAB's request for volunteers with employers. The SAB secretariat has had two meetings with volunteers. The meetings are to discuss the proposals and barriers for further research. Those who are still interested can contact the SAB by emailing sabsecretariat@local.gov.uk.

SAB website

[The SAB's website](#) provides information about its work and the meeting agendas and reports for the SAB and its Committees. Use the links below to find out more about:

- [a summary of the last SAB meeting](#)
 - [latest news](#)
 - [SAB meeting and agenda papers](#)
 - [Committee meetings and agenda papers](#)
 - [Responsible Investment Advisory Group meetings and agenda papers.](#)
-

TPO

Volunteers' week

The week beginning 3 June 2024 was national volunteers' week. To celebrate, the Pensions Ombudsman (TPO) published testimonials from some of its current volunteers.

You can read the testimonials on the [News page of TPO's website](#).

Dominic Harris Blog on the TPO operating model

In this [blog from the pensions ombudsman](#), Dominic Harris talks about:

- how the TPO operating model review will benefit the industry and members
 - changes that mean a member must exhaust a scheme's formal complaints process before bringing a case to TPO.
-

Other news and updates

Abolition of the LTA guide – version 2.3

On 25 June 2024, we published version 2.3 of the Abolition of the lifetime allowance (LTA) guide.

We have updated the guide to:

- confirm that HMRC has published a tool members can use to check if they can apply for a transitional tax-free amount certificate (TTFAC)
- clarify what happens when a TTFAC is cancelled or is inaccurate
- provide information about paying supplementary pensions increase – this is a new relevant benefit crystallisation event (RBCE)
- confirm the Scottish Public Pensions Agency (SPPA) transitional provisions for paying a pension commencement excess lump sums (PCELS) from LGPS Scotland.

You can find the latest version of the guide on the:

- [Administrator guides and documents \(England and Wales\)](#) page of www.lgpsregs.org
- [Administrator guides and documents \(Scotland\)](#) page of www.scotlgpsregs.org.

We have received several queries about how to calculate a PCELS for a member with contracted out rights. There is no statutory guidance setting out how this should be done. If you would like help with any live cases, please email query.lgps@local.gov.uk and we will do our best to help.

Guidance on data presence and accuracy

In June 2024, the Pensions Administration and Standards Association (PASA) published [new guidance titled 'Data Presence v Accuracy'](#).

The guidance sets out why data should not just be present but accurate. It provides suggestions on how administrators can improve and maintain their data accuracy.

This guidance may prove particularly helpful when preparing data for submission to the pensions dashboards ecosystem.

HM Treasury revaluation issue 2021 and 2022

[Bulletin 249](#) covered the HM Treasury revaluation issue for years 2021 and 2022 in the Firefighters' Pension Scheme and the Armed Forces Pension Scheme.

Regulation changes are necessary to correct the issue. So far, the following have been amended:

- Firefighters' CARE Scheme (England) (amendments took effect from 27 March 2024)
- Firefighters' CARE Scheme (Scotland) (amendments took effect from 2 February 2024)
- Firefighters' CARE Scheme (Northern Ireland) (amendments take effect from 5 July 2024)
- Armed Forces CARE scheme (UK) (amendments took effect from 6 May 2024).

We will provide a further update when the regulations for the Firefighters' Pension Scheme in Wales are updated.

National LGPS Technical group

On 13 June 2024, the minutes of the National LGPS Technical group meeting held on 7 June 2024 were published.

Topics discussed included pensions dashboards, McCloud, AVCs, regulatory amendments and amendments to the terms of reference.

The minutes can be found on the:

- [Technical Group page \(England and Wales\)](#) of www.lgpsregs.org, and
 - [Technical group page \(Scotland\)](#) of www.scotlgpsregs.org.
-

Training

Fundamentals training 2024

We are pleased to announce that our 2024 Fundamentals training is now open for booking.

Fundamentals is a three day training course aimed at councillors and others who attend pension committees and local pension boards. The course provides a scheme overview and covers current issues in relation to administration, investment and governance in the LGPS. Attending all three days will help delegates meet the relevant requirement for knowledge, skills and understanding required in statute or encouraged by relevant guidance. All sessions are delivered by experts in their field.

See the [Fundamentals 2024 draft course programme](#) for full details. The timings shown apply to the in-person sessions.

We are running the training online using Zoom and in person in London and York. We will deliver each day of the online sessions over two half days. You only need to complete one booking for each day, this will automatically book you on both the half days. It is not possible to book for a half day.

Cost

In person: £290 plus VAT per day (includes lunch and refreshments)

Online: £250 plus VAT per day.

Booking your place

We recommend early booking as places are limited. You can book online through the [Local Government Association \(LGA\) events website](#). Only member councils of the LGA can pay by invoice. All other organisations must pay by credit/debit card.

Each event listed below has a link to the booking page for that day.

[Fundamentals day 1: York 10 October 2024](#)

[Fundamentals day 1: London \(LGA offices\) 16 October 2024](#)

[Fundamentals day 1: Online 23 and 30 October 2024](#)

[Fundamentals day 2: York 5 November 2024](#)

[Fundamentals day 2: London \(LGA offices\) 13 November 2024](#)

[Fundamentals day 2: Online 21 and 28 November 2024](#)

[Fundamentals day 3: York 4 December 2024](#)

[Fundamentals day 3: London \(LGA offices\) 10 December 2024](#)

[Fundamentals day 3: Online 12 and 17 December 2024](#)

Annual conference – save the date

Our annual conference is taking place on 30 and 31 January 2025 at the Highcliff Marriott Hotel in Bournemouth. It retains its popular lunchtime to lunchtime schedule. We are currently finalising the programme and securing speakers.

Booking will open later in the year. If you would like to be notified when booking opens, please [register your interest online](#).

Training programme 2024

All 2024 training events are available to book via the [LGA events website](#). The link for each course contains the course programme, pricing and booking link.

Bookings are on a first come, first served basis. Each topic is capped at five delegates per organisation over the course of the training programme.

If you are unable to book a place on a course, or would like more than five places, email training.lgps@local.gov.uk with details of the course you would like to attend. Please include how many places you require and the format - online or in person. We will keep a waiting list and consider running additional training if the demand is high enough.

We also accept requests for commissioned training. If you would like us to run training for your authority, or a group of authorities, please email training.lgps@local.gov.uk.

Aggregation training (England and Wales)

- [1 August 2024 - online](#)

Employer role training (England and Wales)

- [13 August 2024 – London](#)
- [29 August 2024 – online](#)

- [1 October 2024 – online](#)
- [7 November 2024 – online](#)
- [6 December 2024 – online](#)

Survivor benefits training (England and Wales)

All courses are currently at capacity.

Transfer training (England and Wales)

All courses are currently at capacity.

Insight training (England and Wales)

All courses are currently at capacity.

Action for administering authorities

Share information about the employer role training with your Scheme employers.

Discuss potential for commissioned training at Pension Officer Group meetings.

Wider landscape

Finance (No. 2) Act 2024

The [Finance \(No. 2\) Act 2024](#) received Royal Assent on 24 May 2024.

The Act amends the rules concerning collective money purchase (CMP) schemes. The amendment ensures that HMRC's regulation-making powers cater for the range of situations which may arise when a CMP scheme discharges its liabilities on winding up.

Legislation

Acts

[Finance \(No. 2\) Act 2024](#) [c.12]

Useful links

[LGPS member website \(England and Wales\)](#)

[LGPS member website \(Scotland\)](#)

[LGPS Advisory Board website \(England and Wales\)](#)

[LGPS Advisory Board website \(Scotland\)](#)

[LGPS Regulations and Guidance website \(England and Wales\)](#)

[LGPS Regulations and Guidance website \(Scotland\)](#)

[Current LGPS job vacancies](#)

[Public Sector Transfer Club](#)

[Recognised Overseas Pension Schemes](#) that have told HMRC that they meet the conditions to be a ROPS and have asked to be included on the list.

LGPS pensions section

Raising a query

If you have a technical query, please email query.lgps@local.gov.uk and one of the team's LGPS pension advisers will get back to you. To avoid delays in receiving a response, please do not email advisers directly.

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Further information

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Whilst every attempt is made to ensure the accuracy of the bulletin, it would be helpful if readers could bring to the attention of the Secretariat any perceived errors or omissions by emailing query.lgps@local.gov.uk.

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LGPC Bulletin 253 – July 2024

This bulletin contains updates for all LGPS stakeholders. It includes important articles on:

- [new and updated actuarial guidance](#) (England and Wales)
- [GAD interest calculator for retrospective McCloud cases](#) (England and Wales)
- [Annual benefit statement technical guide updated](#)
- [McCloud implementation statutory guidance](#) (Scotland)
- [McCloud, annual benefit statements 2024 and possible breaches of the law](#)
- [Annual reports for 2023/24](#) (England and Wales)
- [New legislation planned following the abolition of the lifetime allowance](#)

which need action by certain stakeholders.

If you have any comments or articles for future bulletins, please contact query.lgps@local.gov.uk.

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LGPS England & Wales

DLUHC reverts to MHCLG

Following the Labour Party's victory at the 2024 General Election, Angela Rayner was appointed Deputy Prime Minister and Secretary of State for Levelling Up, Housing and Communities on 5 July 2024. The department reverted to its former name, the Ministry of Housing, Communities, and Local Government (MHCLG), on 8 July 2024.

New Minister for the LGPS

On 6 July 2024, [Jim McMahon MP](#) was appointed Minister of State at MHCLG. The role includes ministerial responsibility for local government, including the LGPS.

Government launches pensions review

On 20 July 2024, the [Government announced a pensions review](#) as part of its mission to 'boost growth and make every part of Britain better off'. The review will be jointly led by HM Treasury and the Department for Work and Pensions.

Working closely with Jim McMahon, the review will look at how to 'unlock the investment potential of the £360 billion LGPS' and 'tackle the £2 billion that is being spent on fees'. As part of this, the Government will consider legislating to mandate pooling if insufficient progress is made by March 2025. The review will also consider the benefits of further consolidation to cut down on 'fragmentation and waste' in the LGPS.

A roundtable discussion on pensions was hosted by the Chancellor at 11 Downing Street on 22 July 2024. Jo Donnelly, the LGA Head of Pensions, attended the meeting with other representatives from the pensions industry. Also

present for the LGPS were Chris Rule, Chief Executive of the Local Pensions Partnership, and Rachel Elwell, Chief Executive of the Border to Coast Pensions Partnership.

Updated and new actuarial guidance

On 5 July 2024, Lorraine Bennett informed administering authorities that the MHCLG had published the following updated and new actuarial guidance. The guidance came into force immediately.

- individual incoming and outgoing transfers – errors in the examples have been corrected and the guidance clarifies how to calculate a CETV for a member protected by McCloud who is over their critical retirement age or normal pension age for all or part of their pension
- pension debits – transfer date after 1 April 2014
- CETVs on divorce
- new guidance on applying the McCloud remedy to retrospective cases.

The guidance notes provide additional information about how the McCloud remedy affects the relevant calculations. They do not contain new factors. You can find all the guidance notes on the [Actuarial guidance page](#) of www.lgpsregs.org.

GAD interest calculator for McCloud calculations

GAD has produced calculators for administering authorities in England and Wales to use in retrospective McCloud calculations.

The ‘macros’ version of the spreadsheet uses a macro to refresh the inputs automatically when data is added or amended. GAD has also produced a ‘no macros’ version of the spreadsheet for administering authorities who are unable to use macro-enabled spreadsheets. This version will require a manual refresh to produce the relevant outputs.

Please see the user guide for more information on using the calculators.

You can find the calculators and user guide in the McCloud section of the [Actuarial guidance](#) page on www.lgpsregs.org.

We would like to thank the funds who helped GAD test the calculator. If you have any feedback on the calculators or the user guide, please contact query.lgps@local.gov.uk.

GAD will issue calculators to be used for LGPS Scotland shortly.

Action for administering authorities

Use the calculators to work out interest due on retrospective McCloud calculations. Provide feedback on the calculators and user guide by contacting query.lgps@local.gov.uk.

New version of annual benefit statement technical guide published

We have updated the technical guide on annual benefit statements. The latest version (v3.0) reflects our understanding of what must be included in annual benefit statements as a result of the McCloud remedy and the introduction of pensions dashboards from 2025.

The MHCLG consultation on regulation changes relating to the McCloud remedy and annual benefit statements ended earlier this month - see [Bulletin 252](#). When updating the guide, we have assumed that MHCLG will proceed with the proposals in that consultation. We will review and update the guide as necessary when the LGPS regulations are amended.

You can find the annual benefit statement technical guide on the [Administrator guides and documents](#) page of www.lgpsregs.org.

Action for administering authorities

Discuss the content of the guide with your software supplier in preparation for issuing annual benefit statements in 2025.

Teachers' excess service – update (England and Wales)

We meet regularly with representatives from MHCLG, the Department for Education and Capita to discuss the operation of the McCloud remedy for teachers with excess service. You can read more about how the remedy will apply to these members in [Bulletin 229](#).

Secure portal access

We understand that all administering authorities have registered for the secure portal that will allow them to share member data with the Teachers' Pension Scheme (TPS). Thank you for giving this your attention. Please email lgps@teacherspensions.co.uk if you need to change your registration details for the portal.

Process update

TPS webpage [Managing LGPS linked excess service](#) sets out a brief summary of the process for teachers with excess service. Most employers should be in the process of validating the excess service data TPS has supplied to them. Some

employers have now finished that step and are ready to move on to Step 5 – providing data to the administering authority.

Administering authorities will have broadly two significant tasks in relation to members in this group:

1. Collect the employer data that you will need to set up a pension record for members who will be rolled back to the LGPS. Members in this group will be protected by the underpin, so you will need to collect both CARE and final salary information for the remedy period.
2. Request payment of employer and employee contributions from TPS for the membership that is rolling back.

TPS is currently finalising a spreadsheet to be used for 2. above. The spreadsheet will be shared with you as soon as it has been approved. We recommend that you use the same spreadsheet to gather the information from the employer under 1. above. Using the TPS spreadsheet should improve efficiency and reduce the likelihood of errors as data does not have to be re-formatted and moved from one spreadsheet or system to another.

TPS is working on the details of the next stages of the process. We will provide further updates and more detailed guidance in the coming weeks as final decisions are made.

LGPS Scotland

Update on exit credit consultation

Jan Scott, Policy Officer at the Scottish Public Pensions Agency (SPPA), emailed administering authorities on 1 July 2024, giving an update on the recent consultation on exit credits.

“We are still considering the larger than expected number of comments received during the consultation. We intend to have further dialogue with stakeholders and the Scheme Advisory Board has set up a subgroup which is currently working on draft guidance.

Therefore possible changes to the draft regulations have been put on hold over the summer recess.

This delay will affect the ‘coming into force’ date but is unlikely to affect the ‘effective’ date, as set out in the draft regulations.

SPPA consulted on the changes between 9 May 2024 and 30 May 2024, which we covered in [Bulletin 251](#). The consultation documents are available on the [Scheme consultations](#) page of www.scotlgpsregs.org.

McCloud implementation statutory guidance

SPPA has issued final statutory guidance on McCloud implementation. The guidance is intended to support administering authorities implement the McCloud remedy by providing:

- Scottish Ministers' view on the approach that should be taken in certain types of cases to achieve consistent application of the remedy across the LGPS
- additional guidance on how certain technical issues that may arise should be approached.

The guidance is an adapted version of the guidance DLUHC sent to administering authorities in England and Wales on 17 June 2024.

We have published the guidance on www.scotlgpsregs.org on the following pages:

- [Administrator guides and documents page](#) – use the 'subject' filter to find all McCloud documents
- [LGPS Regulations 2018](#) – in the 'statutory guidance' section.

Updated trivial commutation actuarial guidance

SPPA issued new actuarial guidance on trivial commutation on 24 July 2024 which took effect immediately. The guidance:

- provides additional information on how the McCloud remedy affects trivial commutation calculations
- clarifies that authorities must request factors on a case-by-case basis from GAD (via SPPA) for all members who retired in ill health looking to commute, regardless of whether the member is under or over age 55.

You can find the guidance on the [Actuarial guidance](#) page of www.scotlgpsregs.org.

McCloud

Annual benefit statements – reporting breaches

MHCLG recently carried out a limited technical consultation on potential changes to the LGPS regulations concerning underpin information and annual benefit statements.

The consultation proposed removing the requirement to include McCloud information in the 2023/24 statements and allowing a discretion not to include the information in 2024/25 statements for certain members. The consultation closed on 9 July 2024.

We understand that MHCLG plans to make regulations before the 31 August 2024 deadline to remove the requirement to include McCloud information in the 2023/24 statements.

SPPA has indicated that it plans to make similar changes to the LGPS Scotland regulations. We do not currently know when SPPA will make these amendments.

If the Scheme regulations concerning McCloud and annual benefit statements are not changed before 31 August 2024, the Pensions Regulator (TPR) has confirmed it expects all administering authorities to report not including McCloud information in the statements as a material breach of the law.

TPR's website has detailed information about [reporting breaches of the law](#).

Action for administering authorities

If you do not include McCloud information in your 2023/24 annual benefit statements, prepare to report the breach to TPR if the regulations to exclude this information are not made by 31 August 2024.

Public service pensions remedy newsletter

HMRC published the latest [public service pensions remedy newsletter](#) on 23 July 2024. The newsletter covers:

- improvements to the 'calculate your public service pension adjustment service' planned for September when the service re-opens
- a reminder about the interim process for members while the service is unavailable
- a request for volunteers to email publicservicepensionsremedy@hmrc.gov.uk if they would like to influence the development of the service
- a reminder to email publicservicepensionsremedy@hmrc.gov.uk with any questions about legislation, guidance, processes and digital service related to the remedy.

LGPS England & Wales Scheme Advisory Board (SAB)

Board Chair sends welcome letter to Minister

The Board Chair, Cllr Roger Phillips, has written a [letter of welcome](#) and asked for an early meeting with the new Local Government Minister, Jim McMahon MP. In his letter, Cllr Phillips gives the Board's view of the key priorities that await in the Minister's in-tray and asks for urgent clarity on the status of the 1 April 2025 deadline for pooling assets that was set under the previous government. The Board Secretariat team has also met with officials from MHCLG to discuss initial priorities.

Fund annual reports for 2023/24

The SAB publishes fund annual reports on its website and uses the data from these reports to compile the Scheme Annual Report. In the coming months, as fund reports are produced, please send completed annual reports for 2023/24 to sabsecretariat@local.gov.uk.

Action for administering authorities

Please send final (or draft awaiting final audit report) 2023/34 annual reports to sabsecretariat@local.gov.uk when available.

The King's Speech 2024

Following the general election on 4 July 2024, the State Opening of Parliament took place on 17 July 2024 and the [King's Speech](#) set out the Government's plans and priorities for the first parliamentary session.

Of potential interest is the Bill on Audit Reform and Corporate Governance. This could be a potential vehicle for separation of pension fund from host authority audit in England, as is already the case for LGPS funds in Scotland and Wales. The Board called for this in a [letter to MHCLG in August 2022](#). The idea was supported by the Chartered Institute of Public Finance and Accountancy (CIPFA), the Institute of Chartered Accountants in England and Wales (ICAEW) and the Levelling Up Select Committee in the last Parliament. The Board was previously assured that its recommendation would be taken forward once a suitable legislative vehicle had been identified.

SAB Cost Management Process now complete

The Government's Actuary Department has now completed the scheme cost assessment required under Regulation 116 of the LGPS Regulations 2013. The [SAB cost management process final report](#) was completed using [methodology and](#)

[assumptions](#) determined by the Board, following discussion at the Cost Management, Benefit Design and Administration (CMBDA) Committee.

Scheme costs were assessed as being 20.5 percent of pensionable pay, 1 percent above the 19.5 percent target cost. This is within the range where the Board may make recommendations to amend benefits to bring scheme costs back towards the target cost but is not obliged to. Following discussion, the Board agreed not to recommend any changes in its [letter to the Secretary of State about the outcome of the scheme cost assessment](#).

SAB website

[The SAB website](#) provides information about its work. Use the links below to find out more about:

- [a summary of the last Board meeting](#)
- [latest news](#)
- [SAB meeting and agenda papers](#)
- [committee meetings and agenda papers](#)
- [Responsible Investment Advisory Group meetings and agenda papers](#)

Your LGPS contacts – stay connected

The SAB secretariat uses the Your LGPS Contacts database to keep practitioners informed about its ongoing and future workstreams. Unfortunately, emails often result in a high number of ‘undeliverable’ messages.

Administering authorities are responsible for maintaining their contacts details on [‘Your LGPS Contacts’](#). Authorities should regularly review their details so they remain accurate and up to date.

Action for administering authorities

Review and update the information on ‘Your LGPS contacts’.

HMRC

Abolition of the lifetime allowance – plans for new legislation

HMRC has acknowledged that there are technical inaccuracies in the legislation introduced to implement the new regime following the abolition of the lifetime allowance. It plans to introduce new legislation to address these issues after the parliamentary recess. HMRC is undertaking a short technical consultation on the draft legislation over the summer.

Some of the changes relate to transitional tax-free amount certificates (TTFACs). These include:

- members who hold a TTFAC will have to supply a copy to all their pension scheme administrators
- members will have to tell those administrators if their TTFAC is cancelled
- pension schemes will only have to convert a lifetime allowance percentage to a lump sum amount if they are aware that the member is relying on a TTFAC.

Administering authorities should note the third bullet point. The current legislation requires that lifetime allowance percentages reported annually must all be converted to a lump sum amount. This is reflected in the current version of the abolition of the lifetime allowance guide. We will update the guide when the new legislation is in force.

You can find the latest version of the guide (version 2.3) on the:

- [Administrator guides and documents \(England and Wales\)](#) page of www.lgpsregs.org, and
- [Administrator guides and documents \(Scotland\)](#) page of www.scotlgpsregs.org.

TPO

Stakeholder forum

On 27 June 2024, the Pensions Ombudsman (TPO) held a forum for stakeholders from across the industry. You can read more about the event in the [TPO stakeholder forum - blog](#).

TPO encourages you to join their future events and to [subscribe to the TPO mailing list](#) to receive updates and event invitations directly.

Other news and updates

New Pensions Minister

On 9 July 2024, [Emma Reynolds MP](#) was appointed Parliamentary Secretary across both HM Treasury and the Department for Work and Pensions (DWP). Emma has ministerial responsibility for pensions.

National LGPS Frameworks

The National LGPS Framework for Additional Voluntary Contribution (AVC) Services launched this month. The framework is split into two Lots:

- AVC services
- Consultancy services associated with AVCs.

The new framework is designed to help administering authorities easily access AVC services for Scheme members and consultancy services to assist with their AVC provision.

You can find out more about:

- the new AVC framework in the [National LGPS Frameworks press release](#)
- the work and purpose of frameworks, and the frameworks that are currently in operation and planned on the [new National LGPS Frameworks website](#) which launched in June 2024.

Court of Appeal dismisses Virgin Media appeal

On 25 July 2024, the Court of Appeal dismissed the appeal in the [Virgin Media Ltd v NTL](#) case. The High Court had previously ruled that:

- amendment of pension scheme rules in respect of Section 9(2B) rights were void unless the scheme actuary certified that the scheme still met the contracting-out adequacy test
- this applied to rights built up before and after the change in rules
- all amendments are affected by the ruling, not just those that have a negative impact on section 9(2B) rights.

The appeal concerned the second bullet point only, and Court of Appeal upheld the High Court's ruling.

We understand the ruling will apply to the LGPS and that HM Treasury is currently assessing the implications for all public service pension schemes.

We will provide a further update when we have more clarity on the position.

LGPS Jobs page

We would like to remind you about our webpage dedicated to [LGPS job vacancies](#). We no longer send details of vacancies by email. You can find a link to the jobs page in the menu at the top right of the screen on www.lgpsregs.org and www.scotlgpsregs.org.

If you would like to advertise an LGPS job, email query.lgps@local.gov.uk and use 'Job advert' as the subject of your email. Please let us know:

- employer
- job title
- application link
- location
- closing date.

We will update the page every Monday. Please email us by the end of a Thursday with details of any job you want us to advertise the following week.

If you are advertising / promoting vacancies on social media, we strongly encourage you to use #LGPSJobs. This will enable potential candidates to find job opportunities more easily.

Action for administering authorities

Let your teams and anyone in your organisation responsible for advertising LGPS vacancies know about the jobs page and video www.lgpsregs.org/jobs.php.

Use #LGPSJobs on social media platforms.

Communications working group minutes published

We have published the minutes of the Communications working group meeting held on 4 July 2024. At the meeting the group discussed:

- producing resources for employers to promote the LGPS
- the latest on the McCloud remedy, including a plan to produce a template form for requesting details of previous public scheme membership to establish eligibility
- McCloud webinars for members
- other McCloud communication issues
- resources for Pension Awareness Week
- abolition of the lifetime allowance, including producing a template tax-free transitional amount certificate and application form.

You can find the minutes from past meetings and the group's workplan for 2024/25 on the:

- [Communications working group \(England and Wales\)](#) page of www.lgpsregs.org
- [Communications working group \(Scotland\)](#) page of www.scotlgpsregs.org.

Backdated pay award FAQs updated

We have published new versions of the employer FAQs on backdated pay awards (version 1.1). We have added a new question after receiving a number of queries about whether assumed pensionable pay (APP) should be re-calculated when a member later receives a backdated pay award. The FAQs confirm that APP for a current or past reduced/nil pay period should not be re-calculated when the member receives backdated pay.

You can find the employer FAQs on the:

- [Employer guides and documents \(England and Wales\)](http://www.lgpsregs.org) page of www.lgpsregs.org
 - [Employer guides and documents \(Scotland\)](http://www.scotlgpsregs.org) page of www.scotlgpsregs.org.
-

Training

Fundamentals training 2024

Our 2024 Fundamentals training is open for booking and selling well.

Fundamentals is a three day training course aimed at councillors and others who attend pension committees and local pension boards. The course provides a scheme overview and covers current issues in relation to administration, investment and governance in the LGPS. Attending all three days will help delegates meet the relevant requirement for knowledge, skills and understanding required in statute or encouraged by relevant guidance. All sessions are delivered by experts in their field.

See the [Fundamentals 2024 draft course programme](#) for full details. The timings shown apply to the in-person sessions.

We are running the training online using Zoom and in person in London and York. We will deliver each day of the online sessions over two half days. You only need to complete one booking for each day, this will automatically book you on both the half days. It is not possible to book for a half day.

Cost

In person: £290 plus VAT per day (includes lunch and refreshments)

Online: £250 plus VAT per day.

Booking your place

We recommend early booking as places are limited. You can book online through the [Local Government Association \(LGA\) events website](#). Only member councils of the LGA can pay by invoice. All other organisations must pay by credit/debit card.

Each event listed below has a link to the booking page for that day.

[Fundamentals day 1: York 10 October 2024](#)

[Fundamentals day 1: London \(LGA offices\) 16 October 2024](#)

[Fundamentals day 1: Online 23 and 30 October 2024](#)

[Fundamentals day 2: York 5 November 2024](#)

[Fundamentals day 2: London \(LGA offices\) 13 November 2024](#)

[Fundamentals day 2: Online 21 and 28 November 2024](#)

[Fundamentals day 3: York 4 December 2024](#)

[Fundamentals day 3: London \(LGA offices\) 10 December 2024](#)

[Fundamentals day 3: Online 12 and 17 December 2024](#)

Annual conference – save the date

Our annual conference is taking place on 30 and 31 January 2025 at the Highcliff Marriott Hotel in Bournemouth. It retains its popular lunchtime to lunchtime schedule. We are currently finalising the programme and securing speakers.

Booking will open later in the year. If you would like to be notified when booking opens, please [register your interest online](#).

PMI Award in Pensions Essentials

A pilot of the Award in Pensions Essentials (APE) began in April 2024 with 18 students from eight different administering authorities. The students have now completed two rounds of examinations with a pass rate of above 83 percent.

We anticipate the next intake of students will start their studies from October 2024, with subsequent start dates available if there is sufficient interest.

To register your interest, please complete the [APE expression of interest form](#).

The APE is a pensions qualification awarded by the Pensions Management Institute (PMI). It is a level two qualification, broadly equivalent to a GCSE and gives an introduction to UK pension arrangements. It does not contain any LGPS specific content.

This qualification is delivered by Barnett Waddingham. They provide online learning materials and examinations for each unit. This is a self-study qualification, and no tuition is provided.

See the [Award in Pensions Essentials key information document](#) for full details including timescales and pricing.

We understand PMI also works with other organisations to deliver the APE. If you would like to know more about this, please email pmiqualifications@pensions-pmi.org.uk.

Training programme 2024

All 2024 training events are available to book via the [LGA events website](#). The link for each course contains the course programme, pricing and booking link. Bookings are on a first come, first served basis. Each topic is capped at five delegates per organisation over the course of the training programme.

If you are unable to book a place on a course, or would like more than five places, email training.lgps@local.gov.uk with details of the course you would like to attend. Please include how many places you require and the format - online or in person. We will keep a waiting list and consider running additional training if the demand is high enough.

We also accept requests for commissioned training. If you would like us to run training for your authority, or a group of authorities, please email training.lgps@local.gov.uk.

Employer role training (England and Wales)

- [7 November 2024 – online](#)
- [6 December 2024 – online](#)

Insight training (England and Wales)

- [25-29 November 2024 - online](#)

Aggregation training (England and Wales)

All courses are currently at capacity.

Survivor benefits training (England and Wales)

All courses are currently at capacity.

Action for administering authorities

Share information about the employer role training with your Scheme employers.

Discuss potential for commissioned training at Pension Officer Group meetings.

Training focus group

The [minutes of the Training focus group](#) held on 11 July 2024 accompany this bulletin. Topics discussed include:

- administrator and employer training since the meeting held on 17 January 2024
- the Award in Pensions Essentials qualification and LGPS specific qualification.

The next meeting is provisionally scheduled for January 2025.

Wider landscape

High Court decision – Farley v Paymaster

In [Farley v Paymaster](#), a group of members took legal action against a pension administrator because personal pension correspondence had been sent to incorrect addresses. The correspondence was marked ‘private and confidential’ and a return address was displayed on the outside of the envelope.

The High Court dismissed most of the claims against the pension administrator. The claims were unsuccessful because they relied on an assumption that the correspondence had been opened by a third party. Claims from 14 members were allowed to proceed because they claim that correspondence meant for them **had been opened** by a third party, not that it **could have been opened**.

The case highlights the importance of:

- data quality and accuracy
- marking correspondence that includes personal information as ‘private and confidential’
- including a return address on the outside of envelopes.

King’s Speech 2024

On 17 July 2024, His Majesty King Charles III delivered his [Government’s legislative programme](#) to the House of Lords. The [background notes to the King’s Speech](#) contain the detail.

The Speech unveiled a new Pensions Bill. Most of the Bill covers the private pensions market. However, it does include the Government’s intention to reaffirm the Pensions Ombudsman (TPO) as a competent court. Once enacted, administering authorities will no longer need to apply to the courts to enforce a TPO decision concerning recovery of an overpayment.

PASA publishes white paper on digital administration

On 8 July 2024, the Pensions Administration Standards Association (PASA) published [a white paper on digital administration](#). The paper explores 'where we are in 2024' and follows an industry survey conducted to understand the attitudes and progress towards digital administration.

Useful links

[LGPS member website \(England and Wales\)](#)

[LGPS member website \(Scotland\)](#)

[LGPS Advisory Board website \(England and Wales\)](#)

[LGPS Advisory Board website \(Scotland\)](#)

[LGPS Regulations and Guidance website \(England and Wales\)](#)

[LGPS Regulations and Guidance website \(Scotland\)](#)

[Current LGPS job vacancies](#)

[Public Sector Transfer Club](#)

[Recognised Overseas Pension Schemes](#) that have told HMRC that they meet the conditions to be a ROPS and have asked to be included on the list.

LGPS pensions section

Raising a query

If you have a technical query, please email query.lgps@local.gov.uk and one of the team's LGPS pension advisers will get back to you. To avoid delays in receiving a response, please do not email advisers directly.

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Further information


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	<p align="center">Pension Board 3 September 2024</p>
	<p align="center">Report from the Corporate Director of Finance and Resources</p>
<p align="center">Training Update - Members' Learning and Development</p>	

Wards Affected:	N/A
Key or Non-Key Decision:	N/A
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
List of Appendices:	<p>Three:</p> <ol style="list-style-type: none"> 1) Brent Pension Fund Training Plan 2) Brent Pension Fund Training Strategy 3) Training Content and Learning Schedule
Background Papers:	None
Contact Officer(s):	<p>Minesh Patel, Corporate Director, Finance and Resources 020 8937 minesh.patel@brent.gov.uk</p> <p>Amanda Healy, Deputy Director of Finance 020 8937 5912 amanda.healy@brent.gov.uk</p> <p>Sawan Shah, Head of Finance 020 8937 1955 sawan.shah@brent.gov.uk</p> <p>George Patsalides, Finance Analyst george.patsalides@brent.gov.uk</p>

1.0 Executive Summary

1.1 The purpose of this report is to inform members of the Pension Board and provide an update on the provision of the LGPS Online Learning Facility.

2.0 Recommendation(s)

2.1 The Pension Board is recommended to note the report and continue the learning programme as outlined in the training timetable.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

3.2 The work of the Pension Fund is critical in ensuring that it undertakes statutory functions on behalf of the Local Government Pension Scheme and complying with legislation and best practice. Efficient and effective performance and service delivery of the Pension Fund underpins all Borough Plan priorities.

3.3 Background

3.4 In March 2021, the report to the Pension Board on member training and development set out expectations that all involved in the governance of public sector funds should evidence they have the knowledge, skills and commitment to carry out their role effectively and advised that officers were exploring opportunities for bespoke in person and online learning to assist members of Committee, Board and officers in fulfilling their responsibilities.

3.5 To work towards this, the Fund has subscribed to the LGPS Online Learning Academy (LOLA) which is a service launched by our actuaries, Hymans Robertson. This is an online platform designed to support the training needs of Pension Fund Sub-committee, Board and other responsible officers in the Council.

3.6 The course includes eight training modules and covers all the key areas to successfully manage the running of the Fund, including:

- Introduction to the LGPS and role of elected members
- Governance & Regulators and Business Planning
- LGPS administration, including policies and procedures, accounting and audit
- LGPS valuations, funding strategy and LGPS employers
- Investment Strategy, pooling, responsible investment, and performance monitoring
- Current issues in the LGPS

3.7 As well as delivering training support, the LOLA platform tracks the progress of users and provides a record of activity, which will be included as a standing item in each Committee and Board meeting. The table below shows module progress for each member of the Pension Board since starting in November 2023.

Title of Module	Module completed by
Introduction	B George C Bala D Ewart R Wheeler
Module 1 – Committee Role and Pensions Legislation	B George C Bala D Ewart R Wheeler
Module 2 – Pensions Governance	C Bala D Ewart R Wheeler
Module 3 – Pensions Administration	C Bala D Ewart R Wheeler
Module 5 – Procurement and Relationship Management	C Bala D Ewart R Wheeler
Module 6 – Investment Performance and Risk Management	C Bala D Ewart
Module 7 – Financial Markets and Product Knowledge	C Bala
Module 4 – Pensions Accounting and Audit Standards	C Bala D Ewart R Wheeler
Module 8 – Actuarial Methods, Standards and Current Practices	C Bala
Current Issues	B George C Bala D Ewart R Wheeler

- 3.8 To allow additional time to complete the training suite, we have refreshed the learning plan enclosed in Appendix 3.
- 3.9 The LOLA platform allows members to complete modules at a convenient time for them. As before, all members are required to complete modules at the pace of one module per calendar month.
- 4.0 Stakeholder and ward member consultation and engagement**
- 4.1 This is not applicable for this report.

