



Pension Board

Monday 23 March 2026 at 6.00 pm

This will be held as an online virtual meeting

The press and public are welcome to follow proceedings online via the live webcast available to access [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

Vacancy

Member representative (Unison)

Pension Scheme Members Representative

GMB Trade Union

Employer Member (Non Brent Council)

For further information contact: Harry Ellis, Governance Officer
Email: Harry.Ellis@brent.gov.uk

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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

Introductions, if appropriate.

Item	Page
1 Apologies for absence	
2 Declarations of Interests	
Members are invited to declare at this stage of the meeting, any relevant disclosable pecuniary or personal interests in the items on the agenda and to specify the item(s) to which they relate.	
3 Minutes of the previous meeting	1 - 14
To approve the minutes of the previous meeting held on Thursday 6 November 2025 as a correct record.	
4 Matters arising	
5 Deputations (if any)	
Board Reports	
6 Pensions Administration Update	15 - 58
This report updates the Pension Board on various pension administration matters as part of its remit to oversee administration of the Brent Pension Fund.	
7 Local Government Pension Scheme Update	59 - 182
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.	
8 Risk Register	183 - 208
This report presents the updated Risk Register for the Brent Pension Fund Administration Service.	

9 Training Update 209 - 228

The purpose of this report is update members on the provision of the LGPS Online Learning Facility.

Reports Referred from the Brent Pension Fund Sub-Committee (18 February 2026)

10 Investment Strategy Review 229 - 266

This report provides an update on the Investment Strategy Review.

11 Investment Monitoring Report - Q4 2025 267 - 290

To receive the Brent Pension Fund Q4 2025-26 Investment Monitoring Update Report.

12 2025 Triennial Valuation Results and Funding Strategy Statement 291 - 376

This report sets out the results of 2025 triennial actuarial valuation and the Funding Strategy Statement (FSS) for consideration and approval.

13 LAPFF Update 377 - 398

This report updates the Committee on engagement activity undertaken by LAPFF (the Local Authority Pension Fund Forum) on behalf of the Fund.

14 Date of next meeting

Members are asked to note the provisional schedule of meetings for the 2026-27 Municipal Year:

- Tuesday 21 July 2026 to be held at 6pm as an online meeting.
- Thursday 5 November 2026 to be held at 6pm as an online meeting.
- Monday 22 March 2027 to be held at 6pm as an online meeting.

These dates will be subject to confirmation as part of the 2026-27 calendar of Council meetings currently being finalised for approval.

15 Any other urgent business

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

16 Exclusion of the Press & Public

The following items are not for publication as they relate to the category of exempt information set out below, as specified under Part 1, Schedule 12A of the Local Government Act 1972:

Agenda Item 10: Investment Strategy Review – Appendix 2 – Investment Strategy implementation

This appendix will need to be classified as exempt under Paragraph 3 of Part 1 Schedule 12A of the Local Government Act 1972, namely: “Information relating to the financial or business affairs of and particular person (including the authority holding that information).”

Agenda Item 11: Q1 2025-26 Investment Monitoring Report – Fund Manager performance ratings.

This appendix will need to be been classified as exempt under Paragraph 3 of Part 1 Schedule 12A of the Local Government Act 1972, namely: “Information relating to the financial or business affairs of and particular person (including the authority holding that information).”

Agenda Item 12: 2025 Triennial Valuation Results and Funding Strategy Statement – Appendix 3: Draft Valuation Report appendices

This appendix has been classified as exempt under Paragraph 3 of Part 1 Schedule 12A of the Local Government Act 1972, namely: “Information relating to the financial or business affairs of and particular person (including the authority holding that information).”

The press and public will be excluded from the remainder of the meeting as the report(s) to be considered contain the following category of exempt information as specified in Paragraph 3, 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)”

17 London CIV update

399 - 546

This report updates the Committee on recent developments regarding Brent Pension Fund investments held within the London CIV (LCIV).

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MINUTES OF THE PENSION BOARD

Held as an online meeting on Thursday 6 November 2025 at 6.00 pm

PRESENT(In remote attendance): Mr David Ewart (Independent Chair), Councillor Kabir and Councillor Tazi Smith (Employer Representatives), Chris Bala (Pension Scheme Member Representative), Robert Wheeler (Trade Union Representative) and Bola George (Member Representative – Unison).

Also Present (In remote attendance): Chris Batts (LPPA Representative)

1. Apologies for Absence and clarification of Alternative Members

No apologies were received for this meeting.

2. Declarations of interests

David Ewart (as Independent Chair) declared a personal interest as a member of CIPFA.

No further declarations were made during the meeting.

3. Minutes of the previous meeting

The minutes of the previous meeting held on Tuesday 22 July 2025 were **AGREED** as an accurate record.

4. Matters arising (if any)

Sawan Shah provided a brief update on the Pension Board's vacant Employer Representative position, reminding members that he had reported an unsuccessful recruitment round at the last meeting due to a lack of candidates coming forward to fill the role. He therefore reported to the Board that officers were in the process of planning a new round of recruitment. It was stated that an Employer Forum would be taking place in the next few weeks which would be used as an opportunity to promote the vacancy to Brent's employers.

5. Pension Administration Update

John Smith (Pensions Manager, Brent Council) introduced the report, outlining the performance of the Local Pensions Partnership Administration (LPPA) against the Service Level Agreement's (SLA's) during the period 1 April 2025 to 30 June 2025. In introducing the report, he highlighted the following key points:

- It was reported that, in Q1 2025-26, the LPPA processed 98.9% of cases on time, with none of the case types falling below 95%.

- Drawing members' attention to figure 2 of the report, he advised that 60% of transfers in for non-critical processes and 95% of transfers out had been completed within their required timeframes.
- Regarding call centres performance, John Smith stated that the average waiting time had increased to three minutes and fifty-seven seconds (over thirty seconds longer than in the previous quarter) and that the trend had been gradually increasing. Despite this, 64% of calls were answered within their target timings. Although some members had reported finding it difficult to get through on occasion, the quality of service once connected had been reported as high.
- Complaints were discussed next, with eight new complaints received during the quarter, noted as slightly fewer than in the previous reporting period. This equated to fewer than three complaints per month.

Following introduction of the report, the Chair welcomed Chris Batts from LPPA, the Council's administration service provider, who provided further detailed updates regarding recent pensions administration performance, summarised below:

- Chris Batts confirmed that the LPPA had continued to meet or exceed the 95% target for issuing Annual Benefit Statements (ABS) to all eligible members.
- Returning to the contact centre delays, he explained that higher wait times in Q1 were expected due to seasonal peaks with pensioner enquiries, particularly following the integration of payroll at the beginning of the calendar year, and more recent figures had shown improvement before being affected by staff sickness.
- Customer satisfaction with individual call centre agents was consistently high, while overall satisfaction had remained at 78.2% in Q1, mirroring the previous quarter.
- Approximately 8% of customers were dissatisfied, which was considered acceptable at below 10%, though it was noted there was still room for improvement. The complaints process was then elaborated on, with LPPA having established an internal complaints board to undertake monthly case sampling and trend analysis. The most common trend observed related to managing customer expectations during delays. Currently, efforts were being made to adopt a "members first" approach to improve communication and transparency.
- Employer notifications of retirements were discussed next, reporting that only 37% had been received on time during Q1, a decline from the previous quarter. Work was ongoing with employers to address challenges to timely submissions, particularly around notice periods. LPPA's aspiration to ensure that retirees' first pension payment was received within 30 days of retirement was reiterated, with it noted that, whilst this was an ambitious target that could not always be met, LPPA's efforts were directed at ensuring this occurred in the majority of cases.

- An update on the LPPA's member portal was given which had grown to over 4,500. A recent survey on the Pension Point online portal had received more than 1,200 responses. Results indicated that 81% of respondents were satisfied with the portal, 75% could find what they were looking for and 42% visited the site monthly (most likely noted to be pensioners checking payslips). Brent's representation on the portal was approximately 10%.
- Moving forward to discuss the service improvement and efficiency programme, Chris Batts reported progress on full end-to-end automation on deferred retirement processes, with approximately 50% of quotes now automated. The online retirement form was now live online, improving turnaround times and eliminating postage delays. The next phase would focus on implementing an online leaver form for employers, which would incorporate real-time validation to reduce errors. Training and support were also to be provided to ensure a smooth transition of the service.
- By 31 August, 96.8% of benefit statements had been issued to active and deferred members. Under the McCloud remedy process, 60% of retrospective cases had been assessed, with 94% showing no adjustment required and around 6% still requiring payments.
- Delays in connecting to the Pensions Dashboard were reported, with Chris Batts explaining that the target date of the 31st of October had been missed with a revised completion date now set for mid-December 2025. There was no material impact for members of the fund, and the issue was not considered a reportable breach by The Pensions Regulator.

Following the update, the Chair thanked John Smith and Chris Batts for their report and invited questions from members of the Board, with questions and responses summarised below:

- Members began by questioning which aspects of the service members were dissatisfied with, wishing to know how quickly improvements could be made. Chris Batts replied that dissatisfaction mainly related to service delays, often caused by genuine operational reasons. He reported that a better management of expectations and the communication of this would play a key focus in future improvements.
- Members sought an explanation for the volume of casework carried forward. Chris Batts explained that there would always be cases carried forward due to pending information or recent submissions and that this was a normal function.
- In terms of the long-term outlook for the McCloud Remedy, members heard that McCloud-related work would continue for several years as it transitioned into standard business operations.
- The Board asked what the implications of the Pensions Dashboard were and was reassured that there were no adverse consequences to note and that it

would have no impact on members or statutory requirements to meet regulatory compliance.

- Returning to discuss performance, members inquired over contact centre response times and if these were expected to improve in the near future. Chris Batts acknowledged members concerns but explained that fluctuations were inevitable. The Board was informed that efforts were ongoing to strengthen resource planning and minimise disruption, aided by further staff recruitment.

The Chair thanked John Smith and Chris Batts for their thorough presentation and moved to conclude the item. With no further comments it was **RESOLVED** that the report be noted.

6. Local Government Pension Scheme Update

John Smith (Pensions Manager, Brent Council) introduced the report, listing several key developments that had occurred during the quarter, highlighting the following key points:

- Beginning with the revival of the Pension Commission, he explained this aimed to review UK pension provision holistically, focusing on improving retirement outcomes for lower-income groups, promoting savings, and addressing the effects and needs of the ageing population within the UK.
- Elements of the Local Government Pension Scheme England and Wales' ongoing consultation on "Access and Fairness," were discussed, with officers focusing on three areas:

The normal minimum early retirement age will rise to 57 on 6 April 2028 but individuals who were members of the LGPS before 4 November 2021 will retain a protected pension age (PPA) of 55. The Fund must note the PPAs of members who transfer-in pensions but it will only apply if the member returns to the exporting scheme and it will not apply to the LGPS.

- Councillor's pensions are being reintroduced. The previous scheme closed to individual councillors when they first faced election after 1 April 2014. Councillors will enjoy career average revalued earnings (CARE) pension benefits revalued using the consumer prices index (CPI) whereas the previous scheme used the retail prices index (RPI). The employer may not award additional pension or offer shared cost APCs/ AVCs, members will only be able transfer-in other councillor membership and early retirement on the grounds of redundancy or business efficiency will not be available for councillors.
- In concluding the report, John Smith reported on the government's proposed introduction of the "New Fair Deal" arrangements, expected to take effect in 2026. It supersedes the present admission agreement process by introducing deemed employer status, where the letting authority becomes the deemed employer and retains all the pension risk. The contractor would pay employer's contributions at the letting authorities primary contribution rate and

continue to duplicate it for the duration of the contract. The change is intended to simplify administration and reduce professional fees.

Following the update, the Chair thanked John Smith for the report and invited questions from members of the Board, with questions and responses summarised below:

- In response to questions from the Board on academies and Department for Education (DfE) guarantees, John Smith confirmed that the DfE would cover pension liabilities should an academy fail. This guarantee had been introduced around 2021–2022 and had facilitated the move toward pass-through and deemed employer arrangements.
- Following on from this, members asked whether the increase in the minimum pension age was expected to create additional administrative burdens. John Smith noted that while the original proposals consulted on had been complex, the revised ones are pragmatic and make the situation manageable. Protections would apply consistently across local government employment, though complications can arise where members transfer between sectors.

The Chair thanked John Smith for his thorough presentation and invited the board to move the item. With no further comments, the Board **RESOLVED** to note the overall report and recent developments outlined in relation to the LGPS.

7. Risk Register

George Patsalides (Finance Analyst, Brent Council) introduced the report, which presented the updated Risk Register for the Brent Pension Fund Pensions Administration Service, noting that the team had sought to capture recent developments following the publication of the accounts in the updated Pensions Risk Register, highlighting how associated risks were being managed and the 2025 actuary evaluation. George Patsalides explained that some risks in the report had now become more routine, citing the outsourcing of pension payroll to the Local Pensions Partnership (LPP) in January 2025, following its transfer from the Council's internal Oracle systems. The report included commentary on the progress of this transition. It was also noted that the register contained observations on wider macroeconomic factors such as inflation, which remained somewhat persistent, and the measures being taken to manage its impact. In concluding, overall progress was reported to be positive and the team was reviewing how risks were categorised within the register. In particular, the creation of a separate section for investment-related risks was being considered.

Following this, members noted the changes previously agreed in relation to the updated Risk Strategy (attached as Appendix 2 to the report) and key changes made to the Risk Register (attached as Appendix 1 to the report) since the previous update.

The Chair thanked George Patsalides for his presentation and invited questions from members, with the following points raised:

- Members raised a question on inflation, expressing concern over its potential impact on the fund and wishing for a general view of the likelihood of inflation

trends continuing over the coming years. George Patsalides explained that the consensus within the economic sector was that inflation in the United Kingdom had peaked, though current rates remained above the Bank of England's target goal of 2% inflation per-annum. The Bank of England's decision not to alter interest rates and hold them at 4% also suggested to officers that the government had confidence inflation would remain under control. The Bank of England's primary role was noted to be the control of inflation (mainly through interest rate adjustments) and as such, their decision to hold rates indicated inflation was not out of control. Whilst inflation affected everyone in the UK, the high levels seen in previous years (around 10–11%) were not expected to reoccur. If inflation did rise sharply, interest rates would also likely increase quickly in response. Assumptions about inflation were built into the fund's planning and funding strategies, with inputs from the actuary, and whilst inflation was seen to always be worth monitoring, it was not currently seen to be causing any meaningful concern by officers. Sawan Shah added that the actuarial valuation report included revised inflation assumptions, which had been adjusted slightly downward. Three years earlier, there had been considerable uncertainty about inflationary pressures, particularly around the significant increases that occurred in April 2023 (10.1%) and April 2024 (6.7%). Currently though there was no expectation of a similar sudden jump and unexpected inflation was explained to typically result from external shocks, such as the global supply chain disruption following the COVID-19 lockdowns or the 2022 Russian invasion of Ukraine, which drove up energy prices. Sawan Shah emphasised that these events had created exceptional circumstances, but the current environment was much more stable. He also mentioned that the Bank of England's most recent vote on interest rates had been narrowly split, with five members voting to hold rates steady and four voting for a decrease. This suggested to him that the general trajectory of inflation was currently downward, with the Bank's stance implying confidence in progress toward their 2% target.

- The Board requested that the risk register included a new column showing the movement of risks over time, similar to the format used in the Council's corporate risk register. Officers agreed to take this into consideration when making any future changes to the risk register.
- Members queried the inclusion of pandemics in the risk register and heard that pandemics were part of a broader category of national and global risks, such as climate change, power outages, and cyber or web service failures that were difficult to control but increasingly relevant. Members asked whether the register could reflect these wider systemic risks rather than listing pandemics in isolation. George Patsalides thanked the Board for their comment, noting that pandemics remained a real and uncontrollable possibility, but confirmed that the team was considering broadening the scope of the risk register to include more explicit references to climate-related and other systemic risks. He added that this work would involve reviewing approaches taken by other local authority pension funds and incorporating relevant standards such as the Task Force on Climate-related Financial Disclosures (TCFD). George Patsalides confirmed that this review would take place before the next board meeting but that the pandemic risk would remain on the register in the meantime.

The Board welcomed the report, and as no further issues were raised, **RESOLVED** to note the overall report, including the key changes to the Risk Register (as detailed in Appendix 1 and set out in section 3.2.4 of the report).

8. Training Update

Before handing George Patsalides introduced the item, the Chair wished to express his appreciation to all Board members for completing their training, offering particular thanks to those members who had rapidly caught up on all their modules within quick timeframes.

With the Chair's address concluded, George Patsalides introduced the report, advising that every member had fully completed their modules on the *LOLA* training suite. Members were thanked for engaging fully and were congratulated for completing the programme. It was then added that the training materials, provided by Hymans Robertson, were of a very high standard and contained excellent content, with members encouraged to revisit the materials periodically, especially in light of ongoing developments within the Local Government Pension Scheme (LGPS), such as the triennial valuation and the "Fit for the Future" initiative. It was also emphasised that staying up to date with evolving topics would help board members maintain their knowledge and understanding, which was encouraged. George Patsalides concluded by noting that the team would continue to look out for further relevant training opportunities, including seminars and workshops, and would share anything that could be of use to members.

Following this, and with no further questions or comments raised, the Chair thanked George Patsalides for the update and suggested that if George Patsalides came across any major updates or new materials, he could email them directly to Board Members to ensure all members remained informed, to which he agreed to do so. Having thanked officers for the update, the Board **RESOLVED** to note the report and support the continued learning programme as outlined within the training timetable.

Before moving on to the remaining items on the agenda the Chair reminded Board members that agenda items 9, 10, 11, 12, 16, 17, 18, 19 and 20 were reports referred to the Pension Board for information following their consideration at the Brent Pension Fund Sub Committee on 8th of October 2025.

9. Investment Monitoring Report - Q2 2025

Sawan Shah (Head of Finance, Pensions and Housing Companies) introduced the report, highlighting the following key points:

- Findings shown within the report demonstrated that the fund posted positive returns over the quarter, ending the period with a valuation of £1.36 million compared to £1.32 million in Q1. Sawan Shah noted that these findings hid the volatility experienced in April 2025. Whilst looking relatively flat, during the first and second week of April the Liberation Day tariff announcement saw sharp selloffs in the global markets. Despite the US administration's quick change in course, in the second half of April, global equities gained roughly 5.2%. This was driven by the US technology sector alone.

- Overall, the Pension fund was reported to have gained a 3.2% return throughout the quarter, slightly outperforming the expected benchmark with overall yearly returns standing at around 5.7%, of which most returns came through passive global equity mandates. The UK equities and emerging markets were also reported to have performed well. Government bond holdings were largely flat through the quarter, which was shown within the appendices demonstrating how the fund's returns were weighted by size.

Following the conclusion of the report, the Chair thanked Sawan Shah for the update and opened the floor to any questions or comments from the Board, with the points summarised below:

- The Board asked officers to detail their current forecast for government bonds. Sawan Shah explained that the government bond market, especially at the short end, was currently highly volatile. The most recent bond forecast from October was noted to be positive, yet government bond yields had fallen in value through the rest of the month. Government cost of borrowing was not as strong as previously; however, this had also had an inverse impact for the bond price. As such, bond prices had gone up through October, and future prospects were unpredictable with officers uncertain of where government bonds would eventually settle. Bond markets were stated as a reason for the US administrations' change in course due to yields sharply increasing, and only when US actions had a material impact on the rate that the US government could borrow did they step back from their policy choices. As such, officers believed the bond market held considerable influence.

Members of the Board inquired as to whether the UK had recently downgraded its national financial security or credit standing. Sawan Shah noted that in the last month, government bond yields had gone down significantly, by approximately 0.2 - 0.3%. As such, October was seen to be favourable for the UK government in terms of its borrowing, taking advantage of low-cost yields. General decreases in the UK's credit standing were noted with sector volatility remaining. Officers noted that government bond yields were now higher and, did not believe that bond yields were going to go back down to levels seen during 2020/2021. Rather it was expected that bond yield rates would fluctuate around the 4% or 5% mark, where they sat at the time of the meeting. Bond rates would change daily, depending on national and global developments, with the Pension Fund not factoring in short term fluctuations but instead taking a long-term view on investment. Because of this, bond yields were stated to be a much more attractive long-term proposition, allowing for officers to effectively benchmark a risk-free rate of return and being much closer aligned to Brent actuary's mandated discount rates and improving funding valuations. With no more questions or comments from members of the Board the Chair thanked officers for their contributions and moved to conclude the item. Members of the Board **RESOLVED** to note the contents of the report.

10. **Brent Pension Annual Report & Accounts 2024/25**

Sawan Shah (Head of Finance, Pensions and Housing Companies, Brent Council) introduced the report, covering the draft pension fund annual report for the year ending 31st March 2025, highlighting the following key points:

- The report followed a new format whilst still covering investments, pensions, administration performance, detail of pooling, actuarial information and governance and risk management. A new requirement had been added, mapped against the new guidance documents issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Scheme Advisory Board in 2024.
- Grant Thornton (External Auditor) was currently reviewing the draft annual report, with plans to publish the annual report before the 1st of December 2025 deadline. Officers noted the audit of the pension fund accounts, which included the Fund's Investment Strategy Statement, Pensions Administration Strategy and Funding Strategy Statement. Sawan Shah explained that there had been progress with the Pension Fund audit since the last meeting of the Board, with auditors now having finished their fieldwork and confirmed most work on the accounts had been completed, however, it would not be possible to sign off the Pension Fund Accounts until work on the Council's Statement of Accounts had also been completed. This audit was to go through its usual governance processes with the Council's Audit and Standards Advisory Committee and Audit and Standards Committee, which would then be approved once complete. The Board was assured that regular meetings with the auditors continued to be held, and David Ewart (in his capacity as Independent Chair of the Audit and Standards Advisory Committee) commended the efforts being made to complete the audit process as soon as was possible. Despite delays, no major issues were identified with the pension fund and officers anticipated a clean audit opinion once the Council's audit was completed.

With no further comments or questions from Members of the Board, the Chair moved to formally thank Sawan Shah and the relevant officers for their diligent work completing the pension fund audit. The Board **RESOLVED** to note the Brent Pension Fund - Annual Report and Accounts.

11. **2025 Triennial Valuation Update & Funding Strategy Statement**

Sawan Shah (Head of Finance, Pensions and Housing Companies, Brent Council) introduced the report, informing the Committee that the purpose of the paper was to provide an update on the 2025 Triennial Valuation and to introduce the accompanying reports prepared by the Fund Actuaries, Hymans Robertson, which detailed the initial results and included a review of the Funding Strategy Statement (FSS). He explained that, in accordance with Regulation 62(1) of the Local Government Pension Scheme (LGPS) Regulations 2013, a formal valuation of the entire Fund was undertaken every three years to assess its ongoing financial position. The 2025 valuation process was reported to have now formally commenced, with the key highlights from the report summarised below:

- The primary objectives of the valuation were to compare actual experience against the assumptions made at the previous valuation; determine the current value of the Fund's assets and liabilities, both for individual employers and the Fund as a whole using data from the administration system and financial records; set employer contribution rates for the next three-year period (1 April 2026 to 31 March 2029); review the Funding Strategy Statement; and provide an overall health check of the Fund's solvency.

- The Board was then reminded that the last valuation took place as of 31 March 2022 and that the next valuation date was due on the 31 March 2025, with results required to be reported to the administering authority within twelve months of the valuation date.
- The Actuary is required to calculate the Fund's funding level at each valuation, expressed as the ratio of the market value of assets to the value of benefits accrued to the valuation date for current and former employees. A figure below 100% would indicate a deficit, whereas a figure above 100% would signify a surplus. The 2022 valuation showed that the Brent Pension Fund had an overall funding position of 87%.
- The whole fund results reviewed the overall funding level, with various employers having different funding levels based on their contribution rates in the past. Employers were also acknowledged to hold very different levels of risks.
- In concluding, Sawan Shah confirmed that the timetable for the 2025 valuation process had been established and that further updates would be provided to the Board as the valuation progressed.

Further details of the 2025 Triennial Valuation Update & Funding Strategy Statement were considered required to be covered in the Private section of the meeting. Formal thanks was given to the relevant officers for their diligence in crafting the report and the Board **RESOLVED** to:

- (1) Note the update on the 2025 valuation.
- (2) Note the draft accounts included as part of the annual report.
- (3) Note the draft Brent Pension Fund Annual Report 2024/25

12. **LAPFF Engagement Report**

The Board noted the report providing an update on the engagement activity undertaken by the Local Authority Pension Fund Forum (LAPFF) on behalf of the Fund A summary of key engagements made by LAPFF as reported in Appendix 1 (June 2025) were presented as follows:

- The United Nations was reported to project a 40% global water shortfall by 2030, driven by population growth, climate change, and unsustainable consumption. In this context, LAPFF prioritised water stewardship as a critical element of responsible business, particularly in the mining and agricultural sectors. During the last quarter, LAPFF was reported to have engaged with Glencore, Antofagasta, and Anglo American to promote integration of water management and human rights due diligence into corporate strategy. Glencore advanced its water risk monitoring through Geographic Information Systems and adopted frameworks such as the Taskforce on Nature-related Financial Disclosures (TNFD) and the LEAP Approach. Glencore continued to face issues with uneven independent water assets, having now resolved

issues resulting in fines throughout 2024. LAPFF would continue dialogue with the company and welcomed a scheduled October meeting with their Chair to further discuss governance and sustainability oversight.

- In the housing sector, LAPFF was reported to have continued engagement with the UK's major housebuilders on climate-transition planning, encouraging Paris-aligned targets, credible net-zero roadmaps, and low-carbon innovation. At a meeting with the Chair of Taylor Wimpey, the company reported a 47% reduction in absolute emissions since 2019 and became the first UK housebuilder to reach the Carbon Trust's "Route to Net Zero – Advancing Level." Taylor Wimpey embedded its decarbonisation strategy within governance structures and employee forums and reaffirmed its target of net zero operational emissions by 2035. While progress was being made in water protocols, construction methods, and technology trials, the company had not yet identified a definitive pathway to zero-carbon homes. LAPFF would continue to monitor developments, including supply chain resilience, contractor training, and workforce adaptation.
- On governance, LAPFF had reiterated its concerns that the luxury goods sector faced weaker scrutiny on human rights and supply chain management than high street apparel. During the quarter, LAPFF had met with Louis Vuitton Moët Hennessy (LVMH) and Moncler to discuss these issues. Both companies published their first Corporate Sustainability Reporting Directive (CSRD)-aligned reports, with LVMH also significantly increasing supply chain audits. LAPFF therefore recommended that LVMH strengthen its human rights policy by defining governance responsibilities at senior levels, committing explicitly to international frameworks such as the UN Guiding Principles and ILO standards, and improving transparency on audit outcomes.
- Finally, In the steel sector, LAPFF continued its long-standing engagement with ArcelorMittal, the world's second-largest steelmaker, on its decarbonisation strategy. The company's focus has shifted from carbon-intensive production to low-carbon technologies. While ArcelorMittal outlined a decarbonisation pathway, gaps remained, including the absence of a published Just Transition plan. The company had developed internal workforce transition roadmaps at sites such as Dunkirk, where employees were moving to Electric Arc Furnace operations or retirement. LAPFF noted that it would continue to press for clear timelines, transparency on electricity sourcing and costs, and disclosure of community engagement outcomes. A report on electricity-related transition costs would be presented at the July LAPFF business meeting.

In noting that the report had been subject to detailed review at the Brent Pension Fund Sub Committee on 8 October 2025 the Board **RESOLVED** to note the report and update on LAPFF engagement activity.

13. **Any other urgent business**

No other issues were raised for consideration under this item at the meeting.

14. **Date of Future meetings**

The Board NOTED the date of the remaining Pension Board meeting for the 2025-26 Municipal Year, as follows:

Monday 23 March 2026 at 6:00pm

15. **Exclusion of the Press & Public**

At this stage in the proceedings, the Chair advised that the Board would need to move into closed session to consider the final items on the agenda.

It was therefore **RESOLVED** to exclude the press and public from the remainder of the meeting as the reports and appendices to be considered contained the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Access to Information Act 1972, namely:

“Information relating to the financial or business affairs of any particular person (including the Authority holding that information)”.

The meeting then continued in closed session with the webcast ended.

16. **2025 Triennial Valuation - Whole Fund results**

Sawan Shah (Head of Finance, Pensions and Housing Companies, Brent Council) introduced a report detailing the presentation received by the Council from the Pension Fund’s Actuary in October 2025. This provided a report on the 2025 Triennial Valuation, as well as the proposed changes to the funding strategy statement. It was noted by the Board that this was a statutory process, conducted every three years to assess the health of the fund and to ask how well suited the fund was to meet future obligations.

In considering the update provided, the Board commended the work conducted by officers and recommendations made within the report. With no further questions and in noting the report had been subject to detailed review at the Brent Pension Fund Sub Committee on 8 October 2025, the Board **RESOLVED** to note and endorse the decision made by the Sub Committee to approve the recommendations as detailed in Section 2. of the report.

17. **2025 Triennial Valuation - Contribution Rate Modelling**

Sawan Shah (Head of Finance, Pensions and Housing Companies, Brent Council) introduced a report detailing how the Council would be setting their contribution rates for the next three financial years, providing budget certainty for contributors.

In noting that the approach identified had been subject to detailed review at the Brent Pension Fund Sub Committee on 8 October 2025 the Board **RESOLVED** to note the proposal regarding the employer contribution rate for the next three financial years for Brent Council, as set out in section 3.4.7 of this report and Appendix 1.

18. **Investment Strategy Review**

Sawan Shah (Head of Finance, Pensions and Housing Companies, Brent Council) introduced a report updating the Board on the investment strategy review.

The Chair thanked members, officers and the Fund's Investment Advisors for their work in creating the Investment Strategy Review, for which it was recognised had been undertaken in order to safeguard the best interests of the Fund.

With the report identified as having been subject to detailed review at the Brent Pension Fund Sub Committee on 8 October 2025 the Board **RESOLVED** to note the report.

19. **London CIV update**

Sawan Shah (Head of Finance, Pensions and Housing Companies, Brent Council) introduced the report, which provided an update on recent developments regarding Brent Pension Fund investments held within the London CIV.

Following presentation of the report and discussions on the Council's future fund allocation within London CIV, the Board **RESOLVED** to note to recommendations agreed at the Brent Pension Fund Sub Committee on 8 October 2025.

The meeting closed at 8.06 pm

MR. D EWART
Independent Chair

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	<p align="center">Pension Board 23 March 2026</p>
	<p align="center">Report from the Corporate Director, Finance and Resources</p>
<p>Pension Administration Update</p>	

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
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 Appendix 1: Brent Pension Fund Q3 – Quarterly Administration Report
Background Papers:	Not applicable
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	<p>Minesh Patel, Corporate Director, Finance and Resources minesh.patel@brent.gov.uk 020 8937 4043</p> <p>Amanda Healy, Deputy Director of Finance amanda.healy@brent.gov.uk 020 8937 5912</p> <p>Sawan Shah, Head of Finance sawan.shah@brent.gov.uk 020 8937 1955</p> <p>John Smith, Pensions Manager john.smith@brent.gov.uk 020 8937 1985</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 Contribution to Borough Plan Priorities & Strategic Context

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 The LPPA provides a suite of documents recording its administration performance statistics. This report reviews the performance of Local Pensions Partnership Administration (LPPA) against agreed Service Level Agreements (SLA's) during the period 1 October 2025 to 31 December 2025.

3.2.2 The figures reported have stabilised, but it must be remembered that the LPPA only reports on the cases it is able to complete, not the volume of work it receives.

3.2.3 Brent is working closely with the LPPA to enhance service delivery, and the Pensions administration team hold monthly meetings with LPPA to monitor the performance of the contract.

3.2.4 Overall, the service has stabilised, but there are still areas that need attention. A summary of Q3 2025-26 performance is provided below, full details are set out in Appendix 1.

3.3 LPPA Quarter 3 2025/26 performance report

3.3.1 Brent Pension Fund had 24,722 members on 31 December 2025 of which:

- 6,590 were active members,
- 10,343 were deferred members, and
- 7,789 were pensioner and dependant members.

Key statistics

3.3.2 The average percentage of cases processed on time during the quarter was reported as 98.9%.

3.3.3 The Fund's perception is that the service has stabilised, and it notes that none of case types fell below SLA (95%). However, the fund is aware of a body of overdue 1995 scheme retirements and delayed death grants that may not be included in these figures. Brent is working with the LPPA to address this anomaly. Figure 1 provides detail on the number of cases that have been processed grouped by category

3.3.4 Figure 1 below provides an overview of the LPPA's casework performance.

Figure 1:



3.3.5 The LPPA included a helpful Ongoing Case Work Performance table (Figure 2), which compares the number of cases completed to the number of cases received. This gives a better overview of performance because it records the whole of the casework – including outstanding, not just the completed cases.