5.0 Financial Considerations

5.1 There are none arising directly from this report.

6.0 Legal Considerations

6.1 There are no legal considerations arising directly from this report.

7.0 Equality, Diversity & Inclusion (EDI) Considerations

7.1 There are none arising directly from this report.

8.0 Climate Change and Environmental Considerations

8.1 There are none arising directly from this report.

9.0 Human Resources/Property Considerations (if appropriate)

9.1 There are none arising directly from this report.

10.0 Communication Considerations

10.1 There are none arising directly from this report.

Report sign off:

Minesh Patel

Corporate Director of Finance and Resources

This is the proposed Training Plan for the Brent Pension Fund Committee and Board Members. The Plan aims to give an indication of the delivery method and target completion date for each area. On approval, officers will start to implement this programme, consulting with Members as appropriate concerning their availability regarding appropriate delivery methods.

Training need	Proposed delivery method							CIPFA Framework	Scheduled date	Feedback
	Officer briefings	Briefing note	Pre Committee/ Board training	Training event (internal or external)	Conferences or Seminars	E-learning	Webinars /videos			
Pensions legislation										
General introduction to the LGPS			✓				✓	1		
General pensions framework			✓			✓	✓	1		
LGPS Discretions and formulation of policies			✓				✓	1		
Latest changes to the LGPS			✓				✓	1		
Pensions governance										
Understanding the role of the administering authority			✓				✓	2		
Understanding the general governance framework, including the role of MHCLG, SAB, TPR and other Regulators			✓				✓	2		
The role of the Pension Committee, the administering authority, Pension Board and scheme employers	✓	✓	✓				✓	2		
Understanding the role of the s.151 officer	✓	✓	✓					2		
Monitoring and management of fund risk	✓		✓	✓	✓		✓	2		
Managing conflicts of interest	✓	✓	✓				✓	2		
Reporting breaches of the law		✓	✓				✓	2		
Pensions administration										
General understanding of best practice in scheme administration (e.g. performance and cost measures)	✓	✓	✓	✓				3		
Appreciation of Fund policies, including the administration strategy			✓	✓				3		
Understanding of discretionary powers and their useage			✓	✓				3		
Overview of pension tax rules			✓	✓				3		
Understanding of the Fund's AVC arrangements, including investment choices and performance			✓	✓	✓			3		
Actuarial methods, standards and practices										
General understanding of the role of the actuary	✓	✓	✓	✓	✓		✓	8		
Understanding the valuation process (including the Funding Strategy Statement) and inter-valuation monitoring			✓	✓			✓	8		
Monitoring of early and ill health retirements		✓						8		
Understanding the process for enabling new employers to join the Fund, together with the cessation process		✓	✓	✓	✓		✓	8		
Understanding the pension implication of outsourcing and bulk transfers		✓	✓	✓	✓		✓	8		
Appreciation of the employer covenant		✓	✓	✓	✓		✓	8		
Pension accounting & auditing standards										
A general understanding of the Accounts and Audit Regulations, together with legislative requirements relating to internal controls and accounting practice			✓					4		
A general understanding of the role of internal and external audit		✓	✓					4		
A general understanding of the role played by third party assurance providers			✓					4		
Pension Services procurement & relationship management										
A general understanding of public procurement policy and the role of key decision makers and organisations			✓	✓	✓			5		
A general understanding of the main requirements of UK and EU procurement legislation			✓	✓	✓			5		
An understanding of the importance of considering risk factors for the Fund when selecting third party providers			✓	✓	✓			5		
Appreciation of how the Fund monitors and manages performance of outsourced providers			✓	✓	✓			5		

Investment performance & risk management									
A general understanding of the importance of monitoring asset returns relative to the liabilities			✓	✓	✓			6	
Understanding ways of assessing long term risk			✓	✓	✓			6	
Appreciation of the Myners principles and the approach adopted by the Fund			✓	✓	✓			6	
Appreciation of the range of support services available, who supplies them and the nature of the performance monitoring regime			✓	✓	✓			6	
Financial markets & products knowledge									
A general understanding of the risk and return characteristics of the main asset classes			✓	✓	✓			7	
Understanding the role of these asset classes in long-term Fund investing			✓	✓	✓			7	
Understanding the importance of the Funds Investment Strategy Statement			✓	✓	✓			7	
A general understanding of the financial markets and the investment vehicles available to the Fund, together with their associated risks			✓	✓	✓			7	
Understanding the legislative limits placed on investments within the LGPS			✓	✓	✓			7	
Understanding how the Fund interacts with the UK and overseas taxation systems in relation to investments			✓	✓	✓			7	

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Brent Pension Fund

Pension Committee and Pension Board Training
Strategy

March 2021

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Training plan	

Introduction

This is the training strategy of the Brent Pension Fund (“the Fund”). It has been established to aid the Pension Committee, Pension Board and Officers understanding of their respective responsibilities. This training strategy sets out how these key individuals within the Fund will obtain and maintain the necessary knowledge and understanding in order to fulfil their role.

Objectives

The Funds’ objectives relating to knowledge and understanding are to:

- Ensure the Fund is appropriately managed and those individuals responsible for its management and administration have the appropriate knowledge and expertise;
- Ensures that there is the appropriate level of internal challenge and scrutiny on decisions and performance of the Fund
- Ensure the effective governance and administration of the Fund; and
- Ensure decisions taken are robust and based on regulatory requirements or guidance of the Pensions Regulator, the Scheme Advisory Board and the Secretary of State for Housing, Communities and Local Government.

Pension Fund Committee members require an understanding of:

- Their responsibilities as an LGPS administering authority, as delegated to them by Brent Council;
- The requirements relating to pension fund investments;
- Controlling and monitoring the funding level; and
- Effective decision making in relation to the management and administration of the Fund.

Pension Board members must be conversant with –

- The relevant LGPS Regulations and any other regulations governing the LGPS;
- Any policy or strategy documents as regards the management and administration of the Fund; and
- The law relating to pensions and such other matters as may be prescribed.

Officers responsible for Fund management and administration must ensure they have the necessary knowledge and understanding to:

- carry out the tasks of managing the Fund’s investments, administering the payment of benefits and communicating key messages to scheme employers, scheme members and their dependants.

The knowledge and skills required of staff should be set out in their job descriptions, including any formal qualifications required.

Compliance

To achieve these objectives, the Fund will aim for full compliance with the CIPFA Knowledge and Skills Framework (KSF) and the Pension Regulator Code of Practice to meet the skills set within that Framework. Attention will also be given to any guidance issued by the Scheme Advisory board (SAB), the Pensions Regulator and the Secretary of State.

CIPFA Knowledge and Skills Framework – Pension Fund Committees

Although there is currently no legal requirement for knowledge and understanding for members of the Pension Committee it is the Fund's opinion that, in accordance with the Scheme Advisory Board's (SAB) "Good Governance" project members of the Pension Committee should have no less a degree of knowledge and skills than those required in legislation by the Local Pension Board.

The CIPFA framework, that was introduced in 2010, covers six areas of knowledge identified as the core requirements:

- Pensions legislative and governance context;
- Pension accounting and auditing standards;
- Financial services procurement and relationship development;
- Investment performance and risk management;
- Financial markets and products knowledge; and
- Actuarial methods, standards and practice.

Under each of the above heading the Knowledge and Skills Framework sets the skills and knowledge required by those individuals responsible for Fund's financial management and decision making.

CIPFA Technical Knowledge and Skills Framework – Local Pension Boards

CIPFA extended the Knowledge and Skills Framework in 2015 to specifically include Pension Board members, albeit there is an overlap with the original Framework. The 2015 Framework identifies the following areas as being key to the understanding of local pension board members;

- Pensions Legislation;
- Public Sector Pensions Governance;
- Pensions Administration;
- Pensions Accounting and Auditing Standards;
- Pensions Services Procurement and Relationship Management;
- Investment Performance and Risk Management;
- Financial markets and product knowledge;
- Actuarial methods, standards and practices.

The Pensions Regulator's E-learning toolkit

The Pensions Regulator has developed an online toolkit to help those running public service schemes understand the governance and administration requirements set out in its code of practice 14 – *Governance and administration of public service pension schemes*. The toolkit covers 7 short modules, which are:

- Conflicts of Interests;
- Managing Risk and Internal Controls;
- Maintaining Accurate Member Data;
- Maintaining Member Contributions;
- Providing Information to Members and Others;
- Resolving Internal Disputes;
- Reporting Breaches of the Law.

The modules of the Regulator's toolkit are by their very nature generic, having to cater for all public service pension schemes. While they give a minimum appreciation of the knowledge and understanding requirements set out in the Code of Practice they do not cater for the specific requirements of the individual public service schemes.

As a result the Regulator's toolkit does not cover knowledge and skills requirements in areas such as Scheme regulations, the Fund's specific policies and the more general pension's legislation. Therefore, this toolkit should be used to supplement the existing training plans.

Timing

Ideally, targeted training will be provided that is timely and directly relevant to the Committee and Board's activities as set out in the Fund's business plan.

Approach

This Strategy sets out how the Fund provide training to members of the Pension Committee and Pension Board. Officers involved in the management and administration of the Fund will have their own section and personal training plans together with career development objectives.

- **Induction training** - Pension Committee and Pension Board members will receive induction training to cover the role of the Fund, Pension Board and understand the duties and obligations Brent Council as the Administering Authority, including funding and investment matters.

It is anticipated that at least 2 day's annual training will be arranged and provided by officers to address specific training requirements to meet the Pension Committee and Pension Board's business plan. All members will be encouraged to attend this event.

- **External courses** - Additionally, a number of specialist courses are run by bodies such as the Local Government Association, actuarial, governance and investment advisers as well as fund manager partners.
- **Conferences** - There are also a number of suitable conferences run annually, which will be brought to members attention where appropriate. Of particular relevance are the LGA Annual Governance Conference, LGA Fundamentals Training, National Association of Pension Funds (NAPF) Local Authority

Conference, the LGC Local Authority Conference, and the Local Authority Pension Fund Forum (LAPFF) annual conference.

Additionally, consideration will be given to various training resources available in delivering training to the Pension Committee and Pension Board members. These may include but are not restricted to:

- In-house and shared training events where it improves economy, efficiency and effectiveness
- Self-improvement and familiarisation with regulations and documents
- The Pension Regulator's e-learning programme
- Attending courses, seminars and external events
- Internally developed training days and pre/post meeting sessions
- Regular updates from officers and/or advisers
- Informal discussion and one-to-one sessions
- Formal presentations
- Circulated reading material
- E-learning

Flexibility

When considering training for members of the Pension Committee and Pension Board it is recognised that individuals may have different learning styles. The Fund will seek, where possible, to ensure flexibility in the manner in which training is provided to support these different learning styles.

Maintaining knowledge

In addition to undertaking ongoing training to achieve the requirements of the CIPFA knowledge and skills framework Pension Committee and Pension Board members are expected to maintain their knowledge and understanding of topical issues through attendance at internal/external events and seminars where appropriate. We recommend that members sign up to the various industry communications such as those produced by the SAB, LGA, CIPFA and the Fund Actuary.

Owing to the changing world of pensions, it will also be necessary to attend ad hoc training on emerging issues or on a specific subject on which a decision is to be made in the near future.

Risk Management

The compliance and delivery of a training strategy is at risk in the event of-

- Frequent changes in membership of the Pension Committee or Pension Board
- Poor individual commitment
- Resources not being available
- Poor standards of training
- Inappropriate training plans

These risks will be monitored within the scope of the training strategy to be reported to the s.151 officer where appropriate.

Reporting and Compliance

In line with the CIPFA Code of Practice a disclosure will be made in the Fund's Annual Report and Accounts that covers:

- How the Skills and Knowledge framework has been applied.
- What assessment of training needs has been undertaken.
- What training has been delivered against the identified training needs.

Budget and costs

A training budget will be agreed and costs fully scoped.

All direct costs and associated reasonable expenses for attendance of external courses and conferences will be met by the fund, provided that the Scheme Manager's prior approval is sought before incurring any such expenses (other than routine costs associated with travelling to and from Pensions Board/Committee meetings) and appropriate receipts are sent to the Scheme Manager evidencing the expenses being claimed for.

Effective date

This strategy comes into effect from 23 March 2021.

Review

This strategy will be reviewed every 2 years, and if necessary, more frequently to ensure it remains accurate and relevant.

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Title of Module	Module Content	Date to be completed	Time Requirement
Introduction	An introduction to LGPS Online Learning Academy	Aug-24	2 minutes
Module 1 – Committee Role and Pensions Legislation	An Introduction to Pensions Legislation An Introduction to Pensions Legislation - The role of a Councillor	Aug-24	37 minutes
Module 2 – Pensions Governance	LGPS Oversight Bodies - DLUHC & GAD LGPS Oversight Bodies - TPR Business Planning LGPS Governance	Sep-24	1 hour
Module 3 – Pensions Administration	Introduction to Administration Additional Voluntary Contributions Policies and Procedures	Oct-24	1 hour
Module 5 – Procurement and Relationship Management	Public Procurement	Nov-24	21 minutes
Module 6 – Investment Performance and Risk Management	Introduction to Investment Strategy LGPS Investment Pooling Performance Monitoring Responsible Investment	Dec-24	58 minutes
Module 7 – Financial Markets and Product Knowledge	Introduction to financial markets and product knowledge Markets, investment vehicles and MiFID II	Jan-25	43 minutes
Module 4 – Pensions Accounting and Audit Standards	Pensions Accounting and Audit Standards	Feb-25	21 minutes
Module 8 – Actuarial Methods, Standards and Practices	Introduction to Funding Strategy LGPS Actuarial Valuations - Process LGPS Valuation - Technical Employers	Mar-25	1 hour
Current Issues	Understanding McCloud Pensions Dashboards Understanding Goodwin Introduction to Cyber Risk GAD Section 13 Climate Change and TCFD McCloud Consultation June 2023 SAB and HM Treasury Cost Cap Mechanisms Next Steps on Investment (England & Wales) - Consultation overview	On going	

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London Borough of Brent Pension Fund

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Q1 2024 Investment Monitoring Report

Kenneth Taylor, Senior Investment Consultant

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Executive Summary

Performance Summary

The assets combined to return 4.1% over the quarter to 31 March 2024.

Global equities recorded the best first quarter in five years, rising 9.1% in Sterling terms. This was due to further optimism about the US economy and AI enthusiasm, which offset expectations of slower rate cuts.

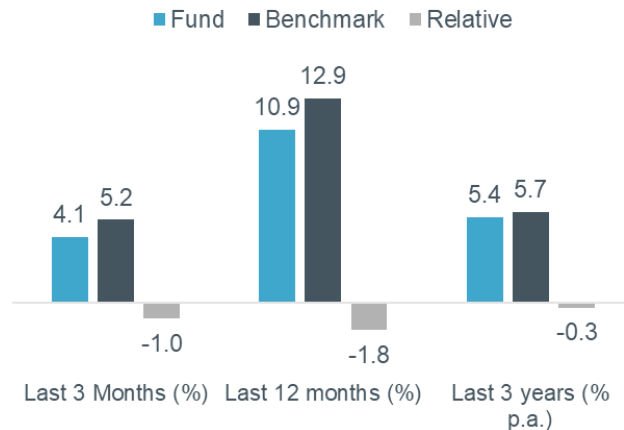
UK equities also produced positive returns (up 3.6%) although they lagged global markets due to having a small exposure to the outperforming technology sector, as well as economic weakness which contributed to UK-listed companies underperforming global peers across almost all sectors.

A rise in yields over the quarter saw negative returns from the UK government bond market. The property market also continued to underperform, specifically the office and retail sectors.

Key points to note

- The Fund has posted positive returns over the quarter, ending the period with a valuation of £1,259.7m up from £1,203.0m at the end of Q4 2023.
- The Fund’s equities were again the main drivers of returns, with LGIM’s global equity mandate the primary contributor in monetary terms. The Fund’s exposure to UK equities also contributed to performance.
- Within the income assets, both property mandates and both multi-asset funds detracted from performance on a relative basis; however, allocations to these assets are much smaller relative to the growth assets.
- The Fund’s UK government bond holdings experienced negative performance over the quarter, due to yields rising over the period, hence saw their value fall in monetary terms.
- The cash held by the Fund increased over the period to £44.3m. The cash allocation will be used to fund future capital calls and private market investments such as infrastructure and property.

Fund performance vs benchmark/target



High level asset allocation

	Actual	Benchmark	Relative
Growth	54.4%	58.0%	-3.6%
Income	27.8%	25.0%	2.8%
Protection	14.3%	15.0%	-0.7%
Cash	3.5%	2.0%	1.5%

Whilst on the journey to its interim and long-term targets for Property, Infrastructure and Private Debt, the Fund will hold a higher allocation to DGF’s.

Asset allocation

Manager	Valuation (£m)		Actual Proportion	Benchmark	Relative
	Q4 2023	Q1 2024			
LGIM Global Equity	468.4	515.0	40.9%	40.0%	0.9%
LGIM UK Equity	73.1	75.8	6.0%	5.0%	1.0%
Capital Dynamics Private Equity	19.6	17.3	1.4%	5.0%	-3.6%
LCIV JP Morgan Emerging Markets	42.3	42.7	3.4%	5.0%	-1.6%
Blackrock Acs World Low Crbn	32.0	34.9	2.8%	3.0%	-0.2%
Total Growth	635.4	685.8	54.4%	58.0%	-3.6%
LCIV Baillie Gifford Multi Asset	126.7	127.7	10.1%	6.0%	4.1%
LCIV Ruffer Multi Asset	93.4	92.7	7.4%	6.0%	1.4%
Alinda Infrastructure	17.9	18.7	1.5%	0.0%	1.5%
Capital Dynamics Infrastructure	2.3	2.4	0.2%	0.0%	0.2%
LCIV Infrastructure	45.2	45.2	3.6%	5.0%	-1.4%
Fidelity UK Real Estate	13.4	13.3	1.1%	1.5%	-0.4%
UBS Triton Property Fund	11.0	10.9	0.9%	1.5%	-0.6%
LCIV Private Debt Fund	39.1	39.1	3.1%	5.0%	-1.9%
Total Income	349.0	350.0	27.8%	25.0%	2.8%
LCIV CQS MAC	60.4	61.8	4.9%	5.0%	-0.1%
BlackRock UK Gilts Over 15 yrs	122.1	117.8	9.4%	10.0%	-0.6%
Total Protection	182.5	179.6	14.3%	15.0%	-0.7%
Cash	36.0	44.3	3.5%	2.0%	1.5%
Total Scheme	1203.0	1259.7	100.0%	100.0%	

Figures may not add up due to rounding. The benchmark currently shown as the interim-target allocation as the first step in the journey towards the long-term target. As the Fund's allocations and commitments to private markets increase over time, we will move towards comparison against the long-term target.

The target allocations reflected in this report are as follows. These will be updated next quarter to reflect the partial sale of the Baillie Gifford DGF (discussed further below).

Interim

Growth – 58%
Income/Diversifiers – 25%
Protection plus cash – 17%

Long-term

Growth – 50%
Income/Diversifiers – 35%
Protection – 15%

The LCIV infrastructure and private debt funds remain in their ramp up phase. We expect the Fund's commitments to continue to be drawn down over 2024.

During the last quarter, the LCIV Baillie Gifford Multi-asset fund's rating was downgraded. As a result, in Q1 the Committee agreed to reduce the allocation to the LCIV Baillie Gifford Multi-asset fund, consider further recommendations to sell and utilise the proceeds to meet the strategic objectives of the Fund.

Post quarter end, the Fund made a £35m commitment to the London CIV UK Housing Fund, as part of building up the property portfolio to its 10% long-term objective.

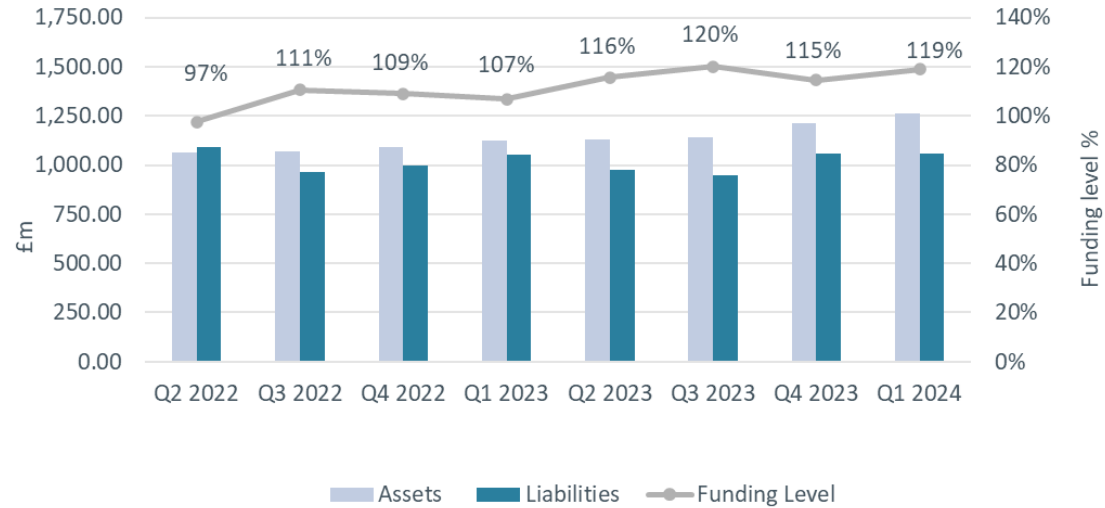
As at 31 March 2024, we estimate the funding level to be 119%.

The graph shows the funding level has increased from 97% in Q2 2022 to 119% at the end of Q1 2024.

Please note the asset value shown (for the funding level calculation) may differ from the actual asset value as it is an estimate based on estimated cashflows. However, the estimate is consistent with liabilities, therefore gives more reliable estimate of the funding position.

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Funding level progression



Latest funding level summary

	30 Sep 2023	31 Dec 2023	31 March 2024
Assets	1,139	1,212	1,262
Liabilities	949	1,057	1,064
Surplus/(deficit)	190	155	197
Funding Level	120%	115%	119%

Source: Hymans Robertson funding update report as at 31 March 2024.
Please see report for full details of approach used and reliances and limitations.

Manager performance

	Last 3 Months (%)			Last 12 months (%)			Last 3 years (% p.a.)		
	Fund	B'mark	Relative	Fund	B'mark	Relative	Fund	B'mark	Relative
Growth									
LGIM Global Equity	10.0	10.0	0.0	23.2	23.3	-0.1	11.9	12.0	-0.1
LGIM UK Equity	3.6	3.6	0.1	8.5	8.4	0.1	8.2	8.0	0.1
Capital Dynamics Private Equity	-4.0	10.3	-13.0	-9.9	24.1	-27.4	5.0	13.4	-7.4
LCIV JP Morgan Emerging Markets	1.0	3.3	-2.2	-1.3	5.9	-6.8	-4.4	-2.2	-2.2
Blackrock Acs World Low Crbn	9.4	9.9	-0.5	24.4	22.5	1.6	-	-	-
Income									
LCIV Baillie Gifford Multi Asset	0.8	1.8	-0.9	3.2	7.1	-3.6	-0.8	4.6	-5.1
LCIV Ruffer Multi Asset	-0.8	1.8	-2.5	-6.0	7.1	-12.2	0.7	4.6	-3.7
Alinda Infrastructure	4.3	1.1	3.2	14.3	5.2	8.7	18.5	8.7	9.0
Capital Dynamics Infrastructure	4.7	1.1	3.6	-4.4	5.2	-9.1	-9.0	8.7	-16.3
LCIV Infrastructure	0.5	1.1	-0.6	3.6	5.2	-1.5	8.4	8.7	-0.3
Fidelity UK Real Estate	-1.2	0.5	-1.7	-2.8	-0.7	-2.1	-	-	-
UBS Triton Property Fund	-1.5	0.5	-2.0	-4.4	-0.7	-3.7	-	-	-
LCIV Private Debt Fund	0.0	1.5	-1.5	6.1	6.0	0.1	-	-	-
Protection									
LCIV CQS MAC	2.3	1.8	0.5	11.3	7.2	3.9	1.7	4.5	-2.7
BlackRock UK Gilts Over 15 yrs	-3.6	-3.6	0.0	-4.9	-4.6	-0.3	-14.7	-14.6	-0.1
Total	4.1	5.2	-1.0	10.9	12.9	-1.8	5.4	5.7	-0.3

This table shows the new performance target measures, implemented from 2020. Please note the 3-year return is on the old benchmark basis.

Performance from Alinda, Capital Dynamics and the LCIV Infrastructure funds is based on information provided by Northern Trust. For such investments, we focus on longer term performance. There are also alternative measures to assess performance detailed in the individual manager pages. This is also the case for Private Equity and Private Debt as asset classes.

The total Fund return was positive during the period on an absolute basis but underperformed on a relative basis. Performance over the past 12 months and 3 years remains positive, however slightly behind respective benchmarks.

Global equities continued to provide strong positive returns and outperform UK equities mainly due to the UK's underweight to the technology sector which continued to outperform in Q1 2024.

Capital Dynamics' private equity mandate posted negative returns in Q1 and also lagged its benchmark. However, this allocation is in run down and represents a small allocation within the Fund (1.4% of total Fund Assets).

Yield volatility remained during Q1; gilt yields rose over the quarter, resulting in a decrease in the value of the portfolio. Credit markets performed well over the quarter resulting in the strong performance of the LCIV MAC fund.

The property market fell over the period as income was offset by capital value declines in the office and retail sectors. The Fidelity real estate and UBS Triton property funds underperformed their respective benchmarks by 1.7% and 2.0%.

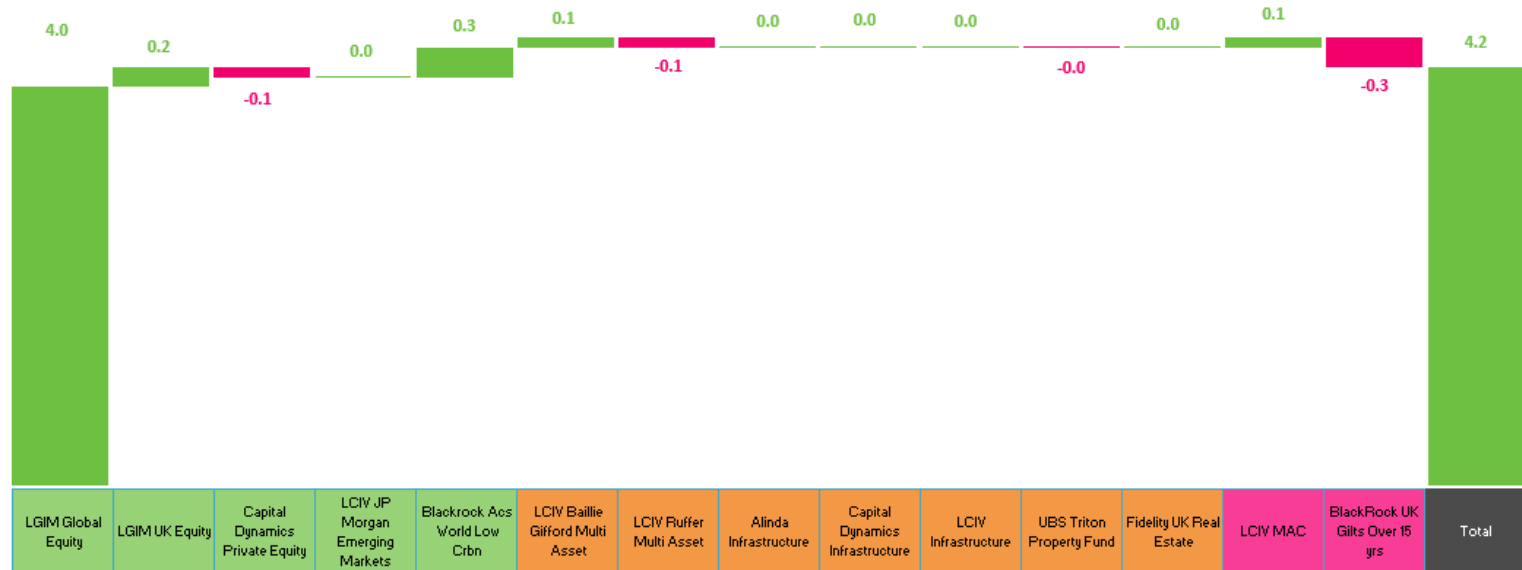
This chart highlights each mandate's contribution to the Fund's absolute performance over the quarter according to their allocation.

The largest contributor to performance over the period was LGIM's Global Equity fund, given its positive performance and its sizeable allocation of c.41%.

The LGIM UK Equity and BlackRock World Low Carbon funds were the other significant contributors to performance over the quarter.

Despite large negative returns posted by the Capital Dynamics Infrastructure fund and underperformance by both property funds (UBS and Fidelity), these mandates have a small allocation of c1% each, of the total Fund, hence did not detract materially from the Fund's overall performance.

Fund performance by manager



Please note that due to rounding, the total performance shown above may not add to the total quarterly performance shown on page 3 of this report.

Over the period, the only change in manager ratings was Fidelity - downgraded from 'Preferred' to 'Suitable (On Watch)'.

There have been no changes to RI ratings over the period.

Information on the rating categories can be found in the appendix.

RAG status reflects the long term performance of each mandate. Manager developments reflect any key changes over the quarter and how this may affect the mandate.

RAG Status Key (assessment of longer term relative performance):

- Red: Significant underperformance
- Amber: Moderate underperformance
- Green: Performance in line / above benchmark

The pages that follow cover in further detail managers who have an amber/red performance rating.

Manager ratings

Manager/Mandate	Asset Class	Hymans Rating	RI Rating	Performance	Manager Developments
LGIM	Global Equity	Preferred	Strong	●	●
LGIM	UK Equity	Preferred	Strong	●	●
Capital Dynamics	Private Equity	Suitable	Not Rated	●	●
LCIV JP Morgan	Emerging Markets	Suitable	Adequate	●	●
BlackRock	Acs World Low Crbn	Preferred	Adequate	-	●
LCIV Baillie Gifford	Multi Asset	Negative	Good	●	●
LCIV Ruffer	Multi Asset	Positive	Adequate	●	●
Alinda	Infrastructure	Not Rated	Not Rated	●	●
Capital Dynamics	Infrastructure	Not Rated	Not Rated	●	●
LCIV	Infrastructure	Not Rated	Not Rated	●	●
LCIV	Private Debt	Not Rated	Not Rated	-	●
Fidelity	UK Real Estate	Suitable (On Watch)	Good	-	●
UBS	UK Property	Preferred	Good	-	●
LCIV	Multi Credit	Suitable	Not Rated	●	●
BlackRock	UK Gilts Over 15Yrs	Preferred	Not Rated	●	●

Fidelity update

Rationale for downgrade from preferred:

- Like many core open-ended UK property funds in the peer group, Fidelity has suffered from private sector DB schemes selling illiquid assets and investors seeking an exit because funding levels have improved due to higher interest rates.
- The fund size (AuM) will substantially decrease as a result of redemption pressures, calling into question the longer-term commercial viability of the Fund.
- The Fund still has a substantial proportion of buildings to sell to pay out investors. A further redemption of £50m was received in January, bringing the exit queue to £165m (39% of NAV) and potentially reducing the fund size to £261m, below an ideal minimum size of £300m. Fidelity expect to clear the current queue by Q2 2025.

LGIM Global Equity

The LGIM global equity mandate returned 10.0% over the quarter. Performance in global equity markets remains strong over longer periods.

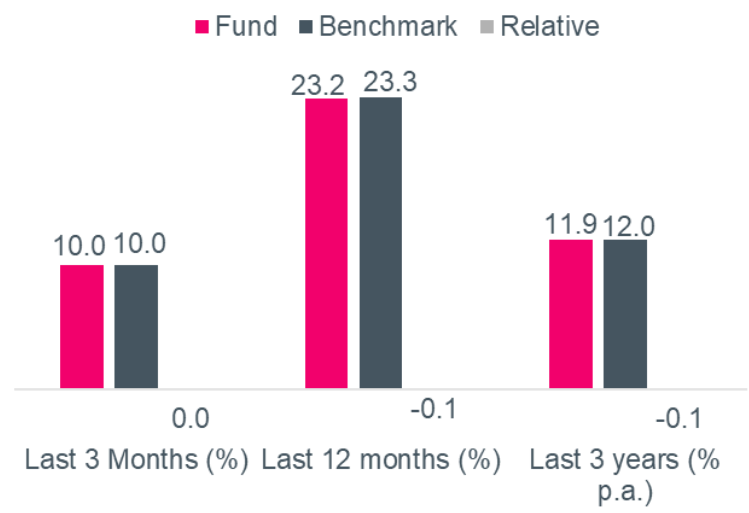
As a passively managed fund, it has matched its benchmark over all periods.

Global equities recorded the best first quarter in five years. The equity market's strong performance can be attributed mainly to further optimism about the US economy and AI enthusiasm, which offset expectations of slower rate cuts.

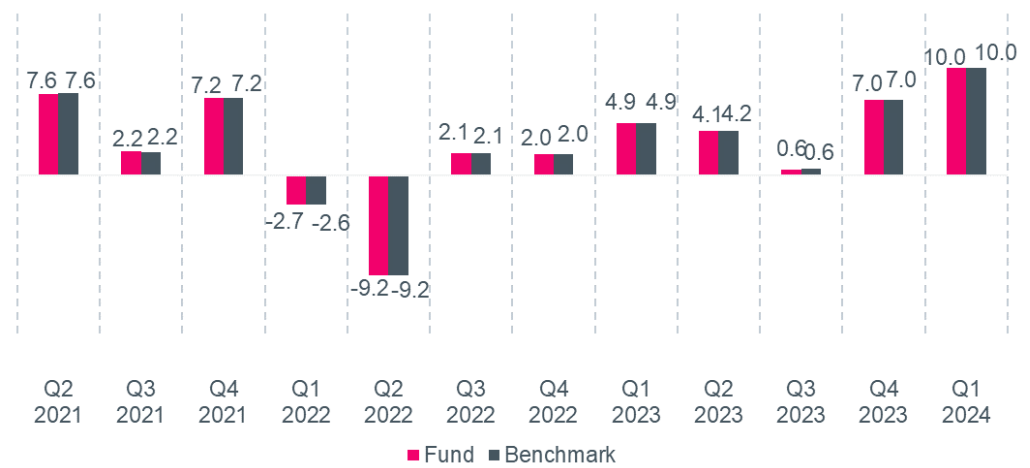
Technology stocks notably outperformed, especially within the US. Also, cyclical sectors, such as financials, energy and industrials contributed to positive performance.

We continue to rate LGIM's passive equity capabilities as 'Preferred'.

Fund performance vs benchmark



Historical performance/benchmark



Source: Investment Manager

LGIM UK Equity

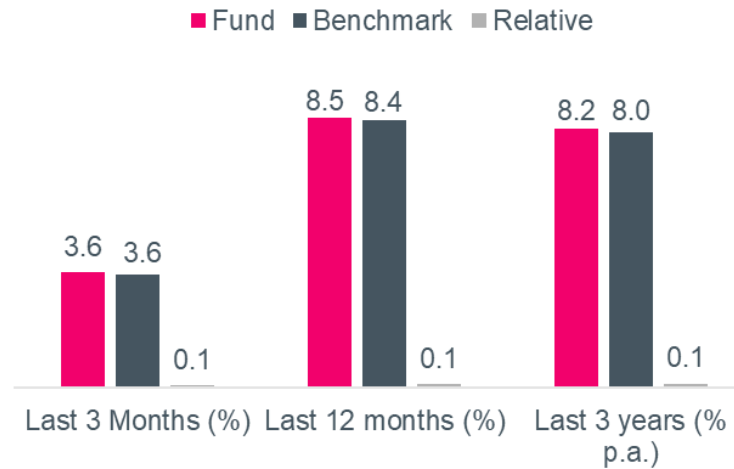
The LGIM UK equity mandate returned 3.6% over the quarter. Performance over 12 months and 3 years is strong, albeit the UK market continues to lag its global counterparts at the longer end.

Over the period the fund has performed in line with its benchmark as we would expect for a passively managed portfolio.

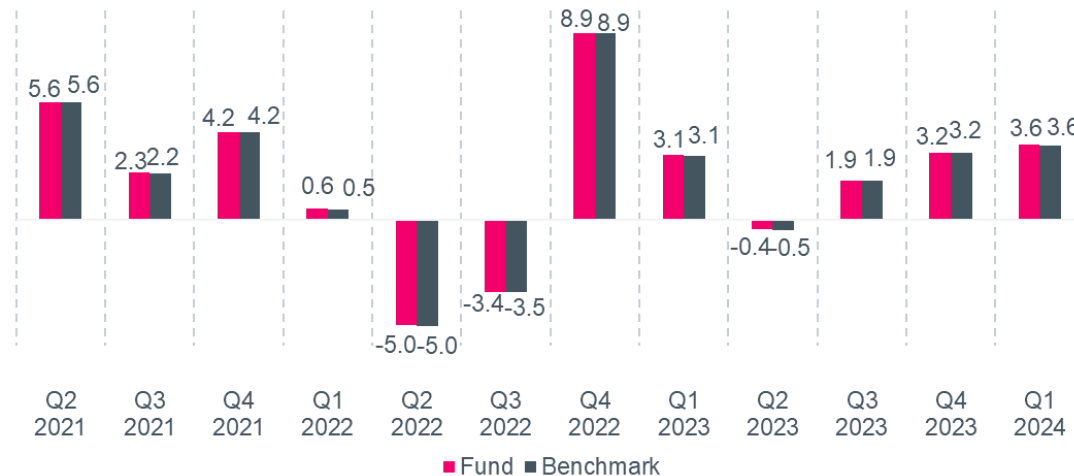
The UK lagged the global market due to having very little exposure to the outperforming technology sector, and above-average exposure to consumer staples and basic materials. Additionally, economic weakness contributed to UK-listed companies underperforming global peers across almost all sectors.

We continue to rate LGIM's passive equity capabilities as 'Preferred'.

Fund performance vs benchmark



Historical performance/benchmark



LCIV JP Morgan Emerging Markets

The JP Morgan Emerging Markets fund returned 1.0% over Q1, against its benchmark of 3.3%. Recent underperformance against the benchmark has resulted in the fund falling behind its longer-term targets. Over 12 months the fund lagged its benchmark by 6.8%.

Emerging market equities lagged developed markets over the period.

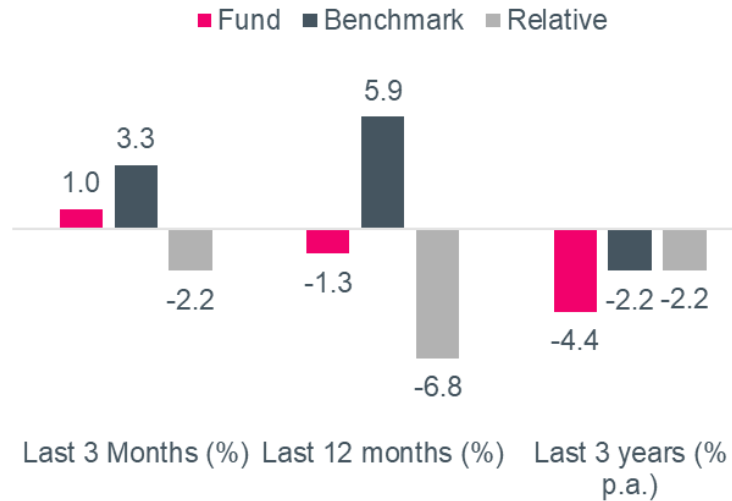
Underperformance was mainly driven by weak stock selection, particularly within financials. This was largely due to two stocks, AIA and HDFC Bank.

Performance contribution through sector allocation was moderately positive, driven by an overweight to information technology and underweight to materials.

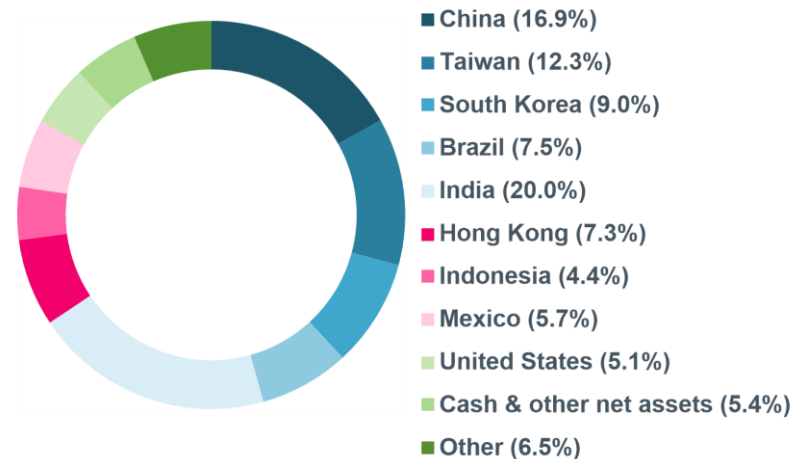
At country level, stock selection within India was the largest detractor, driven by HDFC Bank. Taiwan was the largest contributor, owing to the performance of Taiwan Semiconductor Manufacturing (TSMC).

The manager believes underperformance is largely due to negative derating of stocks held within the portfolio; however, long-term performance is largely driven by earnings, which have held up well compared with the benchmark.

Fund performance vs benchmark



Fund regional allocation



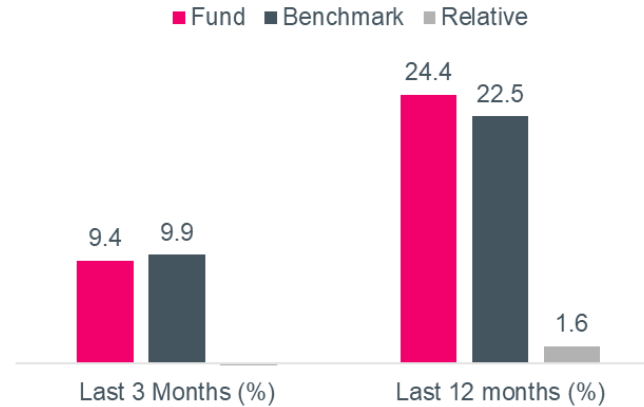
BlackRock ACS World Low Carbon

Over the quarter, the BlackRock World Low Carbon fund returned 9.4%, underperforming its global equity market benchmark by 0.5%. Over the past 12 months, the fund's performance is ahead of this benchmark by 1.6%.

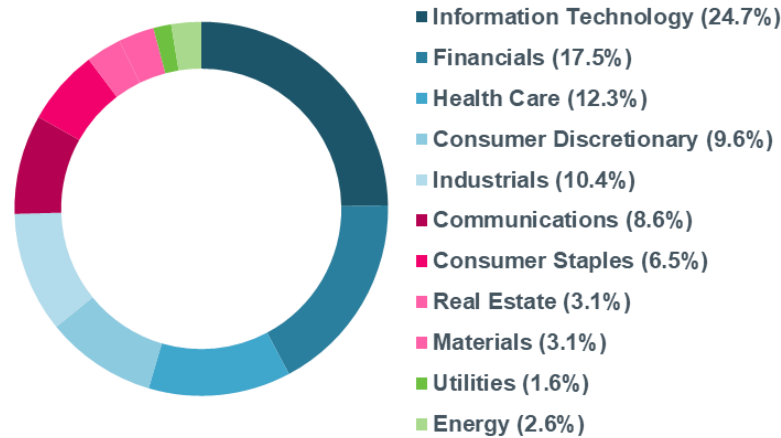
The Fund aims to closely track the performance of the MSCI World Low Carbon Target Reduced Fossil Fuel Index.

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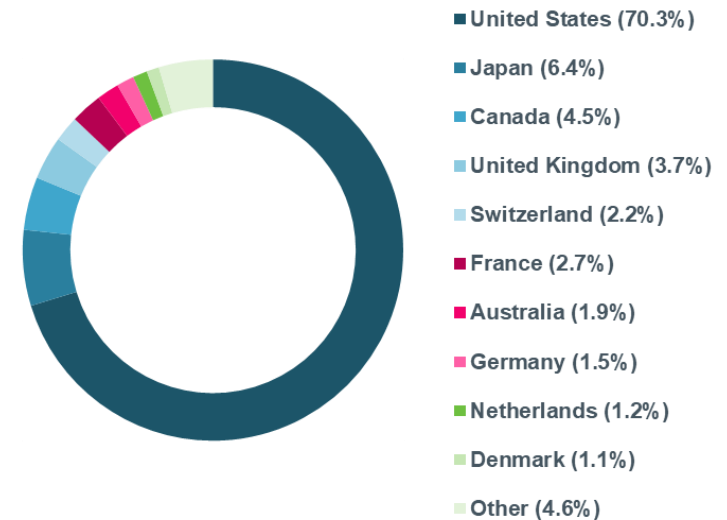
Fund performance vs benchmark



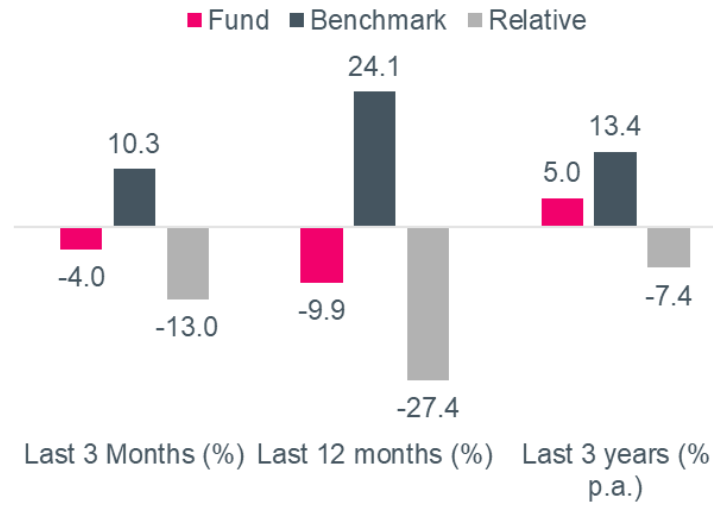
Sector allocation



Geographical breakdown



Fund performance vs benchmark



Capital Dynamics Private Equity

The Capital Dynamics Private Equity fund is invested across a range of sub-funds.

Based on information provided by Northern Trust, the fund returned -4.0% over the period lagging its benchmark of 10.3%.

Over the more meaningful 3 year time period, the fund has returned a positive absolute performance of 5.0% per annum. However, this remains significantly behind the benchmark of MSCI All World +1% p.a.

In practice, there are two key metrics to assess performance for private equity investments; Internal Rate of Return (IRR) and the Total Value to Paid-In (TVPI) ratio. Note that these figures are not yet available as at 31 December 2023.

LCIV Baillie Gifford Multi-asset

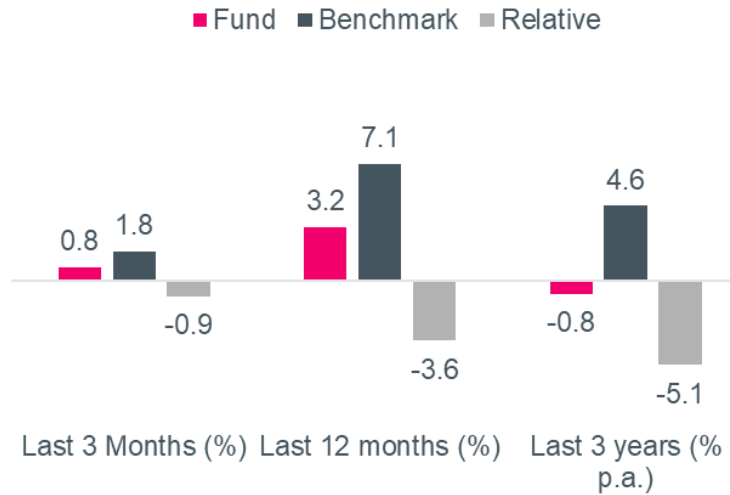
Over the quarter, the fund underperformed against its target of 1.8%. returning 0.8% net of fees. Performance over the past 12 months and 3 years lags their respective benchmarks by 3.6% and 5.1% p.a.

The allocation to equities was cut during 2023 and hence the fund missed out on gains in the equities market in recent months. However, the fund's equity holdings remained the largest contributors to performance in Q1.

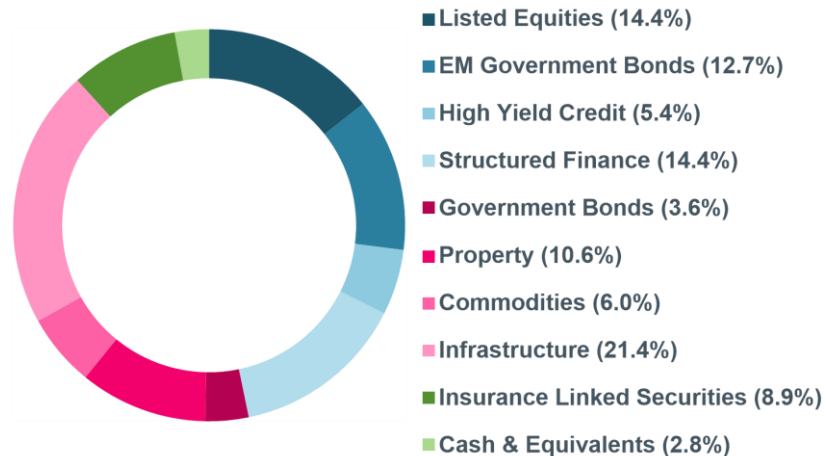
The manager rebuilt the fund's infrastructure assets over 2023 and implemented a further increase in Q1, making it the largest segment of the fund. Infrastructure assets however were the worst performing assets in Q1 and over the past 12 months.

As a result of the fund's downgraded rating, the Committee agreed to reduce the allocation to the LCIV Baillie Gifford Multi-asset fund, consider further recommendations to sell and utilise the proceeds to meet the strategic objectives of the Fund.

Fund performance versus benchmark



Fund asset allocation



LCIV Ruffer Multi-asset

The Ruffer Multi-Asset fund returned -0.8% over the quarter, underperforming the benchmark by 2.5%. Longer term performance remains behind benchmark.

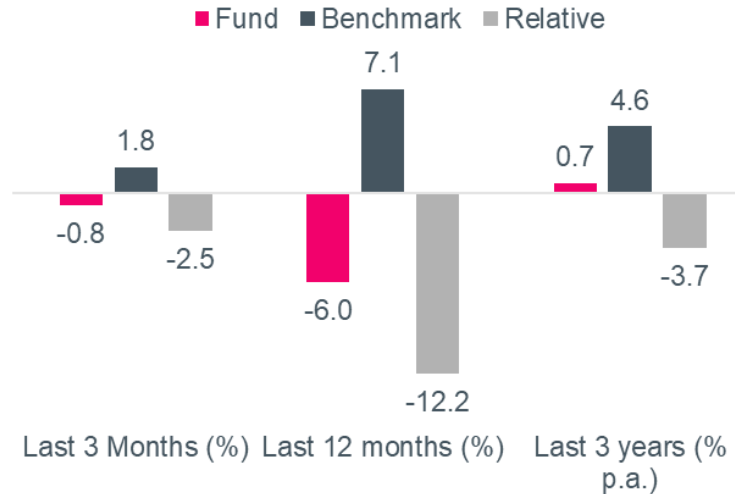
Over the period, equities and commodities were the main contributors to performance. The fund's short dated bond holdings also contributed positively to performance. However, this was offset by allocations to long-dated index-linked gilts.

Defensive derivative positions detracted from performance as investment-grade credit markets performed well.

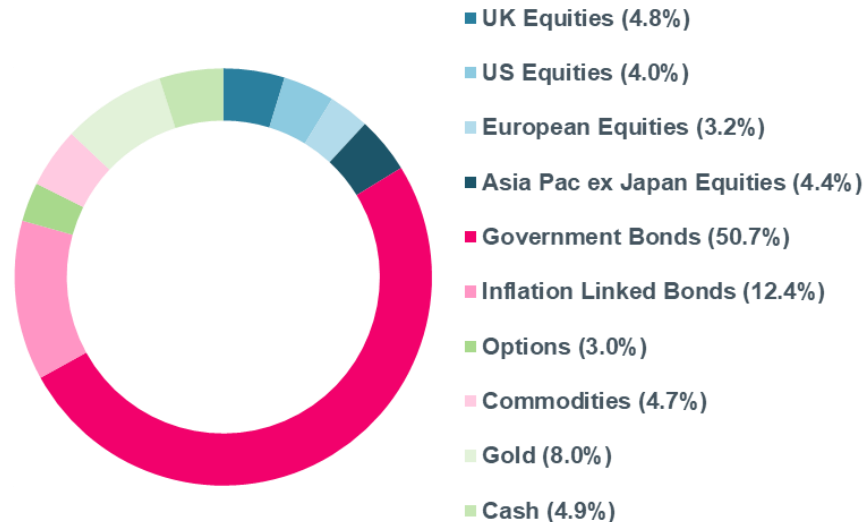
The manager opted to shift its exposure to precious metals to gold mining and physical silver, thus the portfolio did not see gains from the strong performance of gold bullion.

The manager recognises the fund was excessively tilted to manage downside scenarios in 2023. However, the manager is confident that the cost of protecting against risk of capital loss (through futures, swaps, options) is worth it.

Fund performance versus benchmark



Fund asset allocation



Alinda Infrastructure

Target: Absolute return of 8.0% p.a.

The two key metrics to assess performance for infrastructure investments are the Internal Rate of Return (IRR) and the Total Value to Paid-In (TVPI) ratio.

TVPI is more informative. This essentially seeks to outline what the Fund has achieved (its return) so far as a multiple of the deployed capital to date.

Remaining capital commitments as at 31 December 2023 are as follows:

Alinda II: \$2,977,275

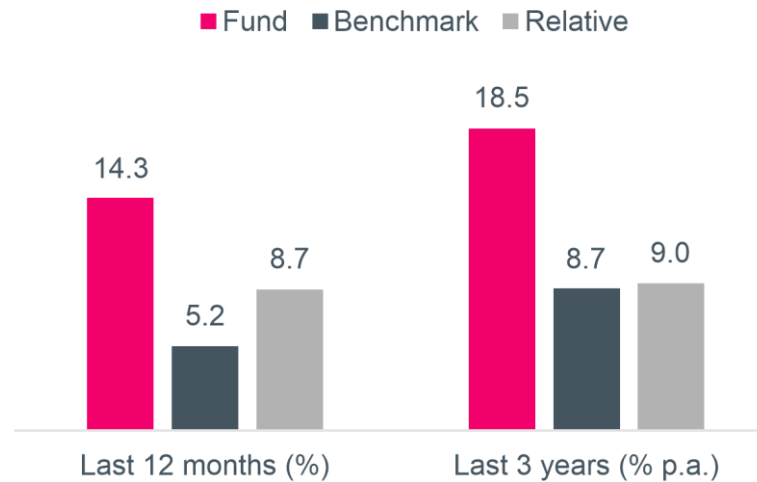
Alinda III: \$9,644,878

The following net distributions (distributions less contributions) were made over Q4 2023:

Alinda II: -

Alinda III: \$1,874,859

Fund performance vs benchmark



Summary as at 31 December 2023 (\$)

	Alinda Fund II	Alinda Fund III
IRR (Gross)	5.0%	24.2%
IRR (Net)	2.4%	18.0%
Cash yield	6.4%	9.8%
TVPI (Net)	1.1x	1.7x

LCIV Infrastructure

Target: Absolute net return of 8.0-10.0% p.a.

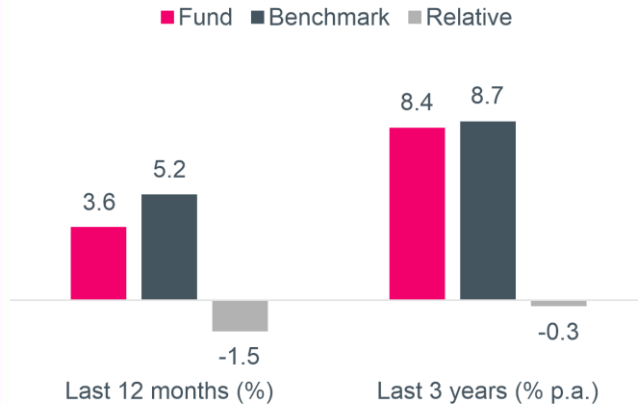
The LCIV Infrastructure fund is managed by Stepstone.

Following quarter end, the Fund held its second close taking total Fund commitments to £475m – an increase of £76m. Hence, StepStone will now be seeking to commit the uncommitted capital into new investments.

Following capital calls received this quarter, the Fund is 79.2% drawn with deployment being in line with StepStone's model.

The fund's first income distribution was paid to investors over the quarter totalling £5.8m, which coincided with the end of the ramp-up period.

Fund performance vs benchmark

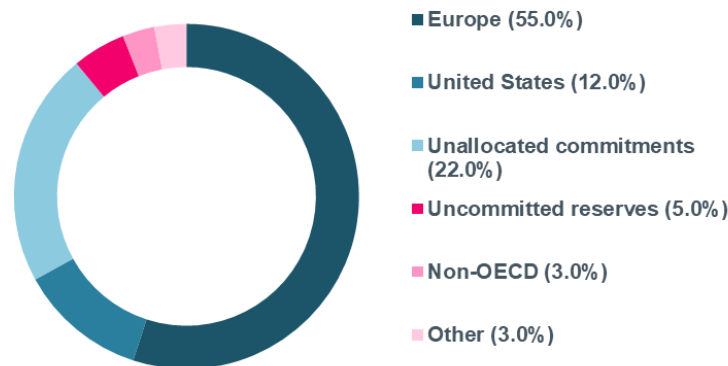


Fund statistics as at 31 December 2023 (£m)

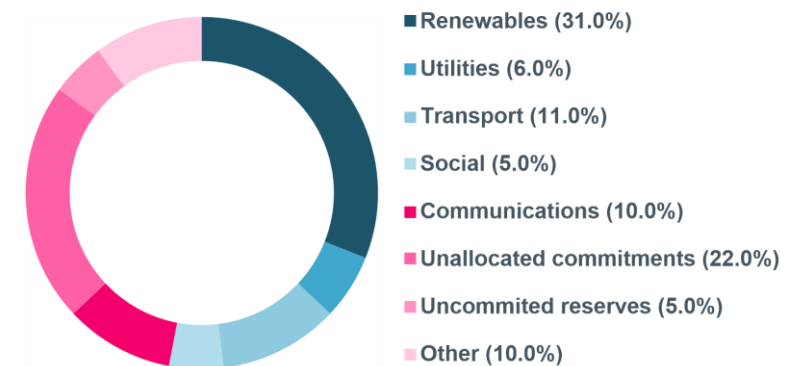
Capital committed	£50.0
Total contributed	£39.6
Distributions	£0.7
Value created	£6.9
Net asset value *	£46.5

*as provided by LCIV

Fund geographical allocation (31 December 2023)



Fund sector allocation (31 December 2023)



Further detail on specific manager performance is provided for funds that have performed below their relative benchmark over the longer term.

Capital Dynamics Infrastructure

Target: Absolute return of 8.0% p.a.

The Fund's holdings are currently solely held within the Capital Dynamics Clean Energy and Infrastructure fund.

The two key metrics to assess performance for infrastructure investments are the Internal Rate of Return (IRR) and the Total Value to Paid-In (TVPI) ratio. With the fund having deployed most of the capital commitment it is appropriate to assess performance on both measures. As can be seen by both the IRR and TVPI, performance has been lower than expected to date, although running performance continues to marginally improve.

Note, reporting on underlying commitments is as at 31 December 2023 due to the lag in reporting from the manager, which is typical for funds of this nature.

This level of performance is primarily driven by challenges experienced by one project in particular which represents a material proportion of the fund. This is a Texas wind power project, which the manager has previously acknowledged.

Summary as at 31 December 2023 (figures in \$m where applicable)

Capital committed	\$15.0	Net IRR since inception	(5.3%)
Total contributed	\$14.7	Total value-to-paid-in-ratio (TVPI)	0.65x
Distributions	\$6.1		
Value created	(\$5.9)		
Net asset value	\$3.0		

LCIV Private Debt Fund

Target: Absolute return of c6.0%

The LCIV Private Debt Fund consists of two underlying managers: Pemberton and Churchill.

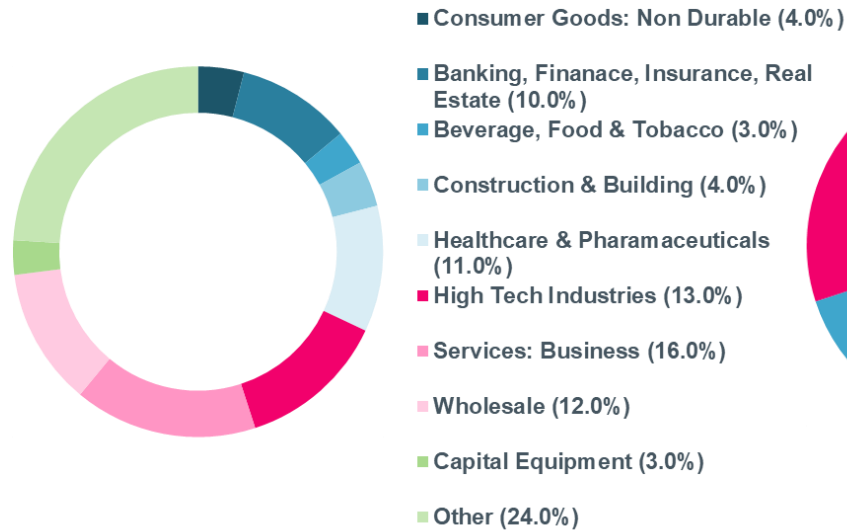
The two key metrics to assess performance for private debt investments are the Internal Rate of Return (IRR) and the Total Value to Paid-In (TVPI) ratio.

At this stage of investment, it is too early to assess performance on a purely percentage basis. TVPI is more informative. This essentially seeks to outline what the Fund has achieved (its return) so far as a multiple of the deployed capital to date. We will be able to provide TVPI figures in future reports.

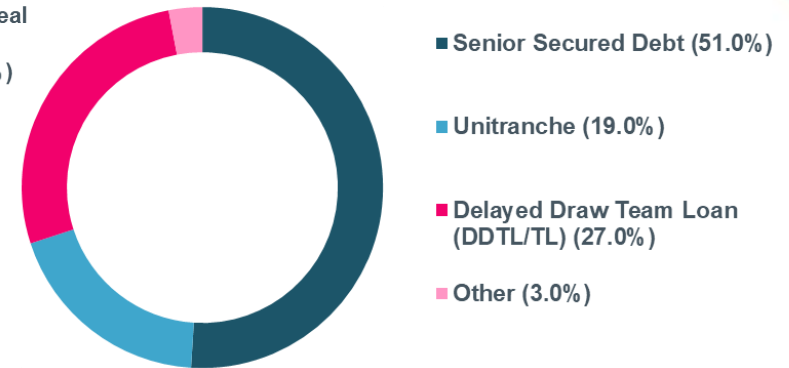
The LCIV private debt fund is in the ramp-up stage. No capital calls to investors were made over the quarter as cash reserves and distributions received were used to pay the capital calls.

This NAV of £39.1m will be different to that provided by Northern Trust (NT) in their 31 December 2023 report due to the need for estimation by NT given the lagged reporting of actual NAV.

Sector allocation



Portfolio investment type



Fund statistics as at 31 December 2023 (£m)

Capital committed	£50.0
Total contributed	£33.6
Distributions	£0.0
Value created	£5.5
Net asset value *	£39.1

*as provided by LCIV

LCIV Multi-Asset Credit (MAC)

Over the quarter, the fund returned 2.3%, outperforming its benchmark by 0.5%. Over the past 12 months, the fund is ahead of benchmark by 3.9%; however over 3 years the fund is 2.7% p.a. behind of its benchmark return.

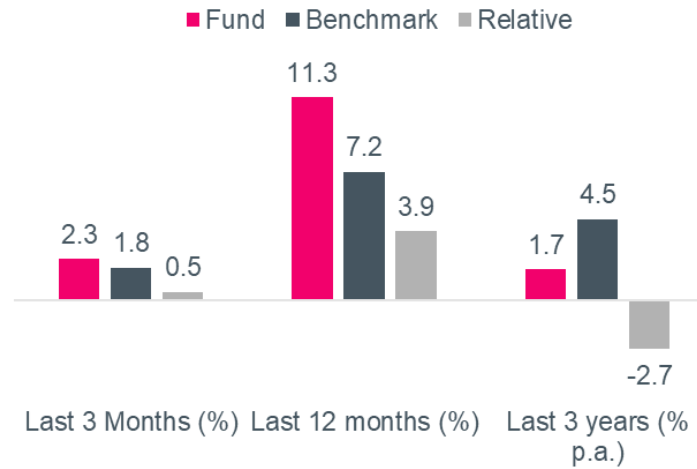
Credit markets performed well in Q1, as spreads declined across all investment and sub-investment grade credit markets. Furthermore, the speculation around 'higher for longer' interest rates has not yet impacted sentiment in credit markets.

In Q1 2024, further tightening of credit spreads provided incremental returns to the interest income for the fund. However, these returns were partially offset by rising yields over the period.

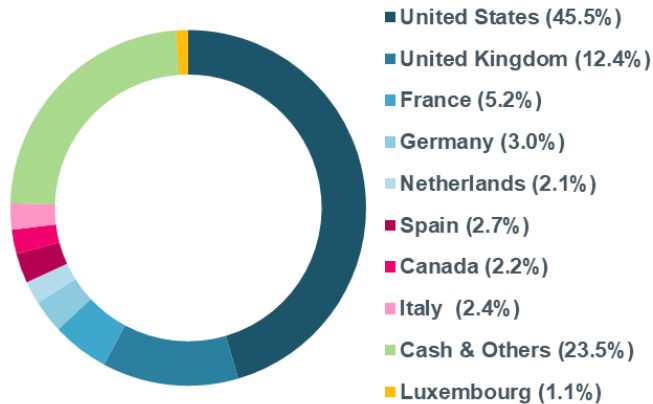
The largest contributor to performance in absolute terms came from asset-backed securities (ABS), as this asset class lagged the broader credit market. Other short duration asset classes, including high yield and senior secured loans also posted strong gains, benefitting from spread tightening as well as low duration.

The weighted average rating of the portfolio has decreased by one notch, from BBB- to BB+, due to changes to the allocation to senior secured loans.

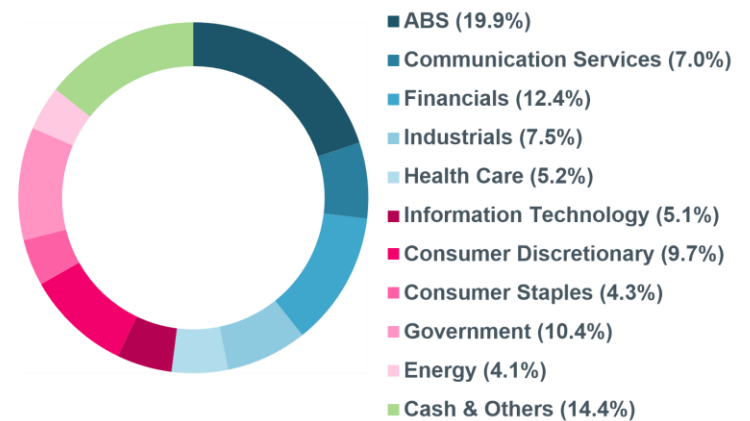
Fund performance vs benchmark



Country weights



Sector weights



Source: Investment Manager

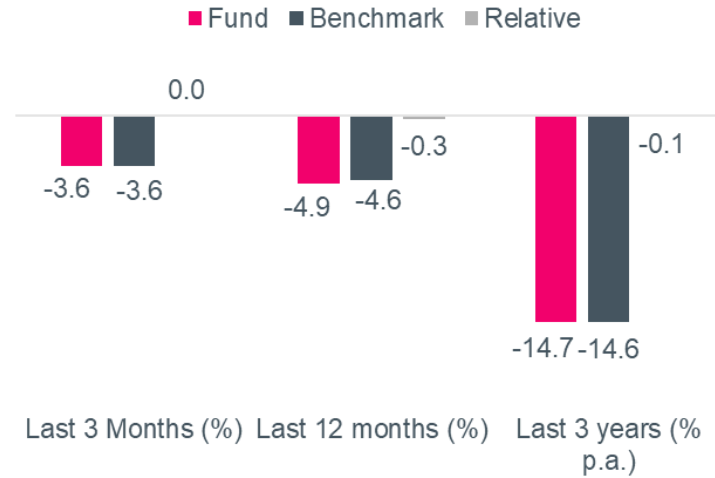
BlackRock UK Gilts

BlackRock were appointed in March 2019 to oversee the Fund's bond allocation.

It is a passively managed mandate aimed at matching the FTSE UK Gilts Over 15 Yrs index. The manager seeks to track market returns from fixed interest gilts and the manager has delivered against this objective. The returns achieved are driven by market movements rather than the manager.

Over the period the fund returned -3.6% as gilt yields rose over the quarter, resulting in a decrease in the value of the portfolio.