Figure 2:

	Brought forward at 01/10/25	Received (Inbound)	Completed (Outbound)	Work in Flight as of 31/12/25
New Starters	1	5	6	0
Transfers In	330	131	117	344
Transfers Out	341	215	228	328
Estimates	22	44	57	9
Deferred Benefits	287	200	251	236
Retirements - Deferred	116	167	178	105
Retirements - Active	120	173	190	103
Refunds	105	180	200	85
Deaths	396	250	273	373
Correspondence	98	161	188	71
Aggregation	124	137	151	110
Other	69	467	479	57
Total	2,009	2,130	2,318	1,821

3.3.6 This provides a useful comparison to the headline KPIs as we can divide the number of cases completed by the number of cases received to arrive at a percentage. The figures improved incrementally across the board this quarter and all the entries were positive. However, Brent has identified significant delays in processing deaths and putting 1995 scheme deferred pension

benefits into payment and we are working with the LPPA to resolve these issues.

3.3.7 The Helpdesk call performance measures the average wait time and calls answered. During the quarter average wait time was just over 3 minutes (3 minutes 9 seconds), which means that 87.8% of calls were answered within 3 minutes and 94.2% within 6 minutes. This is a significant improvement on the previous quarter - but wait times do tend to fluctuate seasonally.

Complaints

3.3.8 There have been 12 new complaint cases since the last Pension Board accruing at a rate of 4 per month. The number of complaints received during the quarter is analysed by case type as shown in Figure 3 below. This is a significant increase when compared to the previous quarter but, overall, the numbers are relatively small.

Figure 3:

	Q3 2025/26							
	Carried forward from previous quarter	Complaints received (current period)	Complaints completed	Complaints closed / outcome (current quarter)				Carried forward
				Upheld	Not upheld	Partially upheld	Withdrawn	
Delays	0	0	0	0	0	0	0	0
General Service	2	12	10	10	3	0	0	4
Payroll	0	0	0	0	0	0	0	0
Regulatory	0	0	0	0	0	0	0	0
Totals	2	12	10	10	3	0	0	4
				Upheld Complaint is justified and errors/omissions occurred.	Not Upheld Complaint is not justified and no errors/omissions occurred.	Partially Upheld Part of the complaint is justified and part is not.	Withdrawn Member has withdrawn their complaint.	

Data Quality

3.3.9 The Pension Regulator (TPR) acknowledges that complete, accurate scheme records are a vital part of the administrative function. The Regulator defines two types of data held in scheme records:

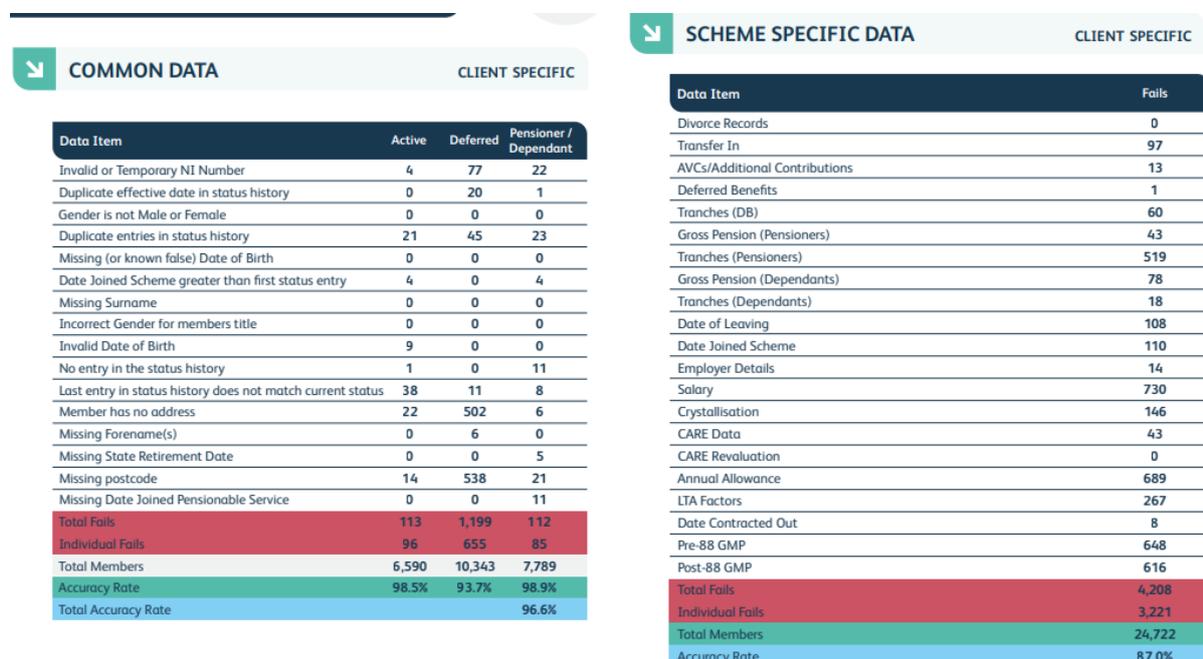
Common Data used to identify scheme members and would include names, addresses, national insurance number and date of birth.

Conditional Data essential to calculate benefit entitlements such as, member contributions, pensionable pay, service history.

3.3.10 Figure 4 below displays the TPR scores achieved regarding the accuracy of common and conditional data. In December 2025, Common data has a total

accuracy rate of 96.6% compared with 96.4% in September while conditional data has a total accuracy rate of 87.0% compared with 86.5% in September.

Figure 4:



McCloud

3.3.11 McCloud is still flagged as amber and further validation is taking place. The LPPA is focusing on eligibility ahead of processing bulk calculations and payments. It is refining its processes and prioritising benefits in payment and transfers that have been paid. It reports sustained progress on remedy payments.

3.3.12 The LPPA is working on a path to green, and it is on track with its data project in preparation for 2025/26 annual benefit statements (ABS).

3.3.13 The LPPA reports that Civica is on track to deliver the remaining UPM functionality and testing is on schedule. It is developing business as usual processes and it is prioritising retrospective cases.

3.3.14 The LPPA's path to green entails;

- Implementing and progressing remedy payments.
- Keeping its plan to complete the assessment of retrospective cases on track.
- Delivering the remaining UPM functionality required and keeping testing on schedule.

- The latest data indicates that Brent Pension Fund is on track to include underpin data for all affected members in their 2025/26 Annual Benefit Statements.

Pensions Dashboard

- 3.3.15 Public sector schemes must connect to the Pensions Dashboard by 31 October 2025. The project is in flight and Brent monitors progress at monthly meetings with the LPPA.
- 3.3.16 The LPPA successfully connected to the Pensions Dashboard in December 2025 and the project is flagged green.
- 3.3.17 Project planning for stage 2 is underway including a Dashboard Available Point (member go live). A dedicated Pensions Dashboard page is available on the LPPA website; <https://www.lppapensions.co.uk/pensions-dashboards/>

Employer forum

- 3.3.18 Brent held an in person Employer's Forum on 18 November 2025 to communicate the results of the triennial valuation.
- 3.3.19 The event was very well attended and it was an opportunity for the Fund's officers and advisors to engage with its stakeholders. Presentations were received from:
- Officers covering developments since the last employers forum including financial and investment performance, and relevant information from pensions administration including discretions and employer outsourcing.
 - The Fund Actuary, Hymans Robertson, covering the 2025 valuation, the assumptions used, changes since the last valuation, employer level results and next steps.
 - LPPA covering an overview of the employer portal, leaver forms and the importance of data.
- 3.3.20 The Fund has performed well over the last three years, and the Fund's actuary was able to announce good results which, in turn, has resulted in significantly lower employer's contribution rates for the Fund's employing authorities.
- 3.3.21 The actuary confirmed that Brent's pension fund is 113% funded using an enhanced prudence rate of 80%. This means the fund can meet its liabilities in 80 scenarios out of 100.
- 3.3.22 The event was well received and the successful outcomes delivered ensured a positive meeting.

Employee pensions awareness courses

3.3.23 The Fund offers bespoke in-house Pensions Training courses, pre-retirement courses are provided by our partners, Affinity Connect, and a range of courses are delivered by our Pension Administration provider, the Local Pensions Partnership.

3.3.24 The Fund offers Pension Training courses every few months that cover all the main topics affecting members' pensions. They are proving popular with the last two held in September 2025 and February 2026, attracting 82 and 56 attendees, respectively.

3.3.25 Affinity Connect offer pre-retirement courses and courses for high earners. Although we advertise them frequently, they are not gaining the same traction as pension training and the last course for high earners was cancelled due to lack of interest.

3.3.26 The LPPA offers a range of pensions and practical training, including Making Sense of Your Pension (to support new joiners in understanding their LGPS pension), and Making Sense of Your Retirement (to prepare members in their plans for retirement). Very positive feedback was recently received from one senior officer who attended a LPPA training session.

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 Equity, Diversity & Inclusion (EDI) Considerations

7.1 There are none directly arising from this report.

1.0 Climate Change and Environmental Considerations

1.1 There are none directly arising from this report.

8.0 Human Resources/Property Considerations (if appropriate)

8.1 There are none directly arising from this report.

9.0 Communication Considerations

9.1 None that are applicable to this report.

Report sign off:

Minesh Patel

Corporate Director, Finance and Resources

LPP

Local Pensions Partnership
Administration

Quarterly Administration Report

Page 23

Brent Pension Fund

1 October - 31 December 2025



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Forward thinking



Doing the right thing



Working together



Brent

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DEFINITIONS

Page 7

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 9

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 10

Casework Performance - Standard

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

APC/AVC Queries
Cessation of Additional Contribution
Change of Hours
Change of Personal Details
Under Three Month Opt-Out

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 11

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).

Page 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

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

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 satisfied (with the service) and very satisfied.

Dissatisfied responses include dissatisfied and very dissatisfied.

Page 25

Member Online Portal

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

Page 26

Member Log Ins

The number of unique log ins and total log ins by period on PensionPoint, these are only successful log ins where the password and one-time-pin has been successfully entered.

Page 32

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's 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](#) (The Pensions Regulator) or [PASA](#) (The Pension Administration Standards Association) websites.

EXECUTIVE SUMMARY

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This performance report covers the reporting period of Q3 2025/26 (October – December 2025)

Casework SLA performance

Overall operational casework performance was **98.9%** against overall Service Level Agreements (SLAs) for the quarter. Focus continues to be on driving further improvements to the member experience.

Contact Centre

The average call wait time in Q3 was **3 minutes 09 seconds**, under the 4 minute target.

Satisfaction scores

The majority of those surveyed about their retirement experience do not respond. Of those that responded to the survey, customer satisfaction was **80.0%** for Actives into Retirement and **80.0%** for Deferred into payment. Low survey responses can lead to high volatility in the satisfaction scores.

Contact Centre satisfaction 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 **94.7%** and **73.8%** respectively.

Statutory deadlines

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

- Production and distribution of Pensions Savings Statements (PSS) by the 6 October deadline.

LPPA won the Pension Administration Award (2 October) at the 2025 LAPF Investment Awards. The

award acknowledged LPPA's operational service performance across the previous 12 months and recognised the positive impact of AI and automation within the business. Other nominees were Essex pension fund, Greater Manchester pension fund, NE Scotland pension fund, Surrey pension fund and West Yorkshire pension fund.

Outlook

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

- Significant regulatory change including McCloud remedy, Pensions Dashboard, LGPS Access and Fairness changes, and Access and Protections changes.
- Efficiency and Service Improvement Programme (ESIP) of work
- Activity to continue to improve the member experience in key areas.

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 1 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.

Good progress has been made on remedy for LGPS members and LPPA is well positioned compared to other public sector administrators in delivering McCloud remedy.

Project status remains amber due to data and systems functionality challenges.

Further validation is taking place on eligibility ahead of bulk calculations and payments and focus is on continuing the assessment of benefits in payment and transfers and establishing BAU processes.

Work is underway to ensure plans are in place and shared with Funds for data work ahead of 2025-6 Annual Benefit Statements for remedy members, completion of retrospective cases and BAU processes.

Pensions Dashboard

Connection to the Pensions Dashboard was successfully completed in December.

The Pensions Dashboard will enable members to access their pensions information online, securely and all in one place. It is worth noting that the Dashboard will not be available to members at this point; it is estimated they will be able to access in the summer of 2027.

The project continues to focus on business readiness, including consideration on the unknown demand into LPPA and how to manage this. One of the project aims is to drive member self-service as much as possible.

Project communications and engagement will continue, including Client round tables, AVC provider meetings and TPR sessions.

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Committed to excellence...

Efficiency and Service Improvement Programme

LPPA's Service Improvement Programme (ESIP) is designed to leverage the investment in UPM, delivering automation and improved self-service capability and member experience.

During the quarter new features were implemented for members and employers:

Message Centre

Rollout commenced for a new Message Centre for members via Pension Point (secure member portal). This is a phased rollout with go live dates for clients between November and March 2026.

The solution is designed to make enquiries more secure, efficient and transparent with improved work feed integration and reporting and ultimately provide an improved member experience.

Online Leaver Form

A new Leaver Form was launched in December, which provides real time validations and simplification for employers which will reduce queries and ultimately improve retirement processing timescales.

Looking ahead

Planning is underway for other projects including Automated Active Retirement Process (AARP), employer monthly return real-time validations, and remaining bank account verification processes.

Fund Membership

In this section...

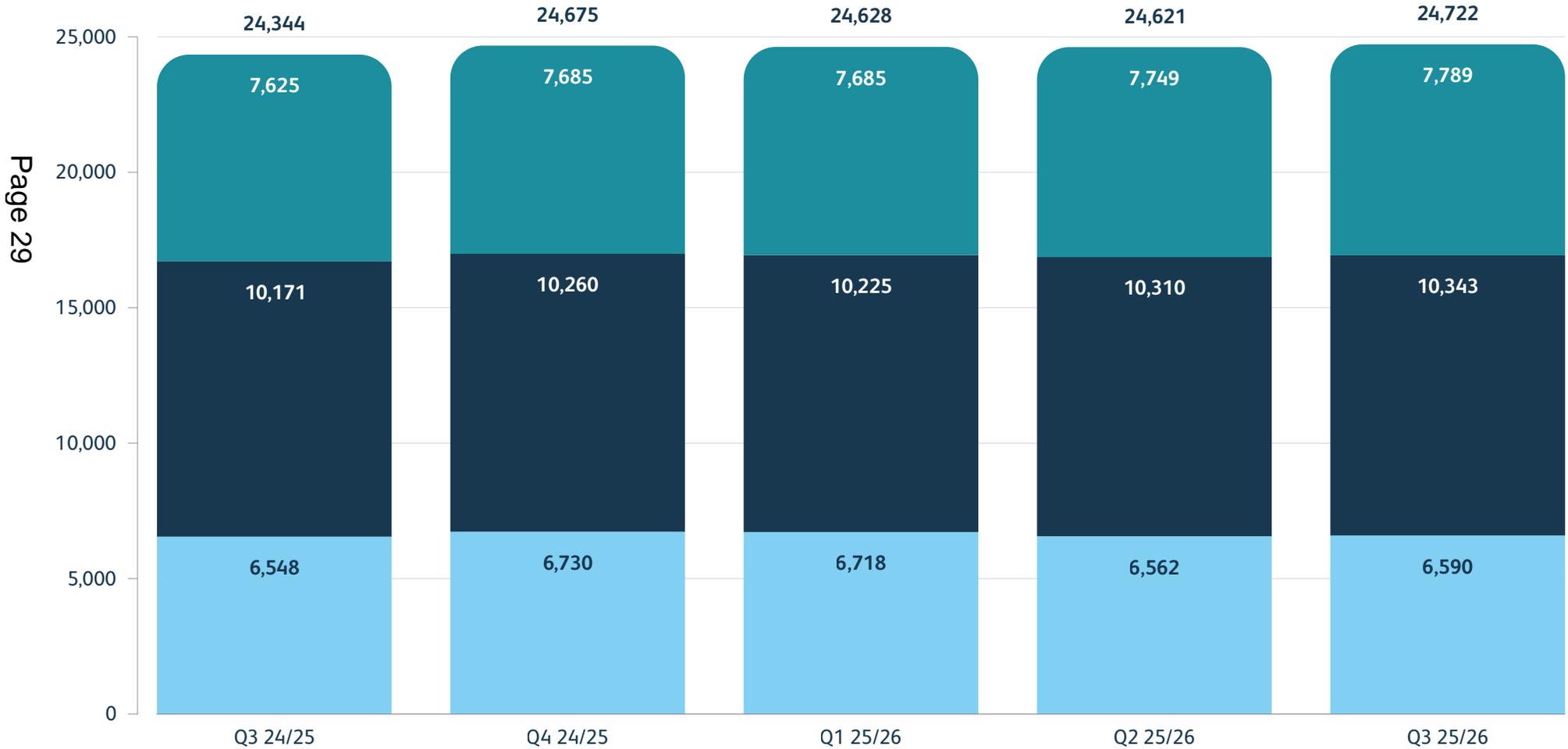
- Total fund membership

TOTAL FUND MEMBERSHIP

TOTAL FUND MEMBERSHIP

CLIENT
SPECIFIC

Active Members Deferred Members Pensioners & Dependants



Casework Performance

In this section...

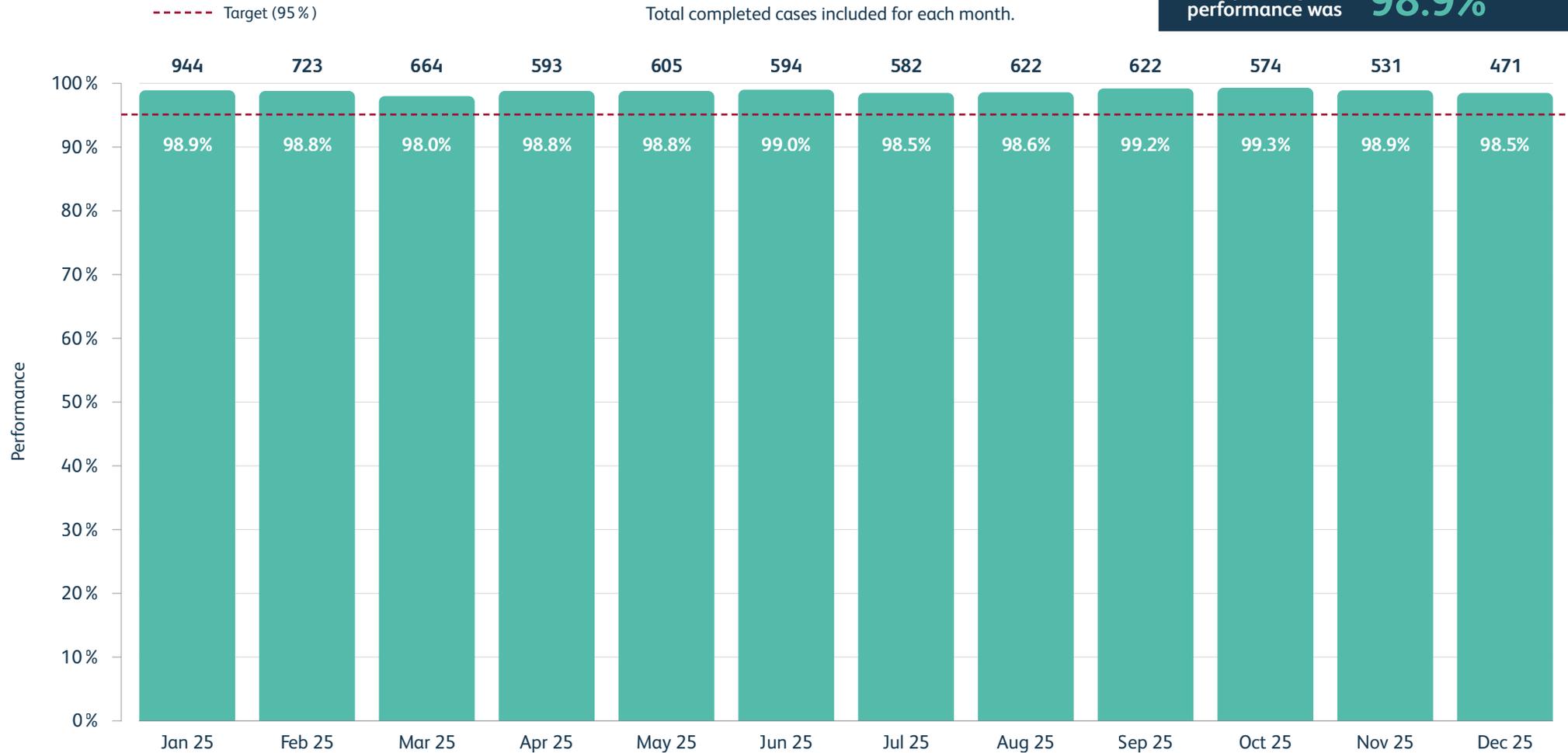
- Performance – all cases
- Performance standard
- Ongoing casework at the end of the reporting quarter

CASEWORK PERFORMANCE

PERFORMANCE – ALL CASES

CLIENT
SPECIFIC

The quarterly SLA performance was **98.9%**



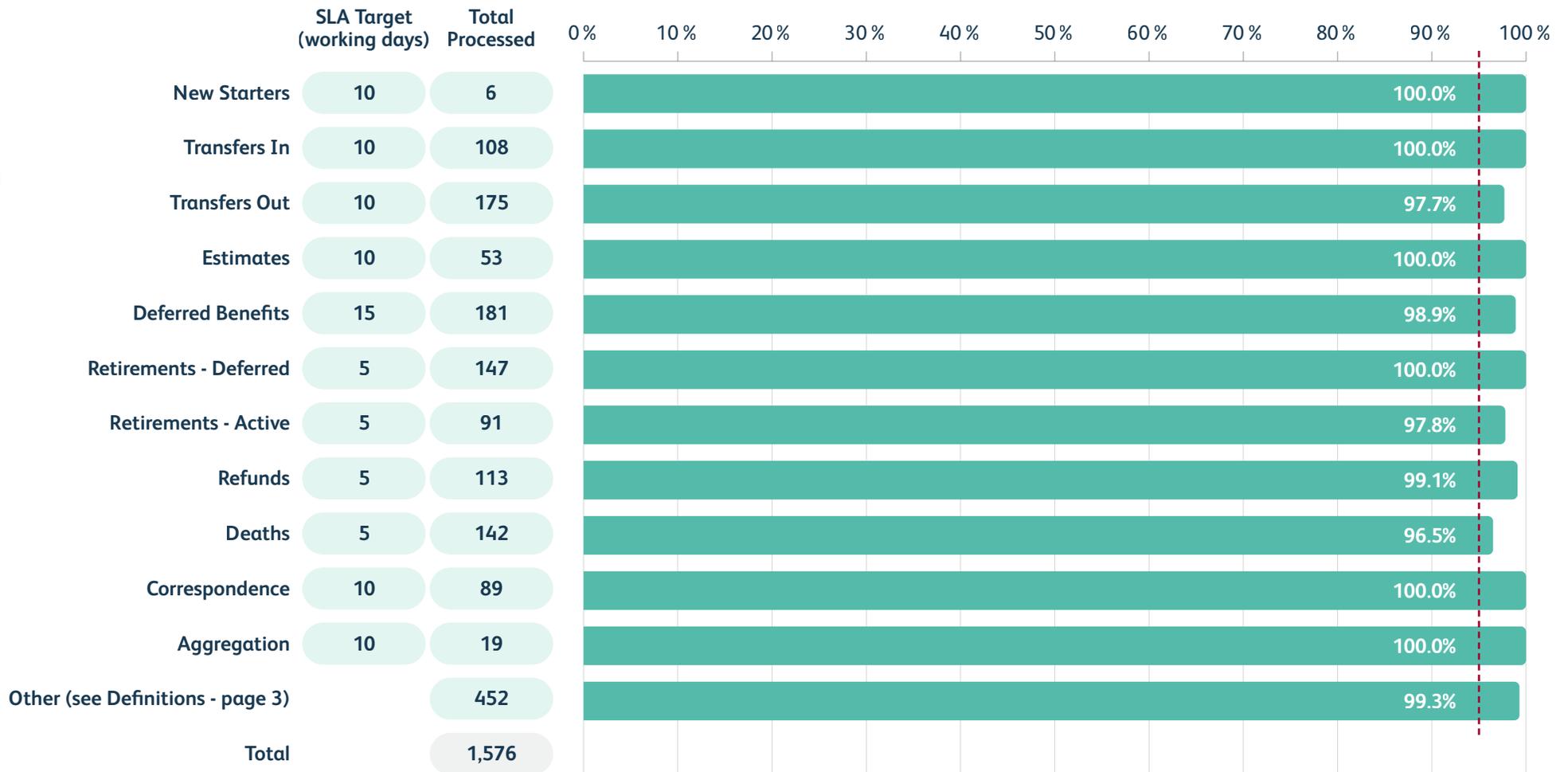
CASEWORK PERFORMANCE

PERFORMANCE STANDARD

CLIENT
SPECIFIC

----- Target (95%)

Page 32



CASEWORK PERFORMANCE

CLIENT
SPECIFIC

ONGOING CASEWORK AT THE END OF THE REPORTING QUARTER

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.

Page 33

	Brought forward at 01/10/25	Received (Inbound)	Completed (Outbound)	Work in Flight as of 31/12/25
New Starters	1	5	6	0
Transfers In	330	131	117	344
Transfers Out	341	215	228	328
Estimates	22	44	57	9
Deferred Benefits	287	200	251	236
Retirements - Deferred	116	167	178	105
Retirements - Active	120	173	190	103
Refunds	105	180	200	85
Deaths	396	250	273	373
Correspondence	98	161	188	71
Aggregation	124	137	151	110
Other	69	467	479	57
Total	2,009	2,130	2,318	1,821

Active to Retirement Process - First Payment Within 30 Days

In this section...

- Employer retirement notifications - notified on-time vs. late
- On-time notification - first payment
- Late notification - first payment

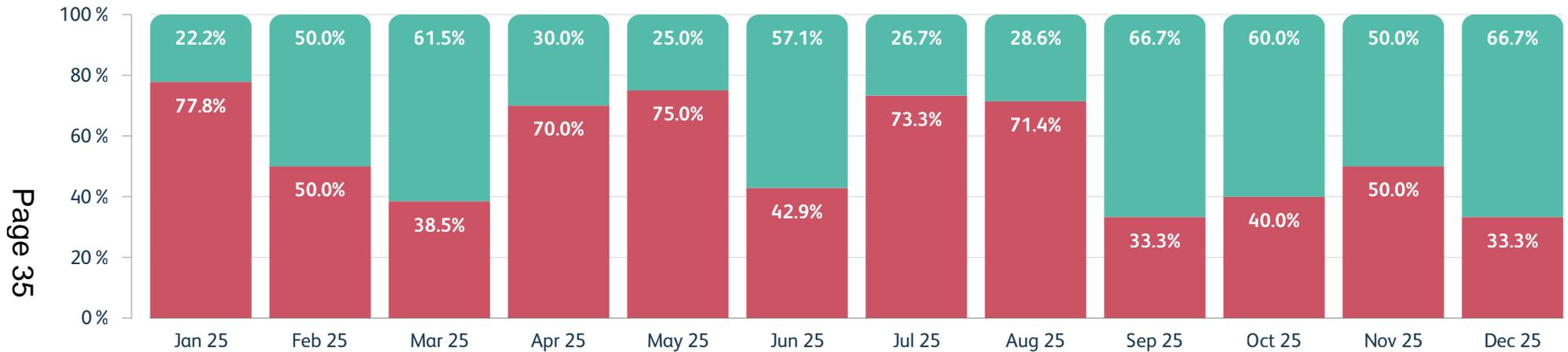
ACTIVE TO RETIREMENT

EMPLOYER RETIREMENT NOTIFICATIONS

CLIENT
SPECIFIC

Please note:

LPPA require at least 30 days notice prior to an active member retirement date, to be able to pay a member their first payment within 30 days of their retirement date. The chart below shows the number / % of on-time notifications vs. the number / % of late notifications from employers in the month (late being received within 30 days or after the retirement date).



	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25
Retirement Notifications	9	4	13	10	12	7	15	7	9	5	2	3
Received On-Time (Number)	2	2	8	3	3	4	4	2	6	3	1	2
Received On-Time (%)	22.2%	50.0%	61.5%	30.0%	25.0%	57.1%	26.7%	28.6%	66.7%	60.0%	50.0%	66.7%
Received Late (Number)	7	2	5	7	9	3	11	5	3	2	1	1
Received Late (%)	77.8%	50.0%	38.5%	70.0%	75.0%	42.9%	73.3%	71.4%	33.3%	40.0%	50.0%	33.3%

Data based on retirement notifications received from employers in the month.

ACTIVE TO RETIREMENT

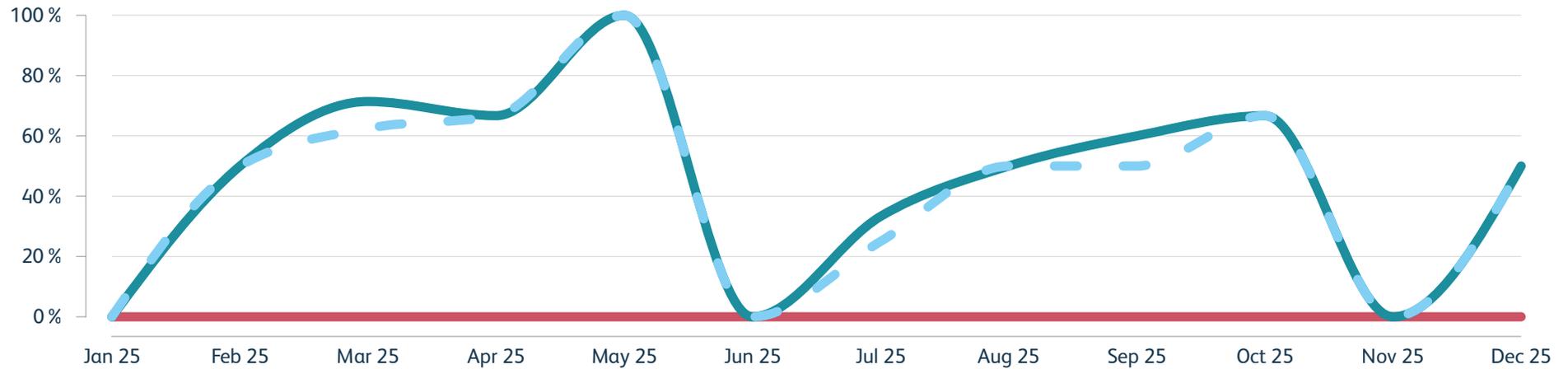
ON-TIME NOTIFICATION - FIRST PAYMENTS

CLIENT
SPECIFIC

Please note:

Alongside the timeliness of when LPPA are notified of a members intention to retire, there are also other areas impacting the timeliness of when payments are made. The accuracy of retirement information received (typically the calculation of pensionable and/or CARE pay) often result in subsequent queries being raised with an employer. There may also be delays with members returning their retirement forms.

Page 36



	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25
No. of payments made where member has an AVC	0	0	1	0	0	1	1	0	1	0	0	0
No. of payments made with no AVC	2	2	7	3	3	3	3	2	5	3	1	2
% of payments made within 30 days – with AVC	N/A	N/A	0.0%	N/A	N/A	0.0%	0.0%	N/A	0.0%	N/A	N/A	N/A
% of payments made within 30 days – no AVC	0.0%	50.0%	71.4%	66.7%	100.0%	0.0%	33.3%	50.0%	60.0%	66.7%	0.0%	50.0%
% of payments made within 30 days – combined	0.0%	50.0%	62.5%	66.7%	100.0%	0.0%	25.0%	50.0%	50.0%	66.7%	0.0%	50.0%

Data based on processes completed in the month.

Measurement is based on the earliest payment made, i.e. earliest of first pension payment or lump sum.