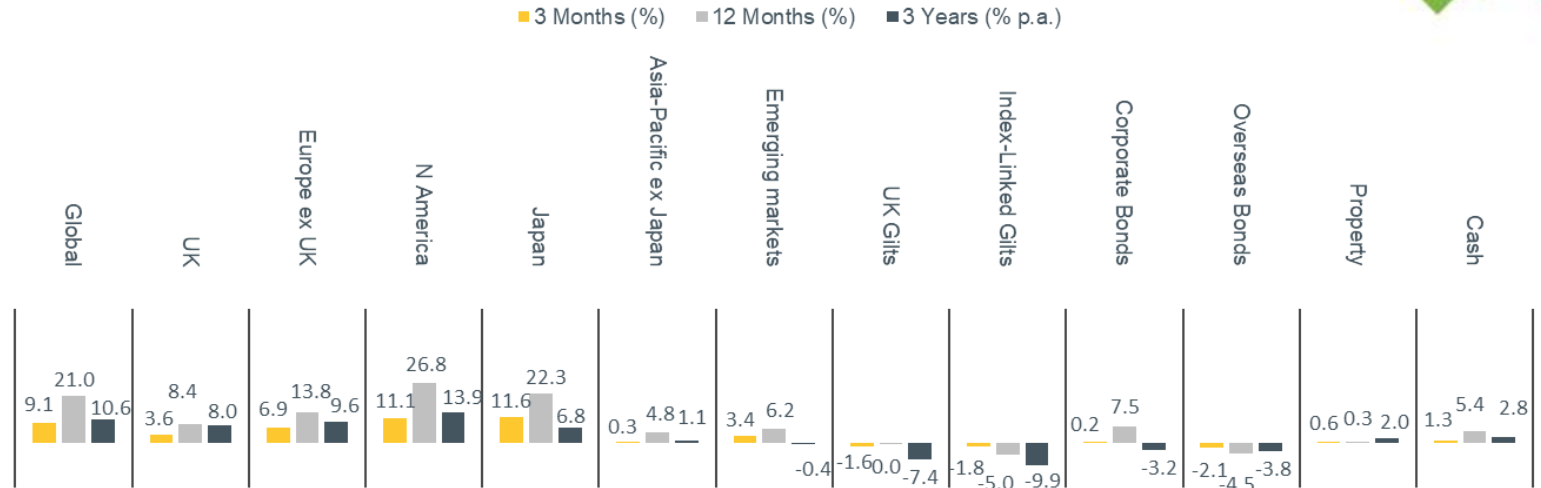
Fund performance vs benchmark



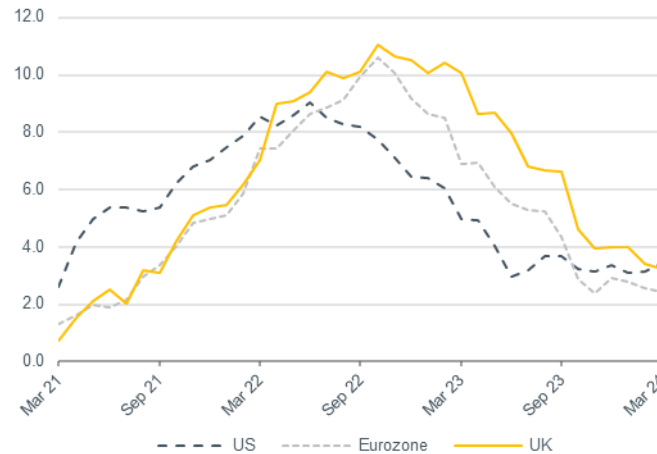
US economy grew more quickly at the end of 2023 than previously anticipated, and composite PMIs indicate global growth gained momentum in Q1. Consensus forecasts for year-on-year US GDP growth in 2024 jumped from 1.4% in January to 2.2% in March. Global growth forecasts have been revised up to 2.4%, though European and UK forecasts remain weaker. US year-on-year headline CPI inflation rose unexpectedly, to 3.5%, in March and core inflation remained unchanged, at 3.8%, further fuelling fears that the downtrend in inflation is slowing. UK and eurozone headline CPI fell to 3.2% and 2.4%, respectively, but core inflation, which excludes energy and food prices, remains higher in the UK and eurozone, at 4.2% and 2.9%, respectively.

Amid stronger activity data and signs of persistence in underlying inflation, market expectations for rate cuts from the major central banks in 2024 fell from six to three at the start of the year to two to three at the end of Q1. The US Fed, the BoE, and the ECB all left rates unchanged in Q1, but, in March, the Bank of Japan raised rates for the first time in 17 years, exiting negative rates. Trade weighted US dollar and sterling rose 2.1% and 1.3%, respectively, as market-implied interest rates rose sharply. The equivalent yen measure fell 4.5% as markets continue to bet on a wide interest rate differential between Japan and its major peers. Gold prices rose 7.2% amid inflation concerns, geopolitical tensions, and strong demand among central banks and Chinese consumers. Oil prices rose 12.5% against a backdrop of supply cuts and conflict in the Middle East.

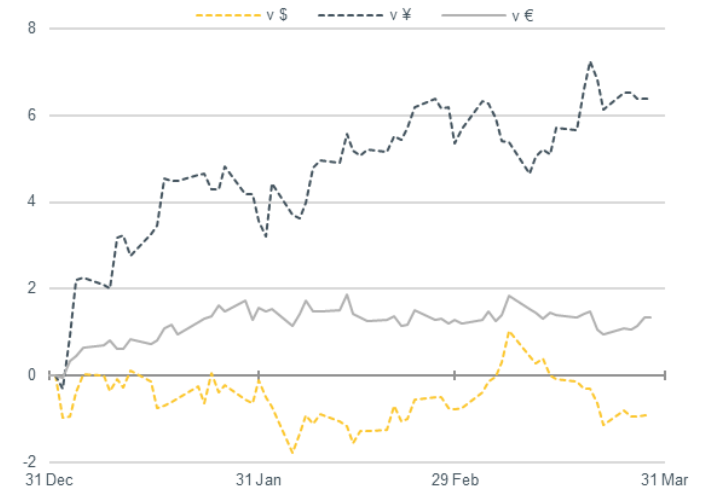
Historic returns for world markets [1]



Annual CPI Inflation (% p.a.)



Sterling trend chart (% change)



Source: DataStream. [1]Returns shown in Sterling terms. Indices shown (from left to right) are: FTSE All World, FTSE All Share, FTSE AW Developed Europe ex-UK, FTSE North America, FTSE Japan, FTSE AW Developed Asia Pacific ex-Japan, FTSE Emerging, FTSE Fixed Gilts All Stocks, FTSE Index-Linked Gilts All Maturities, iBoxx Corporates All Investment Grade All Maturities, ICE BofA Global Government Index, MSCI UK Monthly Property; UK Interbank 7 Day

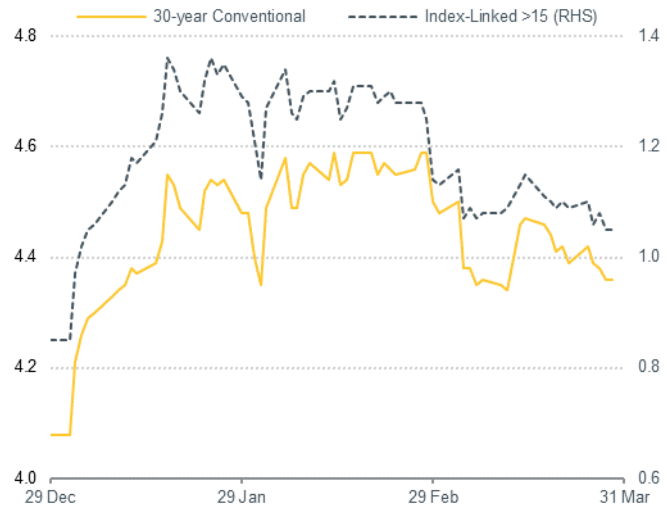
Sovereign bond yields rose sharply over the quarter amid expectations that rates might be cut less than previously anticipated. UK and US 10-year bond yields rose 0.4% pa and 0.3% pa to 3.9% pa and 4.2% pa, respectively, while equivalent German yields rose 0.3% pa, to 2.3% pa. Despite the Bank of Japan raising rates, Japanese yields rose by a modest 0.1% pa, to 0.7% pa.

Global investment-grade credit spreads fell 0.1% pa, to 1.0% pa. Speculative grade spreads fell more, with European spreads narrowing 0.4% pa to 3.5% pa and equivalent US spreads coming down 0.2% pa to 3.1% pa. Despite spread tightening, sterling investment-grade total returns were broadly flat, given the rise in underlying sovereign bond yields. Speculative-grade credit markets overperformed, with US high yield producing a total return of 1.5%.

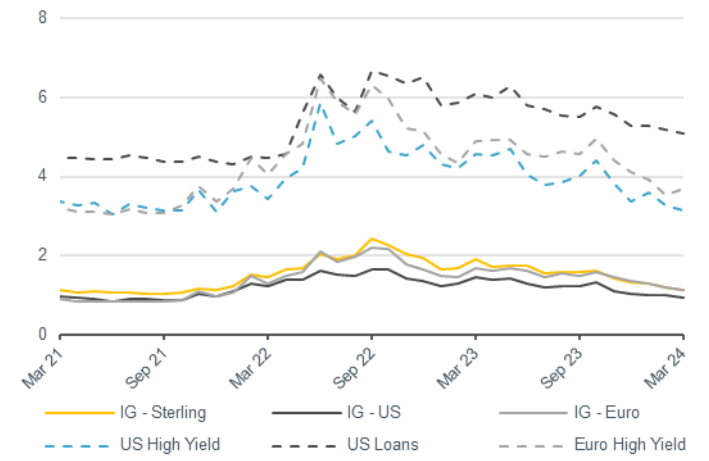
Global equities rose 9.5% in local-currency terms, as economic optimism and AI enthusiasm offset expectations of slower rate cuts. Technology stocks outperformed as massive earnings-beats by some high-profile US tech companies benefitted the sector. Also outperforming, but to a lesser extent, were cyclical sectors, such as financials, energy and industrials, in that order. Basic materials, as well as defensive sectors, such as consumer staples, utilities, telecoms and healthcare, were the worst performers.

The MSCI UK Monthly Property Total Return Index has risen 0.6% in the first quarter of 2024, bringing the 12-month total return to end-March to 0.3%. Over 12 months, capital values fell more steeply in the office sector, relative to the retail and industrial sectors.

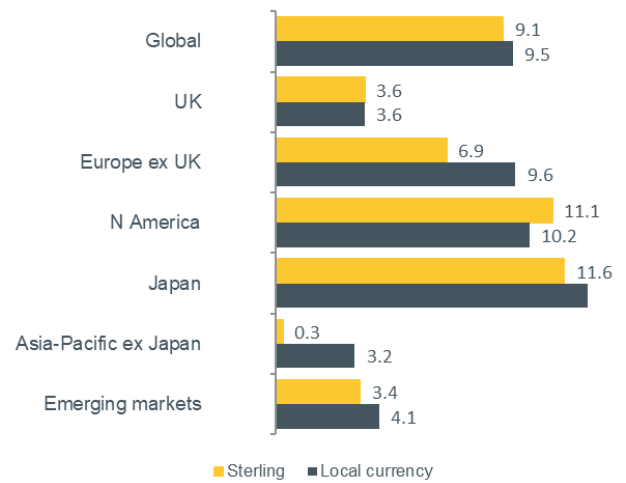
Gilt yields chart (% p.a.)



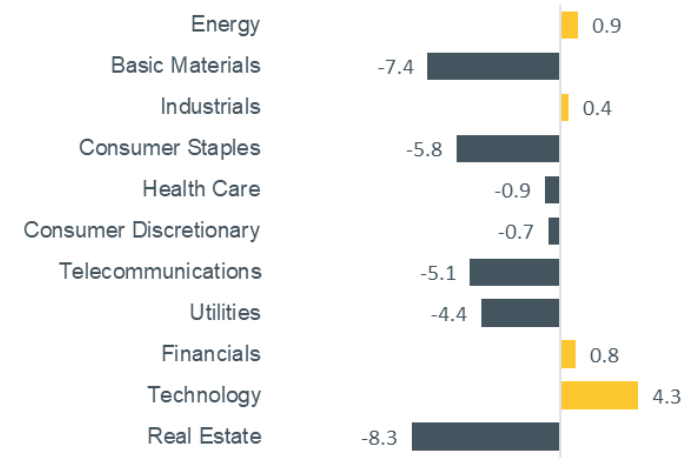
Investment and speculative grade credit spreads (% p.a.)



Regional equity returns [1]



Global equity sector returns (%) [2]



Source: DataStream, Barings, ICE [1] FTSE All World Indices. Commentary compares regional equity returns in local currency. [2] Returns shown in Sterling terms and relative to FTSE All World.

Hymans Rating

Preferred	Our highest rated managers in each asset class. These should be the strategies we are willing to put forward for new searches.
Positive	We believe there is a strong chance that the strategy will achieve its objectives, but there is some element that holds us back from providing the product with the highest rating.
Suitable	We believe the strategy is suitable for pension scheme investors. We have done sufficient due diligence to assess its compliance with the requirements of pension scheme investors but do not have a strong view on the investment capability. The strategy would not be put forward for new searches based on investment merits alone.
Negative	The strategy is not suitable for continued or future investment and alternatives should be explored.
Not Rated	Insufficient knowledge or due diligence to be able to form an opinion.

Responsible Investment

Strong	Strong evidence of good RI practices across all criteria and practices are consistently applied.
Good	Reasonable evidence of good RI practices across all criteria and practices are consistently applied.
Adequate	Some evidence of good RI practices but practices may not be evident across all criteria or applied inconsistently.
Weak	Little to no evidence of good RI practices.
Not Rated	Insufficient knowledge to be able to form an opinion on.

Risk Warning

Please note the value of investments, and income from them, may fall as well as rise. This includes equities, government or corporate bonds, and property, whether held directly or in a pooled or collective investment vehicle. Further, investment in developing or emerging markets may be more volatile and less marketable than in mature markets. Exchange rates may also affect the value of an investment. As a result, an investor may not get back the amount originally invested. Past performance is not necessarily a guide to future performance.

In some cases, we have commercial business arrangements/agreements with clients within the financial sector where we provide services. These services are entirely separate from any advice that we may provide in recommending products to our advisory clients. Our recommendations are provided as a result of clients' needs and based upon our independent research. Where there is a perceived or potential conflict, alternative recommendations can be made available.

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Geometric v Arithmetic Performance

Hymans Robertson are among the investment professionals who calculate relative performance geometrically as follows:


$$\frac{(1 + \text{Fund Performance})}{(1 + \text{Benchmark Performance})} - 1$$

Some industry practitioners use the simpler arithmetic method as follows:

$$\text{Fund Performance} - \text{Benchmark Performance}$$

The geometric return is a better measure of investment performance when compared to the arithmetic return, to account for potential volatility of returns.

The difference between the arithmetic mean return and the geometric mean return increases as the volatility increases.

 Brent	Brent Pension Fund Sub-Committee 1 August 2024
Report from the Corporate Director of Finance and Resources	
Brent Pension Fund: Draft Annual Accounts 2023/24	

Wards Affected:	All
Key or Non-Key Decision:	Non-key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
List of Appendices:	Two 1. Brent Pension Fund Draft Accounts 2023/24 2. London Borough of Brent Pension Fund Final Audit Plan 2023-24
Background Papers:	N/A
Contact Officer(s):	Minesh Patel Corporate Director, Finance and Resources minesh.patel@brent.gov.uk Amanda Healy Deputy Director of Finance amanda.healy@brent.gov.uk Sawan Shah Head of Finance sawan.shah@brent.gov.uk George Patsalides Finance Analyst george.patsalides@brent.gov.uk

1.0 Executive Summary

1.1 This report presents the draft Pension Fund Annual Accounts for the year ended 31 March 2024.

2.0 Recommendation(s)

2.1 The Committee is recommended to note this report.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

3.1.1 The work of the Pension Fund is critical in ensuring that it undertakes statutory functions on behalf of the Local Government Pension Scheme and complying with legislation and best practice. Efficient and effective performance and service delivery of the Pension Fund underpins all Borough Plan priorities.

4.0 Background

4.1 Attached as Appendix 1 are the draft Pension Fund Annual Accounts for the year ended 31 March 2024.

4.2 The accounts have been prepared to meet the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code) governing the preparation of the 2023/24 financial statements for Local Government Pension Scheme funds. The accounts (which are unaudited) aim to give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2024 and the amount and disposition of the Fund's assets and liabilities as at 31 March 2024.

4.3 The main items to note are as follows:

- During 2023/24, the value of the Pension Fund's investments increased to £1,259m (2022/23 £1,116m). This is largely driven by a rise in global equities following a shift in rate expectations, coupled with lower-than-expected inflation figures. Further detail on investment performance is available in the regular monitoring reports.
- Total contributions received from employers and employees were £69m for the year, an increase on the previous year's £68m.
- Total benefits paid to scheme beneficiaries, in the form of pensions or other benefits, were £52m, an increase on the previous year's £48m.
- As in 2022/23, the pension fund is in a positive cash-flow position because its contributions exceed its outgoings to members.

4.4 The Brent Pension Fund is administered by Brent Council and the pension fund's accounts form part of the Council's financial statements. Therefore, formal approval of the pension fund accounts rests with the Council's Audit and Standards Committee and the Pension Sub-Committee are presented with the accounts for noting.

4.5 The Audit and Standards Advisory Committee were presented with an indicative draft audit plan for the 2023/24 accounts on 28 March 2024. The audit plan covers the nature, timing and extent of audit procedures to be performed by the engagement team. This is attached to this report in Appendix 2.

4.6 The accounts have been published a month earlier than last year to reflect the earlier statutory deadline for publication of 31 May 2024. Publication was slightly delayed beyond the statutory deadline due to additional general fund valuations undertaken for the 2023/24 Statement of Accounts compared to recent years. The delay has not resulted in an impact on the audit and the audit which started on 24 June 2024, is currently in progress.

4.7 Fund officers will now prepare the Pension Fund annual report which will be presented to the Committee at the next meeting.

5.0 Stakeholder and ward member consultation and engagement

5.1 There are no direct considerations arising out of this report.

6.0 Financial Considerations

6.1 There are no direct financial considerations arising out of this report.

7.0 Legal Considerations

7.1 There are no legal considerations arising out of this report.

8.0 Equality, Diversity & Inclusion (EDI) Considerations

8.1 There are no equality considerations arising out of this report.

9.0 Climate Change and Environmental Considerations

9.1 There are no climate change and environmental considerations arising out of this report.

10.0 Human Resources/Property Considerations (if appropriate)

10.1 There are no HR or property considerations arising out of this report.

11.0 Communication Considerations

11.1 There are no communication considerations arising out of this report.

Report sign off:

Minesh Patel

Corporate Director of Finance and Resources

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Brent Pension Fund Accounts

Pension Fund Accounts as at 31 March 2024

2022/23 £m		Notes	2023/24 £m
	Dealings with members, employers and others directly involved in the fund		
(67.5)	Contributions	7	(68.9)
(6.3)	Transfers in from other pension funds	8	(7.8)
(73.8)			(76.7)
47.8	Benefits	9	52.0
7.8	Payments to and on account of leavers	10	7.8
55.6			59.8
(18.2)	Net (additions)/withdrawals from dealings with members		(16.9)
4.1	Management expenses	11	4.2
(14.1)	Net (additions)/withdrawals including management expenses		(12.7)
	Returns on investments		
(1.1)	Investment income	12	(10.9)
2.9	Taxes on income	13	(0.2)
25.8	(Profits) and losses on disposal of investments and changes in the market value of investments	14	(117.1)
27.6	Net return on investments		(128.2)
13.5	Net (increase)/decrease in the net assets available for benefits during the year		(140.9)
(1,133.8)	Opening net assets of the scheme		(1,120.3)
(1,120.3)	Closing net assets of the scheme		(1,261.2)

Net Assets Statement of the Pension Fund as at 31 March 2024

31 March 2023			31 March 2024	
£m		Notes	£m	
1,116.1	Investment assets	14	1,259.3	
1,116.1			1,259.3	
8.1	Current assets	20	3.5	
(3.9)	Current liabilities	21	(1.6)	
1,120.3	Net assets of the fund available to fund benefits at the end of the reporting period		1,261.2	

The net asset statement includes all assets and liabilities of the Fund as at 31 March 2024 but excludes long-term liabilities to pay pensions and benefits in future years. The actuarial present value of promised retirement benefits is disclosed in Note 19.

Notes to the Brent Pension Fund accounts

1. Description of Fund

The Brent Pension Fund (the 'Fund') is part of the Local Government Pension Scheme (LGPS) and is administered by Brent Council.

The following description of the Fund is a summary only.

a) General

The Fund is a contributory defined benefit pension scheme administered by Brent Council to provide pensions and other benefits for pensionable employees of Brent Council and a range of other scheduled and admitted bodies.

b) Membership

Membership of the LGPS is voluntary and employees are free to choose whether to join the scheme, remain in the scheme or make their own personal arrangements outside the scheme. Organisations participating in the Brent Pension Fund include:

- Scheduled bodies whose staff are automatically entitled to be members of the Fund
- Admitted bodies which are other organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

There were 43 employer organisations with active members within the Brent Pension Fund at 31 March 2024, listed below:

Scheduled bodies

London Borough of Brent
Alperton Community School
ARK Academy
ARK Elvin Academy
ARK Franklin Academy
Braintcroft Primary School
Capital City Academy
Claremont High School Academy
Compass Learning Partnership
Crest Academy
Furness Primary School
Gladstone Park Primary School
Harris Lowe Academy
Kingsbury High School

Manor School
Michaela Community School
North West London Jewish Day School
Oakington Manor Primary School
Our Lady of Grace RC Infants School
Our Lady of Grace RC Juniors School
Preston Manor High School
Queens Park Community School
Roundwood School and Community Centre
St Andrews and St Francis School
St Claudine's Catholic School for Girls
St Gregory's RC High School
St Margaret Clitherow
Sudbury Primary School
The Village School
Wembley High Technology College
Woodfield School Academy

Admitted bodies

Alliance in Partnership (Gladstone Park)
Apleona HSG
Atalian Servest AMK
Barnardos
CATERLINK LTD
Continental Landscapes
Conway Aecom Ltd
DB Services
Edwards and Blake
Local Employment Access Project (LEAP)
National Autistic Society (NAS)
O'Hara Bros Surfacing
Prospects Services (BR)
Ricoh
Sudbury Neighbourhood Centre
Taylor Shaw
Veolia
Veolia (Ground Maintenance)

42	Number of employers with active members	43
Number of employees in scheme		
4,303	Brent Council	4,501
1,758	Other employers	2,044
6,061	Total	6,545
Number of pensioners		
6,341	Brent Council	6,487
819	Other employers	880
7,160	Total	7,367
Deferred pensioners		
7,218	Brent Council	7,091
1,326	Other employers	1,363
8,544	Total	8,454

c) Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the Fund in accordance with the LGPS (Benefits, Membership and Contributions) Regulations 2013 and range from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2024. Employee contributions are matched by employers' contributions which are set based on triennial actuarial funding valuations. The last such valuation was at 31 March 2022. During 2023/24, the most commonly applied employer contribution rate within the Brent Pension Fund was 33.5% of pensionable pay.

d) Benefits

Since April 2014, the scheme is a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate 1/49th. Accrued pension is updated annually in line with the Consumer Price index.

For a summary of the scheme before April 2014 and details of a range of other benefits provided under the scheme including early retirement, disability pensions and death benefits please refer to the LGPS website: www.lgpsmember.org

2. Basis of preparation

The Statement of Accounts summarises the Fund's transactions for the 2023/24 financial year and its position at year-end as at 31 March 2024. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits. The accounts do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year. The actuarial present value of promised retirement benefits, valued on an International Accounting Standard (IAS) 19 basis, is disclosed at Note 19 of these accounts.

3. Summary of significant accounting policies

Fund Account – revenue recognition

a) Contribution income

Normal contributions, both from the members and from the employer, are accounted for on an accruals basis at the percentage rate recommended by the Fund actuary in the payroll period to which they relate.

Employers' augmentation contributions and pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term financial assets.

b) Transfers to and from other schemes

Transfer values represent the amounts received and paid during the year for members who have either joined or left the Fund during the financial year and are calculated in accordance with the Local Government Pension Scheme Regulations (see Notes 8 and 10).

Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged.

Transfers in from members wishing to use the proceeds of their additional voluntary contributions (see section o below) to purchase scheme benefits are accounted for on a receipts basis and are included in Transfers In (see Note 8).

Bulk (group) transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement.

c) Investment income

i) Interest income

Interest income is recognised in the Fund Account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination. Income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of the instrument and its amount at maturity calculated on an effective interest rate basis.

ii) Dividend income

Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as a current financial asset.

iii) Distributions from pooled funds

Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as a current financial asset.

iv) Movement in the net market value of investments

Changes in the net market value of investments are recognised as income and comprise all realised and unrealised profits/losses during the year.

Fund Account – expense items

d) Benefits payable

Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the Net Assets Statement as current liabilities.

e) Taxation

The Fund is a registered public service scheme under section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a Fund expense as it arises.

f) Administration expenses

All administration expenses are accounted for on an accruals basis. All staff costs of the pensions' administration team are charged direct to the Fund. Management, accommodation and other overheads are apportioned to the Fund in accordance with Council policy.

g) Investment management expenses

All investment management expenses are accounted for on an accruals basis. Fees of the external investment managers are agreed in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change.

The cost of obtaining investment advice from external consultants is included in investment management charges.

Net Assets Statement

h) Financial assets

Financial assets are included in the Net Assets Statement on a fair value basis as at the reporting date. A financial asset is recognised in the Net Assets Statement on the date the Fund becomes party to the contractual acquisition of the asset. From this date, any gains or losses arising from changes in the fair value of the asset are recognised by the Fund.

The values of investments as shown in the Net Assets Statement have been determined as follows:

- i) Market-quoted investments
The value of an investment for which there is a readily available market price is determined by the bid market price ruling on the final day of the accounting period.
- ii) Fixed interest securities
Fixed interest securities are recorded at net market value based on their current yields.
- iii) Unquoted investments
The fair value of investments for which market quotations are not readily available is determined as follows:
 - Valuations of delisted securities are based on the last sale price prior to delisting, or where subject to liquidation, the amount the Fund expects to receive on wind-up, less estimated realisation costs.
 - Securities subject to takeover offer – the value of the consideration offered under the offer, less estimated realisation costs.
 - Directly held investments include investments in limited partnerships, shares in unlisted companies, trusts and bonds. Other unquoted securities typically include pooled investments in property, infrastructure, debt securities and private equity. The valuation of these pools or directly held securities is undertaken by the investment manager or responsible entity and advised as a unit or security price. The valuation standards followed in these valuations adhere to industry guidelines or to standards set by the constituent documents of the pool or the management agreement.
 - Investments in unquoted property and infrastructure pooled funds are valued at the net asset value or a single price advised by the fund manager.

- Investments in private equity/infrastructure funds and unquoted listed partnerships are valued based on the Fund's share of the net assets in the private equity/infrastructure fund or limited partnership using the latest financial statements published by the respective fund managers in accordance with the guidelines set out by the British Venture Capital Association.
- iv) Limited partnerships
Fair value is based on the net asset value ascertained from periodic valuations provided by those controlling the partnership.
- v) Pooled investment vehicles
Pooled investment vehicles are valued at closing bid price if both bid and offer prices are published; or if single priced, at the closing single price. In the case of pooled investment vehicles that are accumulation funds, change in market value also includes income which is reinvested in the fund, net of applicable withholding tax.

i) Contingent Assets

Admitted body employers in the Brent Pension Fund hold bonds to guard against possibility of being unable to meet their pension obligations. These bonds are drawn in favour of the pension fund and payment will only be triggered in the event of employer default. Contingent Assets are disclosed in Note 25.

j) Foreign currency transactions

Dividends, interest and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of transaction. End-of-year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, market values of overseas investments and purchases and sales outstanding at the end of the reporting period.

k) Derivatives

The Fund does not use derivative financial instruments to manage its exposure to specific risks arising from its investment activities in its own name. Neither does it hold derivatives for speculative purposes.

l) Cash and cash equivalents

Cash comprises cash in hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

m) Financial liabilities

The Fund recognises financial liabilities at fair value as at the reporting date. A financial liability is recognised in the Net Assets Statement on the date the Fund becomes party to the liability. From this date, any gains or losses arising from changes in the fair value of the liability are recognised by the Fund.

n) Actuarial present value of promised retirement benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of IAS 19 and relevant actuarial standards.

As permitted under IAS 26, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the Net Assets Statement (Note 19).

o) Additional voluntary contributions

Brent Pension Fund provides an additional voluntary contributions (AVC) scheme for its members, the assets of which are invested separately from those of the Pension Fund. The Fund has appointed Prudential as its AVC provider. AVCs are paid to the AVC provider by employers and are specifically for providing additional benefits for individual contributors. Each AVC contributor receives an annual statement showing the amount held in their account and the movements in the year.

AVCs are not included in the accounts in accordance with Section 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (SI 2016/946) but are disclosed as a note only (Note 22).

4. Critical judgements in applying accounting policies

In applying the accounting policies set out in note 3, the Pension Fund has had to make certain judgements about complex transactions or those involving uncertainty about future events.

There were no such critical judgements made during 2023/24.

5. Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits (Note 19)	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Fund with expert advice about the assumptions to be applied.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% p/a decrease in the discount rate assumption would result in an increase in the pension liability of approximately £25m. A 0.1% increase in Pension Increase Rate (CPI) would increase the value of liabilities by approximately £24m, and a one-year increase in assumed life expectancy would increase the liability by around 4% (c. £56m).
Private equity / infrastructure / private debt	Private equity/infrastructure/private debt investments are valued based on the latest available information, updated for movements in cash where relevant. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	The total private equity/infrastructure/private debt investments in the financial statements are £122.8m. There is a risk that this investment may be under- or overstated in the accounts. There is a risk that this investment may be under- or overstated in the accounts up to 18% (an increase or decrease of £22m).

6. Events after the Reporting Date

There have been no events since 31 March 2024, and up to the date when these accounts were authorised that require any adjustments to these accounts.

7. Contributions receivable

By Category	2022/23	2023/24
	£m	£m
Employees' Contributions	10.6	11.1
Employers' Contributions:		
Normal contributions	55.0	55.5
Deficit recovery contributions	0.0	1.8
Augmentation contributions	1.9	0.5
Total Employers' contributions	56.9	57.8
Total contributions receivable	67.5	68.9

By Authority	2022/23	2023/24
	£'000	£'000
Administering Authority	54.3	53.1
Scheduled bodies	12.7	13.7
Admitted bodies	0.5	2.1
Total	67.5	68.9

8. Transfers in from other pension funds

	2022/23	2023/24
	£m	£m
Individual transfers	6.3	7.8
Total	6.3	7.8

9. Benefits payable

By category

	2022/23	2023/24
	£m	£m
Pensions	41.4	45.2
Commutation and lump sum retirement benefits	6.1	6.0
Lump sum death benefits	0.3	0.8
Total	47.8	52.0

By authority

	2022/23	2023/24
	£m	£m
Administering Authority and Scheduled bodies	47.5	51.4
Admitted bodies	0.3	0.6
Total	47.8	52.0

10. Payments to and on account of leavers

	2022/23	2023/24
	£m	£m
Refunds to members leaving service	0.2	0.1
Group transfers	0.0	0.0
Individual transfers	7.6	7.7
Total	7.8	7.8

11. Management Expenses

	2022/23	2023/24
	£m	£m
Administration costs	1.4	1.6
Investment management expenses	2.5	2.4
Oversight and Governance costs	0.2	0.2
Total	4.1	4.2

The management fees disclosed above include all investment management fees directly incurred by the Fund including those charged on pooled fund investments. Audit fees were £86k (£38k 2022/23).

a) Investment management expenses

	2022/23	2023/24
	£m	£m
Management fees	2.4	2.4
Custody fees	0.1	0.0
One-off transaction costs	0.0	0.0
Total	2.5	2.4

Fund Manager	2023/24 Total £m	Management fees £m	Custody fees £m	One-off transaction costs £m
Alinda	0.2	0.2	0.0	0.0
Capital Dynamics	0.1	0.1	0.0	0.0
Fidelity UK Real Estate	0.1	0.1	0.0	0.0
LGIM	0.1	0.1	0.0	0.0
LCIV MAC	0.2	0.2	0.0	0.0
LCIV JP Morgan Emerging Markets	0.2	0.2	0.0	0.0
LCIV Baillie Gifford DGF	0.4	0.4	0.0	0.0
LCIV Infrastructure Fund	0.1	0.1	0.0	0.0
LCIV Private Debt	0.0	0.0	0.0	0.0
LCIV Ruffer	0.8	0.8	0.0	0.0
London LGPS CIV LTD	0.1	0.1	0.0	0.0
Blackrock	0.0	0.0	0.0	0.0
UBS Triton	0.1	0.1	0.0	0.0
Northern Trust (Fund Custodian)	0.0	0.0	0.0	0.0
Cash	0.0	0.0	0.0	0.0
Total	2.4	2.4	0.0	0.0

Fund Manager	2022/23 Total £m	Management fees £m	Custody fees £m	One-off transaction costs £m
Alinda	0.3	0.3	0.0	0.0
Capital Dynamics	0.2	0.2	0.0	0.0
Fidelity UK Real Estate	0.1	0.1	0.0	0.0
LGIM	0.0	0.0	0.0	0.0
LCIV MAC	0.1	0.1	0.0	0.0
LCIV JP Morgan Emerging Markets	0.2	0.2	0.0	0.0
LCIV Baillie Gifford DGF	0.5	0.5	0.0	0.0
LCIV Infrastructure Fund	0.1	0.1	0.0	0.0
LCIV Private Debt	0.0	0.0	0.0	0.0
LCIV Ruffer	0.7	0.7	0.0	0.0
London LGPS CIV LTD	0.1	0.1	0.0	0.0
Blackrock	0.0	0.0	0.0	0.0
UBS Triton	0.1	0.1	0.0	0.0
Northern Trust (Fund Custodian)	0.1	0.0	0.1	0.0
Cash	0.0	0.0	0.0	0.0
Total	2.5	2.4	0.1	0.0

12. Investment income

	2022/23	2023/24
	£m	£m
Pooled investments	0.0	8.4
Dividend income from private equities/infrastructure/property	0.3	0.5
Interest income from private equities/infrastructure/private debt	0.5	0.4
Interest on cash deposits	0.3	1.6
Total	1.1	10.9

13. Taxes on income

	2022/23	2023/24
	£m	£m
Withholding tax	2.9	(0.2)
Total	2.9	(0.2)

14. Investments

	Market value 31 March 2023	Market value 31 March 2024
Investments asset		
Pooled investments	947.9	1,068.4
Pooled property investments	25.0	24.1
Private equity/infrastructure/private debt	115.7	122.7
	1,088.6	1,215.2

14a. Investments 2023/24	Market value 31 April 2023	Purchases during the year	Sales during the year	Change in market value during the year	Market value 31 March 2024
	£m	£m	£m	£m	£m
Pooled investments	947.9	82.5	(80.3)	118.3	1,068.4
Pooled property investments	25.0	0.0	0.0	(0.9)	24.1
Private equity/infrastructure /private debt	115.7	10.6	(3.3)	(0.3)	122.7
	1,088.6	93.1	(83.6)	117.1	1,215.2
Other investment balances: Cash Deposit	27.5				44.1
Investment income due	0.0				0.0
Net investment assets	1,116.1				1,259.3

14a. Investments 2022/23	Market value 31 April 2022	Purchases during the year	Sales during the year	Change in market value during the year	Market value 31 March 2023
	£m	£m	£m	£m	£m
Pooled investments	986.6	13.0	(13.0)	(38.7)	947.9
Pooled property investments	15.7	0.0	0.0	9.3	25.0
Private equity/infrastructure /private debt	101.3	26.2	(15.4)	3.6	115.7
	1,103.6	39.2	(28.4)	(25.8)	1,088.6
Other investment balances: Cash Deposit	24.1				27.5
Investment income due	0.0				0.0
Net investment assets	<u>1,127.7</u>				<u>1,116.1</u>

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14b. Analysis of investments by category

	31 March 2023	31 March 2024
	£m	£m
Pooled funds - additional analysis		
UK		
Fixed income unit trust	41.9	61.8
Unit trusts	124.2	193.7
Diversified growth funds	232.5	220.4
Overseas		
Unit trusts	559.5	592.5
Total Pooled funds	947.9	1,068.4
Pooled property investments	25.0	24.1
Private equity/infrastructure/private debt	115.7	122.7
Total investments	1,088.6	1,215.2

14c. Analysis of investments by fund manager

		Market Value		
31 March 2023			31 March 2024	
£m	%	Fund manager	£m	%
557.9	51.2%	Legal & General	590.6	48.6%
0.2	0.0%	London CIV	0.2	0.0%
43.3	4.0%	LCIV - JP Morgan	42.7	3.5%
27.0	2.5%	Capital Dynamics	19.7	1.6%
123.7	11.4%	LCIV - Baillie Gifford	127.7	10.5%
98.6	9.1%	LCIV - Ruffer	92.7	7.6%
41.9	3.8%	LCIV - MAC (CQS)	61.8	5.1%
36.8	3.4%	LCIV - Infrastructure	45.2	3.7%
34.8	3.2%	LCIV - Private Debt	39.1	3.2%
17.1	1.6%	Alinda	18.7	1.5%
13.7	1.2%	Fidelity UK Real Estate	13.3	1.1%
28.1	2.6%	Blackrock Low Carbon Global Equity	34.9	2.9%
54.2	5.0%	Blackrock	117.8	9.7%
11.3	1.0%	UBS Triton Property Fund	10.8	0.9%
1,088.6	100.0%		1,215.2	100.0%

The following investments represent over 5% of the net assets of the fund. All of these companies are registered in the United Kingdom.

Security	Market value 31 March 2023	% of total fund	Market value 31 March 2024	% of total fund
L&G - Global Equities	488.1	43.3%	514.9	46.1%
L&G - UK Equities	69.8	6.2%	75.7	6.8%
Blackrock - Over 15 year Gilts	54.2	4.8%	117.8	10.6%
LCIV - Baillie Gifford DGF	123.7	11.0%	127.7	11.4%
LCIV - Ruffer DGF	98.6	8.7%	92.7	8.3%

14d. Stock lending

The London Borough of Brent Pension Fund does not operate a Stock Lending programme.

15. Fair Value – Basis of Valuation

The basis of the valuation of each asset class of investment asset is set out below. There has been no change in the valuation techniques used during the year. All assets have been valued using fair value techniques which represent the highest and best price available at the reporting date.

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Market quoted investments	Level 1	Published bid market price ruling on the final day of the accounting period	Not required	Not required
Quoted bonds	Level 1	Fixed interest securities are valued at a market value based on current yields	Not required	Not required
Pooled investments – overseas unit trusts and property funds	Level 2	Closing bid price where bid and offer prices are published. Closing single price where single price published	NAV-based pricing set on a forward pricing basis	Not required
Unquoted equity	Level 3	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation Guidelines (2012)	EBITDA multiple Revenue multiple Discount for lack of marketability Control premium	Valuations could be affected by material events occurring between the date of the financial statements provided and the pension fund's own reporting date, by changes to expected cash flows, and by any differences between audit and unaudited accounts

15a. Sensitivity of assets valued at Level 3

Having analysed historical data and current market trends, and consulted with our independent investment advisor, the fund has determined that the valuation methods described above are likely to be accurate to within the following ranges and has set out below the consequent potential impact on the closing value of investments held at 31 March 2024.

	Assessed valuation range (+/-)	Value at 31 March 2023	Value on increase	Value of decrease
		£m	£m	£m
Private equity	31.2%	17.3	22.7	11.9
Infrastructure	13.6%	66.3	75.3	57.3
Private debt	8.8%	39.1	42.5	35.7

15b. Fair value hierarchy

The valuation of financial instruments had been classified into three levels, according to the quality and reliability of information used to determine fair values. Transfers between levels are recognised in the year in which they occur.

Level 1

Financial instruments at Level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as Level 1 comprise quoted equities, quoted fixed securities, quoted index linked securities and unit trusts.

Listed investments are shown at bid prices. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

Level 2

Financial instruments at Level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

Level 3

Financial instruments at Level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

Such instruments would include unquoted equity investments and fund of hedge funds, which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

The values of the investment in private equity are based on valuations provided by the general partners to the private equity funds in which Brent Pension Fund has invested.

These valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation Guidelines, which follow the valuation principles of IFRS and US GAAP. Valuations are usually undertaken annually at the end of December. Cash flow adjustments are used to roll forward the valuations to 31 March as appropriate.

Transfers between levels will be recognised when there has been a change to observable mark data (improvement or reduction) or other change in valuation technique.

The following table provides an analysis of the financial assets and liabilities of the pension fund grouped into Levels 1 to 3, based on the level at which the fair value is observable.

	Quoted market price Level 1 £m	Using observable inputs Level 2 £m	With significant unobservable inputs Level 3 £m	Total £m
Values at 31 March 2024				
Financial assets at fair value through profit and loss				
Pooled investments		1,068.4		1,068.4
Pooled property investments		24.1		24.1
Private Equity/Infrastructure/Private Debt			122.7	122.7
Subtotal Financial assets at fair value through profit and loss	0.0	1,092.5	122.7	1,215.2
Cash	44.1			44.1
Investment Income due	0.0			0.0
Subtotal Loans and receivables	44.1	0.0	0.0	44.1
Total Financial assets	44.1	1,092.5	122.7	1,259.3
Financial liabilities				
Current liabilities	(1.6)			(1.6)
Subtotal Financial liabilities at amortised cost	(1.6)	0.0	0.0	(1.6)
Total Financial liabilities	(1.6)	0.0	0.0	(1.6)
Net Financial assets	42.5	1,092.5	122.7	1,257.7

	Quoted market price Level 1 £m	Using observable inputs Level 2 £m	With significant unobservable inputs Level 3 £m	Total £m
Values at 31 March 2023				
Financial assets at fair value through profit and loss				
Pooled investments		947.9		947.9
Pooled property investments		25.0		25.0
Private Equity/Infrastructure/Private Debt			115.7	115.7
Subtotal Financial assets at fair value through profit and loss	0.0	972.9	115.7	1,088.6
Cash	27.5			27.5
Investment Income due	0.0			0.0
Subtotal assets at amortised cost	27.5	0.0	0.0	27.5
Total Financial assets	27.5	972.9	115.7	1,116.1
Financial liabilities				
Current liabilities	(3.9)			(3.9)
Subtotal Financial liabilities at amortised cost	(3.9)	0.0	0.0	(3.9)
Total Financial liabilities	(3.9)	0.0	0.0	(3.9)
Net Financial assets	23.6	972.9	115.7	1,112.2

15c. Transfers between Levels 1 and 2

There were no transfers between levels 1 and 2 during the year

15d. Reconciliation of Fair Value Measurements within Level 3

	£m
Value at 31 March 2023	115.7
Transfers into Level 3	0.0
Transfers out of Level 3	0.0
Purchases	10.6
Sales	(3.3)
Issues	0.0
Settlements	0.0
Unrealised gains/losses	2.6
Realised gains/losses	(2.9)
Value at 31 March 2024	122.7

16. Classification of financial instruments

Accounting policies describe how different asset classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the carrying amounts of financial assets and liabilities by category and net assets statement heading. No financial assets were reclassified during the accounting period.

Fair value through profit and loss	31 March 2023			31 March 2024	
	Assets at amortised cost	Financial liabilities at amortised cost		Assets at amortised cost	Financial liabilities at amortised cost
£m	£m	£m		£m	£m
			Financial assets		
947.9			Pooled investments	1,068.4	
25.0			Pooled property investments	24.1	
115.7			Private equity/ infrastructure/private debt	122.7	
	27.5		Cash		44.1
	8.1		Debtors		3.5
1,088.6	35.6	0.0	Total Financial assets	1,215.2	0.0
			Financial liabilities		
		(3.9)	Creditors		(1.6)
0.0	0.0	(3.9)	Total Financial liabilities	0.0	(1.6)
1,088.6	35.6	(3.9)	Net Financial assets	1,215.2	(1.6)

16a. Net gains and losses on Financial Instruments

31 March 2023		31 March 2024
£'000		£'000
(25.8)	Fair value through profit and loss	117.1
(25.8)	Total	117.1

17. Nature and extent of risks arising from financial instruments

Risk and risk management

The Fund's primary long-term risk is that the Fund's assets will fall short of its liabilities (i.e., promised benefits payable to members). Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk, and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows. The Pension Fund manages these investment risks as part of its overall pension fund risk management programme.

Responsibility for the Fund's risk management strategy rests with the Pension Fund Sub-Committee. Risk management policies are established to identify and analyse the risks faced by the Pension Fund's operations. Policies are reviewed regularly to reflect changes in activity and in market conditions.

a) Market risk

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix.

The objective of the Fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, whilst optimising the return on risk. In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the Pension Fund and its investment advisers undertake appropriate monitoring of market conditions and benchmark analysis.

Other price risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.

The Fund is exposed to share and derivative price risk. This arises from investments held by the Fund for which the future price is uncertain. All securities investments present a risk of loss of capital. Except for shares sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from shares sold short are unlimited.

The Fund's investment managers mitigate this price risk through diversification and the selection of securities and other financial instruments is monitored by the Pension Fund to ensure it is within limits specified in the Fund investment strategy.

Other price risk – sensitivity analysis

Following analysis of historical data and expected investment return movement during the financial year, in consultation with the fund's investment advisors, the council has determined that the following movements in market price risk are reasonably possible for the 2023/24 reporting period. (Based on data as at 31 March 2024 using data provided by investment advisors scenario model). The sensitivities are consistent with the assumptions contained in the investment advisors' most recent review. This analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates, remain the same.

Other price risk – sensitivity analysis

Asset Type	31/03/2024 Value (£m)	Potential market movements (+/-)
Bonds	117.8	7.2%
Equities		
UK Equity	75.9	16.0%
Global Equity	549.8	16.7%
Emerging Market Equity	42.7	23.0%
Other Pooled investments		
Diversified Credit	61.8	7.1%
LCIV Ruffer Multi Asset	92.7	7.9%
Baillie Gifford Multi Asset	127.7	11.7%
Pooled Property investments	24.1	15.6%
Private Equity	17.3	31.2%
Infrastructure	66.3	13.6%
Private debt	39.1	8.8%

Had the market price of the fund investments increased/decreased by 1% the change in the net assets available to pay benefits in the market price would have been as follows:

Asset Type	31/03/2024 Value (£m)	Potential value on increase (£m)	Potential value on decrease (£m)
Bonds	117.8	126.3	109.3
Equities			
UK Equity	75.9	88.0	63.8
Global Equity	549.8	641.6	458.0
Emerging Market Equity	42.7	52.5	32.9
Other Pooled investments			
Diversified Credit	61.8	66.2	57.4
LCIV Ruffer Multi Asset	92.7	100.0	85.4
Baillie Gifford Multi Asset	127.7	142.6	112.8
Pooled Property investments	24.1	27.9	20.3
Private Equity	17.3	22.7	11.9
Infrastructure	66.3	75.3	57.3
Private debt	39.1	42.5	35.7
	1,215.2	1,385.6	1,044.8

Interest rate risk exposure asset type

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund's interest rate risk is routinely monitored by the Pension Fund in accordance with the Fund's risk management strategy, including monitoring the exposure to interest rates and assessment of actual interest rates against the relevant benchmarks.

The Fund's direct exposure to interest rate movements as at 31 March 2023 and 31 March 2024 is set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value:

	31 March 2023 £m	31 March 2024 £m
Cash balances	27.5	44.1
UK Fixed income unit trust	41.9	61.8
Total	69.4	105.9

Asset type	Carrying amount as	+1%	-1%
	at 31 March 2024		
	£m		£m
Cash balances	44.1	0.4	(0.4)
UK Fixed income unit trust	61.8	0.7	(0.7)
Total	105.9	1.1	(1.1)

Asset type	Carrying amount as	+1%	-1%
	at 31 March 2023		
	£m		£m
Cash balances	27.5	0.3	(0.3)
UK Fixed income unit trust	41.9	0.4	(0.4)
Total	69.4	0.7	(0.7)

Currency risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the Fund (£UK). The Fund holds both monetary and non-monetary assets denominated in currencies other than £UK.

The Fund's currency rate risk is routinely monitored by the Pension Fund in accordance with the Fund's risk management strategy, including monitoring the range of exposure to currency fluctuations.

The following table summarises the Fund's currency exposure as at 31 March 2024 and as at the previous period end:

Currency risk exposure - asset type	Asset value at	Asset value at
	31 March 2023	31 March 2024
	£m	£m
Overseas unit trusts	559.5	592.5
Overseas pooled property investments	0.0	0.0
Overseas private equity/infrastructure/private debt	115.7	122.7
Total	675.2	715.2

A 1% strengthening/weakening of the pound against the various currencies in which the Fund holds investments would increase/decrease the net assets available to pay benefits as follows:

Assets exposed to currency rate risk	Asset value as at		
	31 March 2024	+1%	-1%
	£m	£m	£m
Overseas unit trusts	592.5	5.9	(5.9)
Overseas pooled property investments	0.0	0.0	0.0)
Overseas private equity/infrastructure/private debt	122.7	1.3	(1.3)
Total	675.2	7.2	(7.2)

Assets exposed to currency rate risk	Asset value as at		
	31 March 2023	+1%	-1%
	£m	£m	£m
Overseas unit trusts	559.5	5.6	(5.6)
Overseas pooled property investments	0.0	0.0	0.0
Overseas private equity/infrastructure/private debt	115.7	1.2	(1.2)
Total	675.2	6.8	(6.8)

b) Credit risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities.

In essence, the Fund's entire investment portfolio is exposed to some form of credit risk. However, the selection of high-quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner.

The Pension Fund's cash balance is held in an interest-bearing instant access deposit account with NatWest plc, which is rated independently and meets Brent Council's credit criteria.

The Pension Fund believes it has managed its exposure to credit risk and has had no experience of default or uncollectable deposits over the past five financial years. The Fund's cash holding under its treasury management arrangements at 31 March 2024 was £44.1m (31 March 2023: £27.5m). This was held with the following institutions:

Credit risk exposure

	Rating	Balances at 31 March 2023 £m	Balances at 31 March 2024 £m
Bank deposit accounts			
NatWest	A+	0.8	0.7
Northern Trust - Aviva Cash		0.1	0.1
Money Market deposits	AAA	26.6	43.3
Other short-term lending			
Local authorities		0.0	0.0
Total		27.5	44.1

c) Liquidity risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Pension Fund therefore takes steps to ensure that it has adequate cash resources to meet its pensioner payroll costs and investment commitments.

The Pension Fund has immediate access to its cash holdings.

The Fund defines liquid assets as assets that can be converted to cash within three months. Illiquid assets are those assets which will take longer than three months to convert into cash. At 31 March 2024 the value of illiquid assets was £146.8m, which represented 11.7% (31 March 2023: £140.7m, which represented 12.6%) of the total fund assets.

Periodic cash flow forecasts are prepared to understand and manage the timing of the Fund's cash flows. The appropriate strategic level of cash balances to be held forms part of the Fund investment strategy.

All financial liabilities at 31 March 2024 are due within one year."

Liquidity Risk

	31-Mar-23	%	31-Mar-24	%
Pooled investments	947.9	84.9%	1,068.4	84.8%
Cash deposits	27.5	2.5%	44.1	3.5%
Investment income due	0	0.0%	0.0	0.0%
Total liquid investments	975.4	87.4%	1,112.5	88.3%
Pooled property investments	25.0	2.2%	24.1	1.9%
Private Equity/Infrastructure/Private Debt	115.7	10.4%	122.7	9.8%
Total illiquid investments	140.7	12.6%	146.8	11.7%
Total investments	1,116.1	100.0%	1,259.3	100%

d) Refinancing risk

The key risk is that the Pension Fund will be bound to replenish a significant proportion of its financial instruments at a time of unfavourable interest rates. However, the Pension Fund does not have any financial instruments that have a refinancing risk as part of its treasury management and investment strategies.

18. Funding arrangements

In line with the LGPS Regulations 2013, the Fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period. The last such valuation took place as at 31 March 2022. The next valuation will take place as at 31 March 2025 and results are scheduled to be released by 31 March 2026.

The key elements of the funding policy are:

- to ensure the long-term solvency of the Fund, i.e., that sufficient funds are available to meet all pension liabilities as they fall due for payment
- to ensure that employer contribution rates are as stable as possible
- to minimise the long-term cost of the Scheme by recognising the link between assets and liabilities and adopting an investment strategy that balances risk and return
- to reflect the different characteristics of employing bodies in determining contribution rates where the administering authority considers it reasonable to do so
- to use reasonable measures to reduce the risk to other employers and ultimately to the council tax payer from an employer defaulting on its pension obligations.

The aim is to achieve 100% solvency over a period of 20 years from 1 April 2022 and to provide stability in employer contribution rates by spreading any increases in rates over a period of time. Solvency is achieved when the funds held, plus future expected investment returns and future contributions are sufficient to meet expected future pension benefits payable.

At the 2022 actuarial valuation the Fund was assessed as 87% funded, which is an improvement to the 78% valuation at the 2019 valuation. This corresponded to a deficit of £162m (2019 valuation: £248m) at that time. As a result, a deficit recovery plan is in place which aims to achieve 100% funding over a period of 20 years from April 2022.

Contribution increases or decreases may be phased in over the three-year period beginning 1 April 2023 for both Scheme employers and admitted bodies. The most commonly applied employer contribution rate within the Brent Pension Fund is:

Year	Employers' contribution rate
2023/24	33.5%
2024/25	32.0%
2025/26	30.5%

Individual employers' rates will vary from the common contribution rate depending on the demographic and actuarial factors particular to each employer. Full details of the contribution rates payable can be found in the 2022 actuarial valuation report and the funding strategy statement on the Fund's website.

The valuation of the Fund has been undertaken using the projected unit method under which the salary increase for each member is assumed to increase until they leave active service by death, retirement, or withdrawal from service. The main actuarial assumptions used for the 2022 actuarial valuation were as follows:

Discount rate	4.3% p.a.
Pay increases	3.0% p.a.
Pension increases	2.7% p.a.

Demographic assumptions

Future life expectancy based on the Actuary's fund-specific review was:

Life expectancy at age 65	Male	Female
Current pensioners	22.1 years	24.8 years
Future Pensioners retiring in 20 years	23.4 years	26.3 years

Commutation assumption

It is assumed that 50% of future retirements will elect to exchange pension for additional tax free cash up to HMRC limits.

19. Actuarial present value of promised retirement benefits

In addition to the triennial funding valuation, the Fund's Actuary also undertakes a valuation of the pension fund liabilities, on an IAS 19 basis, every year using the same base data as the funding valuation rolled forward to the current financial year, taking account of changes in membership numbers and updating assumptions to the current year. This valuation is not carried out on the same basis as that used for setting fund contribution rates and the fund accounts do not take account of liabilities to pay pensions and other benefits in the future.

In order to assess the value of the benefits on this basis, the Actuary has updated the actuarial assumptions (set out below) from those used for funding purposes (see Note 18). The Actuary has also used valued ill health and death benefits in line with IAS 19.

Calculated on an IAS19 basis, the actuarial present value of promised retirement benefits at 31 March 2024 was £1,407m (31 March 2023: £1,380m). This figure includes both vested and non-vested benefits, although the latter is assumed to have a negligible value. The Fund Accounts do not take account of liabilities to pay pensions and other benefits in the future.

The liabilities above are calculated on an IAS 19 basis and therefore differ from the results of the 2022 triennial funding valuation because IAS 19 stipulates a discount rate rather than a rate which reflects market rates.

Financial assumptions

Inflation/pensions increase rate	2.8%
Salary increase rate	3.10%
Discount rate	4.80%

Longevity assumption

The average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	21.9 years	24.5 years
Future pensioners*	22.9 years	25.8 years

* Future pensioners are assumed to be currently aged 45

Commutation assumption

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits.

Sensitivity Analysis

Sensitivity to the assumptions for the year ended 31 March 2023	Approximate % increase to liabilities	Approximate monetary amount (£m)
0.1% p.a. decrease in the discount rate	2%	21
1 year increase in member life expectancy	4%	50
0.1% p.a. increase in the Salary Increase Rate	0%	1
0.1% p.a. increase in the Pension Increase Rate (CPI)	2%	20

The principal demographic assumption is the longevity assumption. For sensitivity purposes, it is estimated that a 1 year increase in life expectancy would approximately increase the liabilities by around 4% (c. £50m).

20. Assets

a) Current assets

	31 March 2022	31 March 2024
	£m	£m
Debtors:		
- Contributions due – employees	0.2	0.2
- Contributions due – employers	1.2	1.3
- Sundry debtors	6.7	2.0
Total	8.1	3.5

Analysis of debtors

	31 March 2023	31 March 2024
	£m	£m
- Central government bodies	0.9	1.0
- Other local authorities	5.8	0.7
- Other entities and individuals	1.4	1.8
Total	8.1	3.5

21. Current liabilities

	31 March 2023	31 March 2024
	£m	£m
Group transfers	0.0	0.0
Sundry creditors	3.9	1.6
	3.9	1.6

Analysis of creditors

	31 March 2023	31 March 2024
	£m	£m
Central government bodies	1.0	1.2
Other entities and individuals	2.9	0.4
Total	3.9	1.6

22. Additional voluntary contributions

	Market Value 31 March 2023	Market Value 31 March 2024
	£m	£m
Clerical Medical	1.1	1.2
Equitable Life	0.0	0.0
Prudential	0.7	0.
	1.8	2.0

	Contributions March 2022	Contributions March 2024
	£m	£m
Clerical Medical	0.0	0.0
Prudential	0.1	0.1
	0.1	0.1

For information, Prudential has since replaced Clerical Medical as the Fund's AVC provider with effect from 1 April 2014.

In accordance with Regulation 4(1)(b) of the Pension Scheme (Management and Investment of Funds) Regulations 2016, the contributions paid and the assets of these investments are not included in the Fund's Accounts.

23. Related party transactions

Brent Council

The Brent Pension Fund is administered by Brent Council. Consequently, there is a strong relationship between the Council and the Pension Fund.

The Council incurred costs of £0.92m (2022/23: £1.30m) in relation to the administration of the Fund and was subsequently reimbursed by the Fund for these expenses. The Council is also the single largest employer of members of the Pension Fund and contributed £43.9m to the Fund in 2023/24 (2022/23: £43.9m)

Governance

One member of the Pension Fund Sub-committee is in receipt of pension benefits from the Brent Pension Fund (chair Cllr R Johnson). Each member of the Pension Fund Sub-Committee is required to declare their interests at each meeting.

Key management personnel

The key management personnel of the fund are the Chief Executive, Corporate Director Finance and Resources (s.151 officer), Corporate Director Governance, Deputy Director of Finance and the Head of Finance (Pensions). The proportion of the total remuneration payable to key management personnel that is charged to the Pension Fund is set out below:

	31st March 2023	31st March 2024
	£m	£m
Short Term Benefits	0.091	0.099
Post-Employment Benefits	0.000	0.033
Termination Benefits	0.030	0.000
Total Remunerations	0.121	0.131

24. Contingent liabilities and capital commitments

Outstanding capital commitments (investments) at 31 March 2024 totalled £49.9m (31 March 2023 £60.5m)

	31st March 2023	31st March 2024
	£m	£m
Capital Dynamics	13.5	13.1
Alinda Fund II	2.4	2.4
Alinda Fund III	9.1	7.6
London CIV Infrastructure Fund	17.1	10.4
London CIV Private Debt Fund	18.4	16.4
Total	60.5	49.9

These commitments relate to outstanding call payments due on unquoted limited partnership funds held in the private equity and infrastructure parts of the portfolio. The amounts 'called' by these funds are irregular in both size and timing over a period of between four and six years from the date of each original commitment.

25. Contingent Assets

Contingent assets

One non-associated admitted body employer in the Brent Pension Fund held insurance bonds to guard against the possibility of being unable to meet their pension obligations. These bonds are drawn in favour of the Pension Fund and payment will only be triggered in the event of employer default.

	31st March 2023	31st March 2024
	£m	£m
Ricoh	0.1	0.1
Continental Landscapes	0.0	0.5
Total	0.1	0.6

26. Impairment Losses

The Fund had no Impairment Losses at 31 March 2024.

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External Audit Plan

Year ending 31 March 2024

Brent Pension Fund

1 August 2024 – Final Audit Plan

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Pension Fund or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

Key matters

National context

The national and international economic context continues to present challenges for pension funds. Inflationary pressures at home and abroad and wider geo-political issues mean there is volatility in global markets with a consequential impact on the investments held by pension funds. Triennial valuations for local government pension funds have been published. These valuations, which are as at 31 March 2022, provide updated information regarding the funding position of local government pension funds and set employer contribution rates for the period 2023/24 – 2025/26. For Brent Pension Fund, the valuation was undertaken by Hymans Robertson LLP, and showed that during 2022/23, the most commonly applied employer contribution rate within the Brent Pension Fund was 35% of pensionable pay. This is consistent with the Fund's deficit recovery plan to clear its deficit within 20 years of the balance sheet date. This Triennial Valuation revealed that the Fund's assets, at 31 March 2022, were sufficient to meet 87% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. This is an increase on the 78% funding level as at the March 2019 valuation.

In November 2023, the Department for Levelling Up, Housing and Communities (DLUHC) published the outcome of their consultation on local government pension scheme investments. The government will now implement proposals which include revised investment strategy statement guidance that funds should transfer all assets to their pool by 31 March 2025, regulation to require funds to set a plan to invest up to 5% of assets in levelling up the UK and revised investment strategy statement guidance to require funds to consider investments to meet the government's ambition of a 10 % allocation to private equity. The Chancellor has also outlined plans that local government pension funds will be invested in pools of £200bn or more by 2040.

DLUHC have also consulted on proposals to require local government pension scheme administering authorities in England and Wales to assess, manage and report on climate-related risks, in line with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). Climate risk (TCFD) reporting in the LGPS is expected to commence from 1 April 2024, with first reports due in late 2025.

In planning our audit, we have taken account of this national and international context in designing a local audit programme which is tailored to your risks and circumstances.

Key matters - continued

Our Responses

- The contract with PSAA for Brent Pension Fund was re-tendered in 2023 and Grant Thornton have been re-appointed as your auditors for the next five years. As a firm, we are absolutely committed to audit quality and financial reporting in the local government sector. Our proposed work and fee, as set out in this Audit Plan will be agreed with the Corporate Director of Finance and Resources. Page 25 of this Audit Plan, sets out the four contractual stage payments for this fee, with payment based on delivery of specified audit milestones.
- To ensure close working with our local audited bodies and an efficient audit process, our preference as a firm is to work on site with you and your officers. Please confirm in writing if this is acceptable to you, and that your officers will make themselves available to our audit team. This is also in compliance with our delivery commitments in our contract with PSAA.
- We offer a private meeting with the Chief Executive twice a year, and with the Director of Finance quarterly as part of our commitment to keep you fully informed on the progress of the audit.

Page 316 At an appropriate point within the audit, we would also like to meet informally with the Chair of your Audit and Standards Advisory Committee, to brief them on the status and progress of the audit work to date.

- We will continue to provide you and your Audit and Standards Advisory Committee with sector updates providing our insight on issues from a range of sources and other sector commentators via our Audit Committee updates.
- We hold annual financial reporting workshops for our audited bodies to access the latest technical guidance and interpretations, to discuss issues with our experts and to facilitate networking links with other audited bodies to support consistent and accurate financial reporting across the sector.
 - There is an increased incentive and opportunity for organisations in the public sector to manipulate their financial statements due to ongoing financial pressures. We are required to identify a significant risk with regard to management override of controls.
 - We have identified a significant audit risk relating to the valuation of level 3 investments on page 10.

Introduction and headlines

Purpose

This document provides an overview of the planned scope and timing of the statutory audit of Brent Pension Fund (‘the Pension Fund’) for those charged with governance.

Respective responsibilities

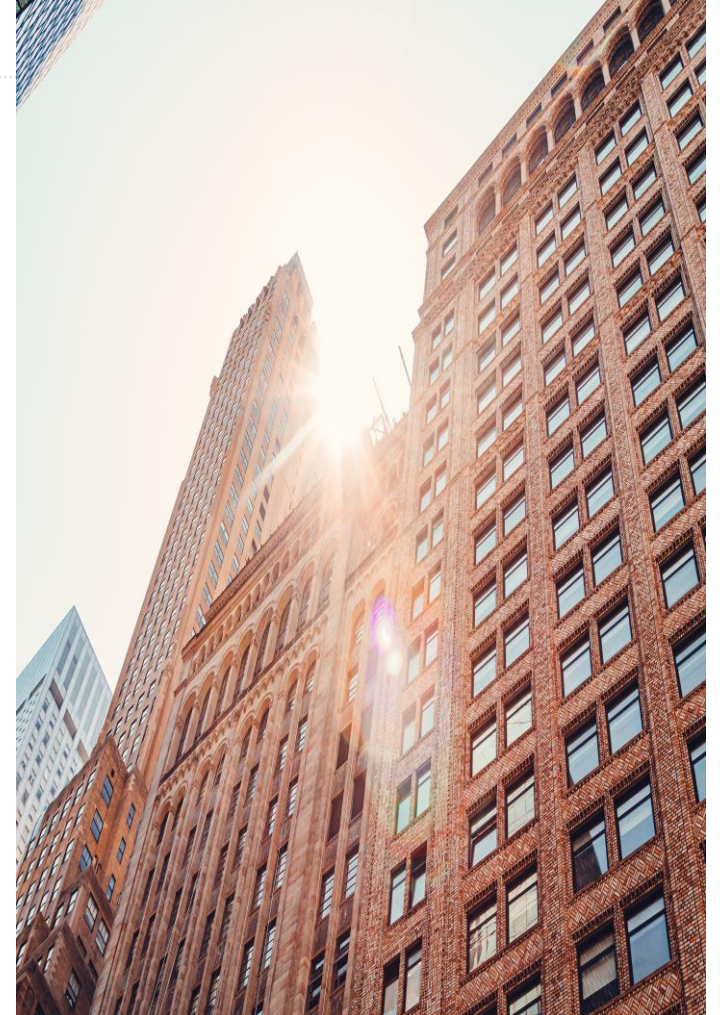
The National Audit Office (‘the NAO’) has issued a document entitled Code of Audit Practice (‘the Code’). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. The NAO is in the process of updating the Code. This audit plan sets out the implications of the revised code on this audit. Our respective responsibilities are also set out in the agreed in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as your auditor. We draw your attention to these documents.

Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the Pension Fund’s financial statements that have been prepared by management with the oversight of those charged with governance (the Audit & Standards Advisory Committee).

The audit of the financial statements does not relieve management or the Audit & Standards Advisory Committee of your responsibilities. It is the responsibility of the Pension Fund to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Pension Fund is fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the Pension Fund's business and is risk based.



Introduction and headlines

Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- Management over-ride of controls
- Valuation of Level 3 Investments
- The revenue cycle includes fraudulent transactions – this has been rebutted on page 8

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

Materiality

We have determined planning materiality to be £18.6 million (PY £16.8 million) for the Pension Fund, which equates to 1.5% of your gross investment assets as at 31 March 2023. We have determined a lower specific planning materiality for the Fund Account of £5.9 million (PY £4.7 million), which equates to 10% of the prior year gross expenditure on the fund account.

We are obliged to report uncorrected omissions or misstatements other than those which are ‘clearly trivial’ to those charged with governance.

Clearly trivial has been set at £0.93 million (PY £0.84 million).

Audit logistics

Our planning visit will take place in February 2024, and our final visit will take place between July and September 2024. Our key deliverables are this Audit Plan and our Audit Findings Report.

Our preference is for all our work to take place on site alongside your officers.

Our proposed fee for the audit will be £94,414 (PY: £51,771) for the Pension Fund, subject to the Pension Fund delivering a good set of financial statements and working papers and no significant new financial reporting matters arising that require additional time and/or specialist input.

Our understanding is that the Custodian independently values some of the Pension Funds (Level 1/Level 2) Investments. This means we will be able to triangulate some of the valuations included in the financial statements for these investments to custodian and investment manager confirmations. However, where we are not able to triangulate valuations, we will carry out further audit procedures to gain assurance over the valuations of these investments, similar to that performed over level 3. See page 9 for further details regarding our approach to auditing the valuation of Level 3 Investments.

We have complied with the Financial Reporting Council's Ethical Standard (revised 2019) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Management over-ride of controls	<p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.</p> <p>The Pension Fund faces external scrutiny of its spreading and its stewardship of its funds, this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of control, in particular journals, management estimates, and transactions outside the course of business as a significant risk for the Pension Fund, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • Evaluate the design effectiveness of management controls over journals. • Analyse the journals listing and determine the criteria for selecting high risk unusual journals. • Test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration. • Gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence. • Evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.

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‘Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, due to either size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty.’ (ISA (UK) 315)

Significant risks identified - continued

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Presumed risk of fraud in revenue recognition ISA (UK) 240	<p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p>This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p> <p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Fund, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited • the culture and ethical frameworks of local authorities, including the Brent Pension Fund, mean that all forms of fraud are seen as unacceptable <p>Therefore, we do not consider this to be a significant risk for the London Borough of Brent Pension Fund.</p>	<p>Having considered the risk factors set out in ISA(UK&I)240 and the nature of the revenue streams at Brent Pension Fund, we have determined that the risk of fraud arising from revenue recognition can be rebutted.</p>

Management should expect engagement teams to challenge areas that are complex, significant or highly judgmental. This may be the case for accounting estimates and similar areas. Management should also expect to provide to engagement teams with sufficient evidence to support their judgments and the approach they have adopted for key accounting policies, with reference to accounting standards or changes thereto.

Where estimates are used in the preparation of the financial statements management should expect teams to challenge management's assumptions and request evidence to support those assumptions.

Significant risks identified - continued

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of Level 3 Investments	<p>You value your investments on an annual basis with the aim of ensuring that the carrying value of these investments is not materially different from their fair value at the balance sheet date.</p> <p>By their nature, Level 3 investment valuations lack observable inputs. These valuations therefore represent a significant estimate by management in the financial statements due to the size of the numbers involved (PY: £115.7 million) and the sensitivity of this estimate to changes in key assumptions.</p> <p>Under ISA 315, significant risks often relate to significant non-routine transactions and judgemental matters. Level 3 investments by their very nature require a significant degree of judgement to reach an appropriate valuation at year end.</p> <p>Management utilise the services of investment managers as valuation experts to estimate the fair value as of 31 March.</p> <p>We therefore have identified Valuation of Level 3 Investments as a significant risk.</p>	<p>We will:</p> <ul style="list-style-type: none"> • Evaluate management's processes for valuing Level 3 investments. • Review the nature and basis of estimated values and consider what assurance management has over the year end valuations provided for these types of investments; to ensure that the requirements of the Code are met. • Independently request year-end confirmations from investment managers and the custodian. • For a sample of investments, test the valuation by obtaining and reviewing the audited accounts, (where available) at the latest date for individual investments and agreeing these to the fund manager reports as at that date. Reconcile those values to the values on 31 March 2024 with reference to known movements in the intervening period. • We will evaluate the completeness, capabilities and objectivity of the valuation expert. • Where available review investment manager service auditor report on design and operating effectiveness of internal controls.