ACTIVE TO RETIREMENT

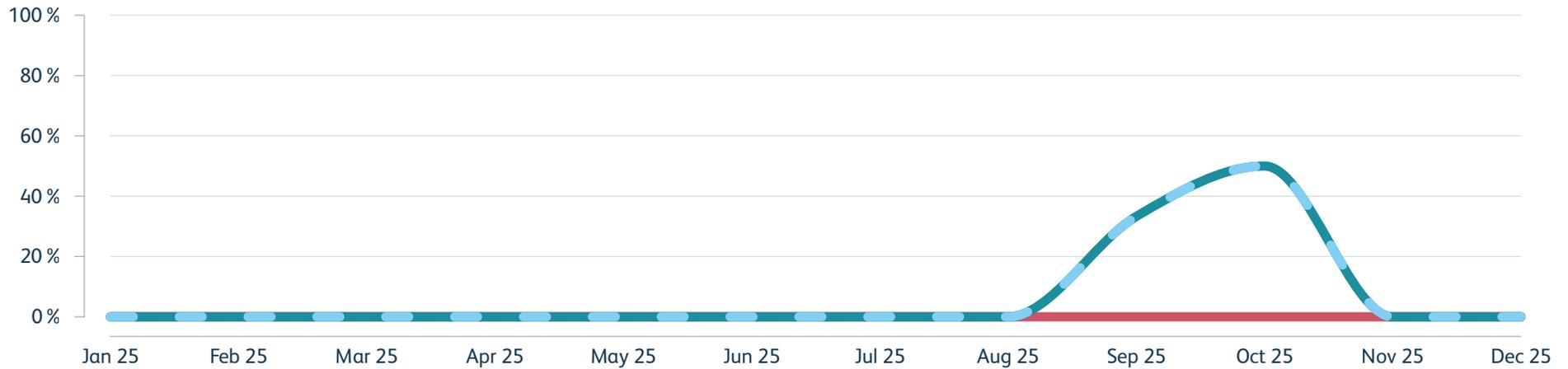
LATE NOTIFICATION - FIRST PAYMENTS

CLIENT
SPECIFIC

Please note:

% of first payments made within 30 days of retirement date – where LPPA receives the leaver notification from the employer with less than 30 days notice, or after the actual retirement date.

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	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25
No. of payments made where member has an AVC	0	0	0	1	0	0	0	0	0	0	0	0
No. of payments made with no AVC	7	2	5	6	9	3	11	5	3	2	1	1
% of payments made within 30 days – with AVC	N/A	N/A	N/A	0.0%	N/A							
% of payments made within 30 days – no AVC	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	33.3%	50.0%	0.0%	0.0%
% of payments made within 30 days – combined	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	33.3%	50.0%	0.0%	0.0%

Data based on processes completed in the month.

Measurement is based on the earliest payment made, i.e. earliest of first pension payment or lump sum.

Contact Centre Calls Performance

The Contact Centre deals with all online enquiries and calls from members for all funds that LPPA provides administration services for.

In this section...

- Wait time range
- Calls answered

CONTACT CENTRE CALLS PERFORMANCE

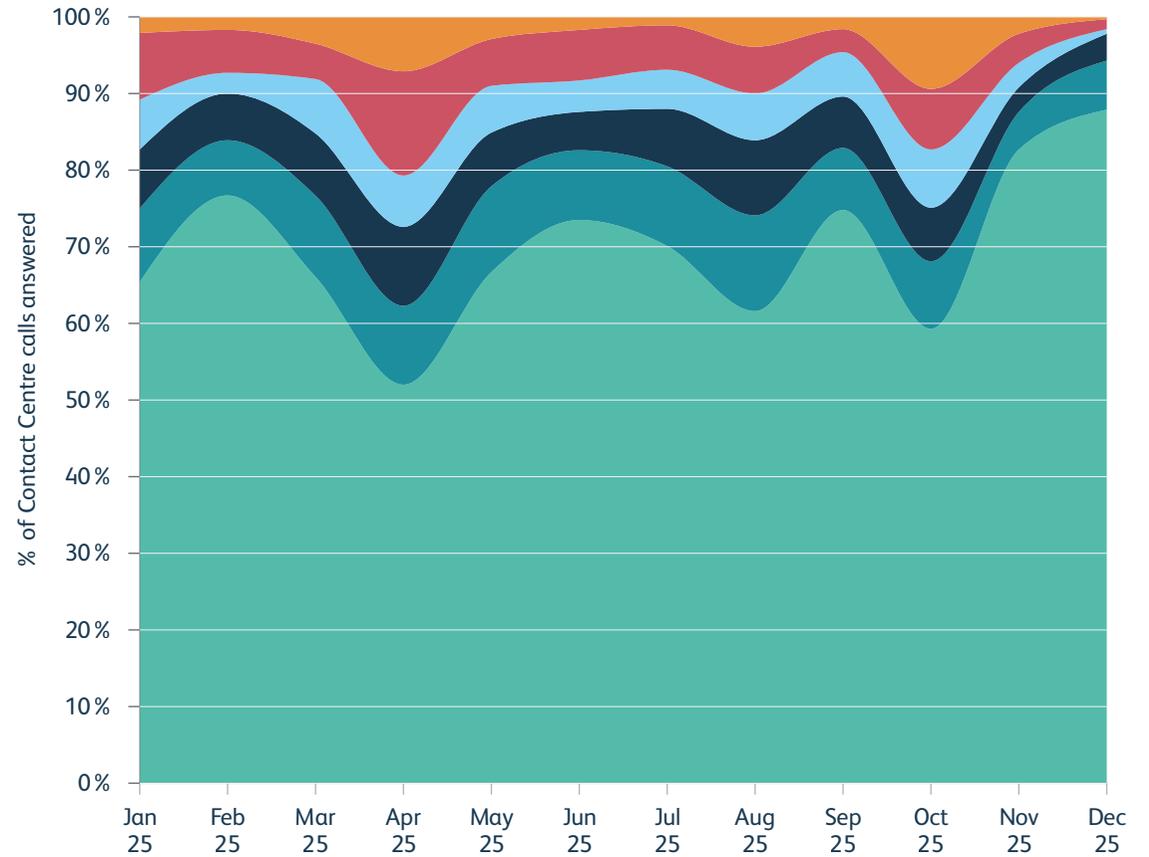
WAIT TIME RANGE

CLIENT SPECIFIC

Page 39

	Under 4 mins	4 to 6 mins	6 to 8 mins	8 to 10 mins	10 to 15 mins	Over 15 mins
Jan 25	65.4%	9.6%	7.7%	6.5%	8.7%	2.1%
Feb 25	76.7%	7.2%	6.1%	2.7%	5.6%	1.7%
Mar 25	66.0%	10.6%	8.1%	7.1%	4.6%	3.5%
Apr 25	52.0%	10.3%	10.3%	6.7%	13.6%	7.1%
May 25	66.7%	11.2%	7.0%	6.1%	6.1%	2.9%
Jun 25	73.5%	9.1%	5.0%	4.1%	6.6%	1.7%
Jul 25	70.1%	10.4%	7.5%	5.1%	5.8%	1.1%
Aug 25	61.6%	12.5%	9.8%	6.1%	6.1%	3.9%
Sep 25	74.8%	8.1%	6.7%	5.8%	3.0%	1.6%
Oct 25	59.3%	8.8%	7.0%	7.6%	7.9%	9.4%
Nov 25	82.7%	4.9%	3.2%	3.2%	3.8%	2.2%
Dec 25	87.8%	6.4%	3.5%	0.6%	1.3%	0.3%

- Under 4 mins
- 4 to 6 mins
- 6 to 8 mins
- 8 to 10 mins
- 10 to 15 mins
- Over 15 mins



CONTACT CENTRE CALLS PERFORMANCE

CALLS ANSWERED

CLIENT SPECIFIC

Please note:

The graph highlights seasonal activities which deliver higher volumes of in-bound enquiries from members into the Contact Centre. The chart has been marked up with key annual activities for reference.

Increase in October's average wait time was due to resource challenges (including unplanned absences) in the Contact Centre, combined with an overall year on year increase in call volumes (across all clients combined).

- Pension Increase and P60
- Brent pensioner payroll went live
- Member annual newsletters
- Annual Benefit Statements (ABS)
- Deferred Benefit Statements (DBS)

Quarterly average wait time was **3 minutes 09 seconds**



Customer Satisfaction Scores

In this section...

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

CUSTOMER SATISFACTION SCORES

CONTACT CENTRE CALLS SATISFACTION - OVERALL

CLIENT
SPECIFIC

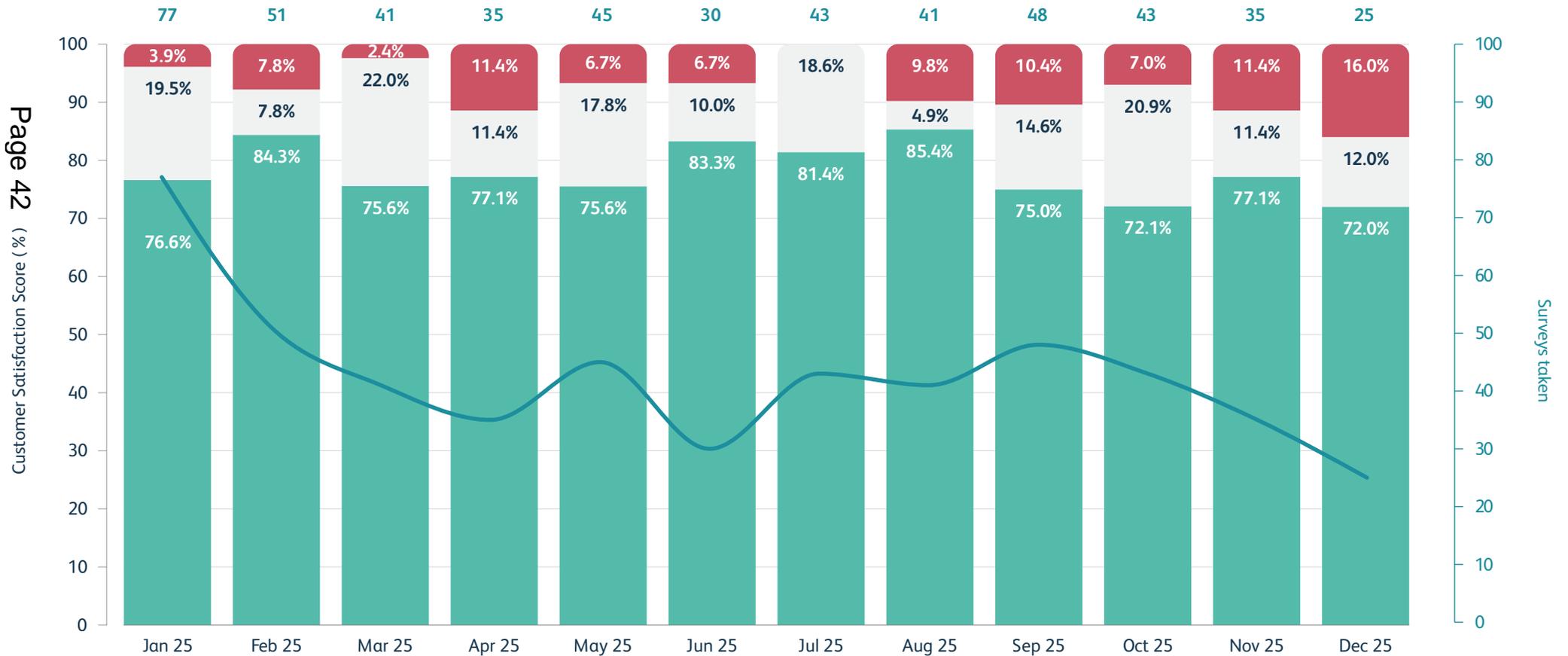
Please note:

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

Over all member satisfaction
for the quarter was

73.8%

● Dissatisfied
 ● Neutral
 ● Satisfied
 — Surveys taken



CUSTOMER SATISFACTION SCORES

CONTACT CENTRE CALLS SATISFACTION - AGENT

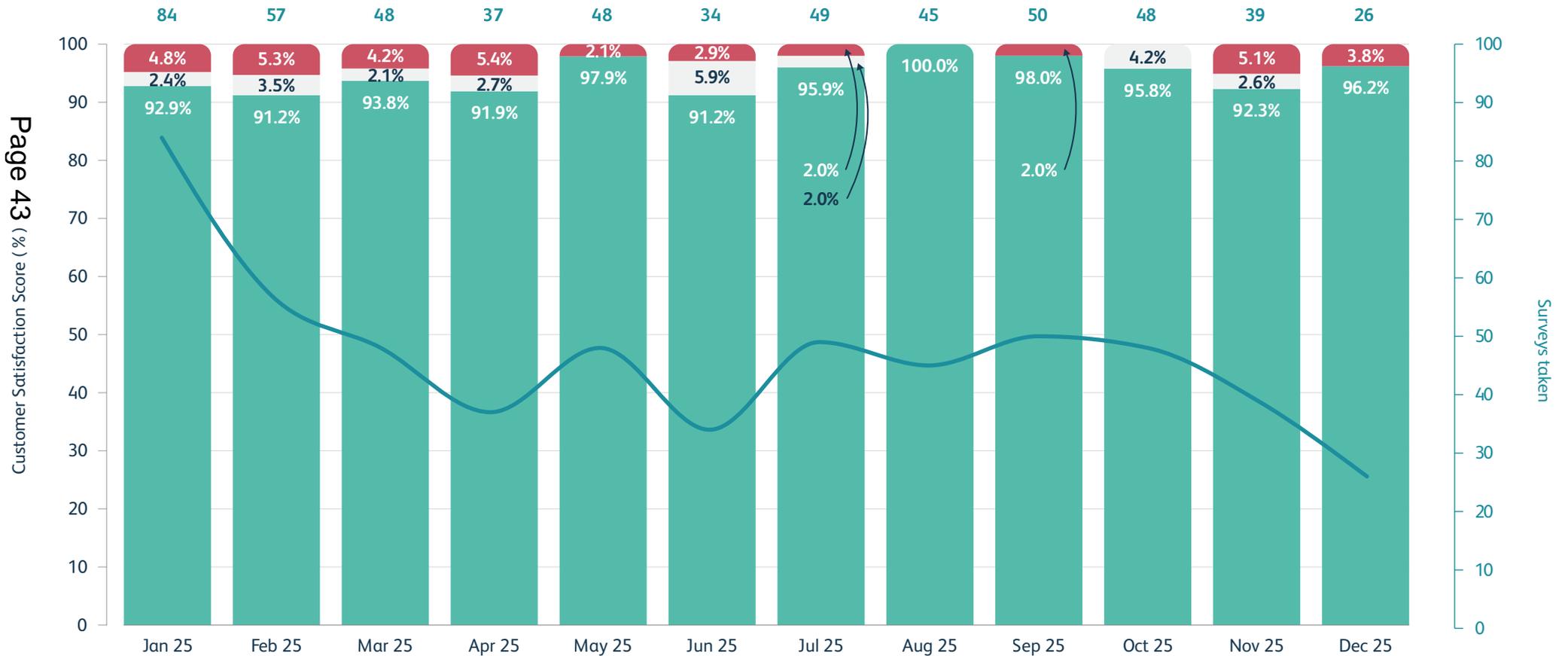
CLIENT
SPECIFIC

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?")

Agent specific member satisfaction for the quarter was **94.7%**

● Dissatisfied
 ● Neutral
 ● Satisfied
 — Surveys taken



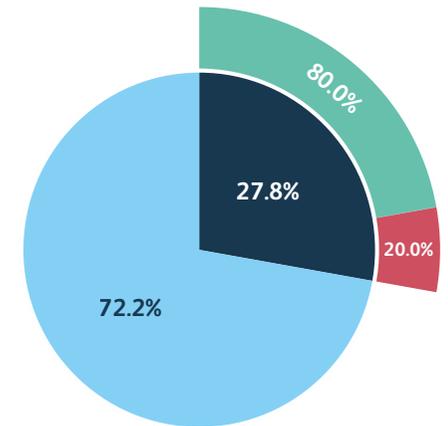
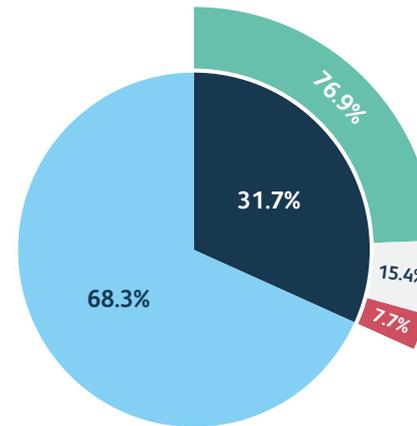
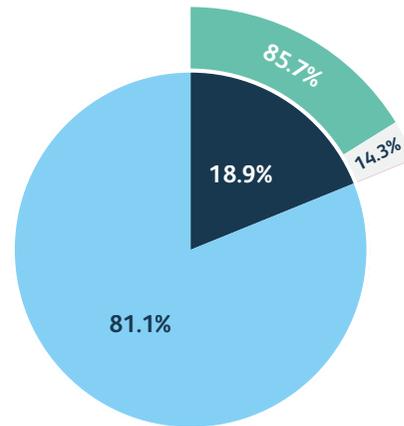
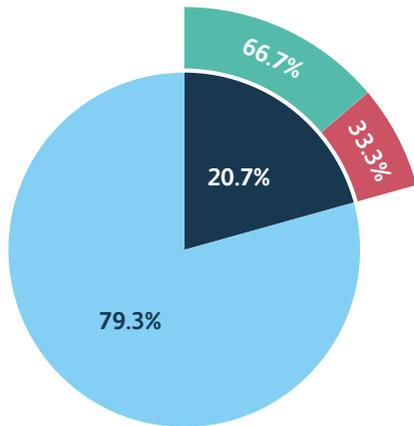
CUSTOMER SATISFACTION SCORES

RETIREMENTS - ACTIVE

CLIENT
SPECIFIC

Page 44

- Satisfied
- Neutral
- Dissatisfied
- Responses
- Non responses



	Q4 24/25		Q1 25/26		Q2 25/26		Q3 25/26	
Retirements processed, completed	29		37		48		40	
Surveys issued and as a % of retirements	29	100.0%	37	100.0%	41	85.4%	36	90.0%
Satisfied Responses (as a % of surveys issued)	4	13.8%	6	16.2%	10	24.4%	8	22.2%
Dissatisfied Response (as a % of surveys issued)	2	6.9%	0	0.0%	1	2.4%	2	5.6%
Non responses and as a % of surveys issued	23	79.3%	30	81.1%	28	68.3%	26	72.2%
Responses and as a % of surveys issued	6	20.7%	7	18.9%	13	31.7%	10	27.8%
Satisfied responses and as a % of responses	4	66.7%	6	85.7%	10	76.9%	8	80.0%
Neutral responses and as a % of responses	0	0.0%	1	14.3%	2	15.4%	0	0.0%
Dissatisfied Responses and as a % of responses	2	33.3%	0	0.0%	1	7.7%	2	20.0%

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).*

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

CUSTOMER SATISFACTION SCORES

RETIREMENTS - DEFERRED

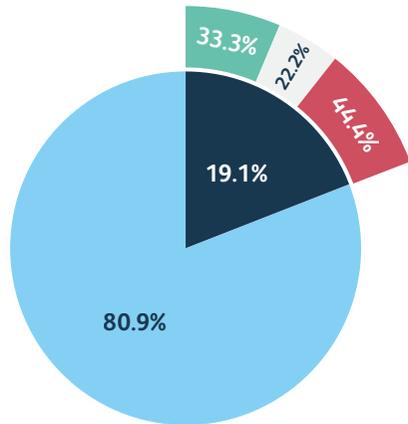
CLIENT SPECIFIC

Please note:

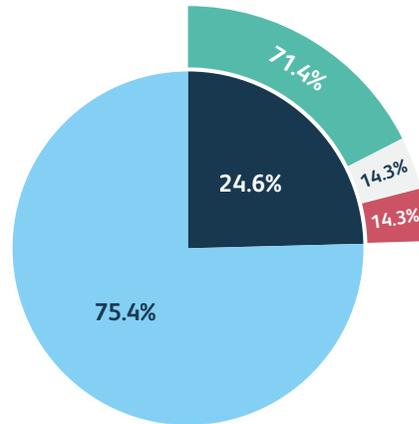
Graphs show a breakdown of quarterly retirement surveys:

- 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).*
- The implementation of our Automated Deferred Retirement Payment process in Q2, reduced the number of surveys issued in Q3. This has been resolved and survey numbers will return to expected volumes in Q4 (there was no impact to active retirement surveys).

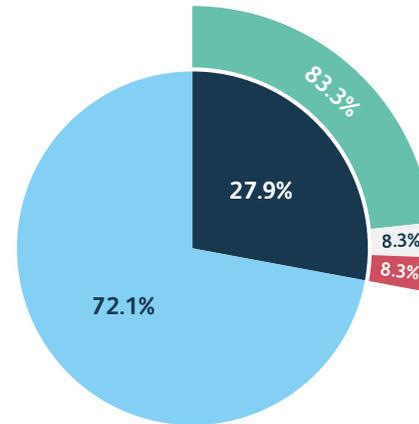
- Satisfied
- Neutral
- Dissatisfied
- Responses
- Non responses



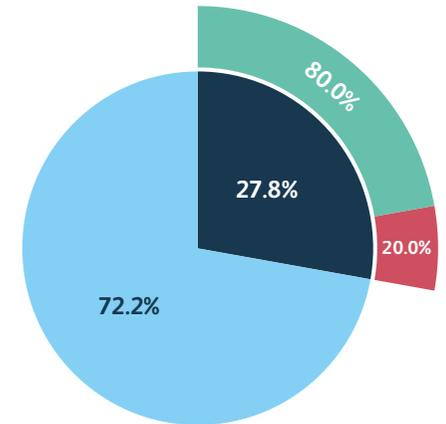
Q4 24/25



Q1 25/26



Q2 25/26



Q3 25/26

	Q4 24/25	Q1 25/26	Q2 25/26	Q3 25/26
Retirements processed, completed	65	67	64	87
Surveys issued and as a % of retirements	47	57	43	18
Satisfied Responses (as a % of surveys issued)	3	10	10	4
Dissatisfied Response (as a % of surveys issued)	4	2	1	1
Non responses and as a % of surveys issued	38	43	31	13
Responses and as a % of surveys issued	9	14	12	5
Satisfied responses and as a % of responses	3	10	10	4
Neutral responses and as a % of responses	2	2	1	0
Dissatisfied Responses and as a % of responses	4	2	1	1
	6.4%	17.5%	23.3%	22.2%
	8.5%	3.5%	2.3%	5.6%
	80.9%	75.4%	72.1%	72.2%
	19.1%	24.6%	27.9%	27.8%
	33.3%	71.4%	83.3%	80.0%
	22.2%	14.3%	8.3%	0.0%
	44.4%	14.3%	8.3%	20.0%

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



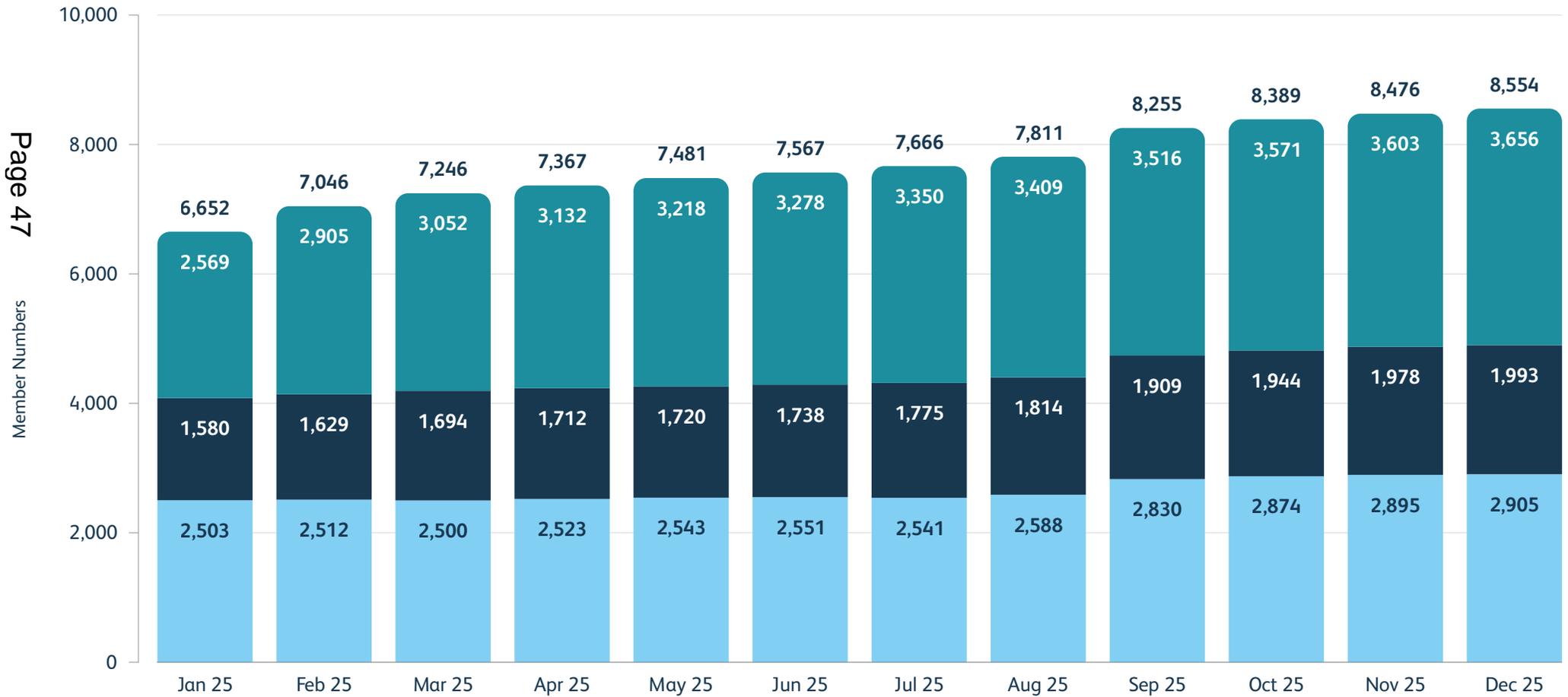
Member Online Portal

In this section...

- Total members registered
- Member Log Ins

TOTAL MEMBERS REGISTERED

● Active Members
 ● Deferred Members
 ● Pensioners & Dependents





MEMBER ONLINE PORTAL

MEMBER LOG INS

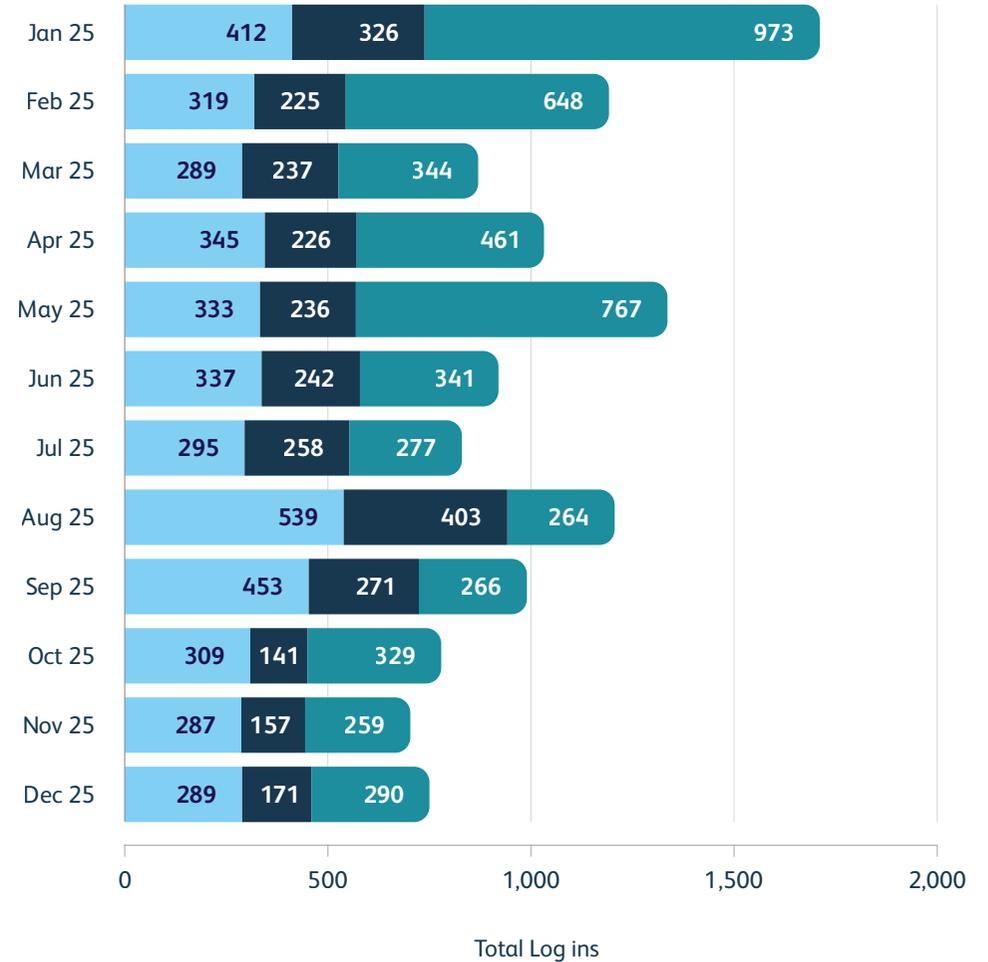
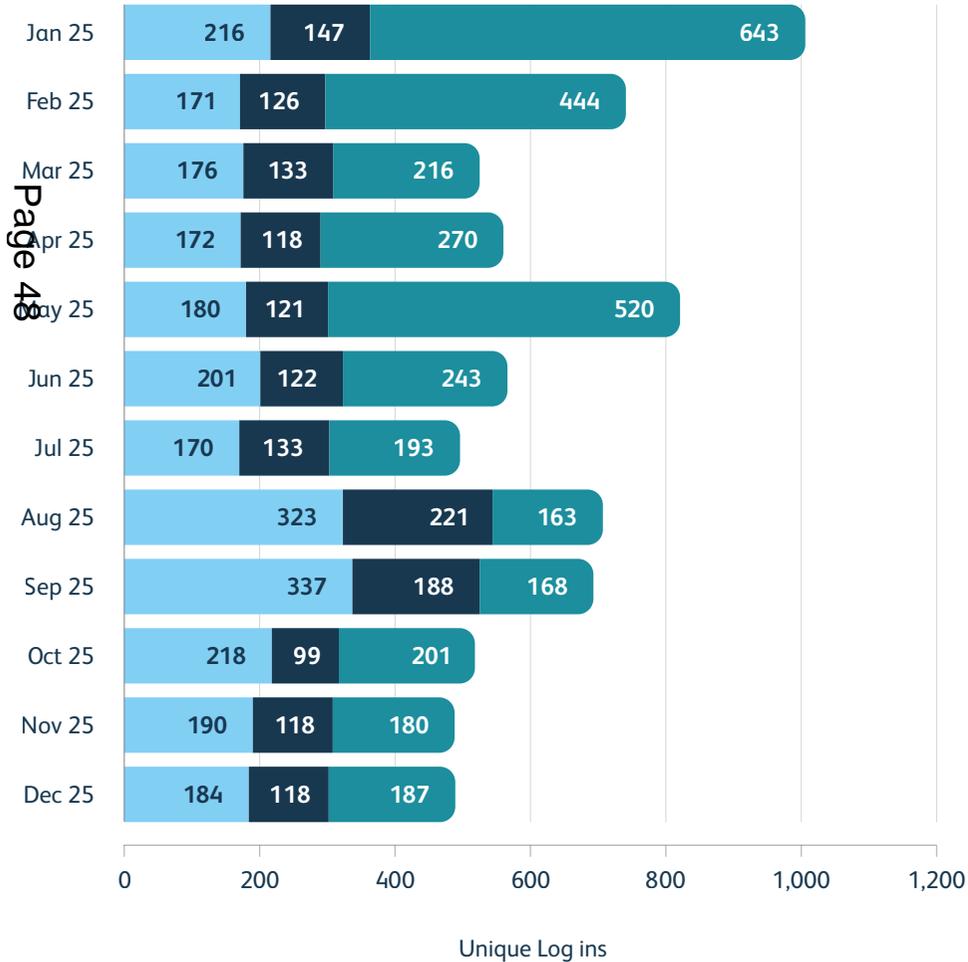
CLIENT SPECIFIC

Please note:

The following charts help visualise the increase in online engagement (PensionPoint login) across different member groups, at different times of the year. For example, more retired members access their P60 in May and June, whilst active and deferred members login in higher numbers in August and September to access their annual benefit statement.

Brent pensioner payroll went live in January with LPPA making payments for the first time. This resulted in an increase in pensioner registrations and logins to PensionPoint to view their online payslips.

Active Members Deferred Members Pensioners & Dependants



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Employer Engagement & Member Communication Activity

In this section...