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Management should expect engagement teams to challenge areas that are complex, significant or highly judgmental. This may be the case for accounting estimates and similar areas. Management should also expect to provide to engagement teams with sufficient evidence to support their judgments and the approach they have adopted for key accounting policies, with reference to accounting standards or changes thereto.

Where estimates are used in the preparation of the financial statements management should expect teams to challenge management's assumptions and request evidence to support those assumptions.

Other matters

Other work

The Pension Fund is administered by London Borough of Brent (the 'Council'), and the Pension Fund's accounts form part of the Council's financial statements.

Therefore, as well as our general responsibilities under the Code of Practice a number of other audit responsibilities also follow in respect of the Pension Fund, such as:

- We read any other information published alongside the Council's financial statements to check that it is consistent with the Pension Fund financial statements on which we give an opinion and is consistent with our knowledge of the Authority.
- We consider our other duties under legislation and the Code, as and when required, including:
 - Giving electors the opportunity to raise questions about your 2023/24 financial statements, consider and decide upon any objections received in relation to the 2023/24 financial statements;
 - Issue of a report in the public interest or written recommendations to the Fund under section 24 of the Act, copied to the Secretary of State.
 - Application to the court for a declaration that an item of account is contrary to law under Section 28 or for a judicial review under Section 31 of the Act; or
 - Issuing an advisory notice under Section 29 of the Act.
- We carry out work to satisfy ourselves on the consistency of the pension fund financial statements included in the pension fund annual report with the audited Fund accounts.

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Other material balances and transactions

Under International Standards on Auditing, 'irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure'. All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

Progress against prior year audit recommendations

We identified the following issues in our 2022/23 audit of the Pension Fund's financial statements, which resulted in 7 recommendations being reported in our 2022/23 Audit Findings Report. At the stage of writing this report, discussions with management regarding progress against prior year recommendations are not yet concluded.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
In Progress	<p>From our benefits payable testing, for 7 out of the 34 samples which we tested, the Pension fund could not provide us with the original notification letters which shows the annual pension. The Pension Fund explained to us that the reason for this is that some of them letters have not been sent to the by the previous administrators of the claimant pension fund if they transferred across or they original letter of notification date back to several years ago and they have been archived. The pension fund provided more recent notifications which sets out the annual pension.</p> <p>Risk</p> <p>Without the original notification letter which supports that the original annual pension is correct, it is difficult to know whether the amount in the more recent annual pension letters is correct or not. The benefits being paid could be more or less than what the pensioners are entitled to.</p> <p>Auditor Recommendation</p> <p>Management should aim to have a record of the original notification letter which sets out what the annual pension should be for pensioners .</p>	<p>Management Response</p> <p>In progress.</p>

Progress against prior year audit recommendations - Continued

Assessment Issue and risk previously communicated

Update on actions taken to address the issue



Excessive access assigned to HR and Payroll users.

IT Audit identified 19 members of the Payroll, Learning and Development, and Training teams have been assigned access to the Brent HCM Application Administrator security role

The Council informed our IT team that the role is required to enable system configuration to be undertaken as part of this team, such as for pay awards and performance enrolments.

The Brent HCM Application Administrator role provides these individuals with significant levels of access, enabling them to alter system behaviour and create workers in Oracle Cloud

Risk

Bypass of system enforced internal control mechanisms through inappropriate use of administrative access rights increases the risk of financial misstatement through fraud or error, as a result of users making unauthorised changes to transactions and system configuration parameters

Auditor Recommendation

It is recommended that the Council undertake a full review of all users who have been assigned access to the Brent HCM Application Administrator role and revoke


access to those system administration roles which do not align with the user's roles and responsibilities.

Should some elements of the role be required for the users concerned, management should consider the creation of a custom role that encompasses only the access required.

Management Response

The Brent HCM Application Administrator role has now been removed from the Payroll, Learning and Development, and Training teams and a full review was undertaken to ensure no system administration roles were assigned to user's roles which do not align with the user's roles and responsibilities

Progress against prior year audit recommendations - Continued

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
	<p> Segregation of duties (SoD) conflicts between finance / payroll and system administration roles in Oracle Cloud.</p> <p>IT Audit's identified that a Senior Finance Analyst had access to the Application Implementation Consultant role</p> <p>Risk</p> <p>Bypass of system enforced internal control mechanisms through inappropriate use of administrative access rights increases the risk of financial misstatement through fraud or error, as a result of users making unauthorised changes to transactions and system configuration parameters</p> <p>Auditor Recommendation</p> <p>It is recommended that the Council undertake a full review of all users who have been assigned access to system administration roles and revoke access to those system administration roles which do not align with the user's roles and responsibilities</p>	<p>Management Response</p> <p>This was removed and a full review was undertaken to ensure no system administration roles were assigned to user's roles which do not align with the user's roles and responsibilities</p>

Progress against prior year audit recommendations - Continued

Assessment Issue and risk previously communicated

Update on actions taken to address the issue



Seeded roles with SoD conflicts

IT Audit identified that the Council has cloned seeded roles provided by Oracle for use in day to day operations. Of these cloned seeded roles, it was identified that the Brent Collections Debt Manager (as well as the seeded Collections Manager role) contain the following privileges which allow a user to alter system behaviour and security

- FND_APP_MANAGE_DATA_SECURITY_POLICY_PRIV
- FND_APP_MANAGE_PROFILE_OPTION_PRIV
- FND_APP_MANAGE_PROFILE_CATEGORY_PRIV
- FND_APP_MANAGE_TAXONOMY_PRIV
- FND_APP_MANAGE_DATABASE_RESOURCE_PRIV

Risk

Bypass of system enforced internal control mechanisms through inappropriate use of administrative access rights increases the risk of financial misstatement through fraud or error, as a result of users making unauthorised changes to transactions and system configuration parameters.

Auditor Recommendation

It is recommended that the Council undertake a full review of the identified security roles to identify whether the privileges can be removed from users in the production environment to reduce the risk of unauthorised changes to system behaviour

Management Response

We have removed access for individuals to the Collections Manager role and have removed the privileges identified above from the Brent Collections Debt Manager Role.

Subsequent to IT Audit's review, they confirmed that Council have removed access for individuals to the Collections Manager role and have removed the privileges identified above from the Brent Collections Debt Manager Role

Progress against prior year audit recommendations - Continued

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
In Progress	<p>From our journal testing, we identified one journal which had a wrong journal number assigned to it. There were 2 journals posted with the same journal number. This was due to human error as the two journals were posted by the same person.</p> <p>The person who posted the journals forgot to change the journal number for one of the journals. We have checked and ensured that there was appropriate and separate approval for both journals with the identical numbers, and we are satisfied that the accounting has not been affected because of this error.</p> <p>Risk</p> <p>This finding indicates that there is currently nothing in the system to prevent journals being posted with an identical journal number (lack of preventative controls), which increases the risk of error occurring and can result in journal duplications.</p> <p>Auditor Recommendation</p> <p>Management should put in place a control/procedure/checks which will prevent more than one journal from being posted with the same journal number.</p>	<p>Management Response</p> <p>In Progress.</p>

Progress against prior year audit recommendations - Continued

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
In Progress	<p>Lack of audit logging for configurations in Oracle Cloud</p> <p>IT Audit note that the Council have implemented audit logging for some areas however, this does not include key system configurations such as the AP_SYSTEM_PARAMETERS_ALL table.</p> <p>Risk</p> <p>Not enabling and monitoring audit logs increases the risk that unauthorised system configuration and data changes made using privileged accounts will not be detected by management, which could impact the security of Oracle Cloud and the integrity of the underlying database.</p> <p>Auditor Recommendation</p> <p>It is recommended that the Council implement audit logging for changes made to Oracle Cloud, such as changes to workflow approval rules or system configurations, for financially critical areas including, but not limited to:</p> <ul style="list-style-type: none"> • Accounts Payable • Cash Management • Accounts Receivable and • General Ledger <p>It should be noted that audit logging does not have a significant detrimental effect on system performance such as that experienced in Oracle EBS</p>	<p>Management Response</p> <p>In Progress.</p>

Progress against prior year audit recommendations - Continued

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
In Progress	<p>Following our hot review, we challenged management about the currency risk disclosure as to why the currency risk disclosure in the financial instruments note was not analysed by currency . Whilst this is not a requirement in the CIPFA code , the disclosure will be clearer to the readers of the financial statements if it is analysed by currency. This is a best practice recommendation.</p> <p>Auditor Recommendation We recommend that management analyse the currency risk disclosure by currency to ensure that it is clear to the readers of the financial statements.</p>	<p>Management Response In Progress.</p>

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

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Matter	Description	Planned audit procedures
1	<p>Determination</p> <p>We have determined financial statement materiality by applying a reasonable measurement percentage to an appropriate benchmark. Materiality at the planning stage of our audit is £18.6 million, which equates to 1.5% of your gross investment assets as at 31 March 2023.</p>	<p>We determine planning materiality in order to:</p> <ul style="list-style-type: none"> – establish what level of misstatement could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; – assist in establishing the scope of our audit engagement and audit tests; – determine sample sizes and – assist in evaluating the effect of known and likely misstatements in the financial statements.
2	<p>Other factors</p> <p>An item does not necessarily have to be large to be considered to have a material effect on the financial statements.</p>	<p>An item may be considered to be material by nature where it may affect instances when greater precision is required.</p> <p>We have determined a lower specific planning materiality for the Fund Account of £5.9 million (PY £4.7 million), which equates to 10% of prior year gross expenditure on the fund account. The lower specific materiality for the fund account will be applied to the audit of all fund account transactions, except for investment transactions, for which materiality for the financial statements as a whole will be applied.</p>

Our approach to materiality

Matter	Description	Planned audit procedures
3	<p>Reassessment of materiality</p> <p>Our assessment of materiality is kept under review throughout the audit process.</p>	<p>We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.</p>
4	<p>Other communications relating to materiality we will report to the Audit Committee</p> <p>Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.</p>	<p>We report to the Audit and Standards Advisory Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work.</p> <p>In the context of the Pension Fund, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £0.93 million (PY £0.85 million). If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit and Standards Advisory Committee to assist it in fulfilling its governance responsibilities.</p>

IT audit strategy

In accordance with ISA (UK) 315 Revised, we are required to obtain an understanding of the relevant IT and technical infrastructure and details of the processes that operate within the IT environment. We are also required to consider the information captured to identify any audit relevant risks and design appropriate audit procedures in response. As part of this we obtain an understanding of the controls operating over relevant Information Technology (IT) systems i.e., IT general controls (ITGCs). Our audit will include completing an assessment of the design and implementation of relevant ITGCs. We say more about ISA 315 Revised on page 21.

The following IT systems have been judged to be in scope for our audit and based on the planned financial statement audit approach we will perform the indicated level of assessment:

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IT system	Audit area	Planned level IT audit assessment
Oracle Cloud (General Ledger)	Financial reporting	<ul style="list-style-type: none"> The roll forward approach will be taken for Oracle Cloud, where our IT audit team will follow-up on previous year's observations to ensure their remediation & effectiveness of relevant controls.
Civica	Pension Administration	<ul style="list-style-type: none"> Full testing of design and implementation of the ITGCs

ISA315 Revised

ISA 315 (revised July 2020) takes effect for accounting periods starting on or after the 15th December 2021. This ISA deals with the auditor's responsibility to identify and assess the risks of material misstatement in the financial statements. The revisions made in the ISA have increased the level of work required of auditors and detail of this extra work is set out below.

Area	What's changed?	Impact on the audit
Information Technology Environment	<p>The new requirement states certain aspects of the IT environment must be understood and documented for each significant classes of transactions, account balances and disclosures (SCOT+).</p> <p>The auditor is required to consider the information captured to identify any audit relevant risks and design appropriate audit procedures in response.</p>	<p>The audit team will be required to:</p> <ul style="list-style-type: none"> perform walkthroughs of the IT environment; identify and review relevant controls within the IT environment to ensure they are operational; obtain details of the relevant IT / technical infrastructure (i.e., server location, database type); and obtain details of the processes that operate within the IT environment (i.e., process to manage user access or manage a program or IT environment change).
Considering IT risks related to internal controls relevant to the audit.	<p>The auditor is required to identify controls within a business process and identify which of those controls are controls relevant to the audit. For each internal control relevant to the audit, the auditor is required to evaluate the design of the control and evidence effective implementation of the control.</p> <p>The auditor is required to evaluate the design and determine the implementation of the general IT controls (ITGCs) that address the risks arising from the use of IT.</p>	<p>This requirement will lead to a significant change in practice, to the level of detail in which we will be required to understand the risks arising from the use of IT and associated general IT controls (ITGCs).</p> <p>There has been a significant increase in the number of detailed ITGC assessments required.</p>
Control reliance	<p>In previous years, where we had performed a walkthrough of your controls (such as operating expenditure), we were able to use the review of these controls to obtain comfort over the design effectiveness of your system. This would usually result in smaller sample sizes. The changes made to the ISA mean that design effectiveness will no longer grant a benefit when determining sample sizes.</p>	<p>There will be larger sample sizes across a number of areas. Key areas where we will likely see the biggest increase are:</p> <ul style="list-style-type: none"> operating expenditure and payables; property, plant and equipment; non-contract income. <p>This is not a complete list but these will be the areas we expect to be most affected.</p>

Audit logistics and team



Matt Dean - Key Audit Partner

Matt will be the main point of contact for the Section 151 Officer and Members for the Pension Fund. Matt will share his wealth of knowledge and experience across the sector providing challenge, sharing good practice, providing pragmatic solutions and acting as a sounding board with Members and the Audit and Standards Advisory Committee. Matt will ensure our audit is tailored specifically to you and is delivered efficiently. Matt will review all reports and the team's work.

Audited Entity responsibilities

Where audited bodies do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other audited bodies. Where the elapsed time to complete an audit exceeds that agreed due to an entity not meeting its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to an entity not meeting their obligations we are not able to guarantee the delivery of the audit to the agreed timescales. In addition, delayed audits will incur additional audit fees.

Our requirements

To minimise the risk of a delayed audit, you need to :

- ensure that you produce draft financial statements of good quality by the deadline you have agreed with us, including all notes and the Annual Report
- ensure that good quality working papers are available at the start of the audit, in accordance with the working paper requirements schedule that we have shared with you
- ensure that the agreed data reports are cleansed, are made available to us at the start of the audit and are reconciled to the values in the accounts, in order to facilitate our selection of samples for testing
- ensure that all appropriate staff are available on site throughout (or as otherwise agreed) the planned period of the audit (as per our responses to key matters set out on slide 5)
- respond promptly and adequately to audit queries.



Asad Khan - Audit Manager

Asad will work with the senior members of the finance team ensuring early delivery of testing and agreement of accounting issues on a timely basis. Asad will attend Audit and Standards Advisory Committees, undertake reviews of the team's work and draft reports ensuring they remain clear, concise and understandable to all. Asad will also work with Internal Audit to secure efficiencies and avoid any duplication across the audit.

Kieran McDermid - In-Charge Accountant

Kieran will lead the onsite team and will be the day to day contact for the audit. Kieran will monitor the deliverables, manage the query log with your finance team and highlight any significant issues and adjustments to senior management. Kieran will undertake the more technical aspects of the audit, coach the junior members of the team and review the team's work.

Audit fees and updated Auditing Standards

Audit fees are set by PSAA as part of their national procurement exercise. This contract was re-tendered in 2023 and Grant Thornton have been re-appointed as your auditors for the next five years. The scale fee set out in the PSAA contract for the 2023/24 audit is £86,884.

This contract sets out four contractual stage payments for this fee, with payment based on delivery of specified audit milestones:

- Production of the final auditor's annual report for the previous Audit Year (exception for new clients in 2023/24 only)
- Production of the draft audit planning report to Audited Body
- 50% of planned hours of an audit have been completed
- 75% of planned hours of an audit have been completed

Any variation to the scale fee will be determined by PSAA in accordance with their procedures as set out here

<https://www.psa.co.uk/appointing-auditors-and-fees/fee-variations-overview/>

Assumptions

In setting these fees, we have assumed that the Pension Fund will:

- prepare a good quality set of accounts, supported by comprehensive and well-presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant judgements made during the course of preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements
- maintain adequate business processes and IT controls, supported by an appropriate IT infrastructure and control environment.

Updated Auditing Standards

The FRC has issued updated Auditing Standards in respect of Quality Management (ISQM 1 and ISQM 2). It has also issued an updated Standard on quality management for an audit of financial statements (ISA 220). We confirm we will comply with these standards.

Audit fees

	Proposed fee 2023/24
Brent Pension Fund Audit	£86,884
ISA 315	£7,530
Total audit fees (excluding VAT)	£94,414

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*Note that fees for IAS 19 letters for employer body auditors were classed as non-audit fees prior to 2022/23. The National Audit Office have confirmed that the provision of IAS 19 assurances to auditors of local government and NHS bodies should be considered work undertaken under the Code of Audit Practice for 2022/23 onwards. Provision of IAS 19 assurances to auditors of any other type of entity remains non-Code work.

Previous year

In 2022/23 the scale fee set by PSAA was £22,420. The actual fee charged for the audit was £51,771.

Relevant professional standards

In preparing our fees, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's [Ethical Standard \(revised 2019\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

Independence and non-audit services

Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons. relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

We confirm that we have implemented policies and procedures to meet the requirements of the Ethical Standard. For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Pension Fund.

Other services

No other services provided by Grant Thornton were identified.

Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings Report
Respective responsibilities of auditor and management/those charged with governance	•	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks and Key Audit Matters	•	
Confirmation of independence and objectivity of the firm, the engagement team members and all other indirectly covered persons	•	•
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	•	•
Significant matters in relation to going concern	•	•
Significant findings from the audit		•
Significant matters and issue arising during the audit and written representations that have been sought		•
Significant difficulties encountered during the audit		•
Significant deficiencies in internal control identified during the audit		•
Significant matters arising in connection with related parties		•

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Plan, outlines our audit strategy and plan to deliver the audit, while the Audit Findings will be issued prior to approval of the financial statements and will present key issues, findings and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via an audit progress memorandum.


Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings Report
Identification or suspicion of fraud (deliberate manipulation) involving management and/or which results in material misstatement of the financial statements		•
Non-compliance with laws and regulations		•
Unadjusted misstatements and material disclosure omissions		•
Expected modifications to the auditor's report, or emphasis of matter		•

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

 <p style="font-size: 24pt; font-weight: bold; margin-top: 10px;">Brent</p>	<p style="font-size: 18pt; font-weight: bold; margin: 0;">Brent Pension Fund Sub-Committee</p> <p style="font-size: 16pt; margin: 0;">01 August 2024</p> <hr/> <p style="font-size: 16pt; font-weight: bold; margin: 0;">Report from the Corporate Director of Finance and Resources</p>
<p style="font-size: 18pt; font-weight: bold; margin: 0;">Net Zero Roadmap Update</p>	

Wards Affected:	ALL
Key or Non-Key Decision:	Non-key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
List of Appendices:	1. 2024 London CIV Responsible Investment Policy
Background Papers:	N/A
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	<p>Minesh Patel Corporate Director, Finance and Resources (minesh.patel@brent.gov.uk)</p> <p>Amanda Healy Deputy Director of Finance (amanda.healy@brent.gov.uk)</p> <p>Sawan Shah Head of Finance (sawan.shah@brent.gov.uk)</p>

1.0 Executive Summary

1.1 This report presents an update on the Fund’s net zero road map and updated London CIV responsible investment policy.

2.0 Recommendation(s)

2.1 That the Pension Fund Sub-Committee note the update to the net zero roadmap and London CIV responsible investment policy.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

3.1.1 The work of the Pension Fund is critical in ensuring that it undertakes statutory functions on behalf of the Local Government Pension Scheme (LGPS) and

complying with legislation and best practice. Efficient and effective performance and service delivery of the Pension Fund underpins all Borough Plan priorities.

Background

- 3.2 Responsible investment, in particular climate risk, continues to dominate the LGPS and broader investment landscape. Therefore, it is important for the Fund to evolve its investment strategy to take account of the opportunities and risks presented by climate change.
- 3.3 However, it is also important to remember that Fund is required to remain focused on its primary obligation to pay benefits to its members. Decarbonising a portfolio which is invested globally, across many sectors, is more challenging than decarbonising an individual organisation and it is challenging to invest in a “net zero” portfolio today.
- 3.4 The transition to a cleaner future will offer investment opportunities in the companies that lead the way during the transition or are at the forefront of new greener technologies and divestment alone in the short term will not necessarily support the global transition to net zero.
- 3.5 The Fund has made good progress to date in this regard with several important steps taken, these are summarised below:
 - Developed an infrastructure fund through London’s asset pool, the London CIV (LCIV), with a significant renewable component. A commitment of £50m in this Fund was agreed in 2019 and a total of £39.6m has been invested by 31 March 2024. The design of this fund ensures that at least 25% will be allocated to renewables. In practice, around 40% of the Fund has been allocated to renewables since inception.
 - The Fund committed £50m to the LCIV Private Debt fund in 2021. The London CIV required managers to show a clear commitment to integrating ESG issues into the investment process. Additionally, the manager has implemented an exclusions policy including thermal coal and the distribution and production of fossil fuels; and greenhouse gas metrics were reported for the first time in 2023.
 - The Fund introduced an allocation into BlackRock’s Low Carbon equity fund in 2021 and this forms a core part of the Fund’s equity allocation. So far, £28m has been invested. This is a first step in in the evolution of the strategy to be more responsible investment focussed and actively reduce the carbon intensity of the Fund.
 - Introduction of a dedicated Responsible Investment (RI) policy
 - ESG and Climate Risk considerations play a significant part in the LCIV’s manager selection and monitoring process.

- For example, the Fund's emerging market mandate through the London CIV has zero exposure to fossil fuels and a carbon intensity of less than a quarter compared to similar emerging market mandates.
- Recently LCIV have strengthened the ESG elements of the PIMCO sleeve of the LCIV Multi Asset Credit (MAC) Fund which Brent invests in. These changes include:
 - Omitting corporate issuers with the weakest ESG credentials;
 - Omitting issuers which generate 10% or more of their revenues from thermal coal mining, oil and gas extraction or power generation from thermal coal or liquid fuels;
 - Reporting requirements strengthened to include scope 3 emissions.

Review of Global Equities

- 3.6 One of the asset classes with the highest carbon intensity are the equity holdings with Legal and General. Therefore, at its most recent investment strategy review, the Pension Fund Sub-committee agreed to a market review of the passive global equities allocation as reducing emissions here would make significant progress towards achieving the Fund's net zero ambitions. Initially this will focus on the global (ex UK) index-tracking equity fund.
- 3.7 The Pension Fund Sub-committee have considered the approaches that be taken for this portfolio. The key areas of focus are tilts based on ESG scoring, exclusions, engagement and transition alignment, and the committee have agreed a set of characteristics that will be used when selecting a new manager mandate to help the Fund achieve its net zero ambitions without harming funding outcomes.
- 3.8 Officers and the Fund's investment advisors are currently in the process of analysing a shortlist of Funds from Legal and General, BlackRock and London CIV against the desired characteristics, the philosophy & RI credentials of the manager and performance figures. The conclusions from this work and a recommendation will be presented at the October committee meeting.

London CIV Responsible Investment Policy

- 3.9 The London CIV have updated their Responsible Investment Policy which details the overarching responsible investment process and provides a reference point for the mechanisms in place to manage ESG risks and opportunities throughout the investment process.
- 3.10 The policy provides detail about the 3 key steps in LCIV's responsible investment approach:
1. Integration: Embedding responsible investment into the investment decision and design e.g. ESG questionnaires and quarterly meetings;

2. Engagement: Collaboration with companies, managers, peers and participants e.g. working with Hermes EOS (EOS) to use our shareholder rights to maximise shareholder value;
3. Disclosure: transparent reporting in line with best practice e.g. through the quarterly investment report.

3.11 In this policy LCIV have updated stewardship themes for engagement in 2024/25 to include natural capital, technology & cyber and, health, safety & wellbeing. The updated policy is attached in Appendix 1.

4.0 Stakeholder and ward member consultation and engagement

4.1 There are no direct considerations arising out of this report.

5.0 Financial Considerations

5.1 There are no direct financial considerations arising out of this report.

6.0 Legal Considerations

6.1 There are no legal considerations arising out of this report.

7.0 Equality, Diversity & Inclusion (EDI) Considerations

7.1 There are no equality considerations arising out of this report.

8.0 Climate Change and Environmental Considerations

8.1 There are no climate change or environmental considerations arising out of this report.

9.0 Human Resources/Property Considerations (if appropriate)

9.1 There are no HR or property considerations arising out this report

10.0 Communication Considerations

10.1 There are no communication considerations arising out of this report.

Report sign off:

Minesh Patel

Corporate Director of Finance and Resources



London
CIV

**Responsible
Investment
Policy
2024**



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Working together to deliver sustainable prosperity for the communities that count on us all.

Introduction

About London CIV

London CIV was formed in 2015 and manages the investment of the pension assets of the 32 Local Government Pension Scheme (LGPS) Funds in London. We are one of eight LGPS pools.



We would like to acknowledge the continued support from our Clients on responsible investment, stewardship and climate change. Our shared commitment to minimising the financial and social risks of ESG factors enables us to generate sustainable returns and drive change together.

Investment Beliefs

London CIV Statement of Investment Beliefs

Our Investment Beliefs direct our investment practices in alignment with London CIV's purpose and values, specifically to collaborate with Client Funds and help them achieve their pooling requirements and deliver value for Londoners through long-term and sustainable investment strategies.

The Beliefs help us define how we create value for Partner Funds in the context of future uncertainty, risk and opportunity. They also help us make practical decisions about the suitability of investment strategies, selection and monitoring of investment managers and pooled funds, performance objectives and the integration of best practice in sustainable investment and active ownership.

Recognising how important all stakeholders are in translating beliefs into practice, we have worked together to develop the Investment Beliefs and ensure they are aligned to our cultural values. Working with external investment managers to achieve delivery of these Beliefs is central to our role.

1. Long term investors earn better returns net of costs.
2. Careful calibration of risk against objectives, together with robust risk management, leads to better risk-adjusted returns.
3. Responsible Investment improves outcomes, mitigates risks and creates opportunities through:
 - a. Good corporate governance
 - b. Active stewardship and collective engagement
 - c. Effective management of climate change risk
 - d. Promoting diversity and inclusion
4. Providing value for money is critical and it is essential to manage fees and costs.
5. Collaboration, clear objectives, robust research and evidence-based decision-making adds value.
6. Targeting opportunities across the public and private asset markets is aligned to the needs of Client Funds.

Policy Purpose

The purpose of the Responsible Investment Policy ("the Policy") is to detail the framework governing London CIV's Responsible Investment approach. The policy structures our overarching responsible investment process and provides a reference point for the mechanisms in place to manage ESG risks and opportunities throughout our investment process. This policy should be read in conjunction with our [Climate Policy](#), [Stewardship Policy](#) and Voting Guidelines for specific area guidance.

This document is written for London CIV's stakeholders including our partner funds, members of staff, and underlying fund managers. The first edition of the policy was approved by the Board following consultation with the Shareholder Committee. Subsequent updates have been approved similarly or under delegated authority in the case of minor changes e.g. consequential on changes to other policies and updates to stewardship priorities. London CIV's Responsible Investment team is responsible for the implementation and maintenance of this policy.

Our Approach

London CIV believe responsible investment is not only a **moral imperative** but an **economic necessity**. We believe that in order to safeguard the interest of our clients and members, we must acknowledge that climate-related risks and broader ESG factors are a source of financial risk. We strive to integrate ESG considerations into our investment decisions and active ownership and support a data-led and transparent process. Our purpose statement is *working together to deliver sustainable prosperity for the communities that count on us all* London CIV further define ESG factors as the following:

- **Environmental** - Issues related to the conservation of the natural world and ecosystems, namely: carbon emissions and climate crisis, pollution of air and water, biodiversity, deforestation, energy efficiency, waste management, and water risks.
- **Social** - Issues related to people and the society, such as: human rights, inequality, human capital management, digitalisation, health and wellbeing.
- **Governance** - Issues related to standards for running a company, such as: tax, board composition, diversity and inclusion, remuneration, cyber security, anti-bribery, and corruption.

London CIV's responsible investment approach is pinpointed by three key steps.



1. Integration

We believe that by integrating responsible investment into investment decisions and our product designs, we can mitigate potential ESG risks and enhance portfolio resilience. We seek to design products that most importantly meet our duty of care by delivering the right risk-adjusted returns but can also deliver positive climate and social benefits. Integration of ESG considerations is introduced during the product development process to ensure ESG risk is factored in at both the product and portfolio level. ESG questionnaires are sent to managers before the selection process where the approach of the manager and their own corporate governance are assessed to indicate how advanced the manager's approach to ESG integration is. Due diligence meetings are conducted prior to appointment and quarterly meetings are held once managers have been selected as detailed in our Stewardship Policy.

2. Engagement

We expect companies in our portfolio to demonstrate their resilience against climate change and their responsibility for social considerations in their value chain. To strengthen our voting and

engagement process, we work with our Hermes EOS (EOS) to use our shareholder rights to maximise shareholder value. Our strategy is engagement over exclusion, we believe rather than excluding companies and sectors which are deemed problematic, we can use our influence to improve a company’s ESG performance. We have introduced an escalation strategy as detailed in our Stewardship Policy.

3. As a member of Local Authority Pension Fund Forum (“LAPFF”), London CIV works with our fund managers to ensure that they exercise our rights in line with our responsible investment and engagement policies and taking into account our Voting and Engagement Guidelines.

4. Disclosure

London CIV have developed and implemented a robust monitoring and accountability mechanism to enhance transparency and reporting quality. We believe accurate and timely ESG disclosure is central to the effective implementation of commitments set out in this policy. London CIV is currently reporting on the following:

ESG Disclosures	Frequency
Quarterly Investment Reports ¹ - ESG commentaries, voting and climate metrics at fund level	Quarterly
Stewardship Activities and Outcomes Report	Annually
TCFD Report	Annually
SRD II	Annually
UN PRI	Annually

Asset class considerations

Our responsible investment responsibilities extend to all funds held by London CIV. We recognise asset classes such as private markets and infrastructure can be more challenging due to limitation in ESG data and access. Recognising this, we have tailored our approach to each asset class which is detailed in our Stewardship Policy.

Stewardship

London CIV take a collaborative and collective approach to stewardship through engagement with investment managers, companies, regulators, peers, and market participants. We believe active ownership is a vital mechanism in managing risk and maximising triple bottom line (investment, social and environmental outcomes) returns. We have published our [Stewardship Policy \[Link\]](#) which details of our active stewardship approach. Our Stewardship Policy is designed to govern our approach to setting stewardship priorities and use of active ownership to drive real-world outcomes at scale. This policy is intended to inform our managers and suppliers about our main concerns and expectations across all ESG factors. As a signatory of the FRC’s UK Stewardship Code and the UN PRI we are committed to following guidance of best stewardship practices. Our stewardship approach is summarised below:

1. Prioritisation

We believe we must prioritise stewardship themes that are the most material to our portfolio while acknowledging emerging themes. We identify and prioritise our key stewardship themes in five ways:

¹ Report is only available to investors of each fund

1. Identifying **global drivers** including macro risks, policy and regulation as well as stakeholder priorities.
2. Assessing **company drivers** unique to London CIV including asset specific risk, client priorities, our holdings and investments as well as where we can have influence.
3. Recognising **social materiality** in terms of which issues will have the biggest impact on the world around us.
4. Calculating **financial materiality** in terms of which issues will have the biggest impact on our returns.
5. Responding **reactively** to unforeseen events after a specific and significant incident. Where an issue is prioritised based on our exposure and the probability of a successful outcome.

2. Implementation

As active stewards, we seek to utilise the rights and position of ownership to influence the activities and behaviour of investee companies. We believe voting and engagement practices are interlinked and feed into each other; one can be the initiator or the complementary tool of the other, both should be used as effective tools to support long-term value creation. We have published our **Voting Guidelines** [insert link] which encapsulates our position in key ESG themes. We work with Hermes EOS to consolidate and harmonise our voting activities and to take account of LAPFF recommendations. For engagement, we take a collaborative approach which will be summarised in the next section.

3. Collaboration

We believe collaborating with other like-minded institutional investors and service providers is an effective way to pool knowledge and information as well as share costs and risks to influence corporate management. By working with our fund managers, companies, our voting and engagement manager, clients and peers we are able to:

1. **Build knowledge and skills:** through collective expertise on highly complex issues, enabling us to approach companies operating in challenging environments or covering a range of economic, regulatory, and cultural markets.
2. **Increase efficiency:** to avoid duplication of effort by sharing tasks and responsibilities.
3. **Enhance power and legitimacy:** through the collective reputation, size and weight of members which are difficult for companies to ignore

By engaging companies with a unified voice, we can more effectively communicate our concerns to corporate management. The result is typically a more informed and constructive dialogue.

Our Priorities

By utilising our prioritisation methodology highlighted in our **Stewardship Policy** to review priorities London CIV have identified the below five key stewardship themes for engagement in 2024/25. These priorities were selected due to the financial impact these issues pose and the influence we believe we can have.

Climate Change

Due to the materiality of climate change risk, London CIV have a standalone **Climate Change Policy**, which details our objectives and expectations on companies. London CIV have also committed to

become a net zero entity by 2040 in line with the Paris Agreement objectives to limit global temperature rise below 1.5°C. In line with our ambition, we are committed to becoming a net zero company operationally as early as 2025. Addressing climate change is major part of our duty of care to clients and a strategic investment priority for London CIV. As all companies are subject to physical, transition risks or both, we expect all companies to report on climate change risks in line with the Task Force on Climate Related Financial Disclosures (“TCFD”) and at least disclose their carbon footprint. We calculate our own climate risk working with our partner S&P Trucost and support the Transition Pathway Initiative using both resources to engage with our material holdings.

Human Rights and Human Capital

As institutional investors, London CIV have a responsibility to respect human rights as formalised by the UN and the Office of Enforcement and Compliance Assurance (“OECA”) in 2011. Increasing visibility and urgency around many human rights issues coupled with a better understanding of our role and responsibility in shaping real-world outcomes across our investment activities has increased expectations on the protection of human rights. Our approach to managing human rights issues applies to all our themes relating to people. We believe that by meeting international standards and preventing and mitigating actual and potentially negative outcomes for people leads to better financial risk management and helps to align activities with the evolving demands of beneficiaries, partner funds and regulators.

Recognising human capital as a core driver of long-term value, our Stewardship Policy emphasises active engagement with investee companies and the investment managers we work with. Diversity and inclusion, key components of human capital, are not just ethical imperatives; but are demonstrably linked to stronger financial performance, innovation, and talent retention¹. Studies show companies with greater gender and ethnic diversity outperform peers in key metrics like return on equity. A diverse workforce can foster deeper understanding of global markets, drive cutting-edge product development, and attract top talent – all critical factors for its future success. Through regular dialogue, we encourage investee companies and investment managers to improve transparency in diversity data, implement inclusive hiring practices, and cultivate a culture that empowers all employees. Such engagement aligns not only with our commitment to fair and responsible investment, but also with maximising long-term returns for our clients’ beneficiaries. We are a member of the Diversity Project, Asset Owners Diversity Working Group and Investor Alliance for Human Rights.

Natural Capital

As responsible investors, protecting and restoring natural capital is paramount. Businesses simultaneously impact and depend upon clean air, water, and biodiversity – resources forming the very foundation of their operations and long-term viability. Unsustainable practices like deforestation, water pollution, and greenhouse gas emissions not only inflict environmental damage but also expose businesses to significant financial risks, from disrupted supply chains to regulatory penalties. Through active engagement, we encourage investee companies to adopt responsible practices like resource efficiency, renewable energy sources, and biodiversity conservation. Investing in natural capital isn't just about environmental responsibility; it's about safeguarding the foundation of a sustainable future and mitigating risks for long-term financial returns. As early adopters of the Taskforce on Nature-related Financial Disclosures (TNFD), London CIV are also committed to reporting against our nature-related risk in 2025.

¹ Catalyst, "Why Diversity Matters" (2023)

Technology & Cyber:

Responsible investment necessitates active engagement with technology's impact. From artificial intelligence (AI) shaping industries to cybersecurity threats evolving, navigating this dynamic landscape requires collaboration. We promote responsible development and adoption of AI, encouraging ethical considerations and potential risks. We advocate for robust cybersecurity measures and proactive threat mitigation strategies. By engaging with investee companies, we strive to ensure technology empowers a sustainable and secure future, contributing to long-term value creation for our clients' beneficiaries.

Health, Safety & Wellbeing:

Investing in a healthy and thriving workforce is paramount. We believe a focus on health, safety, and wellbeing isn't just a moral imperative but also a strategic investment. Proactive health initiatives and safety protocols reduce risks and create a positive work environment, boosting employee engagement and productivity. We encourage investee companies to prioritise employee wellbeing through comprehensive healthcare options, mental health support, and safe working conditions. By fostering a healthy and safe work environment, we contribute to a more resilient and productive workforce, ultimately enhancing long-term value.

Governance of this policy

This policy is developed by the Responsible Investment team and will be reviewed annually to ensure it is current and updated periodically in particular to reflect revised stewardship priorities. The integration of ESG considerations in manager selection, monitoring and management is explicit in all roles within the Investment Team. Overall responsible investment development and operational accountability is led by the chief sustainability officer (CSO) who reports to the chief executive officer ("CEO") and is supported by two responsible investment managers each responsible for Climate and Stewardship as well as an RI analyst.

The Board of London CIV is responsible for agreeing the high level purpose and belief statements which guide London CIV, including in respect of Responsible Investment and for approving key policies in this area (Executive Responsibility is held by the CEO who is responsible for approving changes in the usual course of business). This policy is recommended by the CSO.

The development of this policy has been supported by key stakeholders including the Sustainability Working Group ("SWG") previously the Responsible Investment Reference Group ("RIRG"), membership of which includes representatives from Client Funds, London CIV. The Shareholder Committee is consulted when changes are made.

Other Documents

Policy Framework

This document is the overarching policy which governs our:

- Voting Policy
- Stewardship Policy
- Climate Policy
- Investment Governance Document
- Investment Beliefs


Getting in Touch

If you have any questions or comments about this report please email Jacqueline Amy Jackson, Head of Responsible Investment at RI@LondonCIV.org.uk.

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Version Control

Date	Status	Summary of Change	Author
October 2018		Document created	
December 2020		To include information of reviews undertaken to implement the policy.	RI team
April 2022		Restructured to include information from Stewardship Policy, Climate Policy and other RI documents.	RI Team
March 2024		New additions to reflect updated stewardship priorities following a 3 year review.	RI Team

	<p>Brent Pension Fund Sub-Committee 1 August 2024</p>
	<p>Report from the Corporate Director of Finance and Resources</p>
<p>Local Authority Pension Fund Forum (LAPFF) Engagement Report</p>	

Wards Affected:	All
Key or Non-Key Decision:	Non-Key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
List of Appendices:	One - LAPFF Engagement Report Q1 2024
Background Papers:	N/A
Contact Officer(s):	<p>Minesh Patel Corporate Director, Finance and Resources (minesh.patel@brent.gov.uk)</p> <p>Amanda Healy Deputy Director of Finance (amanda.healy@brent.gov.uk)</p> <p>Sawan Shah Head of Finance (sawan.shah@brent.gov.uk)</p> <p>George Patsalides Finance Analyst (george.patsalides@brent.gov.uk)</p>

1.0 Executive Summary

1.1 This report is for noting and presents members with an update on engagement activity undertaken by LAPFF (the Local Authority Pension Fund Forum) on behalf of the Fund. The Fund’s commitment with LAPFF and its work demonstrates its commitment to Responsible Investment and engagement to achieve its objectives.

2.0 Recommendation(s)

2.1 The Committee is recommended to note this report and express their view on Brent’s continued membership of LAPFF.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

- 3.1.1 The work of the Pension Fund is critical in ensuring that it undertakes statutory functions on behalf of the Local Government Pension Scheme and complying with legislation and best practice. Efficient and effective performance and service delivery of the Pension Fund underpins all Borough Plan priorities.

4.0 Background to LAPFF

- 4.1 LAPFF (the Local Authority Pension Fund Forum) has 87 members, 7 pools and combined assets exceeding £350bn. With investments widespread in many sectors, LAPFF's aim is to act together with the majority of the UK's local authority pension funds and pool companies to promote the highest standards of corporate governance in order to protect the long-term value of local authority pension funds.
- 4.2 Leading the way on issues such as campaigns against excessive executive pay, environmental and human rights campaign, reliable accounting and a just transition to a net zero economy, the Forum engages directly with company chairs and boards to affect change at investee companies. LAPFF engages with companies and its stakeholders, such as employees and local communities, to understand their views on a company's behaviour and risks. Some issues extend beyond the behaviour of individual companies to the way markets function. The engagement is member led and on behalf of the Brent Pension Fund and other local authorities, LAPFF are able to challenge regulators and deliver reforms that advance corporate responsibility and responsible investment.
- 4.3 In October 2019, the Pension Fund Sub-committee approved Brent Pension Fund's membership into LAPFF. Members of the Pension Sub-committee are welcome to attend meetings of the Forum. As a member of LAPFF, Brent Pension Fund are entitled to contribute to and participate in the work plan organised by the Forum around issues of common concern.
- 4.4 Collaboration with other investors has the potential to strengthening the voice of Pension Funds, influence major companies on key ESG issues and help drive real-world change. Examples of the work carried out by LAPFF are provided below and in previous engagement reports to the committee. Individual funds, like Brent, engaging with companies on their own are unlikely to much of an impact and the Fund would require significant resources to do so effectively. Therefore, membership of collaboration groups such as LAPFF is considered to be more efficient whilst also likely to have greater impact.
- 4.5 As proponents of responsible investment, officers recommend that the Brent Pension Fund continues its membership of the LAPFF in light of the positive work done to further our commitment to corporate responsibility. Membership of the Forum has an annual cost of £11,850. We would invite the Sub-

Committee to express their view on the Brent Pension Fund continuing as a member of LAPFF.

5.0 Engagements Conducted by LAPFF

5.1 The LAPFF policy on confidentiality requires that all company correspondence (letters and meeting notes) remain confidential; however, LAPFF produce a Quarterly Engagement report to give an overview of the work undertaken. A summary of key engagement work has been provided in this report. The full report is attached in Appendix 1 (for Q1 2024) and highlights the achievements during relevant periods.

Banking

5.2 LAPFF's objective in engaging with the banking and finance sector is to see that banks develop and implement clear policies with evidence of progress in moving capital away from the fossil fuel sector and encourage other companies to transition accordingly. From the perspective of the banks, financing the energy transition represents a significant and growing business opportunity, while lending to the fossil fuel sector carries with it the risks of "stranded assets" and potential reputational damage. In particular, HSBC and Barclays still have significant exposure to the fossil fuel sector and are among the largest lenders to the infrastructure and energy sectors.

5.3 LAPFF was satisfied to see HSBC publishing a clear transition plan for 2024, which outlined significant financing opportunities in Asia and their integrated climate assessment process when lending. By contrast, the Forum has levied criticism on Barclays for a lack of meaningful policy in this area, as well as its continued investment in new fossil fuel projects.

5.4 In response to this, the bank has issued a new and updated climate change statement, which considers the IEA's (International Energy Agency) net zero energy scenario, where no new oil and gas projects will be needed if we are to achieve net zero by 2050. Key highlights include a commitment to provide no project finance or other direct finance to oil and gas companies for new upstream oil and gas "expansion" projects and a commitment to withhold financing to new oil and gas clients if more than 10% of their total planned oil and gas capital expenditure is for new upstream projects. The statement is a major step forward for the company and helps address some of LAPFF's key concerns.

5.5 Following LAPFF's successful engagements in the banking sector, the Forum has expanded its scope by approaching five Canadian banks to discuss their transition plans and climate related lending operations because the Canadian banks can be seen as laggards on climate action, with several having increased their lending to the oil and gas industry in recent years.

Water stewardship

- 5.6 Over the past two years, LAPFF has been challenging UK water utility companies in the wake of sewage overflows. Engagements in this area have sought to ensure utility firms are taking appropriate action to remedy the situation and in turn reducing investment risks arising from reputational damage. The scope of these engagements has expanded to assessing the financial resilience of the sector, in consideration of the situation at Thames Water.
- 5.7 LAPFF has met with the CFO of United Utilities to discuss their plans for managing sewage overflows under Ofwat's price review process, which included investment strategies to improve environmental performance and deliver value for money. The Forum continues to press water utility firms to ensure plans are being delivered and that critical infrastructural failures are being remedied.

Luxury goods

- 5.8 Legislation globally is increasingly incorporating human rights considerations, including potential fines for companies found to have forced labour or other human rights abuses in their supply chains. There can be a common misconception that paying a premium for luxury items directly translates into better wages and working conditions for workers. However, the luxury goods sector, like many others, is not immune to the challenges and risks associated with human rights violations, such as forced labour, child labour, unsafe working conditions, and inadequate wages.
- 5.9 During the quarter, LAPFF engaged with five luxury goods companies, several of which were new engagements for the Forum. Meetings were held with key industry players, such as Richemont SA, Kering SA, and Louis Vuitton. These engagements provided LAPFF with valuable opportunities to initiate dialogues, aiming to establish good relationships and gain a deeper understanding of the companies' current practices. Moreover, these discussions allowed LAPFF to present an investor's perspective on why enhanced disclosures are critical, demonstrating a company's commitment to mitigating legal and reputational risks associated with human rights issues.
- 5.10 LAPFF will continue to monitor these companies' practices and disclosures, providing feedback and recommendations as necessary to ensure that human rights considerations are being adequately addressed and integrated into their business models and supply chain operations. LAPFF has calls scheduled with Moncler and Burberry for Q2 2024 and will aim to build on the initial engagements held with companies in Q1.

Transport

- 5.11 Transport is a major contributor to global carbon emissions. Limiting global warming to 1.5C requires a rapid shift away from internal combustion engine vehicles towards electric vehicles. To support this transition, adequate charging infrastructure is required to overcome charging anxiety. LAPFF sought to

understand progress in scaling up charging infrastructure and the challenges of delivering charging points for a charging point producer.

- 5.12 LAPFF met with an ABB E-mobility representative to discuss electric charging infrastructure. The Swedish-Swiss company is a major player in charging infrastructure and describes itself as the world's number one in EV charging solutions. The engagement covered the impact of regulation in the EU and US, which was starting to increase the requirements on charging, the impact on demand of the price of EVs, future-proofing technology, and how the interoperability of connectors was becoming less of a barrier. LAPFF will continue to engage those in the EV charging infrastructure sector given its critical role to the decarbonisation of surface transport.

Mining

- 5.13 Continuing its work with mining companies and affected communities, one of the main objectives of LAPFF's work on mining and human rights is to make other investors and stakeholders aware of these financial risks. To this end, LAPFF issued a report on its visit to Brazilian communities affected by tailings dams, as well as attending the Mining Indaba in Cape Town, South Africa, an annual convention to discuss issues surrounding mining activity.
- 5.14 While the Forum members were reassured by discussions on health and safety, they noted a lack of representation of mining workers and affected community members in attendance, as well as a lack of planning to transition away from coal in relation to climate change activity. Although LAPFF accepts that there must be a managed decline of coal, the Forum would have expected a clear timeline to transition away from the fuel, in addition to more concrete plans for the JET (Just Energy Transition). LAPFF will continue its partnership with the UN Working Group and other stakeholders to inform best practice on mining and human rights, while linking the work done to financial materiality for investors.

6.0 Stakeholder and ward member consultation and engagement

- 6.1 There are no direct considerations arising out of this report.

7.0 Financial Considerations

- 7.1 There are no direct financial considerations arising out of this report.

8.0 Legal Considerations

- 8.1 There are no legal considerations arising out of this report.

9.0 Equality, Diversity & Inclusion (EDI) Considerations

- 9.1 There are no equality considerations arising out of this report.

10.0 Climate Change and Environmental Considerations

10.1 The Brent Pension Fund is committed to being a responsible investor, which involves engaging with and encouraging companies to take positive action on environmental, social and governance (ESG) issues.

11.0 Human Resources/Property Considerations (if appropriate)

11.1 There are no HR or property considerations arising out this report.

12.0 Communication Considerations

12.1 There are no communication considerations arising out of this report.

Report sign off:

Minesh Patel

Corporate Director of Finance and Resources



Quarterly
Engagement
Report

January-March
2024

Local
Authority
Pension
Fund
Forum

HSBC, Barclays, Water Stewardship, Luxury Goods

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BANKS AND CLIMATE:

Barclays and HSBC

Objective: Banks have a significant role to play in addressing climate change, through providing finance to the energy transition and by moving capital away from the fossil fuel sector, as well as using their influence more widely as lenders to support and encourage companies to transition. From the perspective of the banks, financing the energy transition represents a significant and growing business opportunity, while lending to the fossil fuel sector carries with it the risks of “stranded assets” and potential reputational damage.

LAPFF’s objective in engaging with the sector is to see banks developing and implementing clear policies, together with evidence of progress, in the following areas:

- Support for the energy transition through financing activities supporting renewable and clean energy, energy

efficiency and other climate solutions.

- Managing and scaling down exposure to the fossil fuel industry, particularly in regard to long term and new projects and activities.
- A clear commitment to assessing all relevant client businesses on their exposure to climate change, assessment, and support on developing transition plans and activities, including appropriate assessment of key risk areas.

LAPFF’s priority in the banking sector has been the two UK banks HSBC and Barclays, as they have significant exposure to the fossil fuel sector and are among the world’s largest lenders to the infrastructure and energy sectors.

This quarter LAPFF met with HSBC and has an upcoming meeting with Barclays. LAPFF engaged with both Barclays and HSBC extensively in 2023,

with climate change being a key focus.

It was therefore reassuring to see that both banks have made progress this year, with HSBC publishing its latest transition report in January and Barclays publishing in February 2024 an updated Climate Change Statement covering, in particular, its lending to the fossil fuel industry together with its updated transition plan.

HSBC’s 2024 transition plan was generally very strong, with a clear understanding of climate change and the energy transition, and significant commitment on climate lending and integrated climate assessment in lending.

The company is clearly interested in the potential of financing the energy transition, particularly in Asia where there are very significant lending opportunities. The tone and approach was notably positive, providing some reassurance of the company’s general

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commitment.

Barclays has faced particular criticism, including from the Forum, for its ongoing lending to the fossil fuel industry and its lack of meaningful policies in this area. This has resulted in calls for consumer boycotts, as well as a shareholder resolution organised by ShareAction. In response to this external pressure, including multiple engagements by LAPFF, the company issued and updated its climate change statement, which goes some way to addressing these concerns. The statement is clearly aiming to show Barclays is taking account of the IEA's (International Energy Agency) net zero energy scenario, which states there is no need for new oil and gas projects if we are to achieve net zero by 2050. Key highlights include:

- A commitment to provide no project finance or other direct finance to oil and gas companies for new upstream oil and gas "expansion" projects or related infrastructure.
- From 2025, a provision that Barclays will only provide financing (new or renewal) by exception for existing upstream oil and gas clients where more than 10% of their total planned oil and gas capital expenditure is for new long lead projects.
- A commitment to withhold financing to new oil and gas clients if more than 10% of their total planned oil and gas capital expenditure is for new upstream projects.
- Requirements for oil and gas companies to commit to reducing their own emissions, including having 2030 methane reduction targets, a commitment to end all routine / non-essential venting and flaring by 2030, and near-term net zero aligned Scope 1 and 2 targets by January 2026.
- Various more specific restrictions for new energy clients engaged in expansion, on-diversified energy clients engaged in long lead expansion, and on unconventional oil and gas, including Amazon and extra heavy oil.
- An expectation for oil and gas clients to produce transition plans or decarbonisation strategies by January 2025.

The statement is a major step forward for the company and helps address some of our key concerns, in particular recognising that financing new oil

and gas exploration infrastructure is unacceptable, given that the IEA has stated such projects are not compatible with achieving net zero. The NGO ShareAction has, as a result, withdrawn its shareholder resolution on climate, which was likely to have attracted significant support from shareholders, including LAPFF.

In Progress: Although the banks have made significant progress on addressing climate risk, LAPFF seeks to encourage further action in the following areas:

- Stronger restrictions on lending to the fossil fuel sector, covering the oil majors and ensuring full compatibility with the limitations on investment in new oil and gas envisaged in the IEA net zero scenario.
- Proper disclosure and analysis of transition plans, so we can be assured the banks are mitigating climate risk and supporting the energy transition, and not being taken in by incomplete or unrealistic transition plans, particularly where companies need to transform more than transition. Caution over the use of expensive, high risk approaches to solving climate risk, such as carbon capture and storage (CCS), both in direct lending exposure and wider analysis of risk.
- Robust commitments to financing the energy transition, involving the deployment of new funds to new projects.

With Barclays, LAPFF would like to see further progress in its climate statement and will be pressing the company to such effect. The current statement is complex and opaque and has many loopholes and exceptions – notably its exclusion of oil majors from any specific restrictions as long as they have a rudimentary transition plan. LAPFF would like significant tightening of the restrictions so that Barclays is not directly or indirectly funding new oil and gas projects. LAPFF also expects to see a steady decline in the actual levels of lending to the sector.

On transition plans Barclays will need to demonstrate it can adequately scrutinise them and hold companies to account where it decides to lend. Transparency around its assessment of oil and gas companies will be crucial. LAPFF will also monitor its involvement in some of the technological so-called climate

solutions which the Forum considers expensive and high risk, such as CCS. LAPFF will pressing these points in an upcoming meeting.

HSBC is better placed to address climate risk and appears to have a broader appreciation of climate change and the profound transformation it entails. LAPFF would still like to see the company strengthen its restrictions over oil and gas lending, backed up by evidence of further action on reduced lending. LAPFF will also monitor the rate of lending to fund the energy transition and HSBC's use and understanding of transition plans.

Alongside engagement with Barclays and HSBC, after a review of the global banking sector LAPFF has decided to expand its activity and has approached five Canadian banks to discuss their transition plans and climate related lending. This included Toronto Dominion, Royal Bank of Canada, Bank of Montreal, Scotia Bank and CIBC. These have been selected because the Canadian banks can be seen as laggards on climate action, with several having increased their lending to the oil and gas industry in recent years. LAPFF has significant holdings in these banks and there is ongoing shareholder activity that can provide a platform for engagement.

CLIMATE

Objective: Decarbonising power needs to be a major contributor to reducing global carbon emissions. Limiting global warming to 1.5C requires a rapid shift away from carbon emitting processes.

LAPFF engaged with Drax this quarter as there are questions about the time scale over which new growth of trees will compensate for the >10MT of CO₂ Drax emits each year. The Forum sought to understand the company's business model, associated risks and sustainability of the supply chain for wood pellets for combustion at Drax Power Station, which are mainly imported, and their cost, considering that gas and renewables offer cheaper alternatives.

Achieved: Since their last AGM the chair has been replaced as expected given his tenure and the Forum is arranging

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a meeting with the new chair. LAPFF responded to the consultation from the Department of Energy Security and Net Zero on prolonging the subsidy to Drax.

LAPFF's response to the consultation covered the evidence that Drax's supplies of wood are not carbon neutral, nor sustainable as a supply source (being dependent on US imports). Just after the LAPFF submission, BBC Panorama had its second exposé of Drax's activities. Drax claims to source its wood pellets from sustainable sources by way of waste material. However, the BBC investigation showed that not only has Drax been cutting and using whole trees, but that the trees cut were from rare forest wood, rather than managed plantations. .

The consultation also states the DESNZ position that subsidised biomass burning (in the case of Drax, wood), will increase the cost of electricity and displace renewables.

In progress: LAPFF is awaiting a meeting with the new chair and is following government policy in this area closely. In March 2024, the government announced that new gas plants will be needed for intermittent supply of energy when there is insufficient generation from renewables. That would seem to be relevant to the medium to long-term future of Drax.

ABB

Objective: Transport is a major contributor to global carbon emissions. Limiting global warming to 1.5C requires a rapid shift away from internal combustion engine vehicles towards electric vehicles. To support this transition, adequate charging infrastructure is required to overcome charging anxiety. LAPFF sought to understand progress in scaling up charging infrastructure and the challenges of delivering charging points for a charging point producer.

Achieved: LAPFF met with an ABB E-mobility representative to discuss electric charging infrastructure. The Swedish-Swiss company is a major player in charging infrastructure and describes itself as the world's number one in EV charging solutions. The meeting covered the likely trajectory of EV take-up, demand for charging infrastructure, and the use case for different charging



ABB is a Swedish-Swiss multinational corporation headquartered in Zurich, Switzerland

solutions. The engagement covered the impact of regulation in the EU and US, which was starting to increase the requirements on charging, the impact on demand of the price of EVs, future-proofing technology, and how the interoperability of connectors was becoming less of a barrier. The meeting also discussed challenges for charging infrastructure, including around software. At the meeting LAPFF also raised the issue of human rights in its supply chain.

Progress: LAPFF will continue to engage those in the EV charging infrastructure sector given its critical role to the decarbonisation of surface transport. This will cover consistency and coverage of services.

WATER STEWARDSHIP

United Utilities

Objective: Over the past two years, LAPFF has been engaging UK water utility companies on sewage overflows. These engagements have sought to ensure companies are reducing storm overflows and thus reducing the investment risks, including those

associated with reputational damage and regulatory intervention. As the sector has acknowledged that more needs to be done and has started to outline plans, LAPFF's focus has expanded to ensure overflows are being reduced against targets and to look more closely at how companies are seeking to deliver future improvements. At the same time, LAPFF has also been engaging the publicly listed companies on the financial resilience of the sector given the situation at Thames Water.

Achieved: LAPFF met with the chief financial officer at United Utilities to discuss the company's plans for reducing overflows. In October, water utility companies set out their plans under Ofwat's price review process. These plans include investment strategies for improving environmental performance (regulated by the Environment Agency) such as storm overflow reductions. The meeting therefore spent some time discussing United Utilities' investment plans under the price review.

The last round of engagements with water companies included discussion around investment needed in infrastructure. An important area LAPFF wanted to follow up on was delivering value for money and ensuring affordability for customers given the additional investment and higher prices needed. The meeting discussed adaptive planning, supply chain capacity,

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consultation and support for the plans from their customers, and financial assistance for lower income households.

The meeting also discussed gearing levels and implications for United Utilities. This covered the definition of gearing: the traditional debt to equity versus debt to assets, which is used by the regulator, and that the Ofwat definition is less sensitive to increasing debt than the traditional one. The situation at Thames Water was also discussed as was the differences between publicly listed and private equity run firms.

In progress: As additional funding comes into the sector to address storm overflows, LAPFF will engage with water utilities to ensure that plans are being delivered, overflows are being reduced, and the investment represents value for money for shareholders and stakeholders.

Louis Vuitton Shop in Paris France

HUMAN RIGHTS

Luxury goods

Objective: Legislation globally is increasingly incorporating human rights considerations, including potential fines for companies found to have forced labour or other human rights abuses in their supply chains. Managing such human rights risks is a crucial component of sustainable company practices and increasingly a financially material issue for investors, especially in a sector reliant on branding and reputation. There can be a common misconception that paying a premium for luxury items directly translates into better wages and working conditions for workers. However, the luxury goods sector, like many others, is not immune to the challenges and risks associated with human rights violations, such as forced labour, child labour, unsafe working conditions, and inadequate wages, which are prevalent in industries and supply chains worldwide.

Achieved: During the quarter, LAPFF engaged with five luxury goods companies, several of which were new engagements for the Forum. Meetings were held with key industry players: Richemont SA, Kering SA, and Louis Vuitton Moët Hennessy. Prior to these meetings, it was recognised that LAPFF’s requests would need to be varied due to the differing levels of disclosure and transparency regarding human rights programmes, risk management, and supply chain due diligence among the companies. These engagements provided LAPFF with valuable opportunities to initiate dialogues, aiming to establish good relationships and gain a deeper understanding of the companies’ current practices. Moreover, these discussions allowed LAPFF to present an investor’s perspective on why enhanced disclosures are critical, demonstrating a company’s commitment to mitigating legal and reputational risks associated with human rights issues.

In Progress: LAPFF has calls scheduled with Moncler and Burberry for Q2 of



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2024 and will also aim to build upon the initial engagements held with companies in Q1 in the upcoming months to ensure robust human rights risk management is viewed as a company responsibility, but also a key factor in safeguarding the companies' long-term value and reputation. LAPFF will continue to monitor these companies' practices and disclosures, providing feedback and recommendations as necessary to ensure that human rights considerations are being adequately addressed and integrated into their business models and supply chain operations.

MINING & HUMAN RIGHTS

Objective: The financial materiality of human rights impacts and mining cannot be overstated. Continuing its work with mining companies and affected communities, one of the main objectives of LAPFF's work on mining and human rights is to make other investors and stakeholders aware of these financial risks.

Achieved: To this end, LAPFF had its report on its visit to Brazilian communities affected by tailings dams translated into Portuguese. This translation took place on calls from Brazilian investor and community partners who explained that it would help to mobilise Brazilian investors on this issue. A press release of the report was issued during the quarter.

LAPFF also attended the 2024 African Mining Indaba in Cape Town, South Africa this quarter. The Indaba takes place annually in South Africa and brings together the international mining community to discuss mining as it relates to the African context. While it was heartening to hear the attention paid to issues such as health and safety, there were two areas of concern from LAPFF's perspective. First, there were almost no mine workers and no affected community members included in the conference panels. Generally, these voices are heard at an alternative Indaba that takes place alongside the main Indaba. LAPFF pointed conference participants to its reports on mining and human rights



Israeli Armored CAT Caterpillar D9 armored bulldozer in Gaza border Israel

to highlight the financial materiality of human rights for investors. Second, the main line in relation to climate change was renewables plus coal, rather than a discussion about how to move away from coal and a timeline for doing so. Although LAPFF accepts that there must be a managed decline of coal, the emphasis on use of coal and 'clean uses' for coal were a worry. LAPFF also would have expected a clear timeline to transition away from coal. There were discussions about a just energy transition (JET) at the Indaba, but LAPFF would have liked to hear more concrete plans for this transition and more evidence that it is being taken seriously.

In Progress: LAPFF submitted a response to the UN Working Group's consultation on investors and ESG, which included the submission of its reports and work with affected community members. This focus appears to be of interest at the international level, and LAPFF will continue to work with the UN Working Group and other stakeholders to inform best practice on mining and human rights, while linking the work to financial materiality for investors.

COMPANY PRODUCT USE IN CONFLICT ZONES

Caterpillar, RTX Corp, BAE Systems, Lockheed Martin, Thales

Objective: LAPFF sought engagement with several defense and manufacturing companies regarding humanitarian and human rights impacts in high-risk and conflict-affected areas such as Gaza. These engagements are important for companies operating in or providing products and services involved in conflicts have heightened risks and responsibilities when it comes to upholding human rights standards.

LAPFF aims to ensure companies are implementing robust human rights due diligence practices and are adhering to international standards. Failure to do so could leave a company open to reputational damage, erosion of public trust, and legal liabilities.

Achieved: In letters sent to Caterpillar, RTX Corp, BAE Systems, Lockheed Martin and Thales, LAPFF sought to better understand how these companies manage human rights risks associated

ENGAGEMENTS

with use of their products, particularly in the context of conflict zones.

LAPFF received responses to these letters RTX Corp, Lockheed Martin, and Caterpillar, who provided links to their respective human rights policies but did not provide substantive responses on the issue. LAPFF will be discussing the issues at an upcoming meeting with BAE, but at the time of writing, Thales has failed to respond to LAPFF's request for engagement.

In Progress: LAPFF is continuing to engage and develop its approach to sectors that operate in conflict-affected and high-risk areas. Through these engagements LAPFF seeks greater transparency around companies' human rights policies, encourages companies to prevent or mitigate human rights violations, and urges compliance with international humanitarian laws and the UN Guiding Principles on Business and Human Rights (UNGPs). Companies have a responsibility to undertake heightened human rights due diligence in high-risk conflict areas.

WORKERS' RIGHTS



Starbucks update headline

Last year, LAPFF recommended a vote in favour of a shareholder proposal at Starbucks, which sought a review of workforce practices at Starbucks and was co-filed by LAPFF member Merseyside Pension Fund. This resolution passed with 52% voting in favour.

Over the past year, LAPFF has

witnessed significant improvement in employment relations at the company. Starbucks and the Workers United Union have begun work on a "foundational framework" which they say will deliver collective bargaining agreements, and a fair process for organising. After a period of friction within the company, LAPFF welcomes a more collaborative approach.

Apple voting alert

LAPFF has been engaging technology companies on their governance and human rights practices for a number of years. LAPFF policy is to encourage companies to adopt human rights policies and management practices in line with the UNGPs, and it believes these policies and practices should be disclosed to shareholders. Technology companies have a great potential impact on human rights, including the rights to privacy and freedom of expression. Their reach is wide, and they are well-known and used globally, so any mis-steps raise operational, reputational, legal, and consequently financial concerns for investors. Given the financial materiality of their human rights practices, LAPFF routinely issues voting alerts for some of these companies, including Apple.

At the company's 28 February 2024 AGM, LAPFF recommended a vote in favour of two shareholder resolutions that received significant shareholder support. These were resolution 6 requesting racial and gender pay gaps reporting which received 30.85% support, and resolution 7 calling for a report on the use of AI, which received 36.49% support. Whilst these resolutions did not pass, the significant investor support for these resolutions provides a clear signal from shareholders.

COLLABORATIVE ENGAGEMENTS

30% Club Investor Group Global Workstream – KKR & Co

LAPFF remains an active member of the 30% Club Investor Group, taking the lead with companies through the

Group's Global Workstream, which aims to increase gender diversity on corporate boards and in senior leadership positions at companies outside of the EU and UK.

Through this workstream, LAPFF met with KKR & Co in January, an American global investment company. LAPFF asked the company questions regarding potential targets on gender diversity, as well as what it might be setting for its portfolio companies. Across the US, it is clear that the ESG backlash and the Fair Admissions v. Harvard case at the US Supreme Court, is causing mounting pressure on companies to stop or reduce DE&I programmes and activities. LAPFF will seek to navigate this environment when engaging with US companies on this issue, and can continue to seek for disclosures such as pay gap reports where companies may be currently cautious to set targets on diversity.

WBA: Calls with Occidental and Equinor over Climate

Objective: The transition to net zero may have a range of positive and negative impacts for workers, communities, supply chains and consumers. The negative impacts, such as loss of employment or loss of a large employer from a local economy, pose risks to company reputations, could lead to operational disruption, and could delay the transition to net zero. Indeed, the decarbonisation of business will require retraining and redeployment of existing skills.

As such, if a climate transition plan is to be credible it will need to consider the social implications of the transition. However, to date, many of the companies that will need to decarbonise have not clearly set out just transition plans or integrated these into climate transition plans. The World Benchmarking Alliance's study of the oil and gas sector found companies falling short on just transition expectations, such as their engagement with stakeholders on the issue, retraining and reskilling workers, and outlining just transition plans. On the back of the study, collaborative engagements have been undertaken seeking to ensure progress in these areas.

Achieved: In the quarter, LAPFF joined calls with Occidental and Equinor. In the meeting with Occidental, the

ENGAGEMENTS

company outlined its approach to the just transition. The company has made a commitment to a just transition and has identified four groups its pathway will support: energy workers, energy-producing communities, communities susceptible to climate impacts and low-income consumers. The company's commitment to a just transition was positive to hear, whilst the meeting also provided investors the opportunity to outline where they wanted to see further progress. Occidental's transition to net zero is reliant on CCS and direct air capture technologies. These are technologies that LAPFF and a growing number of investors have questions about. This approach therefore raises questions not only about the feasibility of net zero plans, but the impact on workers and communities if these technologies are not scalable.

In another meeting as part of the same WBA initiative, LAPFF joined a collaborative call with Norwegian energy company, Equinor. This followed on from a meeting with the company in October last year which explored how Equinor's just transition policy commitment was being implemented. This meeting involved the company's people and organisation team and focused on the workforce dimension to the transition. The details about their approach to the just transition were more granular than provided in some just transition meetings. As Equinor still has progress to make, it was encouraging that they mapped out how the company was developing its just transition plans further. The discussion touched on social dialogue in Norway and its approach in other countries, the consultation process when decommissioning operations, skills training, and its just transition strategy and metrics.

In progress: LAPFF will be closely following oil and gas companies' progress on just transition planning, including engagement with the workforce, metrics and targets, and overarching plans.

Rathbones Votes Against Slavery

The Votes Against Slavery (VAS) initiative, spearheaded by Rathbones, focuses on addressing and reducing modern slavery practices by targeting non-compliant



Cry for help, sewn into a piece of clothing, made in Bangladesh

companies within the UK's FTSE 350 and, starting from 2024, the FTSE AIM markets. This expansion reflects an effort to encompass a broader range of companies, especially considering the significant impact FTSE AIM companies can have through a variety of supply chains.

LAPFF has endorsed this initiative by signing all letters and has committed to further engagements with companies where LAPFF may have larger holdings. This collaborative approach has proved successful in the past, with good success rates across target companies.

Taskforce on Social Factors – Final Guidance

This quarter saw the launch of the final report of the DWP-backed Taskforce on Social Factors at an event with the pensions minister, Paul Maynard MP. The taskforce was chaired by Luba Nikulina, Chief Strategy Officer at IFM Investors, and LAPFF's chair, Cllr Doug McMurdo, was a member of the groundbreaking initiative.

While the focus on social factors in the pensions industry is not as advanced as on climate change, for LAPFF this has been a core area of work since it was founded over 30 years ago. Indeed, LAPFF's response to a DWP consultation that led to the formation of the taskforce highlighted the extensive work LAPFF has undertaken to address social risks. It is therefore a sign of good progress and a notable outcome for LAPFF that after

pushing over the decades for companies and investors to pay due attention to social factors that the taskforce was established and that the guidance has been produced.

The final report highlights why social factors matter to pension funds, fiduciary duties and social factors, data and materiality assessments, and how funds can address social risks. The report makes recommendations to pension fund trustees but also the government on an area that can often pose systemic and market-wide risks. Alongside the main report, DWP published on its website a series of guides, including a quick start for trustees. As the pensions minister emphasised at the launch, social factors are of real importance for pension funds. He also noted that the guide provides practical assistance to the industry in considering and integrating social factors into investment strategies.