- Delivered
- Scheduled
- Engagement communications (employers & members)

EMPLOYER ENGAGEMENT & COMMUNICATION ACTIVITY

ALL
LG CLIENTS

Delivered

- Member training sessions were delivered, including Making Sense of Your (LGPS) Pension (to support new joiners in understanding their LGPS pension), and Making Sense of Your Retirement (to prepare members in their plans for retirement).
- Training sessions were successfully delivered to support employers including:
 - Monthly Returns (successfully submitting files and resolving data queries).
 - Scheme Leavers (support with how and when to submit leaver details to LPPA using the employer portal).
 - Employer Responsibilities (support with ongoing pension administration responsibilities).
 - Absence and Ill Health Retirement (support with managing different types of absence in the LGPS).
- LPPA won the Pension Administration Award (2 October) at the 2025 LAPF Investment Awards. The award acknowledged LPPA's operational service performance across the previous 12 months and recognised the positive impact of AI and automation within the business. Other nominees were Essex pension fund, Greater Manchester pension fund, NE Scotland pension fund, Surrey pension fund and West Yorkshire pension fund.
- LPPA's key employer strategy started in Q3, with the aim of providing 1-1 support through meetings with large employers, and a focus on addressing pension administration challenges, to provide solutions that improve operational performance (for example, working with employers to submit timely and accurate retirement notifications). Meetings have been positive and employers are open to collaboration and exploring process improvements.
- Several employer and member communication activities were undertaken alongside Get Online Week (w/c 20 October 2025), to promote the benefits of PensionPoint (our secure, online portal) and to encourage member to register and login. These activities included:
 1. [Employer Toolkit communications](#) – ready-made communications that employers can download to promote the benefits of PensionPoint (and other aspects of the pension scheme) for their members.
 2. [Member email communications](#) – to encourage members to register for PensionPoint.

3. [LPPA website communications](#) – straightforward and accessible case studies to help promote the benefits and ease of access of PensionPoint.

- [Pension Tracing Day](#) (26 October 2026) also featured on the LPPA website, to encourage members to locate any missing pensions.
- [Employer communications](#) were issued to encourage feedback and comment on the Ministry of Housing, Communities and Local Government (MHCLG) consultation on proposed changes to the LGPS in England and Wales.
- A [new employer Leaver Form](#) was launched in December, to make the process easier when submitting leaver details, and an email was issued in advance to ensure employers were consulted.
- [Pension Pulse](#) (newsletter) was issued to employers in October, with features including reminders on monthly returns deadlines, and retirement notifications notice period.
- Communications were issued to the LPPA Member Panel to examine attitudes towards AVC's, as well as general awareness and understanding. Feedback and insight will help shape LPPA communications in the future.
- Information on the McCloud Remedy was updated on the LPPA website for LGPS members.

Scheduled

January to March 2026

- McCloud activity will be ongoing in Q4, including activity to further refine member eligibility and ongoing data validation, payments for retrospective members, and data analysis for active and deferred members in advance of the 2026 ABS deadline.
- Further improvements will be made to the LPPA pensions website, and the new online contact form (PensionPoint) will be launched for any remaining LG members to raise enquiries and submit documents.
- Pension Pulse (employer newsletter) communications will be issued in Q4.
- Planning will start for the annual P60 communications exercise to retired members.

EMPLOYER ENGAGEMENT & COMMUNICATION ACTIVITY

CLIENT
SPECIFIC

Employers

Date	Activity	Employer	Number in attendance
21 Oct	Absence and Ill Health Retirement Training	Northview Primary School	1
22 Oct	A Guide to Administering AVC Contributions with Pru M&G	Alperton Community School	1
23 Oct	Employer Support Meeting	St Claudine's Catholic School for Girls	1
18 Nov	Brent Employer Forum	Various	Not Known
25 Nov	Scheme Leavers Training	Mora Primary School	1
125 Nov	Scheme Leavers Training	Granville Childrens Centre	1
02 Dec	Employer Responsibilities Training	Princess Frederica Primary School	1
02 Dec	Employer Responsibilities Training	Mora Primary School	1
11 Dec	Key Employer Meeting	London Borough of Brent	1
17 Dec	Scheme Leavers Training	London Borough of Brent	1
17 Dec	Scheme Leavers Training	Sinai Jewish Primary School	1

Members

Date	Activity	Employer	Number in attendance
13 Oct	Making Sense of Your Pension Session	Various	2
11 Nov	Making Sense of Retirement Session		1
15 Dec	Making Sense of Your Pension Session	Various	9
16 Dec	Making Sense of Retirement Session	Various	5

Data Quality

In this section...

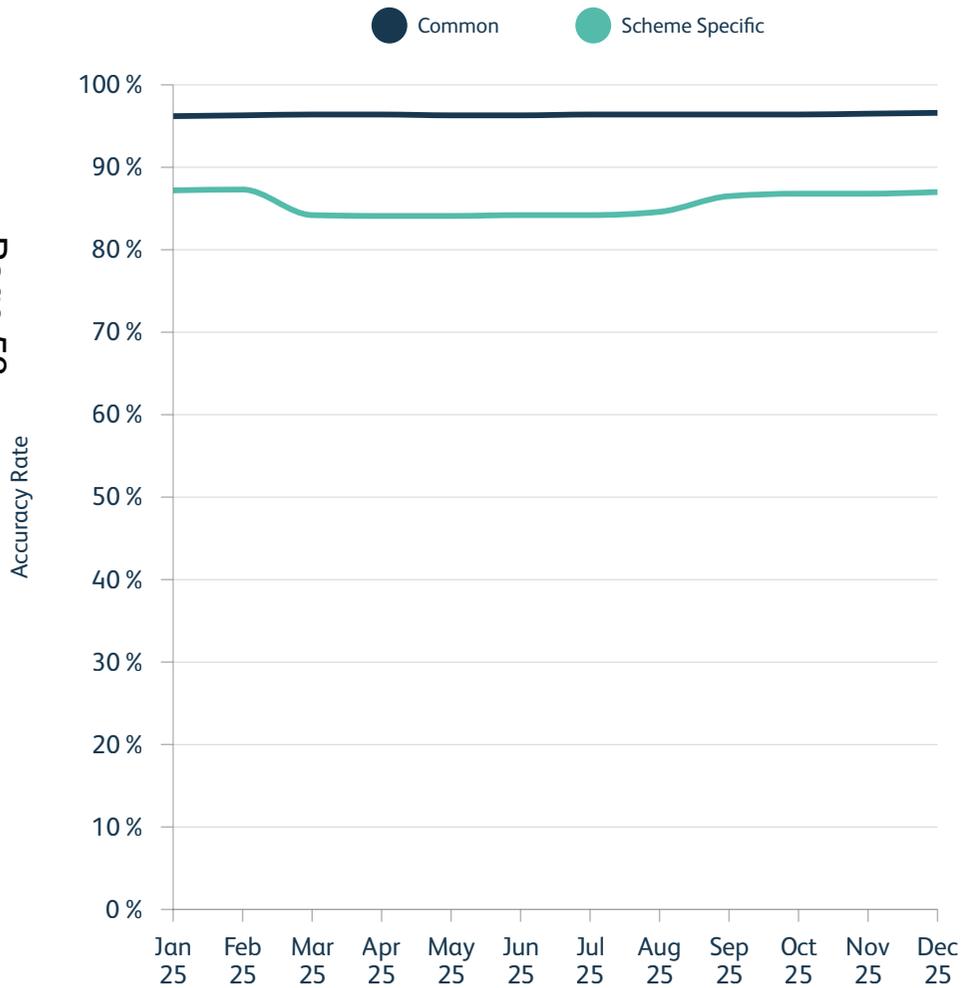
- TPR data scores
- Common data
- Scheme specific data

DATA QUALITY

TPR DATA SCORES

CLIENT
SPECIFIC

Page 53



	Common (Target 95 %)	Scheme Specific (Target 90 %)
Jan 25	96.2%	87.2%
Feb 25	96.3%	87.3%
Mar 25	96.4%	84.2%
Apr 25	96.4%	84.1%
May 25	96.3%	84.1%
Jun 25	96.3%	84.2%
Jul 25	96.4%	84.2%
Aug 25	96.4%	84.6%
Sep 25	96.4%	86.5%
Oct 25	96.4%	86.8%
Nov 25	96.5%	86.8%
Dec 25	96.6%	87.0%

END OF QUARTER DATA QUALITY (TPR SCORES)

CLIENT
SPECIFIC

COMMON DATA

CLIENT SPECIFIC

Data Item	Active	Deferred	Pensioner / Dependant
Invalid or Temporary NI Number	4	77	22
Duplicate effective date in status history	0	20	1
Gender is not Male or Female	0	0	0
Duplicate entries in status history	21	45	23
Missing (or known false) Date of Birth	0	0	0
Date Joined Scheme greater than first status entry	4	0	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	1	0	11
Last entry in status history does not match current status	38	11	8
Member has no address	22	502	6
Missing Forename(s)	0	6	0
Missing State Retirement Date	0	0	5
Missing postcode	14	538	21
Missing Date Joined Pensionable Service	0	0	11
Total Fails	113	1,199	112
Individual Fails	96	655	85
Total Members	6,590	10,343	7,789
Accuracy Rate	98.5%	93.7%	98.9%
Total Accuracy Rate			96.6%

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SCHEME SPECIFIC DATA

CLIENT SPECIFIC

Data Item	Fails
Divorce Records	0
Transfer In	97
AVCs/Additional Contributions	13
Deferred Benefits	1
Tranches (DB)	60
Gross Pension (Pensioners)	43
Tranches (Pensioners)	519
Gross Pension (Dependants)	78
Tranches (Dependants)	18
Date of Leaving	108
Date Joined Scheme	110
Employer Details	14
Salary	730
Crystallisation	146
CARE Data	43
CARE Revaluation	0
Annual Allowance	689
LTA Factors	267
Date Contracted Out	8
Pre-88 GMP	648
Post-88 GMP	616
Total Fails	4,208
Individual Fails	3,221
Total Members	24,722
Accuracy Rate	87.0%

Appendices

In this section...

- Appendix A - Annual Activity

APPENDIX A LPPA ANNUAL ACTIVITY

Page 56

	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26
Annual Benefit Statement and Newsletter to Deferred Members	[Progress bar from Apr 25 to Aug 25]											
Pension Increases	[Progress bar from Apr 25 to May 25]											
P60s and Newsletter to Pensioners	[Progress bar from Apr 25 to May 25]											
Annual Benefit Statement and Newsletter to Active Members	[Progress bar from Apr 25 to Aug 25]											
Pension Saving Statements	[Progress bar from Apr 25 to Oct 25]											
McCloud Remedy	[Progress bar from Apr 25 to Aug 25]											
Pensions Dashboards connection	[Progress bar from Apr 25 to Oct 25]							[Progress bar from Oct 25 to Dec 25]				

LPP

Local Pensions Partnership
Administration

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 Brent	Pension Board 23 March 2026
Report from the Corporate Director, Finance and Resources	
LGPS Update Report	

Wards Affected:	All wards
Key or Non-Key Decision:	Non-Key
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
List of Appendices:	Seven Appendix 1 - LGPC Bulletin – October 2025 Appendix 2 - LGPC Bulletin – November 2025 Appendix 3 - LGPC Bulletin – December 2025 Appendix 4 - LGPC Bulletin – January 2026 Appendix 5 - LGPC bulletin – February 2026 Appendix 6 - Brent’s response to the consultation On the Local Government Pension Scheme England and Wales; Scheme Improvements (Access and Protections) Appendix 7 - MHCLG’s partial reply to responses to the Access and Protections consultation
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	Minesh Patel, Corporate Director, Finance and Resources minesh.patel@brent.gov.uk 020 8937 4043 Amanda Healy, Deputy Director of Finance amanda.healy@brent.gov.uk 020 8937 5912 Sawan Shah, Head of Finance sawan.shah@brent.gov.uk 020 8937 1955 John Smith, Pensions Manager

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

LGPS Statistics

3.2.1 On 22 October 2025, the Ministry for Housing, Communities and Local Government (MHCLG) published the LGPS statistics for 2024/25 and the highlights include;

- total expenditure of £19.1 billion, an increase of 11.7 per cent on 2023/24
- total income of £21.7 billion, an increase of 5.2 per cent on 2023/24
- employer contributions of £10.1 billion, a decrease of 3.9 per cent on 2023/24 - this reflects that some employers made advance payment of employer contributions the previous year
- employee contributions of £3.2 billion, an increase of 5.8 per cent on 2023/24
- the market value of LGPS funds on 31 March 2025 was £402.3 billion, an increase of 2.7 per cent since 31 March 2024
- 110,678 retirements in 2024/25, an increase of 11.2 per cent on the number of retirements in 2023/24

Budget 2025 - Salary sacrifice changes

3.2.2 The Government will limit the value of pension contributions made through salary sacrifice that can receive employee and employer national insurance contributions relief to £2,000 per year from 6 April 2029. The change will be implemented through primary and secondary legislation, which will be

introduced in due course. Guidance on this proposal has been published by the Government.

- 3.2.3 We are only aware of one employer in Brent who offers a shared cost salary sacrifice AVC scheme.

Budget 2025 - Inheritance tax

- 3.2.4 The Budget document confirms the Government's intention to proceed with its proposal to include certain unused pension funds and death benefits within the estate for inheritance tax (IHT) purposes for deaths after 5 April 2027

- 3.2.5 However, it is important to note that, in most cases, it will not affect the transfer of unused funds passed to spouses. The document sets out a mechanism that the Government will introduce to allow personal representatives (PRs) to direct pension scheme administrators to withhold 50 per cent of taxable benefits for up to 15 months from the date of death, where the PRs expect IHT to be due.

The Pensions Ombudsman issues guidance on recovering overpayment

- 3.2.6 On 16 December 2025, the Pensions Ombudsman (TPO) published Pension overpayments information for members and other beneficiaries of pension schemes. The information is designed to help them understand:

- What an overpayment is
- what obligations exist around repaying money that was overpaid
- what potential legal defences exist for specific situations that may mean they do not have to repay the money
- the requirement to engage with the scheme and provide evidence to support any of those defences
- what to expect from the scheme when an overpayment occurs
- how and when TPO can help if a dispute cannot be resolved with the scheme.

2026/27 employee contribution bands and Pensions in Payment

- 3.2.7 Table 1 below shows employee contribution bands, which will be effective from 1 April 2026. These are calculated by increasing the 2025/26 employee contribution bands by the September CPI figure of 3.8% and then rounded down to the nearest £100.

Band	Actual pensionable pay for an employment	Main section contribution rate for that employment (%)	50/50 section contribution rate for that employment (%)
1	Up to £18,400	5.5	2.75
2	£18,401 to £29,000	5.8	2.90
3	£29,001 to £47,300	6.5	3.25
4	£47,301 to £59,800	6.8	3.40
5	£59,801 to £84,000	8.5	4.25
6	£84,001 to £119,100	9.9	4.95
7	£119,101 to £140,400	10.5	5.25
8	£140,401 to £210,700	11.4	5.70
9	£210,701 or more	12.5	6.25

3.2.8 LGPS pensions are adjusted each April in line with the cost of living. The increase is measured by the annual increase in the Consumer Price Index (CPI) to September and is applied to pensions from the following April. The increase that will be applied from 6 April 2026 is 3.8%.

MHCLG responds to the consultation on Access and Fairness

3.2.9 MHCLG has announced its intention to implement the following measures with effect from 1 April 2026.

Death grants and survivors

3.2.10 The age 75 limit for paying death grants has been removed with effect from 1 April 2014. The Fund advocated removing it with effect from 6 April 2011 as that was when HMRC removed the limit in the Finance Act.

3.2.11 The requirement to pay death grants to the Estate after two years have elapsed since the Fund could reasonably have been aware of the death has been removed. This will be helpful in some cases as the special lump sum death charge will be avoided, but it is not a complete solution as we may still have to pay some death grants to the Estate.

3.2.12 The requirement for cohabiting partners to be nominated in respect of membership that ended between 1 April 2008 and 31 March 2014 has been removed. This embeds the existing understanding in legislation.

3.2.13 There are minor changes to pre-1 April 2008 children's pensions when a surviving partner's pension becomes retrospectively payable because of the consultation.

Qualifying additional pension arrangements (QAPAs)

3.2.14 The contributions attracting to periods of authorised leave of up to 14 days will be collected from members pay automatically (known as QAPAs).

- 3.2.15 The cost of buying back authorised leave without pay (LWOP) of more than 14 days will now be based on the member's pay and contributions had they had they been at work.
- 3.2.16 The time limit for repaying a QAPA is increased from the current 30 days to one year provided the purchaser is an active member in the same employment.
- 3.2.17 LWOP purchased by QAPAs will include dependant's benefits, unlike the existing APCs.
- 3.2.18 The current cap on LWOP of up to three years has been removed and there is no longer a limit.
- 3.2.19 The new rules will apply to absences that commence after 31 March 2026 and, otherwise, the existing rules will continue to apply.

Unpaid maternity leave

- 3.2.20 Paid maternity, paternity and adoption leave is pensionable but unpaid additional maternity leave, unpaid additional adoption leave and unpaid shared parental leave will become pensionable for periods that commence after 31 March 2026, and the pension benefits will be based on assumed pensionable pay (APP).
- 3.2.21 Unpaid additional child related leave that commenced before 1 April 2026 would have to be purchased by an APC under the existing arrangements.

The gender gap

- 3.2.22 The Secretary of State issued actuarial guidance on reporting the gender pensions gap (GPG) on 3 February 2026. It sets out how the GPG should be reported for the 2025 actuarial valuation.
- 3.2.23 The compulsory simple gender pension gap reporting introduced in the 2025 valuation report will be replaced by more complex reporting from 2028 onwards.

Pension commencement excess lump sums (PCELS)

- 3.2.24 Where a pension commencement lump sum exceeds £268,275, the maximum pension commencement excess lump sum (PCELS) must not exceed 25% of the capital value of the benefits being crystallised, but the excess (above £268,275) will be taxed at the member's marginal rate. The new limit will apply to PCELS paid after 31 March 2026

De minimus payments

- 3.2.25 Members who left after 31 March 2008 whose total benefits in the LGPS are valued at less than £10,000 can commute their LGPS pension to single lump sum payment. This is known as a de minimus payment (also known as a small

pot payment). This facility has been extended to members who left before 1 April 2008 who meet the relevant criteria.

Fit for the future consultations

- 3.2.26 Two consultations were launched towards the end of 2025 linked to the wider 'Fit for the Future' reform programme for the Local Government Pension Scheme (LGPS) in England and Wales.
- 3.2.27 On 20 November 2025, the Ministry of Housing, Communities and Local Government (MHCLG) commenced a further 'technical consultation'. This follows the earlier consultation launched in November 2024, which set out significant proposals to strengthen the structure, investment approach and governance arrangements within the Scheme.
- 3.2.28 It sought views on two draft statutory instruments:
- LGPS (Pooling, Management and Investment of Funds) Regulations 2026
 - LGPS (Amendment) Regulations 2026.
- 3.2.29 The Pooling, Management and Investment of Funds Regulations, are intended to replace the 2016 investment regulations. They aim formalise requirements around asset management, local investment and reporting on pooled assets.
- 3.2.30 The amendment regulations are designed to deliver the policy proposals from the governance chapter of the Fit for the Future consultation with sections on Governance, training and conflict of interest strategies, Senior LGPS officer, independent person, knowledge and understanding and, independent governance reviews.
- 3.2.31 Officers prepared and submitted a response to the consultation on behalf of the Fund by the deadline.
- 3.2.32 A second 'closed' consultation was launched by the government on 8 December 2025 on three draft statutory guidance documents to accompany the new legislation. The guidance covered asset pooling, preparing and maintaining an investment strategy statement and fund governance. This guidance was distributed to all administering authorities and pools with a request for feedback by 12 January 2026.

Access and Protections consultation

- 3.2.33 The Government consulted on LGPS (England and Wales): Scheme improvements (access and protections) on 13 October 2025.
- 3.2.34 Brent sent its response to the consultation to MHCLG on 22 December 2025, attached in Appendix 6.
- 3.2.35 The government issued a partial response to replies focusing on elected members on 22 February 2026, attached in Appendix 7.

3.2.36 The Government intends to offer mayors and councillors access to the LGPS and it has dismissed concerns about the cost by pointing to the strong funding positions reported in the 2025 valuation.

3.2.37 The Government has noted concerns about the May elections and the Statutory Instrument will come into force on the 11 May 2026, although it accepts that LGPS software providers may take some time to catch up, and ABS will not be required until August 2027.

3.2.38 The Government has decided that mayors and councillors will enter the scheme by opting-in, rather than by auto-enrolment, but the 50-50 scheme will operate in the same way as it does for other members.

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 Equity, 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

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LGPC Bulletin 269 – October 2025

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

- [Access and Protections consultation launched](#) (England and Wales)
- [September 2025 CPI rate announced](#)
- [Pensions dashboards – an update on aligning illustration dates](#)
- [a GAD update on the pension debits and redundancy](#)
- [unpaid LGPC subscriptions](#).

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

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LGPS England & Wales

LGPS Statistics for 2024/25 published

On 22 October 2025, the Ministry for Housing, Communities and Local Government (MHCLG) published the [LGPS statistics for England and Wales 2024 to 2025](#).

Highlights in the report include:

- total expenditure of £19.1 billion, an increase of 11.7 per cent on 2023/24
- total income of £21.7 billion, an increase of 5.2 per cent on 2023/24
- employer contributions of £10.1 billion, a decrease of 3.9 per cent on 2023/24
- employee contributions of £3.2 billion, an increase of 5.8 per cent on 2023/24
- the market value of LGPS funds on 31 March 2025 was £402.3 billion, a 2.7 per cent increase compared to 31 March 2024
- 110,678 retirements in 2024/25, an increase of 11.2 per cent on the number of retirements in 2023/24.

The reduction in employer contributions is a result of some employers making advance payments during the first year of the three-year contributions period which started in April 2023.

LGPS ‘Access and protections’ consultation launched

On 13 October 2025, MHCLG launched a consultation on changes to the LGPS in England and Wales. The proposals relate to access to the Scheme and its benefits and cover four main areas:

- normal minimum pension age (NMPA)
- pension access for mayors and councillors
- academies in the LGPS
- new Fair Deal.

The Government published draft regulations for comment covering new Fair Deal and pension access for mayors and councillors alongside the consultation.

Draft regulations covering NMPA and academies will be published for consultation later in 2025.

You can read the consultation document and access the draft regulations on the [LGPS: Scheme improvements \(access and protections\) consultation](#) page of the GOV.uk website. We have summarised the key proposals below.

Normal minimum pension age

Provisions of the Finance Act 2022 mean that some LGPS members have a protected pension age (PPA). The PPA rules do not give members an overriding right to take benefits from their PPA, they simply determine whether benefits paid under the pension scheme rules before the NMPA are authorised. Members can only take benefits from their PPA if the pension scheme rules allow it.

The Government is proposing changes that will allow certain members to continue to access their LGPS benefits before age 57 after the NMPA rises in April 2028. Our understanding of the four categories of members is:

- **Category 1:** members immediately before 4 November 2021. These members have a protected pension age (PPA) and will continue to be able to take LGPS benefits from age 55.
- **Category 2:** members who joined the LGPS after 3 November 2021 and transferred in benefits with a PPA from a different scheme. These members do not have a PPA in respect of their LGPS pension and will not be able to access their transferred in pension from age 55. From April 2028, the earliest a Category 2 member will be able to access their LGPS pension, other than on ill health grounds, will be age 57. The transferred in benefits retain a PPA. If the member transfers out of the LGPS, the transfer value of their pension with a PPA must be identified separately.
- **Category 3:** members who join the LGPS after 3 November 2021 do not have a PPA in the LGPS. Their NMPA will increase to 57 in April 2028.
- **Category 4:** members with a PPA below age 55. No change – members who are already able to take benefits between age 50 and 55 will continue to be able to do so.

Access for councillors and mayors

- mayors and deputy mayors of combined authorities and combined county authorities, and mayors of single authorities (in their capacity as councillors not their role as mayors) will have access to the LGPS

- councillors of county councils, district councils, London Boroughs, the Common Council of the City of London and the Council of the Isles of Scilly will have access to the LGPS
- the Mayor of London, deputy mayors and London Assembly Members will have access to the LGPS
- mayors and councillors will be able to opt in to the 2014 Scheme, membership will not be automatic
- not all Scheme rules will apply to elected members in the same way that they apply to employees. There will be changes to the rules covering aggregation, redundancy, flexible retirement, shared cost additional contributions and awarding additional pension
- these proposals do not affect councillors in Wales. They will continue to have access to the Scheme under the LGPS Regulations 1997.

It is our understanding that a unitary council, depending on its structure, is either a county or district council. This means councillors of unitary councils will have access to the LGPS.

Academies

The Government is proposing changes to the rules covering applications by academies for a direction to substitute a different administering authority:

- removing the requirement for Secretary of State consent where criteria set out in regulations are met
- those criteria will include:
 - a value for money assessment in favour of the application
 - a pre-existing relationship between the multi academy trust and the administering authority it wishes to consolidate into
 - all administering authorities and employers involved agree to the change
 - the receiving authority is able to administer the transfer effectively
- applications to the Secretary of State will still be required if the criteria are not met.

New Fair Deal

Following consultations in 2016 and 2019, the Government is committed to extending protections set out in [2013 Fair Deal guidance](#) to LGPS members and individuals eligible for LGPS membership who are transferred to a new employer when a local government contract is outsourced. The proposals are summarised below and would apply to all LGPS employers except admission bodies and higher education corporations:

- the removal of the option to offer transferred employees membership of a broadly comparable scheme, but allowing existing schemes to continue in exceptional circumstances
- on re-tender, staff who were outsourced under existing rules and are in a broadly comparable scheme will rejoin the LGPS. Transfers of benefits from the broadly comparable scheme to the LGPS for this group will operate under preferential terms
- the option to give access to the LGPS to staff hired after the initial outsourcing
- the removal of the admission body option when a contract is outsourced, replacing it with the deemed employer route
- the organisation that has outsourced the service would be the 'deemed employer' and have continued pension responsibilities relating to the transferred staff
- the service provider or 'relevant contractor' would have some responsibilities as an LGPS Scheme employer, such as dealing with applications to join or leave the Scheme, automatic enrolment duties, ill health retirement decisions and payment of any strain cost related to early retirements or award of additional pension
- employer contribution rates would be based on the primary contribution rate of the deemed employer. This would either be fixed for the term of the contract or subject to change in line when the rate changes following the triennial valuation
- protection for members with an ongoing shared cost additional pension contribution or shared cost additional voluntary contribution contract when they are compulsorily transferred to a new employer. The Government is seeking views on different options
- a six-month transitional period during which contracts could be agreed under the existing rules rather than the new ones.

Next steps

The LGA and LGPC will submit a joint response to the consultation before it closes on 22 December 2025. We will share that response with administering authorities before the closing date.

Action for administering authorities

Share details of the consultation with Scheme employers, particularly academies, other employers that outsource services and those with elected members. Consider submitting a response.

The 2025 valuation for academies – DfE ‘Power Hour’

On 26 September 2025, the Department for Education (DfE) ran a session on the 2025 valuation for academies. Representatives from administering authorities and actuaries provided a breakdown of the valuation process, shared key insights and answered questions from attendees.

A [live recording of the DfE’s LGPS Power Hour](#) is available on YouTube. DfE is keen for administering authorities to share the recording with academy employers.

Action for administering authorities

Share the link to the live recording with academy employers.

LGPS Scotland

SAB annual report for 2023/24

The Scottish LGPS Scheme Advisory Board (SAB) has published its [annual report for 2023/24](#).

The report is for LGPS members, employers, and other stakeholders. It covers:

- the work of the Board over the 2023/24 year
- a summary of the financial position of LGPS funds in Scotland
- statistics on membership, benefits, contributions and investments.

HMRC

Pension schemes newsletter 174

On 30 October 2025, HMRC published [Pension schemes newsletter 174](#). The newsletter includes articles on:

- the requirement for pension scheme administrators to be UK resident from April 2026
- an invitation to participate in user research on reporting overseas transfers to HMRC
- the tax implications of returning a pension commencement lump sum.

Other news and updates

McCloud template letters updates

We published a new version of the McCloud template letters and disclosure wording (v2.1) on 6 October 2025. The new version includes a template letter for survivors or beneficiaries who are due an additional payment or payments as the result of a deceased member's McCloud protection.

The template covers death grant top-up payments and increases to survivor pensions. We have also included notes about using the template. We have not published a version with tracked changes because the only change is the addition of this new template and notes in Part 3.

You can find the McCloud templates on our websites:

- [Administrator guides and documents \(England and Wales\)](#)
- [Administrator guides and documents \(Scotland\)](#)

We would like to thank the members of the Communications Working Group for drafting the letter.

Redundancy and pension debits – an update from GAD

Following an administering authority query, we recently sought clarification from GAD on the treatment of a divorce debit when a member retires early on the grounds of redundancy or efficiency. This is covered in:

- paragraph 4.9 of the [LGPS \(England and Wales\) Application of a pension debit for divorced members](#) guidance note dated 3 July 2024, and
- paragraph 4.8 of the [LGPS \(Scotland\) Application of a pension debit for divorced members](#) guidance note dated 17 April 2025.

The guidance states that 'the debit should be reduced or increased in accordance with the early retirement or late retirement guidance in force **in exactly the same way as the corresponding benefit**'. One interpretation is that the debit should not be reduced when a member retires early with no actuarial reduction to their pension, because they are made redundant, for example.

GAD has confirmed that an age-related actuarial adjustment should apply to the pension debit when a member retires early, irrespective of whether the member's pension is reduced. GAD plans to refine the wording of the guidance when it is next reviewed to remove any ambiguity.

Action for administering authorities

Review your procedures to make sure that pension debits are reduced in all early retirement calculations, even in cases where the member's pension is not reduced.

Unpaid invoices – LGPC subscriptions

Invoices for the 2025/26 LGPS subscription were issued on 4 September 2025 with a pay by date of 4 October 2025. Our finance system shows that the authorities listed below have not paid. If you would like a copy of your invoice, or you have paid the invoice, please email query.lgps@local.gov.uk. Please attach the remittance advice if the invoice has been paid.

- Hackney
- Bromley
- Merton
- Nottinghamshire
- Oxfordshire
- Tower Hamlets
- Enfield
- Fife
- Haringey
- Islington.

September 2025 CPI rate announced

On 22 October 2025, the Office for National Statistics announced the [annual rate of increase in the Consumer Prices Index \(CPI\) for September 2025 as 3.8 per cent](#).

Government policy in recent years has been to base increases under the Pensions (Increase) Act 1971 and revaluation of pension accounts under section 9 of the Public Service Pensions Act 2013 on the annual rate of increase in CPI in September of the previous year. We await confirmation from Government that the revaluation and pensions increase that will apply to LGPS active pension accounts, deferred pensions and pensions in payment in April 2026 will be 3.8 per cent.

CWG minutes published

We have published the minutes of the Communications Working Group (CWG) meeting held on 2 October 2025. At the meeting the group discussed:

- subgroups and the workplan for 2026/27
- members websites and accessibility
- member and employer engagement

- Pension Awareness Week 2025
- the latest on McCloud, pensions dashboards and recent Government consultations.

You can read the minutes from all past CWG meetings on:

- the [Communications working group page \(England and Wales\)](#) and
- the [Communications working group page \(Scotland\)](#).

NI database penetration testing

Penetration testing of the National Insurance (NI) database is underway and is due to end on 3 November 2025. During testing there may be some downtime or slow loading times. The penetration testing will be performed using the fund name 'Test Fund – IGNORE RECORDS'.

We apologise for any inconvenience this causes, but the testing is essential to maintain the security of the database.

McCloud remedy

McCloud member webinars feedback

Affinity Connect has been delivering webinars on McCloud to LGPS members in England, Wales and Scotland since March. Attendance and quantitative feedback from the sessions so far is summarised below.

- 117 webinars delivered
- 1,911 attendees
- 4.8/5 score for the presenter's general financial knowledge and presentation skills
- an increase in knowledge about the subject as a result of attending the webinar – from 2.7/5 before the webinar to 4.2/5 after
- 4.4/5 score for the content being easy to follow
- most attendees would recommend the webinar to a colleague – this scored 4.7/5
- almost two thirds (65.8 per cent) of attendees requested a follow-up call.

Qualitative feedback was also very good, positives that were frequently mentioned include:

- the presentation was useful, informative, clear and well-presented
- welcoming, professional and knowledgeable presenters

- the webinar improves understanding of how the pension works and what options are open to members
- attendees wishing they had known about some features of the pension scheme earlier, particularly paying extra.

We will continue to work with Affinity Connect to improve the webinar in response to member feedback. In particular, the feedback included a number of requests for more information about the 85-year rule. The feedback suggests that the McCloud remedy is not the highest priority for LGPS members, mainly because they do not have to take any action or decision because of the remedy. The feedback shows that members value an improved understanding of the Scheme rules and member options. We will work with Affinity Connect to develop the webinars to ensure they deliver what is most important and useful to members.

There is more information about the webinars and a link to book a place on the member websites:

- [McCloud webinars \(England and Wales\)](#)
- [McCloud webinars \(Scotland\)](#).

Action for administering authorities

Inform members about the webinars on websites and newsletters and encourage Scheme employers to do the same.

Pensions dashboards

Key milestone

This month marks a key milestone for the pensions dashboard project with 31 October 2025 being the scheduled connect by date for public service pension schemes.

We would like to take this opportunity to remind you of [TPR's pensions dashboards guidance](#) and the resources available from the LGA:

- Pensions dashboards connection guide
- Pensions dashboards AVCs guide.

You can find these on:

- [Administrator guides and documents \(England and Wales\)](#)
- [Administrator guides and documents \(Scotland\)](#)

We hope to publish the Memorandum of Understanding (MoU) next week for use between administering authorities and AVC providers. The MoU will set out the respective responsibilities and obligations related to meeting pensions dashboard requirements in respect of AVC data. See [Bulletin 266](#) for more information.

Aligning illustration dates: update

In response to queries from administering authorities, we recently sought clarification from the Department for Work and Pensions (DWP) on the alignment of illustration dates under the Pensions Dashboards Regulations 2022.

Regulation 26(3)(b) of the Regulations requires all value data provided by a scheme to share the same illustration date. However, misalignment can occur in several scenarios. For example, where a member has multiple employments with differing annual benefit statement dates, or where the illustration date for an AVC plan does not match that of the main scheme benefits. These are just two examples; there are likely to be others.

In response, DWP acknowledged the operational challenges:

We recognise that consistently aligning illustration dates across multiple records is operationally complex, particularly given the presence of multiple data sources, manual calculations, and varying system capabilities. We also acknowledge the significant administrative effort required to identify affected members and enforce uniform illustration dates across all records. We are considering the phrasing of the regulations and use of common illustration dates and will notify you once a final view is reached on the issue. In the meantime, The Pensions Regulator (TPR) has issued [guidance](#) that addresses this issue and outlines a pragmatic approach to enforcement.

Our interpretation of DWP's response:

- **Acknowledgement of the issue:** DWP recognises the complexity and administrative burden.
- **Regulatory review underway:** DWP is actively considering options, including potential changes to the regulations.
- **Pragmatic enforcement:** TPR is expected to take a proportionate approach where breaches relate specifically to illustration dates.

TPR's guidance (Section 5) states:

In many situations, schemes may not yet be using the same illustration date across all their sections or benefit types. In some complex situations, schemes may take a considerable time and effort to align the illustration dates. If your scheme is in this situation, and likely to be in breach when your scheme connects to dashboards, you should consider our guidance and assess whether to report a breach of law to us.

We hope that consumer testing will support a change to the Dashboard Regulations, recognising this as a sector-wide issue, not one unique to the LGPS. However, as regulatory amendments are not guaranteed, it would be prudent to keep this issue on your radar.

Pensions dashboards webinar

TPR is holding a free dashboards webinar at 2.30pm on 3 December 2025. The purpose of the webinar is to prepare schemes for dashboards duties.

TPR expects most administering authorities to connect by 31 October 2025, in line with the date set in DWP guidance. This webinar may be a useful resource for the small number of authorities that will connect later. [Find out more about the TPR winter pensions dashboards webinar](#) and book your place online.

MoneyHelper pensions dashboards testing – update

The next stage of pensions dashboards testing began in October, with a low volume of individuals using a real dashboard with real pensions data. This is in line with the [Pensions Dashboards Programme's \(PDP\) approach to consumer testing](#).

You can find out more about pensions dashboards testing:

- in the [PDP blog on dashboards and consumer testing](#)
- in PDP Principal Chris Curry's [blog on testing the MoneyHelper dashboard](#)
- by watching the [2 minute video on using a dashboard for the first time](#).

Training

Administrator and employer training

We will be publishing our 2026 training programme next month. However, we still have some availability on the courses covered by the 2025 programme:

Aggregation training

- [Aggregation training - London 4 December 2025](#)
- [Aggregation training - Online 11 December 2025](#)

Understanding transfers out training

- [Understanding LGPS Transfers Out - Online 4 February 2026](#)
- [Understanding LGPS Transfers Out - Online 18 March 2026](#)

Understanding transfers in training

- [Understanding LGPS Transfers In - Online 19 February 2026](#)
- [Understanding LGPS Transfers In - Online 25 March 2026](#)

These events are available to book via the [LGA events website](#). Each course page provides information on the programme, pricing and the booking link.

For more information on all available training courses, please visit [LGPS Training and Development](#).

For any further enquiries, please contact us at training.lgps@local.gov.uk.

Fundamentals training

Our Fundamentals training is now underway with day one already complete. There is still availability to attend days two and three online and limited capacity to attend day three in person.

Bookings can be made using the [LGA events website](#) or the individual event links below:

[Fundamentals Day 2 training – Online 13 and 20 November 2025](#)

[Fundamentals Day 3 training – London 3 December 2025](#)

[Fundamentals Day 3 training – Online 9 and 16 December 2025](#)

Please review the [course programme](#) for further details. Timings apply to the in-person London sessions only.

Each online session will be delivered over two half days using Zoom. You only need to complete one booking per day - this will automatically book you on both half days. Please note, it is not possible to book for a half day.

LGPS Governance Conference 2026

Our 2026 governance conference is being held in Cardiff on Thursday 29 January and Friday 30 January 2026. You can attend in person or online. Places are selling fast - at the time of writing there are only 18 in-person places remaining. [Book now to attend the LGPS Governance Conference 2026.](#)

The conference is aimed at officers, pension committee and local pension board members. It brings together LGPS professionals for two days of insightful discussions, expert analysis and valuable networking.

The conference promises an insightful and comprehensive programme, including:

- **LGPS: fit for the future:** kick off the conference with a strategic discussion on where the LGPS is heading and what it needs to thrive.
- **Balancing the LGPS equation: legislation, administration and leadership:** explore the interplay between regulation and real-world delivery.
- **Pensions dashboards:** get up to speed on dashboards.
- **Pooling: LGPS relationships in transition:** with some pools welcoming new funds, this session examines how investment governance is evolving.
- **MHCLG update:** receive a direct update from MHCLG - covering regulatory changes, consultations and national strategy.
- **Implications of Local Government Reorganisation:** understand the impact of structural changes in local government on pension governance and administration.
- **Peer support: sharing LGPS good governance experience:** learn from real-world examples of strong governance, including tools, frameworks and shared experiences.
- **Being an effective pension committee or board member:** this session explores the role of a committee or board member—what good looks like, how to add value and how to navigate responsibilities with confidence.
- **Investment outlook:** finish with an expert view on economic and market trends.

LGPS England & Wales Scheme Advisory Board (SAB)

Board's inaugural Annual Assembly

The Board held its inaugural Annual Assembly on 22 October 2025 in Bevin Hall at the LGA offices. It was chaired by Scheme Advisory Board Chair Cllr Roger Phillips. The event was well attended, sessions included:

- an address from MHCLG

- a panel session with board and committee chairs from funds across England and Wales
- an update on the Board's priorities and ongoing work
- an update on current training initiatives within the LGPS
- an update on implementation of the governance changes that were proposed in the [Fit for the Future consultation](#)
- an insightful session from LGA colleagues on peer support review and how this could be applied to the LGPS.

The Board thanks all the pension committee and board chairs who attended this event. The Board is committed to increasing the opportunities for engagement between stakeholders across the Scheme.

LGPS statistics for 2025/26

MHCLG is reviewing the data requested in this exercise to ensure it provides ministers with information on the areas they are most interested in. While it is understood that no major changes are planned, funds are invited to share feedback on the process or data requirements. Please send any comments to sabsecretariat@local.gov.uk by 9 November 2025.

Letter to Minister on PSC letter and position paper

The Board made an initial statement on 29 August 2025 in response to the letter and [Palestine Solidarity Campaign \(PSC\) position paper](#) dated 27 August 2025 which were received by many funds. The letter called on funds to divest from investments that are seen to support the conflict in the Occupied Palestinian Territories. A [further Board statement](#) was made on 18 September 2025. The Board published a [letter to the Local Government Minister](#), Alison McGovern MP, sent on 13 October 2025, which asks whether there is a view from the UK Government on the key legal question of whether obligations arise for administering authorities from international law.

CIPFA's Code of Practice on Local Authority Financial Reporting consultation

[CIPFA's Consultation on the 2026/27 Code of Practice on Local Authority Financial Reporting in the UK](#) focusses on the Code that will apply to accounting periods starting on or after 1 April 2026. The Board has published its [response to the CIPFA consultation](#). The Board's comments are limited to proposals specifically related to the proposed decoupling of local government pension fund accounts from those of their host administering authority. Colleagues from the wider LGA finance team have made a fuller response, and the Board supports the comments made in that response.

Survey - Understanding diversity of representation in the LGPS

The Board recently conducted a survey to understand the diversity of decision makers within the LGPS. On 9 October 2025, the Board published a [report presenting the finding from the diversity survey](#). The survey was distributed to all pension fund managers and received responses from 38 funds.

Pooling governance guidance roundtables

In light of the reforms confirmed by the [Government's response to the Fit for the Future consultation](#) and provided for in the [Pension Schemes Bill](#), MHCLG has asked the Board to convene roundtables to discuss pool governance guidance documents. The Board will hold the following sessions:

- 27 November 2025 from 11am to 1pm - for investment and senior fund officers
- 14 November 2025 from 11am to 1pm - for pool representatives.

Both sessions will be taking place on a hybrid basis - by Microsoft Teams and in person at the LGA offices. Other stakeholders, such as Scheme member representatives, may also be allowed to attend one of the sessions as appropriate on request to the SAB secretariat.

Invitations to these roundtables have been sent to the pools and funds using data from Your LGPS Contacts database. 52 fund officers are currently signed up for the fund session, representing over 35 funds. Please contact sabsecretariat@local.gov.uk if you would like to attend.

Reminder – submit your fund annual report for 2024/25

The SAB publishes fund annual reports on the SAB website and uses the data contained in the reports to pull together the [Scheme Annual Report](#). The Scheme Annual Report provides a single source of information about the status of the LGPS for its members, employers and other stakeholders. When fund annual reports for 2024/25 are published, please send them to sabsecretariat@local.gov.uk – these can be draft or final reports. The deadline for this is 1 December 2025.

The Secretariat will be reviewing the Annual Reporting guidance to examine what changes may be needed to reflect the governance changes that are currently being taken forward following the [Fit for the Future consultation](#). This also presents an opportunity to review the guidance more generally and address any issues or suggestions funds have to improve it. Please do let the SAB Secretariat team know if you have any feedback on the current guidance, or how you would like to see it evolve.

SAB website

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

- [a summary of the last SAB meeting in July 2025](#)
- [latest news](#)
- [committee meetings including agenda papers](#) for meetings which took place in October and November 2025
- [Responsible Investment Advisory Group \(RIAG\) agenda and reports](#) from the meeting which took place in October 2025.

TPR

2025 scheme return

The Pensions Regulator (TPR) sent scheme return notices to managers of public service pension schemes in October 2025. TPR used the contact information in the online [Exchange](#) service to contact pension managers.

Administering authorities must complete the return within six weeks of receiving the scheme return notice. This is a legal requirement.

There are no new questions in this year's scheme return. The section previously called 'Record keeping' has been updated to reflect the general code and TPR's expectations. This section is now called 'Scheme member data quality'.

Find out more about the [Public service scheme return](#) on TPR's website.

Wider landscape

PASA guidance on AI in pensions administration

On 28 October 2025, the Pensions Administration Standards Association (PASA) published new [guidance on the use of AI in pensions administration](#). The guidance provides practical support for schemes to understand the opportunities and risks of adopting Artificial Intelligence (AI) in pension administration.

You can find out more about the guidance in the [PASA press release](#).

PASA accreditation showcase webinar

PASA is running a webinar on 5 November 2025 from 12.30 to 1.30 pm covering PASA accreditation. You can [find out more about the webinar and book your place](#) online.

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 270 – November 2025

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

- [Fit for the Future – technical consultation](#) (England and Wales only)
- [LGA and LGPC response to consultation on changes to LGPS Scotland](#)
- [TPR publish revised data quality guidance](#)
- [Deputy Pensions Ombudsman clarifies ‘transfer credits condition’](#)
- [AVCs template MoU and guidance notes](#).

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

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LGPS England & Wales

Fit for Future – technical consultation

MHCLG launched the ‘Fit for the Future – technical consultation’ on 20 November 2025. The consultation runs for six weeks and closes on 2 January 2026.

It seeks views on two draft statutory instruments:

- LGPS (Pooling, Management and Investment of Funds) Regulations 2026
- LGPS (Amendment) Regulations 2026.

The aim is to confirm whether these instruments deliver the policy proposals set out in the earlier ‘Fit for the Future’ consultation. We covered this in bulletins [257](#), [259](#), [264](#) and [265](#).

The LGPS (Pooling, Management and Investment of Funds) Regulations 2026 will replace the LGPS (Management and Investment of Funds) Regulations 2016 and give legal effect to proposals in the pooling and local investment chapters of the consultation.

The LGPS (Amendment) Regulations 2026 will amend the LGPS Regulations 2013 and implement the governance proposals from the consultation.

Both sets of regulations will be supported by guidance.

MHCLG intends the final regulations to come into force on 1 April 2026, subject to the timing of the Pension Schemes Bill through Parliament.

We will respond to the technical consultation before the closing date.

You can read the consultation documents on the [Scheme consultations](#) page of www.lgpsregs.org.

LGPS Scotland

LGA and LGPC response to consultation

We have published the joint response from the LGA and LGPC to the consultation on proposed changes to the LGPS Scotland. The response was published on 18 November 2025 and is available alongside the consultation documents on the [Scheme consultations](#) page of www.scotlgpsregs.org.

The consultation ran from 2 September to 25 November 2025 and sought views on the draft LGPS (Scotland) (Amendment) Regulations 2026.

The response broadly supports the proposed changes but raises several technical issues. It calls for clarity on timings and transitional arrangements and, in some areas, recommends delayed implementation and additional guidance.

Scottish LGPS Advisory Board

Summary of investments responses published

On 6 November 2025, the Board published a [summary of responses](#) from all 11 Scottish administering authorities. The summary sets out current and planned investments in Scottish infrastructure projects and Scottish equities.

The publication followed a request from Scottish Ministers. In response, the Board asked authorities to provide information on:

- the amount and proportion of assets invested in Scottish equities
- the amount and proportion of assets invested in Scottish infrastructure.

TPR

Enforcement strategy consultation – LGA / LGPC response

On 11 November 2025, we published a response on behalf of the LGA and LGPC to TPR's consultation on its proposed enforcement strategy.

The response broadly supports TPR's approach, welcoming its agile, risk-based and preventative framework. However, it calls for greater transparency in enforcement decision-making and clearer success metrics to measure effectiveness.

TPR ran the consultation from 16 September to 11 November 2025. We previously covered this in [bulletin 268](#).

You can find all consultation documents, including the LGA and LGPC response, on the:

- [non-scheme consultations](#) page of www.lgpsregs.org
- [non-scheme consultations](#) page of www.scotlgpsregs.org.

TPR publishes revised data quality guidance

The Pensions Regulator (TPR) has released [revised member data guidance](#), bringing all its data-related resources together in one place.

The revised guidance sets out clearer expectations for schemes and includes best practice examples to help improve data management capability. The guidance explains how:

- scheme managers are ultimately accountable for data quality, even if tasks are delegated to administrators
- scheme managers must ensure regular data assessments, review reports, and submit accurate data scores in their scheme return
- scheme managers should have a clear data management strategy, allocate resources for improvements, and challenge service providers where standards are not met.

The revised guidance follows TPR's [recent report on its regulatory initiative](#), which targeted schemes at risk of falling short on data quality standards. Through this initiative, TPR asked schemes to demonstrate compliance, encouraged improvements, and gathered insights to refine its communications and guidance. The key findings include:

- while most schemes have made progress on cleansing personal data for dashboards, value data, used to calculate benefits, is often overlooked
- improvement plans are frequently informal or fragmented, and trustee engagement ranges from proactive oversight to near-complete reliance on administrators
- controls and trustee focus vary widely. In many cases, administrators lead data assessments with limited trustee scrutiny.

TPR is now scrutinising the data preparations of the UK's largest schemes and will expand its engagement in 2026. Trustees and scheme managers need to be ready to demonstrate how they are maintaining their member data in line with legal requirements and TPR expectations. Schemes unable to demonstrate compliance may face formal intervention, including improvement notices.

Action for administering authorities

Review the revised data quality guidance.

TPR blog on pension scams

On 27 November 2025, TPR published [a blog about pension scams](#). The blog marks an important milestone: the fifth anniversary of TPR's 'Pledge to Combat Pension Scams'.

The blog also accompanies recent updates to the pledge and the launch of a new campaign. In the blog, TPR reviews the significant progress industry has made, what still needs to be done and the way ahead.

Other news and updates

Budget 2025

On 26 November 2025, Rachel Reeves, Chancellor of the Exchequer, delivered the [Budget 2025](#).

Points of interest for LGPS administering authorities include:

- **Salary sacrifice changes:** From 6 April 2029, the Government will limit the value of pension contributions made through salary sacrifice that can receive employee and employer national insurance contributions relief to £2,000 per year. The change will be implemented through primary and secondary legislation, which will be introduced in due course. [Guidance on this proposal](#) has been published by the Government.
- **Stamp duty land tax (SDLT) relief:** The Government will amend Stamp Duty Land Tax rules to provide for a time-limited SDLT exemption for transfers of real estate assets from LGPS member funds into qualifying pools. The aim is to facilitate compliance with the Government's pooling requirements. This will be legislated for in the Finance Bill 2026-27. We understand the relief will be available for 5 years from the date of implementation.
- **Inheritance tax:** The Budget document reaffirms the Government's intention to proceed with previously announced proposals to include certain unused pension funds and death benefits within the estate for inheritance tax (IHT) purposes for deaths after 5 April 2027. On the same day as the Budget, the Government also published a [policy paper on the proposals](#). This sets out that the Government will introduce a mechanism for personal representatives (PRs) to direct pension scheme administrators to withhold 50 per cent of taxable benefits for up to 15 months from the date of death, where the PRs expect IHT to be due.

Other pension-related announcements include:

- confirmation of next year's increase to the basic and new State Pension
- a commitment to maintain the triple lock for the duration of the current Parliament
- amendments to the rights of overseas residents to top up their State Pension by paying class 2 voluntary national insurance contributions
- measures to ease the administrative burden for pensioners whose sole income is the basic or new State Pension without increments, so they will not need to pay small amounts of tax via simple assessment from 2027–28, even if the State Pension exceeds the personal allowance.

PASA publishes new data quality guidance and a data improvement plan template

Following the publication of TPR's revised data quality guidance (see [earlier article](#)), the Pensions Administration Standards Association (PASA) published new data quality guidance and a data improvement plan template through its Data Working Group. These resources help pension schemes respond to TPR's revised member data guidance.

TPR's revised guidance asks schemes to check member data against six key dimensions: accuracy, completeness, consistency, timeliness, uniqueness and validity. PASA's guidance explores each dimension and provides practical detail on how schemes can assess and improve the quality of member data across these areas.

The accompanying data improvement plan template provides schemes with a structured framework to plan, document and deliver data improvement activity. It can be adapted to suit each scheme and helps trustees, administrators and advisers set up clear, auditable data improvement processes.

For more details, and links to the guidance, read [PASA's press release](#).

PASA Issues guidance on digital transformation

On 23 November 2025, PASA released the first part of a new three-part guidance series from its Digital Administration Working Group.

The publication 'Delivering Effective Digital Transformation' offers practical guidance for pension schemes embarking on, or progressing through, digital transformation. It outlines how schemes can establish the right frameworks, technologies and cultural mindset to ensure successful and sustainable digital change.

The next part of the series will be published in January 2026. It will provide actionable strategies and planning frameworks for delivering digital transformation, regardless of scheme size or digital maturity.

For more details and to access the full guidance, see [PASA's press release](#).

Deputy Ombudsman clarifies 'transfer credits condition'

On 30 September 2025, the Deputy Pensions Ombudsman ruled on [case CAS-78486-R8D8](#). The decision clarifies how the 'transfer credits condition' under the Pension Schemes Act 1993 should be interpreted.

The member transferred their defined benefit pension to a Small Self-Administered Scheme in 2015. The member argued that the transfer should not have occurred because they did not have a statutory right to transfer as they had no earnings from any source at the time, and therefore the 'transfer credits condition' was not met.

To be a statutory transfer, the receiving occupational pension scheme must use the cash equivalent transfer value to secure 'transfer credits', which are defined in the legislation as rights allowed to a member as an 'earner' under the rules of the receiving scheme.

The Deputy Ombudsman dismissed this argument, ruling that the condition was met. Her full reasoning is set out in paragraphs 59 to 76 of the decision. It is based on her interpretation that references to an 'earner' in this context refer to the benefits on transfer being limited to the type of rights an earner could acquire as a member of the scheme. It is not dependent on the individual's earning status.

The complainant's representatives referenced the 2016 case of [Hughes v Royal London](#). In this case the Court also considered the 'transfer credits condition', in particular, whether the member needed to be an earner from a sponsoring employer of the receiving scheme, or whether earnings from any source would suffice. The Court ruled that earnings from any source would meet the condition.

The Deputy Ombudsman's decision confirms that she is not bound to follow the assumed interpretation of the word 'earner' in the definition of 'transfer credits' in the Hughes case. She notes that the judge in that case also raised the possibility of interpreting the 'transfer credits condition' differently. In paragraph 26, the Judge suggested that the condition might refer to 'rights which have the character of rights which were allowed to persons who were earners but without requiring the individual applicant for a transfer of the cash equivalent to be himself or herself an earner.' However, as neither party supported this interpretation, the Judge did not rule on it.

Summary

This decision confirms that members transferring to an occupational pension scheme do not need to have earnings from any source to meet the 'transfer credits condition'. However, it is important to note that since 2021, transfers to occupational pension schemes must now establish an employment link to a sponsoring employer of the receiving scheme under the Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021.

We will update our technical guidance on transfers out to reflect this case.

CIPFA training – feedback needed

After a year's break, the Chartered Institute of Public Finance and Accountancy (CIPFA), working with Mercer, will resume its training programme in 2026.

The programme will extend to officers, committees, boards and pools. Sessions will focus on current issues and aim to complement our Fundamentals training. They will be delivered through a mix of online and face-to-face formats.

Given current changes to the landscape, CIPFA has launched [a survey to seek views from administering authorities and members](#) on the style and content of the training to ensure needs are met.

The survey closes on 9 January 2026. If you have any questions, email nicholas.harvey@cipfa.org.

HMRC

Newsletter 175

HMRC has published [newsletter 175](#), which includes the following updates:

- **Budget 2025:** A summary of the main pension-related announcements from the Budget.
- **Speculation about Budget changes:** HMRC asks schemes to remind members about the risks of early access to pensions. If schemes identify new schemes entering the market that offer access to pension savings in ways that raise concern, they should report them to pensions.compliance@hmrc.gov.uk.
- **'Check your pension protections' service:** The service has been renamed 'Check your pension protections and enhancements'. Individuals can now view all protections and enhancements online and submit amendments to some protections online.

- **Reporting QROPS transfers:** Later this year, the Managing Pension Schemes service will include a new feature allowing schemes to report transfers to a qualifying recognised overseas pension scheme (QROPS) to HMRC.
 - **Managing Pension Scheme service:** HMRC has published a [YouTube video on enrolling and migrating to the service](#).
-

Pensions dashboards

AVCs template MOU and guidance notes

In November 2025, Jayne Wiberg emailed administering authorities confirming we have published a new Pensions Dashboards AVCs Template Memorandum of Understanding (MOU) along with explanatory notes. These documents were developed by Osborne Clarke, with support from the LGA and the AVCs METS group. Many thanks to everyone involved for their valuable contributions.

Administering Authorities must meet various legal obligations related to pensions dashboards. To do so, they will need to agree on key matters with their AVC providers. The template MOU is designed to support these discussions and help ensure compliance.

While the MOU is not legally binding, it serves as a practical framework for both parties to clarify how they will meet dashboard and data protection requirements, whether using a single or multiple-source approach. Authorities may later decide to formalise these arrangements through legally binding contracts, for which they should seek their own legal advice.

This template MOU and accompanying notes were developed with reference to the law in England and Wales. While the Pensions Dashboards Regulations 2022 and Data Protection laws apply across the UK, Scottish Administering Authorities may wish to seek their own legal advice to confirm applicability and make any necessary adjustments to references within the documents.

You can find the template MOU and explanatory notes on the following web pages, use the subject filter to view all Pensions Dashboards resources:

- [Administrator guides and documents](#) page at www.lgpsregs.org
- [Administrator guides and documents](#) page at www.scotlgpsregs.org.

Action for administering authorities

Consider using the template MOU when engaging with your AVC providers.

PDP marks one year to go until dashboard connection deadline

On 31 October 2025, the Pensions Dashboards Programme (PDP) marked one year until the legal deadline for all pension schemes to connect to the dashboard. To highlight this milestone, PDP released a [short video](#) showing the progress made so far and stressing the need to keep up momentum as the deadline approaches.

Schemes that are due to connect and have questions or need support should contact PDP as soon as possible.

To reinforce this message, PDP issued a [press release](#) on 3 November 2025.

PDP dashboards webinar – 10 December 2025

PDP is hosting a webinar on Wednesday 10 December from 11am to 11.45am. This is an opportunity to hear about the latest updates on pensions dashboards.

The webinar will be hosted by a panel of experts including Chris Curry from PDP, Adam Gifford from MoneyHelper and Lucy Stone from TPR. Participants will also be able to ask questions at the end of the session.

For more information and to secure your place, please visit the [webinar registration page](#).

PDP blog on data quality

On 21 November 2025, the PDP published a [blog called 'Getting data-ready for dashboards: benefits for savers and schemes'](#).

The blog highlights the importance of having high-quality, accurate, and complete member data for dashboards. It explains how high-quality data enables better matching of records, reduces administrative burdens and enhances the overall user experience.

The blog also features comments from TPR, which expand on how improving data readiness can unlock significant opportunities for members, pension providers, schemes and the wider pensions industry. In addition, TPR reiterates the potential consequences for schemes that fail to invest in data quality.

Training

2026 training programme

We are pleased to announce that we have set our [2026 training programme](#).

We will be running a busy schedule of online and in-person courses for both practitioners and employers.

The courses will open for bookings on the [LGA events website](#) from mid-December 2025. We will send an email to administering authorities when bookings open.

We have two new courses available in 2026:

- Additional contributions – a half day online course covering additional pension contributions (APCs) and additional voluntary contributions (AVCs).
- Understanding tax allowances in the LGPS – a full day course available online and in person covering annual allowance, lump sum allowances and inheritance tax. We will also be running a Scotland specific version of this course.

More information on all of our courses and their content is available on the Training and Development pages of www.lgpsregs.org.

Administrator and employer training

We still have some availability on the courses covered by the 2025 programme:

Aggregation training

- [Aggregation training – Online 11 December 2025](#) (one place remaining)

Understanding transfers out training

- [Understanding LGPS Transfers Out – Online 4 February 2026](#)
- [Understanding LGPS Transfers Out – Online 18 March 2026](#)

Understanding transfers in training

- [Understanding LGPS Transfers In – Online 19 February 2026](#)
- [Understanding LGPS Transfers In – Online 25 March 2026](#)

These events are available to book via the [LGA events website](#). Each course page provides information on the programme, pricing and the booking link.

For more information on all available training courses, please visit [LGPS Training and Development](#).

For any further enquiries, please email training.lgps@local.gov.uk.

LGPS Governance Conference 2026

Our 2026 Governance Conference is being held in Cardiff on Thursday 29 January and Friday 30 January 2026. In person places are now sold out, but it is still possible to join us virtually. [Book now to attend the LGPS Governance Conference 2026 virtually.](#)

If you would like to be placed on our waitlist for an in-person place, please email training.lgps@local.gov.uk.

The conference is aimed at officers, pension committee and local pension board members. It brings together LGPS professionals for two days of insightful discussions, expert analysis and valuable networking.

The programmes include sessions on:

- **LGPS: fit for the future:** a strategic discussion on the future of the LGPS.
- **Balancing the LGPS equation: legislation, administration and leadership:** explore the interplay between regulation and real-world delivery.
- **Pensions dashboards:** get up to speed on dashboards.
- **Pooling: LGPS relationships in transition:** with some pools welcoming new funds, this session examines how investment governance is evolving.
- **MHCLG update:** receive a direct update from MHCLG – covering regulatory changes, consultations and national strategy.
- **Implications of Local Government Reorganisation:** understand the impact of structural changes in local government on pension governance and administration.
- **Peer support: sharing LGPS good governance experience:** learn from real-world examples of strong governance, including tools, frameworks and shared experiences.
- **Being an effective pension committee or board member:** this session explores the role of a committee or board member – what good looks like, how to add value and how to navigate responsibilities with confidence.
- **Investment outlook:** an expert view on economic and market trends.

LGPS England & Wales Scheme Advisory Board (SAB)

Response to Access and Protections consultation

At its November 2025 meeting, the Board discussed the key points to include in its response to the [Access and Protections consultation](#), which closes on 22 December

2025. The Board's Secretariat is drafting the response and will publish it on [their website](#) ahead of the consultation deadline.

Response to Fit for the Future technical consultation

The Board's Secretariat is preparing its response to the Fit for the Future technical consultation. The consultation closes on 2 January 2026 (see [earlier article](#) for more details about the consultation). The Board's Secretariat will publish its response on the [Board's website](#) before the consultation deadline.

At the same time, the Board's Secretariat is working closely with MHCLG on developing statutory guidance. This guidance will clarify and expand on what is set out in the draft regulations. Drafts have been shared with fund representatives on the Good Governance working group.

Pooling guidance roundtables

In November 2025, the Board's Secretariat held two roundtable events to discuss the incoming pooling guidance with pool representatives and fund officers.

Officials from MHCLG attended both events. They gave updates on the drafting and content of the guidance. Attendees were invited to comment on these.

Audit roundtable

The latest meeting of the audit roundtable took place on 7 November 2025. The group includes practitioners, representatives from local government sector audit firms, regulators and professional bodies.

The roundtable reviewed progress on the audit of the 2024/25 fund accounts and considered the challenges and opportunities presented by the proposed decoupling of pension fund accounts from those of the host authority. The discussion covered:

- timing and publication of audited pension fund accounts
- feasibility of the implementation timetable, possibly to take effect from 2026/27
- changes to publication and scrutiny of accounts rule
- relation to annual governance statements
- relevance of value for money assessments
- sign-off process and key audit partner requirements.

It is understood that the [English Devolution and Community Empowerment Bill](#) will provide the legislative route for decoupling through primary legislation. However, secondary legislation still needs to be drafted.

Board's response to TPR's enforcement strategy consultation

The Board has submitted [its response to The Pension Regulator's \(TPR\) enforcement strategy consultation](#), which closed on 11 November 2025.

In its response, the Board expressed support for TPR's aim to improve governance standards across all pension schemes. However, the Board made clear that this approach must take account of the unique characteristics of the LGPS. The response also highlighted the need for clarity on practical enforcement mechanisms across the scheme.

Board and committee membership

At the last Board meeting on 24 November 2025, the Board [received a paper](#) and considered changes to the membership of the Board and its committees. These changes were approved.

One of the changes was the appointment of Neil Mason, Director of Surrey Pension Fund, as a non-voting member. Neil replaces George Graham, outgoing Director of South Yorkshire Pension Authority (SYPA), who stepped down from the Board at the last meeting.

The Board thanks George Graham for his significant contribution to the Board during his tenure and welcomes Neil Mason.

Voting members also agreed that George Georgiou will become the new Vice-Chair of the Board following Jon Richards stepping down in March 2025. George is the officer scheme member representative for GMB on the Board and Chair of the Cost Management, Benefit Design and Administration (CMBDA) committee.

Board vacancy for legal advisor

The Board is inviting expressions of interest for the position of legal advisor. This role was previously held by Gary Delderfield, who stepped down at the Board meeting on 24 November 2025 following his move from Eversheds Sutherland to Burges Salmon.

The Board is seeking expressions of interest from experienced legal practitioners with substantial knowledge of the LGPS. The successful candidate will attend Board meetings and provide valuable insight and perspective to discussions.

For more information and to submit an expression of interest, please email sabsecretariat@local.gov.uk.

Also, if you are aware of potential suitable candidates, please share this article with them.