CONSULTATION RESPONSES

MEDIA COVERAGE

Water management

Insurance Journal: [Rio Tinto Faces Pressure From Investors Over Water Contamination Claims \(insurancejournal.com\)](#)

Sahm: [Mining Giant Rio Tinto Caught Into Water Nightmare At Two Mines: Report \(alsahm.com\)](#)

Social factors

Pensions Expert: [Start work on social and nature risks now, TPR urges - Law & Regulation - Pensions Expert \(pensions-expert.com\)](#)

Bloomberg Law: [Corporate Investors Target Labor, Political Spending in 2024 \(bloomberglaw.com\)](#)

Climate

Yahoo: [UK banks may be holding too little capital for climate risks, investors tell BoE \(yahoo.com\)](#)

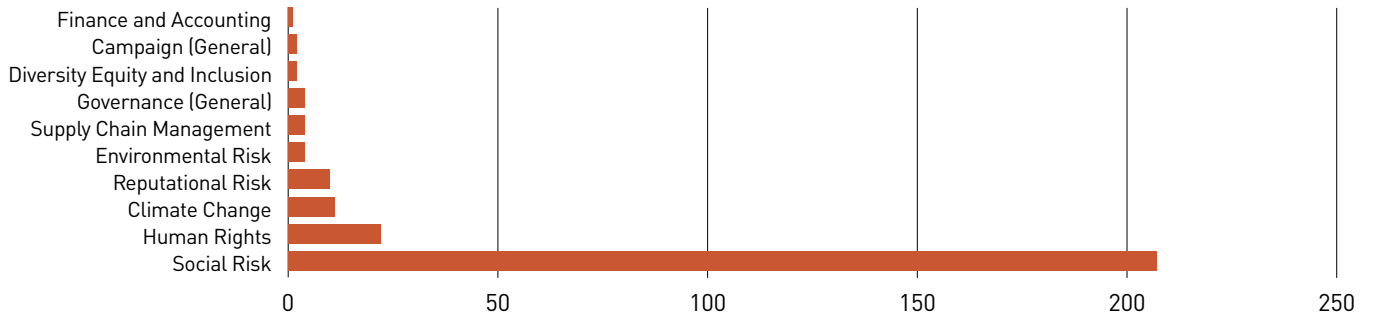
COMPANY PROGRESS REPORT

148 companies were engaged over the quarter. This includes letters signed by LAPFF and sent by Rathbones to companies in the FTSE350 and AIM indexes regarding compliance with s54 of the Modern Slavery Act. Excluding this engagement, 35 companies were engaged over the quarter. The table below reflects those 35 companies engaged and does not include correspondence related to the Rathbones' Votes Against Slavery engagement.

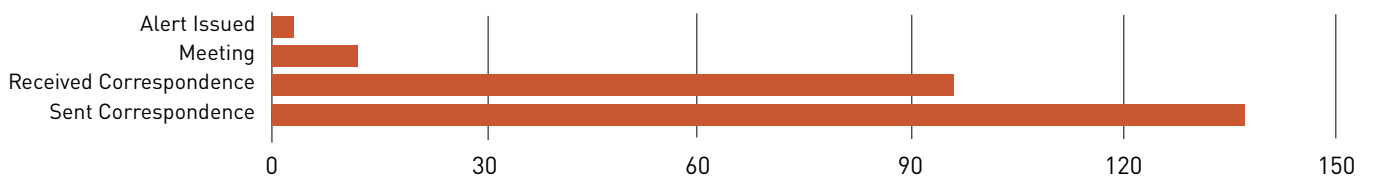
Company/Index	Activity	Topic	Outcome
ABB LTD	Meeting	Campaign (General)	Dialogue
ABBVIE INC	Sent Correspondence	Environmental Risk	Awaiting Response
AP MOLLER - MAERSK AS	Sent Correspondence	Human Rights	Dialogue
APPLE INC	Alert Issued	Human Rights	No Improvement
BAE SYSTEMS PLC	Sent Correspondence	Human Rights	Awaiting Response
BANK OF MONTREAL	Sent Correspondence	Climate Change	Awaiting Response
BANK OF NOVA SCOTIA	Sent Correspondence	Climate Change	Awaiting Response
BURBERRY GROUP PLC	Sent Correspondence	Human Rights	Awaiting Response
CANADIAN IMPERIAL BANK OF COMMERCE	Sent Correspondence	Climate Change	Awaiting Response
CATERPILLAR INC.	Received Correspondence	Human Rights	No Improvement
COMPAGNIE FINANCIERE RICHEMONT SA	Meeting	Human Rights	Change in Process
EQUINOR ASA	Meeting	Climate Change	Small Improvement
FUJITSU LTD	Sent Correspondence	Governance (General)	Awaiting Response
HERMES INTERNATIONAL	Sent Correspondence	Human Rights	Awaiting Response
HSBC HOLDINGS PLC	Meeting	Climate Change	Dialogue
J SAINSBURY PLC	Meeting	Campaign (General)	Dialogue
KERING SA	Sent Correspondence	Human Rights	Awaiting Response
KKR & CO INC	Meeting	Diversity Equity and Inclusion	Dialogue
LENNAR CORPORATION	Alert Issued	Climate Change	No Improvement
LOCKHEED MARTIN CORPORATION	Received Correspondence	Human Rights	No Improvement
LVMH (MOET HENNESSY - LOUIS VUITTON) SE	Meeting	Human Rights	Dialogue
MONCLER SPA	Sent Correspondence	Human Rights	Awaiting Response
NATIONAL GRID PLC	Meeting	Climate Change	Dialogue
NESTLE SA	Meeting	Environmental Risk	Dialogue
OCCIDENTAL PETROLEUM CORPORATION	Meeting	Climate Change	Dialogue
RIO TINTO PLC	Meeting	Environmental Risk	Dialogue
ROYAL BANK OF CANADA	Sent Correspondence	Climate Change	Awaiting Response
RTX CORP	Received Correspondence	Human Rights	No Improvement
SHINHAN FINANCIAL GROUP LTD	Sent Correspondence	Diversity Equity and Inclusion	Awaiting Response
STARBUCKS CORPORATION	Sent Correspondence	Human Rights	Awaiting Response
THALES	Sent Correspondence	Human Rights	Awaiting Response
THE BOEING COMPANY	Sent Correspondence	Governance (General)	Dialogue
THE TORONTO-DOMINION BANK	Sent Correspondence	Climate Change	Awaiting Response
TYSON FOODS INC	Sent Correspondence	Human Rights	Awaiting Response
UNITED UTILITIES GROUP PLC	Meeting	Finance and Accounting	Dialogue

ENGAGEMENT DATA

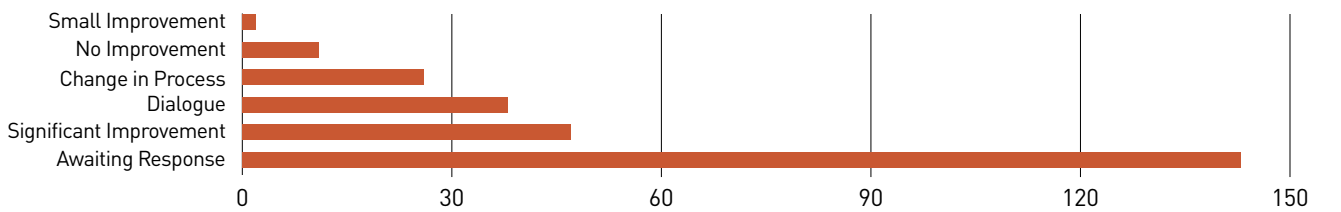
ENGAGEMENT TOPICS



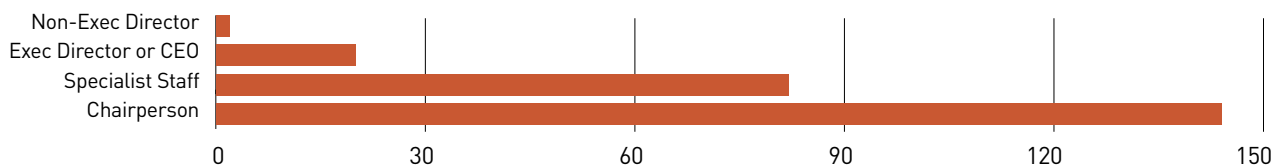
ACTIVITY



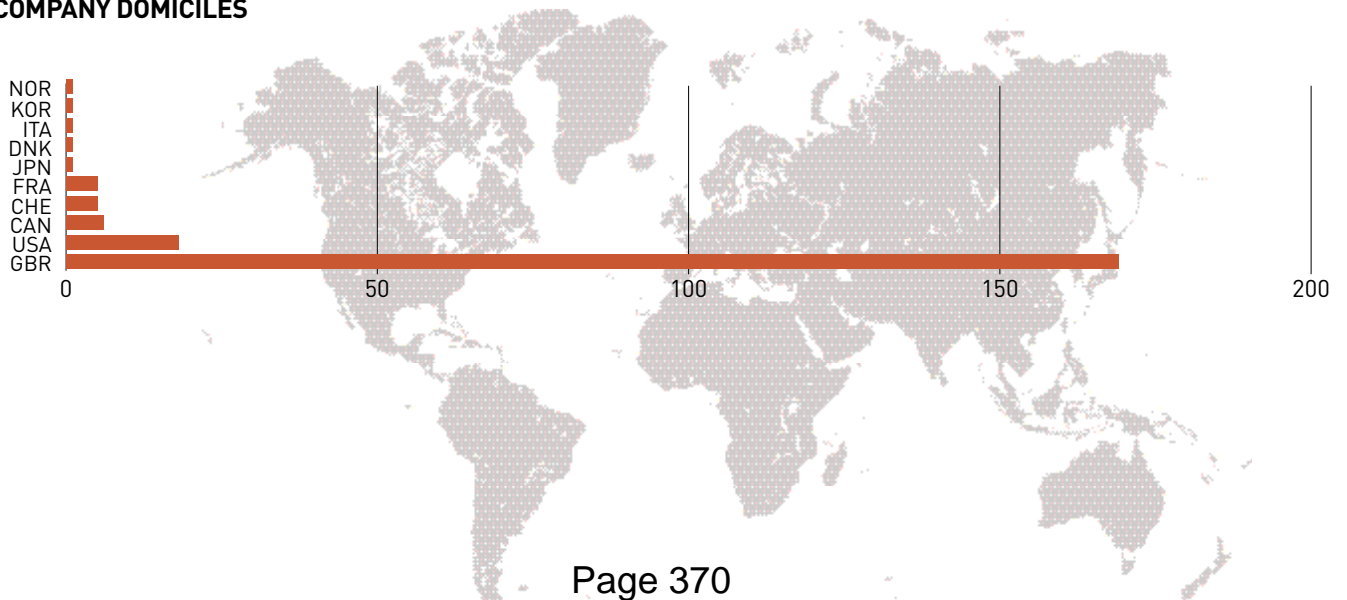
MEETING ENGAGEMENT OUTCOMES



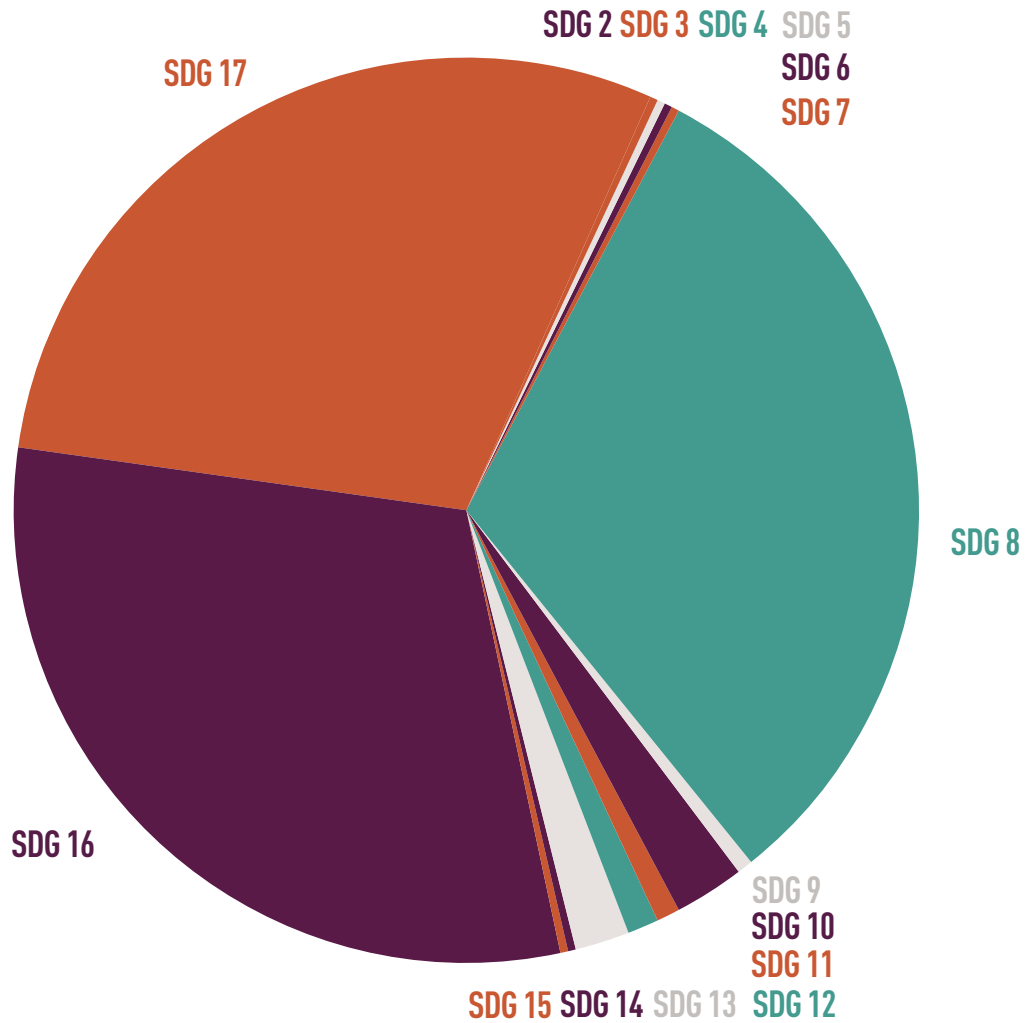
POSITION ENGAGED



COMPANY DOMICILES



ENGAGEMENT DATA




LAPFF SDG ENGAGEMENTS

SDG 1: No Poverty	0
SDG 2: Zero Hunger	1
SDG 3: Good Health and Well-Being	2
SDG 4: Quality Education	0
SDG 5: Gender Equality	2
SDG 6: Clean Water and Sanitation	1
SDG 7: Affordable and Clean Energy	2
SDG 8: Decent Work and Economic Growth	220
SDG 9: Industry, Innovation, and Infrastructure	5
SDG 10: Reduced Inequalities	18
SDG 11: Sustainable Cities and Communities	6
SDG 12: Responsible Production and Consumption	7
SDG 13: Climate Action	13
SDG 14: Life Below Water	2
SDG 15: Life on Land	3
SDG 16: Peace, Justice, and Strong Institutions	213
SDG 17: Strengthen the Means of Implementation and Revitalise the Global Partnership for Sustainable Development	206

LOCAL AUTHORITY PENSION FUND FORUM MEMBERS

Avon Pension Fund	Environment Agency Pension Fund	Lincolnshire Pension Fund	Swansea Pension Fund
Barking and Dagenham Pension Fund	Essex Pension Fund	London Pension Fund Authority	Teesside Pension Fund
Barnet Pension Fund	Falkirk Pension Fund	Lothian Pension Fund	Tower Hamlets Pension Fund
Bedfordshire Pension Fund	Gloucestershire Pension Fund	Merseyside Pension Fund	Tyne and Wear Pension Fund
Berkshire Pension Fund	Greater Gwent Pension Fund	Merton Pension Fund	Waltham Forest Pension Fund
Bexley (London Borough of)	Greater Manchester Pension Fund	Newham Pension Fund	Wandsworth Borough Council Pension Fund
Brent (London Borough of)	Greenwich Pension Fund	Norfolk Pension Fund	Warwickshire Pension Fund
Cambridgeshire Pension Fund	Gwynedd Pension Fund	North East Scotland Pension Fund	West Midlands Pension Fund
Camden Pension Fund	Hackney Pension Fund	North Yorkshire Pension Fund	West Yorkshire Pension Fund
Cardiff & Glamorgan Pension Fund	Hammersmith and Fulham Pension Fund	Northamptonshire Pension Fund	Westminster Pension Fund
Cheshire Pension Fund	Haringey Pension Fund	Nottinghamshire Pension Fund	Wiltshire Pension Fund
City of London Corporation Pension Fund	Harrow Pension Fund	Oxfordshire Pension Fund	Worcestershire Pension Fund
Clwyd Pension Fund (Flintshire CC)	Havering Pension Fund	Powys Pension Fund	
Cornwall Pension Fund	Hertfordshire Pension Fund	Redbridge Pension Fund	Pool Company Members
Croydon Pension Fund	Hillingdon Pension Fund	Rhondda Cynon Taf Pension Fund	ACCESS Pool
Cumbria Pension Fund	Hounslow Pension Fund	Scottish Borders Pension Fund	Border to Coast Pensions Partnership
Derbyshire Pension Fund	Isle of Wight Pension Fund	Shropshire Pension Fund	LGPS Central
Devon Pension Fund	Islington Pension Fund	Somerset Pension Fund	Local Pensions Partnership
Dorset Pension Fund	Kensington and Chelsea (Royal Borough of)	South Yorkshire Pension Authority	London CIV
Durham Pension Fund	Kent Pension Fund	Southwark Pension Fund	Northern LGPS
Dyfed Pension Fund	Kingston upon Thames Pension Fund	Staffordshire Pension Fund	Wales Pension Partnership
Ealing Pension Fund	Lambeth Pension Fund	Strathclyde Pension Fund	
East Riding Pension Fund	Lancashire County Pension Fund	Suffolk Pension Fund	
East Sussex Pension Fund	Leicestershire Pension Fund	Surrey Pension Fund	
Enfield Pension Fund	Lewisham Pension Fund	Sutton Pension Fund	

 <p>Brent</p>	<p>Brent Pension Fund Sub-Committee 1 August 2024</p> <hr/> <p>Report from the Corporate Director of Finance and Resources</p>
<p>Training Update - Members' Learning and Development</p>	

Wards Affected:	N/A
Key or Non-Key Decision:	N/A
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
List of Appendices:	Three: 1) Brent Pension Fund Training Plan 2) Brent Pension Fund Training Strategy 3) Training Content and Learning Schedule
Background Papers:	None
Contact Officer(s):	<p>Minesh Patel Corporate Director, Finance and Resources (minesh.patel@brent.gov.uk)</p> <p>Amanda Healy Deputy Director of Finance (amanda.healy@brent.gov.uk)</p> <p>Sawan Shah Head of Finance (sawan.shah@brent.gov.uk)</p> <p>George Patsalides Finance Analyst (george.patsalides@brent.gov.uk)</p>

1.0 Executive Summary

1.1 The purpose of this report is to inform members of the committee and provide an update on the provision of the LGPS online learning facility.

2.0 Recommendation(s)

2.1 The Pension Fund Sub-Committee is recommended to note the report and continue the learning programme as outlined in the training timetable.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

3.2 The work of the Pension Fund is critical in ensuring that it undertakes statutory functions on behalf of the Local Government Pension Scheme and complying with legislation and best practice. Efficient and effective performance and service delivery of the Pension Fund underpins all Borough Plan priorities.

3.3 Background

3.4 In March 2021, the report to the Pension Board on member training and development set out expectations that all involved in the governance of public sector funds should evidence they have the knowledge, skills and commitment to carry out their role effectively and advised that officers were exploring opportunities for bespoke in person and online learning to assist members of Committee, Board and officers in fulfilling their responsibilities.

3.5 To work towards this, the Fund has subscribed to the LGPS Online Learning Academy (LOLA) which is a service launched by our actuaries, Hymans Robertson. This is an online platform designed to support the training needs of Pension Fund Sub-committee, Board and other responsible officers in the Council.

3.6 The course includes eight training modules and covers all the key areas to successfully manage the running of the Fund, including:

- Introduction to the LGPS and role of elected members
- Governance & Regulators and Business Planning
- LGPS administration, including policies and procedures, accounting and audit
- LGPS valuations, funding strategy and LGPS employers
- Investment Strategy, pooling, responsible investment, and performance monitoring
- Current issues in the LGPS

3.7 As well as delivering training support, the LOLA platform tracks the progress of users and provides a record of activity, which will be included as a standing item in each Committee and Board meeting. The table below shows module progress for each member of the Pension Fund Sub-Committee since starting in November 2023.

Title of Module	Module completed by
Introduction	Elizabeth Bankole Cllr Johnson Cllr Choudry
Module 1 – Committee Role and Pensions Legislation	Cllr Choudry

Module 2 – Pensions Governance	Cllr Johnson
Module 3 – Pensions Administration	Cllr Johnson Cllr Choudry

3.8 To accommodate new members to the Committee and allow existing members additional time to complete the training suite, we propose to maintain the current learning plan enclosed in Appendix 3.

3.9 The LOLA platform allows members to complete modules at a convenient time for them. As before, committee members are required to complete modules at the pace of one module per calendar month.

4.0 Stakeholder and ward member consultation and engagement

4.1 This is not applicable for this report.

5.0 Financial Considerations

5.1 There are none arising directly from this report.

6.0 Legal Considerations

6.1 There are no legal considerations arising directly from this report.

7.0 Equality, Diversity & Inclusion (EDI) Considerations

7.1 There are none arising directly from this report.

8.0 Climate Change and Environmental Considerations

8.1 There are none arising directly from this report.

9.0 Human Resources/Property Considerations (if appropriate)

9.1 There are none arising directly from this report.

10.0 Communication Considerations

10.1 There are none arising directly from this report.

Report sign off:

Minesh Patel

Corporate Director of Finance and Resources

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This is the proposed Training Plan for the Brent Pension Fund Committee and Board Members. The Plan aims to give an indication of the delivery method and target completion date for each area. On approval, officers will start to implement this programme, consulting with Members as appropriate concerning their availability regarding appropriate delivery methods.

Training need	Proposed delivery method							CIPFA Framework	Scheduled date	Feedback
	Officer briefings	Briefing note	Pre Committee/ Board training	Training event (internal or external)	Conferences or Seminars	E-learning	Webinars /videos			
Pensions legislation										
General introduction to the LGPS			✓				✓	1		
General pensions framework			✓			✓	✓	1		
LGPS Discretions and formulation of policies			✓				✓	1		
Latest changes to the LGPS			✓				✓	1		
Pensions governance										
Understanding the role of the administering authority			✓				✓	2		
Understanding the general governance framework, including the role of MHCLG, SAB, TPR and other Regulators			✓				✓	2		
The role of the Pension Committee, the administering authority, Pension Board and scheme employers	✓	✓	✓				✓	2		
Understanding the role of the s.151 officer	✓	✓	✓					2		
Monitoring and management of fund risk	✓		✓	✓	✓		✓	2		
Managing conflicts of interest	✓	✓	✓				✓	2		
Reporting breaches of the law		✓	✓				✓	2		
Pensions administration										
General understanding of best practice in scheme administration (e.g. performance and cost measures)	✓	✓	✓	✓				3		
Appreciation of Fund policies, including the administration strategy			✓	✓				3		
Understanding of discretionary powers and their useage			✓	✓				3		
Overview of pension tax rules			✓	✓				3		
Understanding of the Fund's AVC arrangements, including investment choices and performance			✓	✓	✓			3		
Actuarial methods, standards and practices										
General understanding of the role of the actuary	✓	✓	✓	✓	✓		✓	8		
Understanding the valuation process (including the Funding Strategy Statement) and inter-valuation monitoring			✓	✓			✓	8		
Monitoring of early and ill health retirements		✓						8		
Understanding the process for enabling new employers to join the Fund, together with the cessation process		✓	✓	✓	✓		✓	8		
Understanding the pension implication of outsourcing and bulk transfers		✓	✓	✓	✓		✓	8		
Appreciation of the employer covenant		✓	✓	✓	✓		✓	8		
Pension accounting & auditing standards										
A general understanding of the Accounts and Audit Regulations, together with legislative requirements relating to internal controls and accounting practice			✓					4		
A general understanding of the role of internal and external audit		✓	✓					4		
A general understanding of the role played by third party assurance providers			✓					4		
Pension Services procurement & relationship management										
A general understanding of public procurement policy and the role of key decision makers and organisations			✓	✓	✓			5		
A general understanding of the main requirements of UK and EU procurement legislation			✓	✓	✓			5		
An understanding of the importance of considering risk factors for the Fund when selecting third party providers			✓	✓	✓			5		
Appreciation of how the Fund monitors and manages performance of outsourced providers			✓	✓	✓			5		

Investment performance & risk management									
A general understanding of the importance of monitoring asset returns relative to the liabilities			✓	✓	✓			6	
Understanding ways of assessing long term risk			✓	✓	✓			6	
Appreciation of the Myners principles and the approach adopted by the Fund			✓	✓	✓			6	
Appreciation of the range of support services available, who supplies them and the nature of the performance monitoring regime			✓	✓	✓			6	
Financial markets & products knowledge									
A general understanding of the risk and return characteristics of the main asset classes			✓	✓	✓			7	
Understanding the role of these asset classes in long-term Fund investing			✓	✓	✓			7	
Understanding the importance of the Funds Investment Strategy Statement			✓	✓	✓			7	
A general understanding of the financial markets and the investment vehicles available to the Fund, together with their associated risks			✓	✓	✓			7	
Understanding the legislative limits placed on investments within the LGPS			✓	✓	✓			7	
Understanding how the Fund interacts with the UK and overseas taxation systems in relation to investments			✓	✓	✓			7	

Brent Pension Fund Training Log

Subject/description of training	Attendees	Date	Feedback

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Brent Pension Fund

Pension Committee and Pension Board Training
Strategy

March 2021

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Training plan	

Introduction

This is the training strategy of the Brent Pension Fund (“the Fund”). It has been established to aid the Pension Committee, Pension Board and Officers understanding of their respective responsibilities. This training strategy sets out how these key individuals within the Fund will obtain and maintain the necessary knowledge and understanding in order to fulfil their role.

Objectives

The Funds’ objectives relating to knowledge and understanding are to:

- Ensure the Fund is appropriately managed and those individuals responsible for its management and administration have the appropriate knowledge and expertise;
- Ensures that there is the appropriate level of internal challenge and scrutiny on decisions and performance of the Fund
- Ensure the effective governance and administration of the Fund; and
- Ensure decisions taken are robust and based on regulatory requirements or guidance of the Pensions Regulator, the Scheme Advisory Board and the Secretary of State for Housing, Communities and Local Government.

Pension Fund Committee members require an understanding of:

- Their responsibilities as an LGPS administering authority, as delegated to them by Brent Council;
- The requirements relating to pension fund investments;
- Controlling and monitoring the funding level; and
- Effective decision making in relation to the management and administration of the Fund.

Pension Board members must be conversant with –

- The relevant LGPS Regulations and any other regulations governing the LGPS;
- Any policy or strategy documents as regards the management and administration of the Fund; and
- The law relating to pensions and such other matters as may be prescribed.

Officers responsible for Fund management and administration must ensure they have the necessary knowledge and understanding to:

- carry out the tasks of managing the Fund’s investments, administering the payment of benefits and communicating key messages to scheme employers, scheme members and their dependants.

The knowledge and skills required of staff should be set out in their job descriptions, including any formal qualifications required.

Compliance

To achieve these objectives, the Fund will aim for full compliance with the CIPFA Knowledge and Skills Framework (KSF) and the Pension Regulator Code of Practice to meet the skills set within that Framework. Attention will also be given to any guidance issued by the Scheme Advisory board (SAB), the Pensions Regulator and the Secretary of State.

CIPFA Knowledge and Skills Framework – Pension Fund Committees

Although there is currently no legal requirement for knowledge and understanding for members of the Pension Committee it is the Fund's opinion that, in accordance with the Scheme Advisory Board's (SAB) "Good Governance" project members of the Pension Committee should have no less a degree of knowledge and skills than those required in legislation by the Local Pension Board.

The CIPFA framework, that was introduced in 2010, covers six areas of knowledge identified as the core requirements:

- Pensions legislative and governance context;
- Pension accounting and auditing standards;
- Financial services procurement and relationship development;
- Investment performance and risk management;
- Financial markets and products knowledge; and
- Actuarial methods, standards and practice.

Under each of the above heading the Knowledge and Skills Framework sets the skills and knowledge required by those individuals responsible for Fund's financial management and decision making.

CIPFA Technical Knowledge and Skills Framework – Local Pension Boards

CIPFA extended the Knowledge and Skills Framework in 2015 to specifically include Pension Board members, albeit there is an overlap with the original Framework. The 2015 Framework identifies the following areas as being key to the understanding of local pension board members;

- Pensions Legislation;
- Public Sector Pensions Governance;
- Pensions Administration;
- Pensions Accounting and Auditing Standards;
- Pensions Services Procurement and Relationship Management;
- Investment Performance and Risk Management;
- Financial markets and product knowledge;
- Actuarial methods, standards and practices.

The Pensions Regulator's E-learning toolkit

The Pensions Regulator has developed an online toolkit to help those running public service schemes understand the governance and administration requirements set out in its code of practice 14 – *Governance and administration of public service pension schemes*. The toolkit covers 7 short modules, which are:

- Conflicts of Interests;
- Managing Risk and Internal Controls;
- Maintaining Accurate Member Data;
- Maintaining Member Contributions;
- Providing Information to Members and Others;
- Resolving Internal Disputes;
- Reporting Breaches of the Law.

The modules of the Regulator's toolkit are by their very nature generic, having to cater for all public service pension schemes. While they give a minimum appreciation of the knowledge and understanding requirements set out in the Code of Practice they do not cater for the specific requirements of the individual public service schemes.

As a result the Regulator's toolkit does not cover knowledge and skills requirements in areas such as Scheme regulations, the Fund's specific policies and the more general pension's legislation. Therefore, this toolkit should be used to supplement the existing training plans.

Timing

Ideally, targeted training will be provided that is timely and directly relevant to the Committee and Board's activities as set out in the Fund's business plan.

Approach

This Strategy sets out how the Fund provide training to members of the Pension Committee and Pension Board. Officers involved in the management and administration of the Fund will have their own section and personal training plans together with career development objectives.

- **Induction training** - Pension Committee and Pension Board members will receive induction training to cover the role of the Fund, Pension Board and understand the duties and obligations Brent Council as the Administering Authority, including funding and investment matters.

It is anticipated that at least 2 day's annual training will be arranged and provided by officers to address specific training requirements to meet the Pension Committee and Pension Board's business plan. All members will be encouraged to attend this event.

- **External courses** - Additionally, a number of specialist courses are run by bodies such as the Local Government Association, actuarial, governance and investment advisers as well as fund manager partners.
- **Conferences** - There are also a number of suitable conferences run annually, which will be brought to members attention where appropriate. Of particular relevance are the LGA Annual Governance Conference, LGA Fundamentals Training, National Association of Pension Funds (NAPF) Local Authority

Conference, the LGC Local Authority Conference, and the Local Authority Pension Fund Forum (LAPFF) annual conference.

Additionally, consideration will be given to various training resources available in delivering training to the Pension Committee and Pension Board members. These may include but are not restricted to:

- In-house and shared training events where it improves economy, efficiency and effectiveness
- Self-improvement and familiarisation with regulations and documents
- The Pension Regulator's e-learning programme
- Attending courses, seminars and external events
- Internally developed training days and pre/post meeting sessions
- Regular updates from officers and/or advisers
- Informal discussion and one-to-one sessions
- Formal presentations
- Circulated reading material
- E-learning

Flexibility

When considering training for members of the Pension Committee and Pension Board it is recognised that individuals may have different learning styles. The Fund will seek, where possible, to ensure flexibility in the manner in which training is provided to support these different learning styles.

Maintaining knowledge

In addition to undertaking ongoing training to achieve the requirements of the CIPFA knowledge and skills framework Pension Committee and Pension Board members are expected to maintain their knowledge and understanding of topical issues through attendance at internal/external events and seminars where appropriate. We recommend that members sign up to the various industry communications such as those produced by the SAB, LGA, CIPFA and the Fund Actuary.

Owing to the changing world of pensions, it will also be necessary to attend ad hoc training on emerging issues or on a specific subject on which a decision is to be made in the near future.

Risk Management

The compliance and delivery of a training strategy is at risk in the event of-

- Frequent changes in membership of the Pension Committee or Pension Board
- Poor individual commitment
- Resources not being available
- Poor standards of training
- Inappropriate training plans

These risks will be monitored within the scope of the training strategy to be reported to the s.151 officer where appropriate.

Reporting and Compliance

In line with the CIPFA Code of Practice a disclosure will be made in the Fund's Annual Report and Accounts that covers:

- How the Skills and Knowledge framework has been applied.
- What assessment of training needs has been undertaken.
- What training has been delivered against the identified training needs.

Budget and costs

A training budget will be agreed and costs fully scoped.

All direct costs and associated reasonable expenses for attendance of external courses and conferences will be met by the fund, provided that the Scheme Manager's prior approval is sought before incurring any such expenses (other than routine costs associated with travelling to and from Pensions Board/Committee meetings) and appropriate receipts are sent to the Scheme Manager evidencing the expenses being claimed for.

Effective date

This strategy comes into effect from 23 March 2021.

Review

This strategy will be reviewed every 2 years, and if necessary, more frequently to ensure it remains accurate and relevant.

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Title of Module	Module Content	Date to be completed	Time Requirement
Introduction	An introduction to LGPS Online Learning Academy	Aug-24	2 minutes
Module 1 – Committee Role and Pensions Legislation	An Introduction to Pensions Legislation An Introduction to Pensions Legislation - The role of a Councillor	Aug-24	37 minutes
Module 2 – Pensions Governance	LGPS Oversight Bodies - DLUHC & GAD LGPS Oversight Bodies - TPR Business Planning LGPS Governance	Sep-24	1 hour
Module 3 – Pensions Administration	Introduction to Administration Additional Voluntary Contributions Policies and Procedures	Oct-24	1 hour
Module 5 – Procurement and Relationship Management	Public Procurement	Nov-24	21 minutes
Module 6 – Investment Performance and Risk Management	Introduction to Investment Strategy LGPS Investment Pooling Performance Monitoring Responsible Investment	Dec-24	58 minutes
Module 7 – Financial Markets and Product Knowledge	Introduction to financial markets and product knowledge Markets, investment vehicles and MiFID II	Jan-25	43 minutes
Module 4 – Pensions Accounting and Audit Standards	Pensions Accounting and Audit Standards	Feb-25	21 minutes
Module 8 – Actuarial Methods, Standards and Practices	Introduction to Funding Strategy LGPS Actuarial Valuations - Process LGPS Valuation - Technical Employers	Mar-25	1 hour
Current Issues	Understanding McCloud Pensions Dashboards Understanding Goodwin Introduction to Cyber Risk GAD Section 13 Climate Change and TCFD McCloud Consultation June 2023 SAB and HM Treasury Cost Cap Mechanisms Next Steps on Investment (England & Wales) - Consultation overview	On going	

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