Reminder – submit your fund annual report for 2024/25

The Board asks all administering authorities to please send their fund annual report for 2024/25 to sabsecretariat@local.gov.uk as soon as it is published. Reports can be either draft or final versions. The deadline for submission is 1 December 2025.

The Board publishes fund annual reports on its website and uses the data from these reports to produce the Scheme Annual Report. This provides a single source of information on the status of the LGPS for members, employers and other stakeholders.

Thus far, the Board's Secretariat has received 12 reports in total.

SAB website

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

- [latest news](#)
- [committee meetings including agenda papers](#)
- [Responsible Investment Advisory Group \(RIAG\) agenda and reports.](#)

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 271 – December 2025

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

- [Template privacy notices updated](#)
- [Illustration dates and unavailable codes](#)
- [Overpayment information for members](#)

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

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LGPS England & Wales

Access and Protections consultation response – LGPC response

On 22 December 2025, Lorraine Bennett emailed administering authorities with the LGPC's [response to the LGPS: Scheme improvements \(access and protections\) consultation](#). We shared a draft version of the response with you on 15 December 2025 to help you in preparing your own submissions. The consultation closed on 22 December 2025.

For a reminder of the proposals, see [bulletin 269](#). All consultation documents are available on the [Scheme consultations](#) page of www.lgpsregs.org.

Fit for the Future technical consultation – LGPC response

On 22 December 2025, Lorraine Bennett emailed administering authorities with the [LGPC's response to the Fit for the Future technical consultation](#).

We covered the consultation, which closes on 2 January 2026, in [bulletin 270](#).

The response focuses only on the draft LGPS (Amendment) Regulations 2026. All consultation documents are available on the [Scheme consultations](#) page of www.lgpsregs.org.

Police and Crime Commissioners – future changes

On 13 November 2025, [the Government announced that Police and Crime Commissioners \(PCCs\) will be abolished](#) at the end of the next electoral cycle in 2028.

Their responsibilities will transfer to regional mayors wherever possible. In areas without a mayor, elected council leaders will take on the role. The Government has confirmed that the unique circumstances of devolved arrangements in Wales will be considered.

Under Part 1 of Schedule 2 of the LGPS Regulations 2013, PCCs are currently recognised as Scheme employers, and Part 4 confirms their eligibility for LGPS membership. From 2028, these responsibilities will move to regional mayors or council leaders.

LGPS Scotland

Scottish SAB Bulletin – December 2025

The Scottish LGPS Scheme Advisory Board has published its [December 2025 bulletin](#). It provides an update on the key decisions and discussions from the Board's recent meeting.

The bulletin covers a range of topics, including:

- 2024 Scheme valuation
- Pensions Schemes Bill
- flexible retirement appeal cases
- working group updates
- good governance survey
- consultation on draft LGPS (Scotland) (Amendment) Regulations 2026
- gender pensions gap
- Fit for the Future proposals in LGPS (England and Wales)
- 2026 SAB meeting dates.

Other news and updates

Automatic enrolment thresholds 2026/27

The Department for Work and Pensions (DWP) has confirmed that the automatic enrolment thresholds will remain unchanged for the 2026/27 tax year.

Under section 14 of the Pensions Act 2008, the DWP must review these thresholds every year. Following [publication of its latest review](#), the DWP has decided to keep the current values for another year. This means the thresholds for 2026/27 will be:

- earnings trigger: £10,000
- lower limit qualifying earnings band: £6,240
- upper limit qualifying earnings band: £50,270.

Club memorandum

Following the migration of the Civil Service Pension Scheme administration to Capita, the location of the Club Memorandum page has changed. You can now find it at: www.civilservicepensionscheme.org.uk/public-sector-transfer-club

Scroll to the bottom of the page for links to:

- list of Public Sector Transfer Club members

- Transfer Club and Annual Allowance guidance
- the latest version of the Club Memorandum, valid from 1 October 2023.

The Club Memorandum is also available on the:

- [Other Government documents](#) page of www.lgpsregs.org
- [Other Government documents](#) page of www.scotlgpsregs.org

Finance (No. 2) Bill

The Finance (No. 2) Bill was introduced to Parliament on 2 December 2025 and had its second reading on 16 December 2025.

The Bill includes amendments that will bring most unused pension funds and death benefits within the value of an individual's estate for inheritance tax purposes, effective from 6 April 2027.

Further details, including the Bill's explanatory memorandum, can be found on [the dedicated page for the Bill on Parliament's website](#).

GMP equalisation – transfer top-up payments

We have received several queries about whether administering authorities can accept a Guaranteed Minimum Pension (GMP) equalisation top-up payment from another registered pension scheme for a previous transfer.

This follows the 2018 Lloyds GMP equalisation ruling (Lloyds Banking Group Pensions Trustees Ltd v Lloyds Bank plc), which confirmed that pension schemes must correct inequalities between men and women caused by the operation of GMPs. Trustees and scheme managers are required to adjust benefits so that no member is worse off than someone of the opposite sex. For more details, see [bulletin 177](#) and [bulletin 204](#).

Unfortunately, it remains unclear whether these top-up payments can be accepted by the LGPS. When we met with GAD and MHCLG in 2020 it was agreed that a consistent policy across all public service pension schemes would be preferable.

The Lloyds judgment does not specify how an incoming top-up payment should be converted into scheme benefits. If these payments are accepted, administering authorities will need guidance on:

- how the transfer-in calculation should work
- what the payment buys and which factors to use
- how to handle cases where the member has no remaining LGPS benefits (for example, due to death, trivial commutation, or transfer to another scheme).

We will raise the issue with MHCLG again in 2026 and keep administering authorities updated with any developments.

National Insurance Contributions (Employer Pensions Contributions) Bill

The National Insurance Contributions (Employer Pensions Contributions) Bill was introduced to the House of Commons and had its first reading on 4 December 2025. It had its second reading on 17 December 2025.

The Bill follows the recent Budget announcement to cap, from 6 April 2029, the value of pension contributions made through salary sacrifice that can benefit from employee and employer national insurance contributions relief. We covered the announcement in [bulletin 270](#).

The Bill extends to England, Wales, Scotland and Northern Ireland. It amends the Social Security Contributions and Benefits Act 1992 and the equivalent legislation in Northern Ireland and gives regulation-making powers to enable the Government to implement the changes.

HMRC has published a [tax information and impact note](#) alongside the Bill. For more details, including the explanatory memorandum, see the [Bill's page on the UK Parliament website](#).

PASA paper on the Data (Use and Access) Act 2025

The Pensions Administration Standards Association (PASA) has published a new paper called 'The Data (Use and Access) Act 2025 Unpacked: Six Key Areas for Pension Schemes.' It explains the 2025 Act and related guidance from the Information Commissioner's Office, focusing on what pension schemes need to know and do.

PASA highlights six areas that schemes should understand and act on:

- automated decision making
- digital verification services and the trust framework
- recognised legitimate interests
- subject access requests
- data protection complaints
- looking ahead.

For more details, read [the PASA press release](#).

Template privacy notices updated

On 16 December 2025, Lorraine Bennett informed administering authorities that updated versions of the template short-form privacy notice (v6.0) and full privacy notice (v7.0) are available. The notices were updated by Osborne Clarke LLP to reflect two key changes:

- the requirement to connect to pensions dashboards
- amendments introduced by the Data (Use and Access) Act 2025 under UK data protection law.

Administering authorities will need to tailor the templates to meet the specific needs of their fund. Before sharing with members, please ensure the first page (notes) and any explanatory footnotes are removed.

Both clean and tracked versions can be accessed on the Administrator Guides and Documents pages of www.lgpsregs.org and www.scotlgpsregs.org. Use the filters for GDPR or publication date to locate them quickly.

Action for administering authorities

Update local versions of your privacy notices with the changes.

Pensions dashboards

Illustration dates and unavailable codes

On 17 December 2025, the Pensions Regulator (TPR) shared some useful updates for administering authorities on a couple of dashboards hot topics. We will update the Pensions Dashboards connection guide and the AVCs and Pensions Dashboards administrator guide in due course. The following explains what these updates mean for administering authorities.

Aligning illustration dates for LGPS benefits

There has been ongoing discussion in the pensions industry about aligning illustration dates for members who hold both defined benefits (DB) and defined contributions (DC) within the same pension scheme. In the LGPS, this specifically impacts members with Additional Voluntary Contributions (AVCs).

The Department for Work and Pensions (DWP) has now confirmed its policy intent: illustration dates should align at a **benefit level**. DWP is currently considering whether this requires amendments to the Pensions Dashboards Regulations 2022.

For the purpose of supplying value data to the pension dashboards ecosystem, this means:

- The accrued and projected values for a benefit should be calculated on the same day.
- The defined benefit (DB) for a member can be calculated on a different day to their defined contribution (DC) benefit, as these are different benefits.
- If a member has two separate AVC arrangements they can also be calculated on different dates to each other, as they are different benefits.
- If a member has more than one pension account, they can be calculated on different dates to each other, as they are different benefits. This applies whether the pension accounts are held with the same or a different administering authority.

TPR will focus its regulatory activities on ensuring that information presented to savers is recent, clear, accurate and understandable. Specifically:

- value data must come from the most recent statement issued within the last 13 months, or from a calculation made within the last 12 months
- accrued and projected values for each benefit must share the same illustration date.

Unavailable codes and 10 day deadline for submitting value data

When value data is unavailable, administering authorities must explain why by submitting an appropriate code, as outlined in the [Pensions Dashboards Programme \(PDP\) Data Standards](#). Regardless of the code used, the missing value data must be provided to the dashboards ecosystem **within 10 working days**, starting from the day after a match is confirmed.

If an administering authority or AVC provider submits one of the following codes, TPR expects them to record how long it takes to calculate the missing value(s) and report this routinely to the Money and Pensions Service (MaPS) under the reporting standards.

- **DBC** – defined benefit or cash balance is being calculated and will be available within 10 working days
- **DCC** – defined contribution is being calculated and will be available within 10 working days.

If any other code is submitted, administering authorities will need to report the number of times they have used the code, but they will not have to tell MaPS how

long it took to calculate the missing value(s). However, TPR expects administering authorities to keep:

- a clear record of the number of members affected
- the rationale for using these codes
- evidence of a process to ensure missing values are provided to members in a timely manner

Where there is a severe delay in providing the value information to members, TPR expect authorities to consider if they need to report this to them.

Action for administering authorities

Review your dashboard processes and reporting to take account of this latest update and share this information with your AVC providers.

TPR Dashboards webinar

On 3 December, TPR hosted a webinar focusing on smaller schemes that are not yet connected. It featured contributions from TPR, PDP, PASA, Vidett, and included a valuable question and answer session.

A [recording of TPR's webinar](#) is available on their website.

PDP Webinar and progress update report

The Pensions Dashboards Programme (PDP) released their December 2025 progress update report. The [report](#) covers key developments, including:

- connection progress
- consumer testing of the MoneyHelper Pensions Dashboard
- private sector dashboards
- engagement activities
- updates from the Pensions Dashboards Advisory Group (PDAG)
- partner updates from DWP, TPR, and the Financial Conduct Authority (FCA).

The PDP also held a webinar on 10 December discussing the December progress update report. You can view a [recording of the webinar](#) on their website.

Training

2026 training programme

We are delighted to announce that our [2026 Training Programme](#) is now live, bringing you a full calendar of engaging, practical and tutor led courses.

The programme includes a blend of refreshed core sessions, popular returning topics and new additions shaped directly by your feedback.

We're pleased to introduce two new courses for 2026:

- **Additional Contributions** – a half-day online course covering additional pension contributions (APCs) and additional voluntary contributions (AVCs).
- **Understanding Tax Allowances in the LGPS** – a full-day course available online and in-person, covering annual allowance, lump sum allowances and inheritance tax. A Scotland-specific version of this course is also available.

For colleagues booking from Scottish funds, we warmly welcome your participation. However, please note that the training materials and examples used relate to England and Wales. The only exception to this is a dedicated Scottish-focused date for our Understanding Tax Allowances in the LGPS course. This session will take place online on [19 August 2026](#) and is reserved exclusively for Scottish LGPS attendees.

Bookings are processed on a **first-come, first-served basis**. To ensure fairness, each topic is limited to five delegates per organisation.

If you are unable to secure a place on a course or require more than five places, please email training.lgps@local.gov.uk with details of the course(s) you wish to attend, including the number of places required and preferred format (online or in person). We will maintain a waiting list and may consider running additional sessions if demand is sufficiently high.

We look forward to supporting your learning and development throughout 2026.

More information on all of our courses and their content is available on the Training and Development pages of www.lgpsregs.org.

Aggregation – England and Wales

- [Aggregation training – Online 12 May 2026](#)
- [Aggregation training – Online 29 October 2026](#)

- [Aggregation training – Online 19 November 2026](#)
- [Aggregation training – London 2 December 2026](#)

Additional contributions – England and Wales

- [Additional contributions – Online 10 September 2026](#) (1 place remaining)
- [Additional contributions – Online 22 September 2026](#)
- [Additional contributions – Online 1 October 2026](#)
- [Additional contributions – Online 13 October 2026](#)
- [Additional contributions – Online 5 November 2026](#)

Understanding tax allowances in the LGPS

- [Understanding tax allowances in the LGPS course – Online 19 August 2026 \(Scottish LGPS only\)](#)
- [Understanding tax allowances in the LGPS course – London 8 September 2026](#) (1 place remaining)

Survivor benefits – England and Wales

- [Survivor benefits course – Online 22 July 2026](#)
- [Survivor benefits course – Online 27 August 2026](#)
- [Survivor benefits course – Online 24 September 2026](#)
- [Survivor benefits course – London 9 October 2026](#)
- [Survivor benefits course – Online 10 and 11 November 2026](#)
- [Survivor benefits course – Online 7 December 2026](#)

Intermediate retirements – England and Wales

- [Intermediate Retirements course – Online 16 April 2026](#)
- [Intermediate Retirements course – Online 5 May 2026](#)
- [Intermediate Retirements course – Online 2 June 2026](#)
- [Intermediate Retirements course – London 10 June 2026](#)

Advanced retirements – England and Wales

- [Advanced Retirements course – Online 29 April 2026](#)
- [Advanced Retirements course – Online 13 May 2026](#)
- [Advanced Retirements course – Online 24 June 2026](#)
- [Advanced Retirements course – London 1 July 2026](#)

Insight – England and Wales

- [Insight course – York residential 18 - 21 May 2026](#)
- [Insight course – Online 6 - 10 July 2026](#)
- [Insight course – Bournemouth residential 7 - 10 September 2026](#)
- [Insight course – Online 19 - 23 October 2026](#)

Employer role – England and Wales

- [Employer Role training – Online 21 April 2026](#)
- [Employer Role training – London 7 May 2026](#)
- [Employer Role training – Online 21 July 2026](#)
- [Employer Role training – Online 19 August 2026](#)
- [Employer Role training – Online 24 September 2026](#)
- [Employer Role training – Online 27 October 2026](#)
- [Employer Role training – Online 26 November 2026](#)

For any further enquiries, please contact us at training.lgps@local.gov.uk

Action for administering authorities

Please share details of the employer role training with your Scheme employers.

Administrator and employer training

We still have some availability on the courses covered by the 2025 programme:

Understanding transfers in training

- [Understanding LGPS Transfers In – Online 19 February 2026](#) (1 place remaining)
- [Understanding LGPS Transfers In – Online 25 March 2026](#)

These events are available to book via the [LGA events website](#). Each course page provides information on the programme, pricing and the booking link.

For more information on all available training courses, please visit [LGPS Training and Development](#).

LGPS Governance Conference 2026 – three places available

Our 2026 Governance Conference is being held in Cardiff on Thursday 29 January and Friday 30 January 2026 and the [conference programme is available to view](#). We have three in-person places available. Bookings for in-person places close on 2

January 2026. It is also possible to join us virtually. [Book now to attend the LGPS Governance Conference 2026.](#)

The conference is aimed at officers, pension committee and local pension board members. It brings together LGPS professionals for two days of insightful discussions, expert analysis and valuable networking.

LGPS England & Wales Scheme Advisory Board (SAB)

Fit for the Future - technical consultation

The [Board's response](#) to the [Fit for the Future technical consultation](#) has been published.

The consultation seeks to understand whether the draft statutory instruments (linked below) will effectively deliver the policy proposals set out in the Government's response to the [Fit for the Future consultation](#):

- [LGPS \(Pooling, Management and Investment of Funds\) Regulations 2026](#)
- [LGPS \(Amendment\) Regulations 2026.](#)

The consultation closes on 2 January 2026.

Fit for the Future – closed consultation on draft investment, pooling and governance guidance

At MHCLG's request, the Board Secretariat sent the draft statutory guidance to all 86 administering authorities in England and Wales on 8 December 2025. The guidance accompanies the draft regulations currently under consultation. MHCLG has asked for comments by **12 January 2026**.

MHCLG has confirmed that the policy behind the guidance has already been consulted on. Feedback should therefore focus on whether the guidance reflects the policy intent set out in the Government's response to the Fit for the Future consultation.

The Board would have preferred a public consultation and did recommend to MHCLG that it take this course of action.

The draft guidance cannot be published or shared widely at this stage. However, the Board expects funds will need to share it with their advisers to prepare responses.

To support funds responses, the Board will publish its draft response on its website before 12 January 2026. To help draft that response, the Board has shared the draft guidance in confidence with Board members and Board committees.

Response to ‘Access and Protections’ consultation

The [Board’s response](#) to the [Scheme improvements \(access and protections\) consultation](#) has been published.

For this consultation, the Board endorsed much of the response from the LGPC (see [earlier article](#)). In particular, the Board would like to endorse the technical accuracy of their analysis of the impact of the proposals and how they might best be delivered. The main difference between the Board’s response and the LGPC’s is on the introduction of the normal minimum pension age and the need for protections for existing scheme members. That difference derives largely from the different composition of the Board, and the advocacy of the member representatives on it.

LGPS statistics for 2025/26

MHCLG officials have confirmed that there will be no significant changes to the data collected in the statutory return (SF3) for the 2025/26 scheme year.

[Bulletin 269](#) explained that MHCLG was reviewing SF3 data following the changes proposed under Fit for the Future. The review aimed to ensure the return continued to provide ministers with information on the areas they are most interested in.

Revised Code of Transparency now published

Earlier this year, the Board held a [consultation on proposed changes to Code of Transparency](#) following on from the decision to replace the centralised data system supporting the Code with a framework approach.

The consultation ran from 14 July 2025 to 15 August 2025. 36 responses were received from funds and pools (as clients) and Code signatories (including pools). All Code signatories who responded indicated that they would remain committed to the Code. A final draft was then put to the Investment Committee on 10 November and approved for publication on 24 November 2025 by the Board.

The Board is hopeful that these changes to the Code alongside the new framework expected to go live in 2026 will ensure that the Code continues to deliver on its intended aims of increased transparency within the sector.

A summary of the key changes can be found on the [Board’s news page](#).

The [revised Code](#) can be found on the Code of Transparency section of the Board website along with [updated FAQs](#) to reflect these changes.

Compliance and Reporting Committee – practitioner representative vacancy

The Board's Compliance and Reporting Committee (CRC) is seeking a practitioner representative following notification that Christina Thompson will be stepping down from the committee. The Board wishes to thank Christina for her contributions to the committee.

The Board is looking for a candidate who will be able to input to the expected increase of engagement with Scheme administration issues in 2026.

For more information on the committee, you can review the [CRC Terms of Reference](#). To express an interest in the vacancy, please email sabsecretariat@local.gov.uk.

SAB website

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

- [a summary of the last SAB meeting in November 2025](#)
- [latest news](#)
- [committee meetings including agenda papers](#) for meetings which took place in October and November 2025
- [Responsible Investment Advisory Group \(RIAG\) agenda and reports](#) from the meeting which took place in October 2025.

HMRC

Pension schemes newsletter 176

On 18 December 2025, HM Revenue and Customs (HMRC) published [Pension schemes newsletter 176](#). Articles of particular interest to administering authorities include:

- **Transfers to qualifying recognised overseas pension schemes (QROPS)** – a new reporting function is now available on the Managing pension schemes service, which replaces the APSS262 form.
- **Protections and enhancements look up service** – HMRC plans to launch a new authenticated look up service on the Managing pension schemes service in early 2026. Volunteers are invited to use the new service. To take part, email manraj.padam@digital.hmrc.gov.uk using 'Private Beta Research' in the subject header.

- **Mandatory tax adviser registration** – HMRC has updated plans requiring all tax advisers interacting with HMRC on behalf of clients to register and meet minimum standards. The article clarifies which persons are excluded after feedback from the pensions industry raised concerns that earlier draft legislation might have captured pension scheme administrators and practitioners.
- **Pension scheme return** – submission deadline reminder.
- **Event reporting** – submission deadline reminder.

Action for administering authorities

Update process for reporting QROPS transfers to HMRC.

TPO

Overpayment information for members and beneficiaries

On 16 December 2025, the [Pensions Ombudsman \(TPO\) published Pension overpayments information](#) for members and other beneficiaries of pension schemes. The information is designed to help them understand:

- what an overpayment is
- what obligations exist around repaying money that was overpaid
- what potential legal defences exist for specific situations that may mean they do not have to repay the money
- the requirement to engage with the scheme and provide evidence to support any of those defences
- what to expect from the scheme when an overpayment occurs
- how and when TPO can help if a dispute cannot be resolved with the scheme.

TPO hope the information will support administrators and members to work together to agree whether, how and over what period an overpayment should be recovered. This should allow those parties to resolve the issue without the need to go to TPO, and any complaints they do receive should be more straightforward to resolve.

For more information, see the [press release from TPO](#).

Action for administering authorities

Share the information with your members and relevant beneficiaries when issuing communications about a pension overpayment.

TPR

Administration guidance updated

On 9 December 2025, the Pensions Regulator (TPR) published revised [administration guidance](#). The guidance replaces TPR's previous 'Administration of a DC Pension Scheme guidance' and applies to all scheme types.

The guidance sets out the practical steps administering authorities can take to meet the expectations set out in the [administration module of TPR's code of practice](#) and it applies to the governing bodies of all pension schemes.

On the same day, TPR also published a blog spotlighting '[Strong administration as fundamental to good saver outcomes](#)'.

Blog on digital transformation

TPR has published a new blog titled '[Shaping the Future: How We Are Driving Digital Transformation with the Pensions Industry](#)'.

In the blog, Paul Neville, TPR's Executive Director of Digital, Data and Technology (DDaT), shares the latest vision, opportunities and priorities, developed through a newly established industry working group, to see schemes harness the power of technology to shape better retirements.

Fighting pension fraud webinar

The Pension Scams Action Group (PSAG) is hosting an [industry engagement webinar](#) on 18 March 2026. This free, one-hour session will cover progress updates, good practice and insights from industry partners.

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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LGPC Bulletin 272 – January 2026

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

- [new versions of the ill health statutory guidance and template certificates](#)
- [new version of National LGPS Framework launched](#)
- [National Insurance Database penetration testing](#)
- [new SAB website launched](#)

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

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LGPS England & Wales

Closed consultation on fund governance guidance – LGPC response

The Local Government Pensions Committee (LGPC) submitted comments to the Ministry of Housing, Communities and Local Government's (MHCLG) as part of its closed consultation on draft statutory guidance for fund governance. The guidance accompanies the draft LGPS (Amendment) Regulations 2026 that will deliver the policy proposals set out in the Fit for the Future consultation.

In addition to providing detailed comments on the guidance, the LGPC also endorsed the response submitted by the Scheme Advisory Board (SAB). The LGPC echoed SAB's concern that introducing significant changes simultaneously across member benefits, governance and investment could undermine effective implementation and pose risks to the reputation of the LGPS.

Whilst recognising the need for change after many years of policy drift in the LGPS, the LGPC stressed the importance of allowing adequate notice and sufficient time for administering authorities to implement and consolidate these changes before introducing further reforms. This is particularly critical given the significant pressures authorities are already facing in delivering the McCloud remedy and preparing for pensions dashboards.

2026/27 employee contribution bands

Table 1 sets out the employee contribution bands effective from 1 April 2026. These are calculated by increasing the 2025/26 employee contribution bands by the September 2025 CPI figure of 3.8 per cent and then rounding down the result to the nearest £100.

Table 1: Employee contribution bands England and Wales 2026/27

Band	Actual pensionable pay for an employment	Main section contribution rate for that employment	50/50 section contribution rate for that employment
1	Up to £18,400	5.50%	2.75%
2	£18,401 to £29,000	5.80%	2.90%
3	£29,001 to £47,300	6.50%	3.25%
4	£47,301 to £59,800	6.80%	3.40%
5	£59,801 to £84,000	8.50%	4.25%
6	£84,001 to £119,100	9.90%	4.95%
7	£119,101 to £140,400	10.50%	5.25%
8	£140,401 to £210,700	11.40%	5.70%
9	£210,701 or more	12.50%	6.25%

Action for administering authorities

Share the table with your Scheme employers as soon as possible so they can make the changes needed to payroll systems.

Review and update your member communications before 1 April 2026.

LGPS Scotland

New versions of the ill health statutory guidance and template certificates

On 29 January 2026, the Scottish Public Pensions Agency (SPPA) published Circular 2026/01. The circular confirms that a new version of the statutory ill health guidance is now available.

Following the publication of the revised guidance, we have issued version 1.2 of our template ill health certificates. This update adds a reference to the latest statutory guidance and includes a new item in the decision maker checklist.

You can access the circular, along with the updated statutory guidance and a tracked changes version, on the [SPPA circulars and guidance](https://www.scotlgpsregs.org) page of www.scotlgpsregs.org. The new version of the guidance is also available on [the SPPA website](https://www.scotlgpsregs.org).

Version 1.2 of the template certificates, including a tracked changes version, is available on the [administrator guides and documents](https://www.scotlgpsregs.org) page of www.scotlgpsregs.org.

Action for administering authorities

Review the new versions of the statutory guidance and template certificates and update your processes accordingly.

Also, ensure that your employers are aware of the new versions.

Other news and updates

CWG minutes published

We have published the minutes of the Communications Working Group (CWG) meeting held on 8 January 2026. At the meeting the group discussed:

- subgroups and the workplan
- member websites
- member engagement
- Pension awareness week 2026
- the latest on McCloud data sharing, annual benefit statements, pensions dashboards and recent government consultations.

You can read the minutes from all past CWG meetings on:

- the [Communications working group page \(England and Wales\)](#) and
- the [Communications working group page \(Scotland\)](#).

National LGPS Framework for Actuarial, Benefits and Governance Consultancy Services

The National LGPS Framework, a collaboration of LGPS funds and pools, has announced the launch of the Actuarial, Benefits and Governance Consultancy Services framework. You can read more about the launch in the [LGPS Frameworks press release](#).

The new framework includes twelve providers split across the five areas:

- Actuarial Services
- Benefits Consultancy
- Governance Consultancy
- Funding Risk Advisory Services
- Consultancy Services to Support Specialist Projects.

If you want further information about the framework, visit the [National LGPS Frameworks website](#).

National Insurance Database penetration testing

Penetration testing was completed on the National Insurance Database in October, and a small number of vulnerabilities were identified. These vulnerabilities have now been resolved, and further testing, completed on 23 January, confirms that no significant vulnerabilities remain.

If you experience any problems with the National Insurance Database, please email query.lgps@local.gov.uk.

LGPC minutes published

The draft minutes from the LGPC meeting held on 24 November 2025 are available on the LGPC minutes page of www.lgpsregs.org and www.scotlgpsregs.org. The minutes will be agreed at the next meeting on 23 March 2026.

Topics discussed include:

- LGPS 'Access and Protection' consultation
- regulatory updates
- SAB updates
- Nation Pension Officer Group update
- training update.

McCloud remedy

Reconsidered Club transfers after McCloud remedy

Paragraph 4.42 of the Club Memorandum states that additional guidance will be issued in relation to members who wish to cancel a previous Club transfer including remediable service or who would like to take a Club transfer including remediable service but the twelve-month period available to take the transfer has passed.

The matter was raised with the Cabinet Office. There is currently no guidance for this scenario. If administering authorities have any potential cases, they should contact us and we will raise the issue with MHCLG (or, for Scotland, the Scottish Public Pensions Agency) and HM Treasury.

Pensions dashboards

PDP consulting on industry involvement to deliver private sector dashboards

The Pensions Dashboards Programme (PDP) is consulting on how to work with industry to deliver Private Sector Dashboards (PSDs). The aim of these dashboards is to operate alongside the MoneyHelper dashboard, giving savers more choice and flexibility in accessing their pension information.

PDP aims to replicate the success of the previous working group that helped develop the dashboard ecosystem and set up a similar working group for delivering PSDs. This group would be made up of members who are actively planning to operate a dashboard. A separate group is planned for strategic input and information sharing.

The consultation closes on 10 February 2026. You can read [the full proposal and respond to the consultation](#) on the PDP website.

PDP publishes blog on preparing data

PDP has published a blog post, 'Preparing data for dashboards: what you need to do', reinforcing the critical role data quality will play in the successful delivery of pensions dashboards.

The post highlights the need for accurate, complete and well-structured data, discusses why high-quality data and a robust data matching approach are important and directs pension providers to various resources to assist them.

You can read the ['Preparing data for dashboards' article](#) on the PDP website.

PDP opens consultation on updated reporting standards

The PDP has released an updated draft of its reporting standards (version 2.1). This update sets out the technical requirements pension providers and schemes will need to follow when sending daily reporting data to the Money and Pensions Service (MaPS) through application programming interfaces (APIs).

While the update changes how the data is reported to MaPS, it does not change what data must be generated, recorded or reported. The PDP is proposing an implementation deadline of 30 November 2026.

The PDP has now opened a consultation on the changes and is inviting views from pension providers, schemes and other interested stakeholders. The consultation closes on 25 March 2026.

You can [view both the consultation and the updated draft reporting standards](#) on the PDP website.

Training

2026 training programme

Our [2026 Training Programme](#) is now live, bringing you a full calendar of engaging, practical and tutor led courses.

The programme includes a blend of refreshed core sessions, popular returning topics and new additions shaped directly by your feedback.

We're pleased to introduce two new courses for 2026:

- **Additional Contributions** – a half-day online course covering additional pension contributions (APCs) and additional voluntary contributions (AVCs).
- **Understanding Tax Allowances in the LGPS** – a full-day course available online and in person, covering annual allowance, lump sum allowances and inheritance tax. A Scotland-specific version of this course is also available.

For colleagues booking from Scottish funds, we warmly welcome your participation. However, please note that the training materials and examples used relate to England and Wales. The only exception to this is a dedicated [Scottish-focused date for our Understanding Tax Allowances in the LGPS course](#). This session will take place online on 19 August 2026 and is reserved exclusively for Scottish LGPS attendees.

Bookings are processed on a **first-come, first-served basis**. To ensure fairness, each topic is limited to five delegates per organisation.

If you are unable to secure a place on a course or require more than five places, please email training.lgps@local.gov.uk with details of the course(s) you wish to attend, including the number of places required and preferred format (online or in person). We will maintain a waiting list and may consider running additional sessions if demand is sufficiently high.

We look forward to supporting your learning and development throughout 2026.

More information on all of our courses and their content is available on the Training and Development pages of www.lgpsregs.org.

Aggregation – England and Wales

- [Aggregation training – Online 19 November 2026](#)
- [Aggregation training – London 2 December 2026](#)

Additional contributions – England and Wales

- [Additional contributions – Online 13 October 2026](#)
- [Additional contributions – Online 5 November 2026](#)

Understanding tax allowances in the LGPS

- [Understanding tax allowances in the LGPS course – Online 19 August 2026 \(Scottish LGPS only\)](#)

Survivor benefits – England and Wales

- [Survivor benefits course – Online 27 August 2026](#)
- [Survivor benefits course – London 9 October 2026](#)
- [Survivor benefits course – Online 10 and 11 November 2026](#)
- [Survivor benefits course – Online 7 December 2026](#)

Intermediate retirements – England and Wales

- [Intermediate Retirements course – Online 5 May 2026](#)
- [Intermediate Retirements course – Online 2 June 2026](#)
- [Intermediate Retirements course – London 10 June 2026](#)

Advanced retirements – England and Wales

- [Advanced Retirements course – Online 29 April 2026](#)
- [Advanced Retirements course – Online 13 May 2026](#)
- [Advanced Retirements course – Online 24 June 2026](#)
- [Advanced Retirements course – London 1 July 2026](#)

Insight – England and Wales

- [Insight course – Online 6 - 10 July 2026](#)
- [Insight course – Bournemouth residential 7 - 10 September 2026](#)
- [Insight course – Online 19 - 23 October 2026](#)

Employer role – England and Wales

- [Employer Role training – Online 21 April 2026](#)
- [Employer Role training – London 7 May 2026](#)
- [Employer Role training – Online 21 July 2026](#)
- [Employer Role training – Online 19 August 2026](#)
- [Employer Role training – Online 24 September 2026](#)
- [Employer Role training – Online 27 October 2026](#)
- [Employer Role training – Online 26 November 2026](#)

For any further enquiries, please contact us at training.lgps@local.gov.uk

Action for administering authorities

Please share details of the employer role training with your Scheme employers.

LGPS England & Wales Scheme Advisory Board (SAB)

MHCLG consultation on Investment, pooling and governance guidance

MHCLG ran a closed consultation on its draft statutory guidance accompanying the revised [LGPS \(Pooling, Management and Investment of Funds\)](#) and [LGPS \(Amendment\) regulations](#).

The Board published [its response](#) on 9 January 2026. Although MHCLG decided it should be a closed consultation, the Board's response was shared publicly for transparency with LGPS stakeholders. The Board also submitted detailed comments directly to MHCLG on the full draft guidance.

The response includes technical feedback on each of the draft guidance documents. It also sets out the Board's wider concerns on the practical challenges of implementing several overlapping reforms at the same time.

Board vacancy for pensions policy advisor

The Board is inviting expressions of interest for the position of pensions policy advisor. Joe Dabrowski previously held this position and stepped down after leaving Pensions UK.

The Board is now seeking a pensions policy practitioner with strong LGPS knowledge to attend Board meetings in an advisory role. The successful candidate will be expected to attend and contribute to the Board's three meetings each year, sharing their insight and perspective to its discussions based on their experience of the LGPS and the wider pensions industry.

This is a voluntary role, and the Board will appoint the advisor in a personal capacity, not as a representative of an organisation. Other expert advisors, such as the Board's actuarial and legal advisers, attend meetings in a similar way.

How to apply

If you are interested in this role, please submit no more than 500 words to the Board secretariat by 5pm on 11 February 2025, covering the following points:

- how your experience demonstrates an up-to-date understanding of the LGPS
- your understanding of how the SAB's work contributes to the governance and development of the LGPS
- which areas of LGPS-related work particularly interest you and why
- your current engagement with the LGPS, including any boards, committees or groups you are part of or support.

The secretariat may contact applicants with further questions after reviewing expressions of interest. The chair of the Board will make a recommendation based on the expression of interest, and the Board will collectively approve the appointment. The Board aims to complete the appointment before its next meeting on 23 March 2026.

Once appointed, the secretariat will invite the successful person to a short introductory meeting ahead of their first meeting.

If you have any questions, please contact the secretariat by emailing sabsecretariat@local.gov.uk

Compliance and Reporting Committee (CRC) vacancy for practitioner representative

In [bulletin 271](#), the Board invited expressions of interest to join the Compliance and Reporting Committee (CRC) as a practitioner representative. This opportunity remains open until 20 February 2026.

The Board is seeking a candidate who can represent scheme administration on the committee. For more information on the committee, you can review the [CRC Terms of Reference](#). If you are interested in applying, please email sabsecretariat@local.gov.uk.

New SAB website launched

Over the last nine months, the Board has redesigned its website and refreshed its branding to improve user experience and accessibility, and to better reflect its expanding work and future direction.

The new website went live on Monday 26 January 2026. The website address remains unchanged, <https://lgpsboard.org/>, so you should not need to update any saved favourites or bookmarks.

The new website and branding are designed to make content easier to find and use, supported by an improved search function to help users locate both new and existing content. The Board welcomes early feedback as stakeholders begin using the site over the coming weeks.

All key content, including past news, guidance and consultation responses remains available. The secretariat will continue to update the website over the coming weeks and months, including adding relevant archived content. If you cannot find any pages you wish to access on the new site, please contact sabsecretariat@local.gov.uk.

The Board would also like to thank Landscape (Wealth at Work) for their work in delivering this project.

Scheme Advisory Board survey – employer exits

The Board has issued a new survey collecting data on employers exiting the LGPS. The survey explores the scale of exits, reasons behind them, and the application of exit credit regulations.

Administering authorities are invited to complete a short 15-minute survey to support this important evidence-gathering work. The survey should be completed once per Administering Authority. If you would like to take part, please [complete the survey](#) before 13 February 2026.

If you have any questions or wish to provide further comments, please feel free to contact sabsecretariat@local.gov.uk or sarah.tingey@local.gov.uk.

HMRC

Pension schemes newsletter 177

On 29 January 2026, HM Revenue and Customs (HMRC) published Pension schemes newsletter 177. Articles of particular interest to administering authorities include:

- removing non-UK pension scheme administrators before 6 April 2026, and
 - an invitation to participate in user feedback sessions on the new inheritance tax digital service.
-

Wider landscape

PASA publishes part two of its guidance on digital transformation

On 20 January 2026, the Pensions Administration Standards Association (PASA) released part two of its digital transformation guidance following the release of part one in November 2025.

Part two provides practical planning strategies for schemes of all sizes and levels of digital maturity. It introduces a framework which supports schemes in developing clarity and alignment across key areas including baseline assessment, risk appetite and governance, intention and vision, desired outcomes, gains and essential capabilities. It is designed to help schemes avoid common pitfalls such as premature procurement or misaligned priorities, and to ensure transformation plans are grounded in organisational readiness and measurable outcomes.

For more details and to access the full guidance, see [PASA's press release](#).

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

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LGPC Bulletin 273 – February 2026

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

- [HMT confirms annual revaluation and pensions increase](#)
- [MHCLG response to Access and Fairness consultation](#) (England & Wales)
- [partial MHCLG response to Access and Protection consultation](#) (England & Wales)
- [LGPS Scotland – consultation update](#)
- [SAB Code of Transparency data system to close](#)

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

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LGPS England & Wales

MHCLG responds to Access and Fairness consultation

The Ministry of Housing, Communities and Local Government (MHCLG) has responded to the Access and Fairness consultation. You can find links to the

consultation, and links to the Government and LGA responses to it on the [Scheme consultations](#) page of www.lgpsregs.org.

The Government has confirmed that it will introduce the changes proposed in the consultation in two stages. The first phase of changes will come into force on 1 April 2026. These are:

Death grants and survivor benefits

- equalisation of survivor benefits
- removal of the upper age limit of 75 to qualify for a death grant
- removal of the requirement to pay a death grant to personal representatives if the administering authority has not paid it using their discretion within the 'two year period'. The 'two year period' is the two years after the member's death, or the two years after the date on which the administering authority could reasonably be expected to have become aware of the death
- removal of the requirement to have nominated a cohabiting partner for deaths between 1 April 2008 and 31 March 2014
- minor changes to the rules covering short term children's pensions.

Qualifying additional pension arrangements (QAPAs)

- the cost of buying back pension 'lost' during a period of authorised unpaid absence of more than 14 days to be based on the member and employer's normal contribution rates. These contracts will be known as QAPAs.
- the time limit to apply for a QAPA will be one year after returning to work. This is an increase from the current limit of 30 days, but will only be possible while the member is an active member in the same employment
- allowing employers to contribute to the cost of a QAPA for the whole of an unpaid absence that lasts more than three years
- the pension bought through a QAPA will mirror normal pension built up: it will count towards the calculation of survivor pensions, and will not be reduced if the member retires on redundancy or efficiency grounds
- these new rules will only apply to a continuous period of authorised unpaid absence that started **after** 31 March 2026
- The existing rules will apply to unpaid breaks that started before 1 April 2026:
 - cost to buy 'lost' pension is based on age-related factors
 - employer funds two thirds of the cost if the member elects to buy the lost pension within 30 days of returning to work (or such a longer period allowed by the employer)
 - added pension reduced on redundancy or efficiency retirement before Normal Pension Age
 - the added pension does not count towards survivor pensions.

Gender pensions gap – other provisions

- compulsory pension contributions during authorised unpaid absences of 14 days or less, with contributions based on ‘lost’ pay and the member and employer’s normal contribution rates. This applies to authorised absences that start after 31 March 2026. The current rules continue to apply to an unpaid break that started before 1 April 2026.
- assumed pensionable pay (APP) to apply during unpaid additional adoption leave, unpaid additional maternity leave and unpaid shared parental leave. APP will apply during these types of absences only if the unpaid period starts after 31 March 2026. The current rules will apply to any unpaid additional maternity or adoption leave, or unpaid shared parental leave that started before 1 April 2026.
- compulsory gender pension gap reporting from the 2025 valuation report. Simple reporting in 2025 will be replaced by more in-depth reporting from 2028 onwards.

Abolition of the lifetime allowance

- removal of references to the lifetime allowance
- withdrawing the GAD guidance on ‘Limit on total amount of benefits – Lifetime allowance’
- replacing ‘benefit crystallisation event’ with ‘relevant benefit crystallisation event’, where appropriate
- introducing the long-term approach to the maximum pension commencement excess lump sum (PCELS). The new maximum will be 25% of the capital value of the benefits being crystallised, subject to the contracting-out limits.
- the new PCELS limit will apply to all PCELS paid after 31 March 2026.

Amendments related to McCloud protection

- introducing an underpin date for members who joined the LGPS after age 65, and transferred in remediable service from a different public service pension scheme, and providing for the provisional amounts to be calculated using GAD guidance
- minor change to ensure deaths on 30 September 2023 are correctly treated in calculations related to McCloud protection
- changes related to how McCloud is reflected in past pension debit calculations
- further detail about how McCloud protection affects certain calculations in respect of a pension credit member
- correcting the rules on special interest on Club transfer top-up payments
- rules for paying interest on McCloud compensation payments.

Other changes

- minor wording changes related to the revaluation adjustment
- adding a combined county authority created under section 9 of the Levelling-up and Regeneration Act 2023 to the list of employers in Part 1 of Schedule 2
- minor change in the definition of paternity leave
- allowing a de-minimis payment, sometimes referred to as a ‘small pot payment’, to be paid under the Registered Pension Scheme (Authorised Payments) Regulations 2009 where membership ended before 1 April 2008, subject to meeting the remaining criteria.

The Secretary of State issued actuarial guidance on reporting the gender pensions gap (GPG) on 3 February 2026. The guidance sets out how the GPG should be reported for the 2025 actuarial valuations. You can find the guidance on the [Actuarial guidance](http://www.lgpsregs.org) page of www.lgpsregs.org.

Next steps

The Government has not yet published the statutory instrument (SI) that will amend the LGPS Regulations to deliver these changes. We expect this early in March.

We will publish a special bulletin setting out detailed information about the changes, including any transitional arrangements and the implications of backdating some of the regulation changes as soon as possible after the SI is published. We also expect MHCLG to issue statutory guidance and new actuarial guidance in response to the changes.

The Government plans to implement the remaining proposals from the Access and Fairness consultation, including removing the requirement to pay refunds automatically at the end of five years, later in 2026.

Actions for administering authorities

Consider what processes and communications need updating in response to these changes.

Share information with employers about changes that will affect their LGPS responsibilities. This will include the introduction of QAPAs and other changes related to the gender pensions gap.

MHCLG responds to Access for Elected Members consultation

MHCLG has published a partial response to the Access and Protections consultation. This response covers only one of the four policy areas in the consultation - pensions for elected members. The Government will issue a separate response later this year covering the remaining policy areas. You can find links to the consultation, and links to the Government and LGA responses to it on the [Scheme consultations](#) page of www.lgpsregs.org.

Following consultation, the Government has confirmed that it will proceed with plans to extend the LGPS to councillors and mayors in England. This change will give access to the LGPS to:

- all mayors and deputy mayors in England
- all councillors at principal authorities in England, and
- all London Assembly members.

The regulations are expected to come into force on 11 May 2026, the first Monday after the local elections.

The Government acknowledges that bringing elected members into the LGPS will place additional administrative demands on administering authorities and employers. However, the Government believes this will help talented people come into public service and ensure consistent treatment in terms of pension provision across the UK.

Elected members who wish to join will be required to opt in to the Scheme under regulation 3(6) of the Local Government Pension Scheme Regulations 2013.

Some respondents suggested aligning Welsh councillors with the new arrangements. Due to the tight implementation timeline, the Government has decided not to take this forward at present. Discussions with the Welsh Government about future alignment will continue.

We are continuing to work with MHCLG to consider and resolve any technical queries on the regulations. In addition, we are preparing a special bulletin, planned for April, that will set out the key differences between elected and non-elected member participation in the LGPS and outline the actions administering authorities will need to take. We will also update the member website and produce a brief guide for councillors and mayors in England.

Actions for administering authorities

Consider what processes and communications need updating in response to these changes.

Inform Scheme employers who will be affected by these changes about the Government response to the consultation.

Regional pension officer group – name change

The Shrewsbury Pension Officers Group has changed its name to the North West Pension Officers Group (NWPOG). Regional pension officer groups provide a forum for LGPS pension managers, officers and administrators to discuss technical issues, scheme developments, resourcing and points of practice with representatives from their neighbouring pension funds and the LGA pensions team.

New co-heads of MHCLG pensions team

From early April Rosanna Thomson (investments, pooling and strategy) and Will King (benefits and administration) will be taking over as co-heads in succession to Teresa Clay. Rachel Howcroft, Oliver Watson and Olivia Lavery continue as the key contacts on investments, pooling and strategy and Ben Lavelle on benefits and administration.

LGPS Scotland

Consultation update - draft LGPS (Scotland) (Amendment) Regulations 2026

On 4 February 2026, Kim Linge, Policy Manager at the Scottish Public Pensions Agency (SPPA), emailed Scottish administering authorities with an update on the consultation on the draft LGPS (Scotland) (Amendment) Regulations 2026. In the email, Kim confirmed that SPPA will pause the proposed amendments in light of the feedback received.

We covered the consultation, which ran from 2 September to 25 November 2025, in [Bulletin 268](#). The consultation documents are available on the [Scheme Consultations](#) page of www.scotlgpsregs.org.

After the Scottish Parliamentary elections in May 2026, SPPA plans to run a further consultation. This will include proposals in respect of the 2028 changes to the normal minimum pension age, and to update the Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998, which were last updated in 2011.

We understand that the paused amendments and the new proposals will be brought together in a single, comprehensive Scottish statutory instrument later in 2026.

Pensions dashboards

Pensions Dashboards Programme (PDP) – news in brief

PDP has:

- published a [blog on making the MoneyHelper Dashboard accessible](#)
 - published a recording of the [December 2025 Pensions dashboards progress webinar](#) and answers to questions asked at the event
 - made updates to its connection guidance. You can access the guidance through the [Connection hub](#). Each piece of guidance includes a change log which sets out a comprehensive list of the updates made.
-

Training

2026 training programme

Our [2026 Training Programme](#) is live, bringing you a full calendar of engaging, practical, tutor-led courses.

Bookings are processed on a **first-come, first-served basis**. To ensure fairness, each topic is limited to five delegates per organisation.

If you are unable to secure a place on a course or you require more than five places, please email training.lgps@local.gov.uk with details of the course(s) you wish to attend, including the number of places required and preferred format (online or in person). We will maintain a waiting list and may consider running additional sessions if demand is sufficiently high.

More information on all of our courses and their content is available on the [Training and Development](#) pages of www.lgpsregs.org.

Aggregation – England and Wales

- [Aggregation training – Online 29 October 2026](#) (1 place remaining)
- [Aggregation training – Online 19 November 2026](#)
- [Aggregation training – London 2 December 2026](#)

Additional contributions – England and Wales

- [Additional contributions – Online 10 September 2026](#) (1 place remaining)
- [Additional contributions – Online 5 November 2026](#)

Survivor benefits – England and Wales

- [Survivor benefits course – London 9 October 2026](#)
- [Survivor benefits course – Online 10 and 11 November 2026](#)
- [Survivor benefits course – Online 7 December 2026](#)

Intermediate retirements – England and Wales

- [Intermediate Retirements course – Online 5 May 2026](#)
- [Intermediate Retirements course – Online 2 June 2026](#)
- [Intermediate Retirements course – London 10 June 2026](#)

Advanced retirements – England and Wales

- [Advanced Retirements course – Online 13 May 2026](#)
- [Advanced Retirements course – Online 24 June 2026](#)
- [Advanced Retirements course – London 1 July 2026](#)

Insight – England and Wales

- [Insight course – Online 6 - 10 July 2026](#)
- [Insight course – Bournemouth residential 7 - 10 September 2026](#) (2 places remaining)
- [Insight course – Online 19 - 23 October 2026](#)

Employer role – England and Wales

- [Employer Role training – Online 21 April 2026](#) (1 place remaining)
- [Employer Role training – London 7 May 2026](#)
- [Employer Role training – Online 21 July 2026](#)
- [Employer Role training – Online 19 August 2026](#)
- [Employer Role training – Online 24 September 2026](#)
- [Employer Role training – Online 27 October 2026](#)
- [Employer Role training – Online 26 November 2026](#)

For any further enquiries, please contact us at training.lgps@local.gov.uk.

Action for administering authorities

Please share details of the employer role training with your Scheme employers.

Training Focus Group

The [minutes of the Training Focus Group](#) held on 22 January 2026 accompany this bulletin. Topics discussed include:

- training courses in 2026 and options for commissioning training
- updates on the Award in Pensions Essentials (APE) qualification and the Certificate in LGPS Administration
- upcoming survivor benefits course
- mentorship proposal.

The next meeting is provisionally scheduled for 14 July 2026.

LGPS Governance Conference 2026

The LGPS Governance Conference 2026 was a tremendous success, bringing together delegates from across the LGPS community for two days of insight, expertise and collaboration. Whether attending in person or online, participants engaged in thoughtful discussion and shared learning on some of the most important issues shaping the future of LGPS governance.

This year's conference delivered a rich and varied programme, with expert speakers offering practical guidance, regulatory updates and strategic perspectives.

Day one highlights

- pensions dashboards
- peer support: sharing LGPS good governance experience
- balancing the LGPS equation
- pooling LGPS relationships in transition
- an update from The Pensions Ombudsman.

Day one focused on the evolving pensions landscape, including the implementation of pensions dashboards, administration challenges and the importance of collaboration, good governance and effective pooling arrangements. Sessions encouraged open dialogue and the sharing of best practice across funds.

Day two highlights

- MHCLG update
- implications of local government reorganisation
- being an effective pension committee or board member

- legal update
- managing cyber risk
- investment outlook.

Day two explored the broader strategic and regulatory environment, equipping delegates with practical insights into governance responsibilities, legal developments, cyber resilience and the economic outlook affecting investment strategies.

We extend our sincere thanks to all our speakers, chair and panellists for their invaluable contributions. Their expertise and commitment helped make this year's conference both informative and inspiring.

Join us in 2027

We are already looking ahead to the next LGPS Governance Conference, which will take place in Harrogate on 28 and 29 January 2027. We look forward to welcoming you to another engaging and forward-thinking event.

Be sure to save the date and [register your interest](#) to be notified when bookings open.

Thank you once again to everyone who contributed to the success of the LGPS Governance Conference 2026. We look forward to seeing you next year!

LGPS England & Wales Scheme Advisory Board (SAB)

2025/26 Board Annual Review

The Board's [2025/26 Annual Review](#) has now been published. The review focuses on the Board's key workstreams in the past year and the expected workstreams for the year ahead. Amongst other topics, the future workstreams will include:

- assisting the Scheme with embedding the Fit for the Future investment, pooling and governance changes
- increased engagement with pension committees and boards
- reviewing guidance for local pension boards
- undertaking peer support pilot events
- closing down the central Code of Transparency data system and launching a new Code of Transparency framework.

Pension Committee Chairs' event

The Board's Secretariat is preparing for the Board Chair, Cllr Roger Phillips, to meet with all pension committee chairs to discuss topical issues in the LGPS. The Secretariat has also invited the Local Government Minister, Alison McGovern MP, to attend.

Once a date has been confirmed, invitations to register will be sent to Pension Committee Chairs.

Updated Board statement on the management of the LGPS

The Board is aware that Reform UK has recently made comments about the LGPS, including proposals for a new management model. This follows on from previous comments made by Reform UK in September 2025.

The Board issued a summary statement on 1 September 2025 explaining the management of the LGPS and the statutory role of the SAB. An [updated version of this statement](#) has now been published on the Board's website.

Board statement on Government's response to Access and Fairness

On 4 February 2026, the Board [published a statement](#) on the [Government response to the Access and Fairness consultation](#).

The Board welcomes the response and looks forward to working closely with the Government, administering authorities and other stakeholders to ensure these reforms are implemented, with necessary guidance in place to support administering authorities.

You can read the [Board's full response to the consultation](#) on the Board's website.

SAB Code of Transparency data system to close: 6-month notice

In 2024, the Board engaged in a project of research and engagement to determine the long-term future of the central data system supporting the LGPS Code of Transparency. The Board agreed at its November 2024 meeting to replace the central system with a framework approach. Since then, it has been working with the [National LGPS Frameworks](#) team and a group of founders on a project to establish this.

The new framework is expected to launch in April 2026. It will offer two lots:

- basic collecting and reporting of cost templates
- data validation and benchmarking.

The centralised data system run by Byhiras is now in its final year. **It will be taken down on Friday 28 August 2026 at 5pm.** After this time, users will not be able to access any data. All data held in the system will be securely deleted and will not be recoverable by users or Byhiras.

Action for administering authorities

We advise all users of the Byhiras system to download all of their data from the system over the next few months.

Contact Byhiras directly at info@byhiras.com to help resolve any problems when you do this.

As part of the contractual arrangement setting up the system, the Board agreed with Code signatories that it would not have access to any underlying data stored in the system. Therefore, the Board cannot hold any back-up of this data after the contract ends. When the service is decommissioned, users and the Board will no longer be able to access template data, and the website will not be available.

The Board remains committed to maintaining and improving current standards of investment cost transparency. To support this, the Board published a [revised Code of Transparency](#) in November 2025 ahead of the launch of the new Cost Transparency and Benchmarking Services framework. The Board is also continuing to explore further avenues for maintaining oversight of compliance.

The Board thanks Byhiras for their pivotal work in supporting the implementation of the LGPS Code of Transparency over the last seven years.

HMT

Confirmation of annual revaluation, earnings and pensions increase

On 26 February 2026, HM Treasury (HMT) published a [written ministerial statement](#) confirming the rates of annual revaluation, earnings and pensions increase due to apply from April 2026. The statement confirms:

- public service pensions will increase on 6 April 2026 by 3.8%, in line with the Consumer Prices Index for the year up to September 2025
- revaluation of 3.8% plus any local addition will be used in April 2026 to revalue CARE accounts in public service pension schemes that use prices as the measure of revaluation

- revaluation of 4.8% will be used in April 2026 to revalue CARE accounts in public service pension schemes that use earnings as the measure of revaluation.

The following rates will apply when revaluing earned pension credited from a Club transfer:

- Police 5.05%
- Firefighters 4.8%
- Civil service 3.8%
- National Health Service (NHS) 5.3%
- Teachers 5.4%
- Armed forces 4.8%
- Judicial 3.8%.

When they become available, we will publish the relevant Statutory Instruments on the:

- [Related legislation \(England and Wales\)](#) page of www.lgpsregs.org
- [Related legislation \(Scotland\)](#) page of www.scotlgpsregs.org.

2026 Pensions Increase multiplier tables

On 26 February 2026, HMT published the 2026 Pensions Increase multiplier tables and a covering note. You can find the [2026 public service pensions increase](#) note and tables on the gov.uk website. They will shortly be available on the Related legislation pages of the LGPS administrator websites.

TPO

The Pensions Ombudsman (TPO) Technical Forum

TPO is holding its annual Technical Forum online on Tuesday 10 March from 10am to 12.30pm. The session is for technical specialists in the pensions industry. The aims of the event are to:

- share information and guidance
- achieve a better understanding of the needs and challenges of the industry
- enhance the service that the public and industry receive from TPO.

Those who attend the forum will be able to ask the Pensions Ombudsman questions.

You can [register to attend the TPO Technical Forum](#) online.

TPR

TPR survey on communication preferences

The Pensions Regulator (TPR) is carrying out a survey to find out how its audiences consume different types of information it supplies.

The [TPR communications survey](#) should take three minutes to complete. It closes on **6 March 2026**. If you have any questions about the survey, please contact TPRSurveys@tpr.gov.uk.

TPR pension fraud webinar

TPR will host a free Pension Scams Action Group (PSAG) webinar on fighting pension fraud on Wednesday 18 March 2026 from 2.30pm to 3.30pm. The event is aimed at pension professionals, administrators and advisors. It will showcase how PSAG partners and industry pledgers are combating pension scams. You can [register for the TPR fighting pension fraud webinar](#) online.

Action Fraud replaced by Report Fraud service

TPR has updated its [guidance on Avoiding and reporting pension scams](#) to reflect the replacement of Action Fraud by Report Fraud from January 2026.

Your vigilance can help safeguard pensions. Reporting something that doesn't look right helps authorities build a bigger picture and helps block and disrupt crime in real time. Every report strengthens the pension industry's collective defences and helps prevent future scams.

You can [read more about the launch of Report Fraud](#) on the City of London Police website.

Wider landscape

PASA publishes part 3 of its guidance on digital transformation

On 26 February 2026, the Pensions Administration Standards Association (PASA) released the third part of its digital transformation guidance.

Part 3 of the guidance focuses on:

- how schemes can translate digital transformation strategy into delivery
- embedding saver engagement, change management and iterative improvements into daily operations

- the importance of designing digital administration around saver needs and expectations.

See [PASA's press release](#) for more information about Part 3 and for a link to the full guidance.

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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Date 22/12/2025, by email

To whom it may concern,

Response to the consultation on the Local Government Pension Scheme England and Wales; Scheme improvements (access and protections)

LB Brent Pension Fund is pleased to provide its response to MHCLG's consultation on the above topic.

The Government believes that the LGPS should be available to all those who provide the services for which local government is responsible.

On 13 October 2025, the Ministry of Housing, Communities and Local Government (MHCLG) published its LGPS Scheme improvements (access and protections) consultation.

The consultation focuses on promoting equal access to the scheme and its benefits, and protections for its members and Brent will set out its observations in order.

Local Government Pension Scheme in England and Wales: Scheme improvements (access and protections)

Normal Minimum Pension Age (NMPA)

The Finance Act 2022 legislated to increase the NMPA from 55 to 57, effective from 6 April 2028, for all registered pension schemes in the country.

As the increase in NMPA is a fait accompli, the consultation focuses on protections for members who were in a registered pension scheme prior to 4 November 2021, who may have a protected pension age (PPA).

The latest consultation proposes only offering a PPA to members with continuous membership in the LGPS; however, PPA's from other registered pension schemes should be noted in case the member subsequently returns to it, and they are able to revive their PPA in that scheme.

Q1. Do you agree with keeping the NMPA at below 57 for members with a PPA?

Yes. It is an attractive proposal for members who envisage working their whole careers in local government, but it cuts across the Government's aspiration to encourage mobility within the public sector.

However, it adds another layer of complexity to an already complex pension scheme and there needs to be a thorough impact assessment that considers cost, potential age discrimination and the creation of a two-tier workforce.

Q2. Do you agree with increasing the NMPA to 57 for members without a PPA?

Yes. The increase in NMPA was enshrined in legislation by the Finance Act 2022, and it delivers the policy intention.

Q3. Do you have any views on the design of the regulations to incorporate this change?

If a member has a PPA in the LGPS it should apply to all their elements of their LGPS service. It is not unduly onerous to monitor this as administrators have access to the National Insurance database. This approach avoids members being forced to make complex and committal decisions about aggregating their membership.

Access for councillors and mayors

This proposal largely replicates Schedule 8 of 1997 regulations, which opened the LGPS to nominated councillors from 1 May 2003 until they first faced election after 31 March 2014. The proposed scheme is also a CARE scheme, but the revaluation will be based on CPI instead of RPI.

The key differences seem to be the new intention that;

- as far as possible, elected members should be treated the same as other members of the LGPS
- as far as possible, elected members should be treated in a way that is consistent with the LGPS in Scotland, Northern Ireland and pre-2014 England & Wales

The key principles are reminiscent of the 2003 scheme (Schedule 8 of the 1997 regulations) except for the new definition of pensionable pay, which automatically includes both the basic and special responsibility allowances.

- elected members will not be subject to auto-enrolment and, whilst each individual will have the right to join the scheme, elected members will need to assess whether they wish to do so
- an employer will not be allowed to award additional pension, make shared additional voluntary contributions or fund additional pension contributions to an elected member
- a new definition of pensionable pay will be used, to cover both basic allowances and special responsibility allowances paid to elected members
- elected members will pay employee contributions at the same rates as other members, using the same bandings applied to their pensionable pay
- a member will not be permitted to combine any LGPS membership they may have as an elected member with any other type of LGPS membership

- flexible retirement (where a member over the age of 55 can start to receive their pension whilst still working, if the member reduces hours or grade) will not be permitted for an elected member
- early access on redundancy will not be permitted for an elected member
- elected members will be permitted to transfer benefits in and out of the LGPS in the same way as other members, with the exception of final salary benefits
- early and late retirement will be permitted in the same way as for other members
- elected members will be in scope of forfeiture regulations
- elected members will have access to the 50:50 scheme
- elected members will have the same protections around Assumed Pensionable Pay as other members.

Q4. Do you agree with the proposal to give mayors access to the scheme?

Brent agrees with the principle of offering all elected members access to a defined benefits pension scheme. Mayors provide a vital public service - and the CARE scheme offers proportionate pension benefits for the contributions paid.

Q5. Do you agree with the proposal to give councillors access to the scheme?

Yes. Brent believes that admitting councillors advances engagement with the LGPS at a local level and promotes general awareness of the scheme. Councillors in Scotland, Wales and Northern Ireland already have access to the LGPS and restoring access in England brings consistency across the UK. Moreover, councillors who participate in the LGPS are likely to be more engaged with pension governance, especially if they hold roles on pension committees or boards.

Q6. Do you agree with the two principles of how the government plans to develop regulations?

Yes.

Q7. Do you have any specific comments on the draft regulations?

The Government Actuary's Department (GAD) anticipates these proposals costing £40-£45 million per year in England and the Government is not offering any additional funding. It would be helpful to know how much admitting mayors is expected to cost as it is likely to be disproportionately expensive and generate fewer benefits.

As these are new proposals, and considering already stretched Council budgets, the Government should consider providing additional funding to meet the extra cost. Brent thinks that the proposed timescales for introducing the new regulations are too optimistic and the software providers have warned that they do not have enough time to make their products compliant.

Academies

Multi academy trusts (MATs) may have academies in two or more administering authorities and there may be efficiency savings for the academy in consolidating in one administering authority. However, there is anecdotal evidence that some MATs prefer to consolidate in the administering authority with the lowest employer contribution rates leading to allegations of

“cherry picking” or “contribution shopping”. It is also important to note that consolidation can generate substantial professional fees and moving one or more large schools to a new administering authority may have a significant adverse effect on the ceding administering authority.

MHCLG has proposed the following tests to maximise savings and avoid adverse consequences.

- There must be a clear and evidenced value-for-money assessment in favour of the consolidation (such as to achieve administrative efficiencies that outweigh the cost of transfer and actuarial fees).
- There should be a pre-existing relationship with the administering authority that the MAT wishes to join or consolidate into (i.e. the MAT already has schools in that administering authority).
- All administering authorities involved should agree to the change.
- The receiving administering authority must be able to administer the transfer effectively.

This is not a significant change as a direction order is only avoided if all the parties agree and, otherwise, the aggrieved party can insist on a direction from the Secretary of State.

Q8. Do you agree with the proposal to establish the criteria above in legislation?

Establishing clear criteria is essential as there is a danger that motivated academies will try to suggest that there is agreement across the board even though one or more of the interested parties involved dissents.

Brent believes that each of the criteria to be considered should be given a clear weighting to establish an order of precedence and facilitate consistent decision making.

Q9. Do you have any views on how contribution rate shopping can be discouraged?

As a rule of thumb, individual academies should be required to participate in the fund of the administering authority within which their academy is situated by default.

In Brent’s view, the only exceptions should occur when there are no serious disadvantages to the exporting administering authority, there is a pre-existing relationship with the importing fund and there are clear and demonstrable non-financial advantages for the MAT to consolidate. The default should be that academies would only be allowed to migrate to the administering authority that already has the largest number of academies in the MAT, unless there are truly exceptional circumstances.

Employer’s pension contribution rates should be excluded from the value for money assessment. Brent thinks that consolidations driven by employer contribution rates should be referred to the Secretary of State for approval and it would expect these cases to be declined.

Q10. Are there any other criteria that should be included?

If the MAT cannot demonstrate significant efficiencies and savings that are not related to lower employer rates, the transfer should not go ahead unless both administering authorities agree.

A transfer should be carefully scrutinised if the MAT is looking to consolidate in an administering authority that is not in the geographical location of the largest number of academies.

The cash-flow impact on both the ceding and receiving administering authorities should be included in the criteria. This is particularly important as MATs tend to have more active members and when a large block of active members moves funds, the ceding AA may have to sell assets to replace the cash flow.

Q11. Do you have any other comments or considerations relating to establishing the criteria in legislation?

Clear and comprehensive guidance is mandatory.

What will happen to contracts that have been let by MATs; will they follow their letting authorities or remain in their existing funds?

If “deemed employer” is not adopted it may be disproportionately expensive to terminate admission agreements and arrange new ones in the new fund, but it would be counterintuitive for the original administering authority to retain small admission agreements after the letting authority (and guarantor) has migrated.

It should be made clear how new academies joining a MAT after a consolidation will be handled. It is our view that a separate assessment in line with the established criteria should be carried out.

Q12. Do you agree to the removal of the requirement to seek Secretary of State consent for standard direction order applications?

A qualified; yes, provided that the criteria and process on how assessments should be carried out are clearly defined.

Q13. What would be the most helpful information to include in guidance?

It is important to set out the weighting given to each of the main elements that would be taken into consideration if the Secretary of State was deliberating a directions order. Each element should be given a weighting to establish a clear order of precedence.

Guidance should cover the roles and responsibilities of MATs, ceding administering authorities, receiving administering authorities and DfE/MHCLG, including how disagreements should be handled.

Q14. Do you have any other comments or consideration on the removal of the requirement to seek SoS consent for standard order applications?

There should be a clear and unambiguous agreement to the proposed migration signed by all the key stakeholders. We also reiterate concerns about cash-flow impacts on the ceding administering authority where multi-fund MATs consolidate into a single fund; this should be explicitly recognised in guidance as a relevant consideration.

Proposal 2: Process for applications where criteria are not met

The narrative says the government supports applications for a Directions order where the benefits clearly outweigh the costs; however, it does not explain how this is weighed against its desire to avoid “cherry picking” as most applications concern MATs looking to consolidate in an administering authority with lower employer contribution rates.

The Government concedes that cash flow may be an issue for some administering authorities but it also important to note that two or three large schools migrating from one London borough to another administering authority might cause issues, notwithstanding that academies are ring fenced. A lot of confusion may have been sowed and considerable expense incurred before an academy realises that its past service liabilities will follow them.

The Government says that it would consider cashflow issues on a case-by-case basis; however, it gives no indication of how it will weigh this against potential efficiency savings for the MATs. Clear guidance is essential for a consistent approach.

Q15. Do you agree that non-standard applications will continue to require Secretary of State approval?

Yes, where the criteria are not fully met – for example, where one administering authority does not agree to the consolidation – it is appropriate that the SoS approves applications.

Q16. What would be the most helpful information to include in the guidance in relation to nonstandard applications that will require Secretary of State approval?

It would be helpful to know the weighting the Government wants us to apply to the various elements. Guidance should also define “non-standard” applications with examples and explain the process for submitting an application with the evidence required.

Q17. Do you have any further comments regarding the proposal?

Brent would urge prioritising the long-term health of pension funds above any short-term savings that academies may realise. If a pension fund is destabilised, the remedy will be disproportionately costly to remedy.

The principle that migrating MATs must have an existing relationship with the importing fund should be non-negotiable, unless all the interested parties agree otherwise.

New Fair Deal

Fair Deal was introduced in Central Government in 1999 and there were consultations about introducing it to Local Government in 2016 and 2019. The latest iteration introduces or develops three key concepts;

- **“Deemed employer”** has the meaning given by Part 4 of Schedule 2 in the 2013 Regulations. It has the effect that for specific groups of employees, their ‘Scheme employer’ is not their employer in employment law but is instead their deemed employer.
- **“Fair Deal employer”** means a Scheme employer listed in paragraphs 1 to 13 or 15 to 29 of Part 1, or in Part 2, of Schedule 2 in the 2013 Regulations, or a further education corporation or sixth form college corporation as per section 90 of the Further and Higher Education Act 1992. It has the effect of identifying the original employer of individuals who have since been outsourced.

- **“Relevant contractor”** means a contractor to whom an employee’s contract of employment is compulsorily transferred under regulation 4 of “The Transfer of Undertakings (Protection of Employment)” (TUPE) regulations from a Fair Deal employer (or a previous contractor). It has the effect of identifying the employer of protected transferees.

Q18. Do you agree that the option to offer broadly comparable schemes should be removed, except in exceptional circumstances, to align with the 2013 Fair Deal guidance?

Yes. The LGPS should be the default.

Q19. Are you aware of any other broadly comparable schemes that are currently in operation and have active members covered by the 2007 and/or 2012/2022 Directions? If so, please provide details of these.

We are aware of comparable schemes, but we believe that none of the contracts let in this administering authority operate them.

Q20. Do you agree with the proposals on deemed employer status and the removal of admission body option for service providers who deliver local government contracts?

Brent thinks that Deemed employer is a natural progression of pass through and offers greater certainty and additional savings. However, there may be an argument for retaining admission agreements for high-value long-term contracts with substantial numbers of transferees.

Q 21 Do you agree with the proposed definition of Fair Deal Employer?

Yes, but the regulations do not deliver the intention expressed in the consultation. Schedule 2 part 2 employers (e.g. voluntary aided schools etc.) are not covered in the draft regulations although the consultation suggests that they would be.

Q22 Do you agree with the definition of a protected transferee?

Yes, however, guidance is essential to clarify how “wholly or mainly” working on the outsourced service is to be interpreted, and what happens when working patterns change.

Q23. Do you agree with the proposal to allow the Fair Deal employer to provide protected transferee status for all staff working on a contract outsourced by a Fair Deal employer, which would enable Fair Deal employers and relevant contractors to avoid creating a two-tier workforce on outsourced contracts?

Brent agrees; however, it supports the default position set out in the draft regulations. New employees working on the outsourced service would only have access to the LGPS if the Fair Deal employer and the relevant contractor agree to it. If there is a consensus, then there should be a further requirement that any new members devote at least 50% of their time to the outsourced function.

Q24. Do you agree with the overall approach on responsibilities for relevant contractors and Fair Deal employers? If you do not, with which proposals do you disagree?

There need to be clearly defined responsibilities set out in focused and concise guidance. Contribution returns, leaver forms, opt-ins / opt-outs etcetera would have to be the responsibility of the contractor and their payroll provider.

It would be better if any discretions that potentially carry a cost are exercised by the fair deal employer (letting authority) who is responsible for guaranteeing the pension benefits. We think that Fair Deal employers should bear any costs relating to ill-health retirement, to avoid the contractor pricing it into the contract, although the risk could be mitigated if the administering authority exercises its right to approve the IRMP certifying the retirement under regulation 36(3).

Q25 Do you agree that option 1 should be applied to how agreements between protected transferees and relevant contractors should be treated in the case of subsequent outsourcings?

Brent strongly prefers Option 1, but it may be necessary to use option 3 in exceptional circumstances.

Q26. Do you agree with the approach to allow broadly comparable schemes to continue only in exceptional circumstances?

Yes, but the LGPS should be the norm.

Q27. Do you have any views on what the exceptional circumstances, where broadly comparable schemes may need to continue, could be?

There may be instances where large numbers of members leaving a scheme may challenge an otherwise solvent comparable scheme. However, there would have to be very good reasons to allow a comparable scheme to continue.

Q28. Do you agree with the proposed approach to inward transfers from broadly comparable schemes?

Brent agrees to the LGPS accepting transfers from broadly comparable schemes, but it has reservations about allowing them to be transferred on a final salary benefits basis as MHCLG has apparently suggested. Transfers should be accepted on a cost neutral basis, and Fair Deal employers should not be asked to accept liabilities that are difficult to quantify and complex to administer.

Q29. Do you agree with the approach of including a mechanism in the draft regulations that allows for staff to become protected transferees where there is an early re-negotiation of a service contract using the new Fair Deal regulations?

Yes.

Q30. Do you agree with the proposal that all staff (including those joining a contract after first outsourcing) would be eligible for protected transferee status, providing all relevant parties agree?

Yes, subject to all the parties agreeing and a requirement that new members must devote at least 50% of their time to the outsourced function. This proposal would enhance cashflow and mitigate the risk of a two-tier workforce.

Q31. Do you agree with the proposal for the draft regulations to come into force on the date the relevant SI is laid, with a 6-month transitional period during which there is the possibility to decide to not apply the new provisions?

Yes, Brent thinks that this is a sensible provision.

Q32. If you are an individual who is currently outsourced from a local authority and part of a final salary scheme, do you agree with the proposed updating of the 2007 and 2022 Directions to deem the LGPS as broadly comparable to or better than final salary schemes? Please give the reasons for your answer.

Not applicable.

Q33. Do you agree with the proposal to develop and publish statutory guidance and Scheme Advisory Board guidance to support with the implementation of the updated Fair Deal proposals?

Clear and comprehensive statutory guidance is essential for Fair Deal to work properly.

Q34. Are there any additional topics that you would like to be covered?

Where a contract is let to a large employer, there should be a requirement that the transferees devote at least 50% of their time to the outsourced function. Statutory guidance should stipulate what happens when working patterns change.

With analogy to pass through, there may be exceptional circumstances where large or high-value contracts are more suited to conventional admission agreements. However, the risk could be managed by the Deemed Employer referring any ill-health retirements to its IRMP and the risk of a careless employer spiking any final salary benefits is receding with the passage of time.

Q35. What impact do you think these proposals would have on members?

Brent sees the proposals as positive developments that will improve consistency of treatment, promote stability, avoid two-tier workforces and deliver substantial savings in professional fees.

Also, the proposals should be positive for members by ensuring continuity of LGPS membership when services are outsourced, reducing the risk of uncertainty where admission agreements are delayed.

Additionally, guidance needs to cover how, in the absence of admission agreements, parties should document local agreements on key issues (e.g. which staff are protected transferees, whether new joiners can access the LGPS, how ill health retirement costs are to be treated, who will undertake the employer responsibilities, the employer contribution rate payable etc.)

Q36. Do you support the proposal to bring all eligible individuals back into the LGPS, including those in broadly comparable final salary schemes? Please explain your reasons.

Brent supports bringing all eligible individuals back into the LGPS but any transfers-in from broadly equivalent scheme should only be accepted on a cost neutral basis. The LGPS should not "subsidise" transfers from underfunded or insolvent schemes or offer any complex "special arrangements".

Q37. On balance, do you agree with the proposals in this chapter?

On balance Brent supports the proposals, but it believes that the proposed timescales for introducing them are too optimistic.

Q38. Do you consider that there are any particular groups with protected characteristics who would either benefit or be disadvantaged by any of the proposals? If so, please provide relevant data or evidence.

Brent thinks that the proposals advance equality and are a key step towards eliminating two-tier workforces.

Q39. Do you agree to being contacted regarding your response if further engagement is needed?

Yes.



Ministry of Housing,
Communities &
Local Government

Consultation outcome

Local Government Pension Scheme in England and Wales: Access for Elected Members - government response

Updated 24 February 2026

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This publication is available at <https://www.gov.uk/government/consultations/local-government-pension-scheme-in-england-and-wales-scheme-improvements-access-and-protections/outcome/local-government-pension-scheme-in-england-and-wales-access-for-elected-members-government-response>

Introduction

The government published the ‘Local Government Pension Scheme in England and Wales: Scheme improvements (access and protections)’ consultation on 13 October 2025, closing on 22 December 2025. The consultation set out proposals for four policy areas: Normal Minimum Pension Age, pensions for elected members, academies in the Local Government Pension Scheme (LGPS) and new Fair Deal.

This government response addresses one of the four policy areas – pensions for elected members. The proposals gave mayors and councillors in England access to the LGPS. The proposals were put forward because the government believes that they will help talented people come into public service and ensure a consistent position across the UK. Councillors in Scotland, Northern Ireland and Wales already have access to the LGPS.

The consultation also included a draft statutory instrument to bring the change into legislation. An updated draft statutory instrument, that takes into account the suggestions made at consultation, has been published alongside this response.

The government is prioritising access for elected members, so that they can enter the LGPS in the 2026-27 LGPS year. A further government response will be published later in the year, addressing the three other proposals in the consultation.

Access for elected members

The proposals were that all elected members would have access to the Local Government Pension Scheme. Elected members would include all mayors and deputy mayors in England, all councillors at principal authorities in England, and all London Assembly members.

Membership of the scheme would be on the same basis as given to other, non-elected, members of the scheme, with a small number of exceptions to reflect the different employment status. The draft statutory instrument detailed the exceptions made. No changes were proposed to the existing access that Welsh councillors have to the scheme.

LGPS access for mayors

Question 4

Do you agree with the proposal to give mayors access to the scheme?

Summary of responses

There were 208 responses to this question. 155 responses (75%) agreed that mayors should have access to the scheme, 31 responses (15%) disagreed, and 22 responses (10%) were unsure.

Of those that disagreed with the proposal, the most consistent argument, put forward by 17 respondents, was that mayors are not employees, and that the role should not be seen as a career with associated pension benefits. Some of these respondents saw it as a conflict of interest between the political nature of the role and the financial incentive.

18 respondents argued that access to the LGPS would be too expensive, in particular at a time when local government budgets are very squeezed. 7 respondents argued that defined benefit schemes are unaffordable for all members, not just mayors.

Of those that agreed with the proposal, the most consistent argument, put forward by 66 respondents, was that the role of mayor is already difficult and full-time, meaning other paid work was practically impossible, and so they felt it was unfair to effectively financially penalise someone for performing public service.

27 respondents argued that LGPS access would encourage more people to consider standing for office, and in particular younger mayors.

Our response

Given that three quarters of respondents agreed with the proposal, the government intends to proceed with the proposal and give mayors access to the LGPS.

The government recognises that mayors are not employees and the proposed statutory instrument specifically treats mayors differently to scheme members with a contract of employment. However, the government does not agree with the second assertion, that not being an

employee means pension access should be limited. As many respondents pointed out, being a mayor is a significant, full-time role. The government will treat elected leaders with the respect they deserve as dedicated public servants.

As to concerns about cost, the government continues to believe that the change should be seen in the context of the LGPS 2025 valuation and the strong funding position of the scheme.

LGPS for Councillors

Question 5

Do you agree with the proposal to give councillors access to the scheme?

Summary of responses

There were 218 responses to this question. 157 responses (72%) agreed that councillors should have access to the scheme, 39 responses (18%) disagreed, and 22 responses (10%) were unsure.

Similar arguments to those for mayors were put forward by those that disagreed with the proposal. 25 respondents (11%) argued that it would be too expensive and that councillors should only have access to defined contribution pension schemes. 24 respondents (11%) said that the role should not be seen as a career with associated pension benefits.

10 respondents (5%) said they thought LGPS access will be a conflict of interest for councillors, especially those that sit on the LGPS administering authority's pension committee.

The Taxpayers' Alliance argued that LGPS access was incompatible with local democracy, in that it represented an uplift in overall councillor remuneration, with the uplift through a central government instead of a local decision. Some councillors have voted against increasing their allowances, feeling that they could not justify the cost to their constituents. The Taxpayers' Alliance suggested that councillors should have to vote every election term if they felt continued LGPS access was justified.

Similar arguments to that for mayors were also put forward by those that agreed with the proposal. 58 respondents (27%) said that the role of councillor is difficult and, in some cases, already full-time, and deserving of a good pension. 39 respondents (18%) said that LGPS access would encourage more people to consider standing for office, and in particular younger councillors.

47 respondents (22%) said that it was important that a councillor has the same access to the scheme, regardless of if they are in England, Scotland, Wales or Northern Ireland.

45 respondents (21%) said that, whilst they agreed with the proposal, it would be complicated to administer, and practically impossible to implement in time for the start of the next scheme year in April 2026. 33 respondents (15%) raised the particular issue of the May 2026 elections, in that they were concerned that councillors would enter the LGPS, only to be voted out of office the following month, meaning a lot of administrative work for little reward for members.

Our response

Given that almost three quarters of respondents agreed with the proposal, the government intends to proceed with the proposal and give councillors in England access to the LGPS.

As many respondents pointed out, being a councillor is a significant role, and one that is often full-time. The government will treat elected leaders with the respect they deserve as dedicated public servants. As to concerns about cost, the government continues to hold that the change should be seen in the context of the LGPS 2025 valuation and the strong funding position of the scheme.

The government does not agree that it is a conflict of interest for councillors to receive LGPS benefits, even for those that sit on the LGPS pension committee. LGPS benefits are set nationally, not locally. The draft statutory instrument consulted on included specific safeguards, such as not allowing employers to contribute to additional pension contributions (Regulation 16 of the LGPS Regulations 2013) or additional voluntary contributions (Regulation 17). The government intends to proceed with these safeguards, to block ways that an employer could inappropriately boost a councillor's pension.

The government understands the Taxpayers' Alliance point about councillor remuneration and local democracy. The government will not create a specific mechanism to force councillors to vote every term for continued membership. Joining the scheme will however be optional, and if a

councillor feels that they cannot justify the cost to their constituents, they will be free to decide not to join, and can campaign on this choice.

The government recognises concern about administering the change. Whilst the government thinks it is important that, for the member, the change comes in as soon as possible, the point about the May election is well made, especially as significant communication will be needed to make councillors in England aware of their new right to join the scheme.

The government intends to lay a statutory instrument in March, but will make the coming into force date 11 May 2026, the first Monday after the local elections. This will avoid the issue of councillors who enter the scheme only to leave one month later and will give software providers and administrators slightly more time to prepare. That said, the government recognises that it may take beyond May 2026 for software to fully catch up. For benefit calculations that are required immediately, such as deaths or transfers, manual calculations will be necessary. The government expects software providers to make necessary updates over the course of the scheme year, and for annual benefit statements to be available to elected members in line with Regulation 89 of the LGPS Regulations 2013, i.e. by the end of August 2027.

Principles and regulations

Question 6

Do you agree with the two principles of how the government plans to develop regulations?

Question 7

Do you have any specific comments on the draft regulations?

The government proposed two principles for how the change would be made, which were:

- as far as possible, elected members should be treated the same as other members of the LGPS;
- as far as possible, elected members should be treated in a way that is consistent with the LGPS in Scotland, Northern Ireland and pre-2014

England & Wales.

The government also published a draft statutory instrument, which demonstrated how these principles could apply to the legislation, and also included consequential amendments to the Local Authorities (Members' Allowances) (England) 2003 and establishment orders for combined authorities. The government invited views on the legal drafting.

Summary of responses

There were 187 responses to the question about principles. 124 responses (66%) agreed with the principles, 32 responses (17%) disagreed, and 31 responses (17%) were unsure.

Of those that disagreed with the principles, the reasons given were the same reasons for disagreeing with the proposal overall, such as it being too expensive. There were very few responses that directly disagreed with the principles.

There were numerous questions about the draft regulations. Most questions were highly technical.

12 respondents asked about aggregation, which is where a member has one or more separate LGPS account and can, in certain circumstances, be required to combine the accounts. There were questions on whether the period between 2014 and now will be pensionable, aggregation with the 1997 scheme and whether separate periods of office will be automatically aggregated.

9 respondents thought that it would be better to align LGPS access between Welsh and English councillors. Welsh councillors currently have access to a modified version of the LGPS Regulations 1997 and the suggestion was to bring the Welsh access in line with the new access proposed for English councillors.

5 respondents they thought that elected members should be automatically entered into the scheme, in a similar manner to auto-enrolment. Other respondents were less sure between elected membership being opt-in, or opt-out. The Local Government Pension Committee response also did not take a definitive view.

Our response

The government has worked with the Local Government Pension Committee to consider technical queries on the regulations. An updated statutory instrument will be laid in the House of Commons shortly.

On aggregation specifically, the change is not retrospective and service as an elected member between 2014 and the coming into force of the statutory instrument will not be pensionable. The government has changed the statutory instrument, to be clearer that aggregation with the 1997 scheme is permitted, as long as the membership periods being aggregated are in respect of elected membership. The existing rules on automatic aggregation will also apply to elected members, with the exception that Regulation 22(7) and (8) will clarify that elected membership can only be combined with other elected membership.

On aligning LGPS access between Welsh and English councillors, considering the tight timeframe between now and the new scheme year, this suggestion will not be taken forward. The government will continue discussions with the Welsh government and decide in future if alignment is necessary.

Considering that there was no clear consensus that elected membership should be opt-out (contractual enrolment), the government intends to proceed with the statutory instrument as consulted on, i.e. elected membership will be opt-in. It will be important for local authorities to communicate the pension options to their councillors, in the same way as they do to employees. This also applies to the 50-50 scheme, where Regulation 10 will apply to an elected member in the same way as any other member.



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	<p align="center">Pension Board 23 March 2026</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:	Open
List of Appendices:	Two Appendix 1 – Risk Register Appendix 2 – Risk Strategy
Background Papers:	
Contact Officer(s):	<p>Minesh Patel, Corporate Director, Finance and Resources (minesh.patel@brent.gov.uk) 020 8937 4043</p> <p>Amanda Healy, Deputy Director of Finance (amanda.healy@brent.gov.uk) 020 8937 5912</p> <p>Sawan Shah, Head of Finance (sawan.shah@brent.gov.uk) 020 8937 1955</p> <p>John Smith, Pensions Manager (john.smith@brent.gov.uk) 020 8937 1985</p> <p>Manish Shah, Senior Finance Analyst (manish.shah@brent.gov.uk) +44 20 8937 1444</p>

1.0 Executive Summary

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

2.0 Recommendation(s)

2.1 The board is asked to note the overall report including the key changes set out in section 3.2.4.

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. The risk strategy was revised in 2024 and is attached to this report in Appendix 2.

3.2.3 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.

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

Item 3.5: Transfer of Brent's Pensions Payroll to the LPP – entry deleted following completion of transfer more than 12 months ago

Item 3.6: Pensions Dashboard - score and comment updated to reflect successful dashboard connection.

Item 4.11: Pension legislation and McCloud – score and comment updated.

Item 4.21: ABS – score and comment updated in relation to the 25/26 ABS exercise.

Item 4.4: Monthly contribution returns - score and comment updated to reflect current performance.

Item 5.2: Pension Board Training – comment updated to reflect upcoming requirements for pension committee members from the 'Fit for the Future' proposals.

Item 6.11: Pension Fund assets - score and comment updated on the results of the 2025 valuation.

Item 6.2: Geopolitical and economic risk - comment updated to reflect the updated investment strategy.

Item 6.5: Pension Plan Accounting – comment updated on completion of 24/25 accounts.

Item 6.6: Inflation - comment updated.

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

3.2.6 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.

3.2.7 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

The London Borough of Brent Pension Fund Risk Register 2026

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	Jul-25	Brent Council discuss LPP budget at regular contract monitoring meetings. Update received from LPP for final 2024/25 budget position.
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	Oct-25	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	Oct-25	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	Oct-25	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	Mar-26	LPP have a recovery plan in place for their pension admin platform UPM (External provider Civica). LPP is ISO 27001 accredited and achieved re-certification for Cyber Essentials Plus in January 2026, showing that LPP 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 LPP Data Back Up Procedures	Brent	Oct-25	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 polices 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	Oct-25	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	Oct-25	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
2.2.2		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	Oct-25	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	3	4	12	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	Jul-25	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. In January, Brent STS onboarded a endpoint detection and response service, which monitors all laptops 24x7. LPP 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. The Pension Fund is liaising with IT services to assess compliance with tPR's Single Code of Practice.

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	Mar-26	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. LPP have provided the Fund with a dashboard with the status of monthly scheme data returns for all employers. LPP 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	Mar-26	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 LPP's UPM system and Brent's Oracle system with a total 1404 records in scope. Monthly contribution returns promise better data going forward. A total of 307 cases with multiple records were corrected as part of the payroll Migration data cleanse exercise. Following the migration of pensions payroll to LPP, a further data cleanse has been commissioned to review the individual pension records and rectify any payroll figures on UPM which are found to be incorrect. A total of 627 records are in scope and the Pension Administration team is liaising with LPP to review the results of the data cleanse. Brent reviewed the LPPA data cleanse and identified errors. The LPPA re-ran the calculations and the revised results were applied and the affected pensions adjusted on the Pensions Payroll in January/February 2026.
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	Oct-25	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 Departure of experienced Legal staff may impact completion of new admission agreements.

3.4	Impact of Future Pandemics	<p>Increase in staff who are unwell leading to:</p> <ul style="list-style-type: none"> 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 <p>Delays in implementing the agreed investment strategy due to volatile financial markets.</p>	1	2	2	<p>Brent Council Business Continuity Procedures</p> <p>LPP Business Continuity Procedures</p> <p>Hymans Robertson Business Continuity Plan (as Fund Actuary and Investment Advisors)</p> <p>Resilience and flexibility developed during the Covid-19 pandemic.</p>	Brent	Oct-25	<p>Situation is being monitored on an ongoing basis. Staff to observe Government and NHS guidance.</p> <p>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.</p>
3.5	Auto Enrolment / Re-Enrolment	<p>Failure to process auto enrolment / re-enrolment on time leads to:</p> <ul style="list-style-type: none"> 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 	2	2	4	<p>Auto Enrolment Procedures</p> <p>Planning meetings to manage re-enrolment.</p> <p>Communications prepared in anticipation of re-enrolment.</p>	Brent	Jul-25	<p>Auto enrolment checked monthly for:</p> <ul style="list-style-type: none"> 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 <p>Brent and the maintained schools are re-enrolling certain members, who have opted-out of the pension scheme or joined the 50-50 scheme, on 1 November 2024. There has been a series of communications within the Council and to schools to keep members up to date.</p> <p>Brent's re-enrolment date is now set to 1st November. Brent has successfully certified its re-enrolment to TPR.</p>
3.6	Pensions Dashboard programme	<p>Pensions dashboards are a government programme to enable individuals to access their pensions information online, in one place.</p> <p>Risk of being unable to connect before the staging deadline of October 2025.</p>	2	2	4	<p>LPP Pensions Dashboard Project</p> <p>Regular progress update meetings</p> <p>Monthly contract management meetings</p>	LPP	Mar-26	<p>LPP have a dedicated project in place with a project manager and they are running regular roundtables to provide updates to all of their clients. A intergated service provider (ISP) has been selected (Civica) by LPP and they are closely monitoring Civica's progress towards compliance.</p> <p>The project is underway and the latest update is as follows:</p> <ul style="list-style-type: none"> a) systems requirement (including the rules for partial matching of records and the treatment of AVCs); and b) business readiness aspects of the project (dealing with new enquiries relating to dashboard). <p>The LPP's software provider, Civica, has experienced functionality issues and missed the 31 October deadline for connection to the Dashboard. This was a technical issue as the Dashboard is not expected to go live for some time.</p> <p>The LPP successfully connected to the pension dashboard ecosystem in December 2025.</p>

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	Oct-25	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	3	4	12	Plan Calendar	Brent	Mar-26	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 Significant new legislation is to be implemented in April 2026 following the access & fairness consultation.
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)	2	5	10	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	Oct-25	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 a small number 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. The statements for the 2025 ABS exercise showed an incremental improvement to 99% for active members and a minor decline to 95.4% for deferred members, possibly due to McCloud. The LPPs administration system, UPM, was unable to provide fully McCloud compliant ABS by the 31 August 2025 deadline; however, this was mitigated by Brent exercising its discretion to defer compliance until 31 August 2026.
4.21		Annual Benefits Statement dependant on: a) Common Data b) Scheme Specific data c) Data being improved from the Record Keeping Plan (RKP) d) McCloud data	3	4	12	LLP Shared Service Agreement	Brent	Mar-26	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. Brent anticipated that LPP's software provider, Civica, was likely to miss milestones and it has exercised its discretion to defer full compliance until 31 August. McCloud is still flagged amber (March 26) but the LPPA has mapped a path to green. It is important to continue to monitor performance and measure delivery in the run up to the 2026 ABS exercise.
4.3	Deferred Member Benefit Statements 2025/26	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 d) Not achieving full McCloud compliance	2	5	10	LLP Shared Service Agreement Periodic address tracing.	Brent	Oct-25	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). This is less critical for deferred members than active members.
4.4	Monthly Contribution Return	Failure to complete monthly return and submit on time leads to fines	1	5	5	PAS Employer Training Sessions Regular monitoring of performance by LPP and the Pensions Team.	Brent	Mar-26	The Fund moved to monthly returns from April 2023. Completion of returns by employer's 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. Training sessions are provided to employers to assist completion. The Pensions Administration team are regularly monitoring employer contribution returns. Brent's employers contribution returns have been steadily improving.

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	Mar-25	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. It is taking longer to implement pass through than expected, the pensions team is awaiting the updated pass-through agreement from the Council's legal team.
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	Oct-25	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	Jul-25	Overseeing of the legal team on admission agreement by the Scheme Manager to ensure no delays and prompt processing of agreement becomes a priority. Any losses of key legal staff may make progress more difficult.
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	Oct-25	Breaches log to bring attention of failing and lessons learned in processing admission agreements. Pass-through is expected to mitigate/resolve this issue.

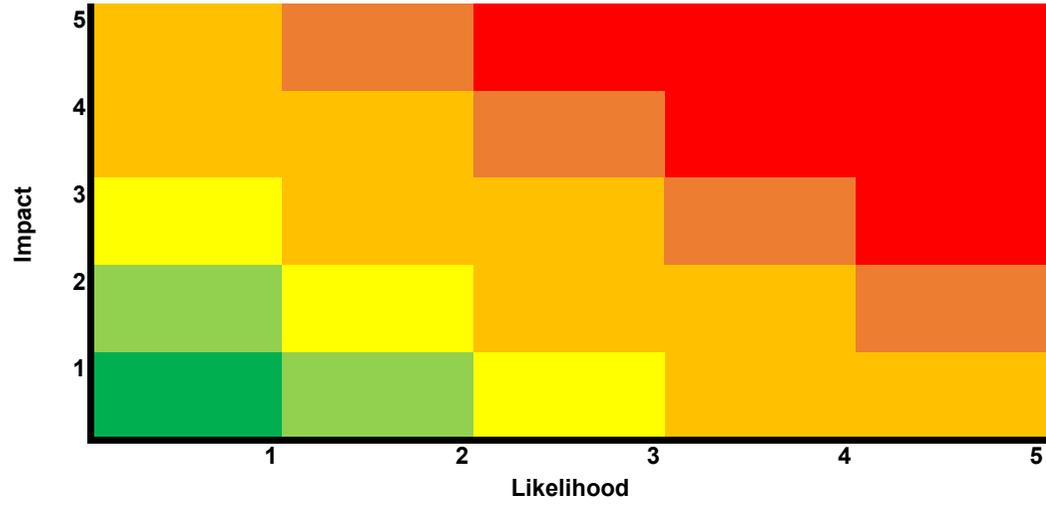
5	Risk Area Regulatory	Risk & Outline	Likelihood	Impact	Score	Control	Owner	Date of Review	Comment
5.1	Anti Fraud Initiatives Mortality Existence	Benefits paid to people not entitled to benefits from the LGPS	2	3	6	Brent Counter-fraud plan 2024/25 Annual life certificates for overseas pensioners Tell us once (TUO), Target mortality screening and NFI reports Life certificates issued if correspondence/pension payments returned.	Brent	Oct-25	Administration processes check for fraud Brent Anti-fraud plan 2024/25 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	Mar-26	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. As of October 2025, the online training suite has been completed by the Pensions Board. The government has proposed to require that all committee members are required to maintain an appropriate level of knowledge and understanding relating to their LGPS duties and responsibilities, and that the requirements for pension committee members and local pension board members should be aligned. Draft guidance was consulted on in December 2025 and the Fund will review its current training strategy once the final guidance is received.
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	Oct-25	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 and inefficiency 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 j) Significant reputational damage	1	5	5	Multi areas cover governance: a) Scheme regulations b) Business Plan c) PAS 2023 d) Funding Strategy Statement e) Scheme Manager f) Pensions Board g) Pensions Sub Committee h) Discretions policies The implementation of the tPR General code obliges the Fund to review its policies regularly.	Brent	Jul-25	Governance is monitored by: a) Scheme Manager b) Pensions Board c) Pensions Sub Committee d) Internal and External Controls The implementation of the tPR general code obliges Funds to review their policies regularly.

5.5	Discretions	There are two groups of discretions; Administering Authority (Fund) discretions and Employer discretions. They cover a wide range of employer choices, usually indicated by a "may" in the regulations. The employer discretions include whether to pay pensions, enhance pension benefits, waive reductions, accept late transfers and a range of other decisions.	1	3	3	Corporate Director, Finance and Resources	Brent	Mar-26	<p>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.</p> <p>An updated Administering Authority discretions policy was approved at the March 2024 meeting of the Pension Fund Sub-committee, and a template Employing Authority discretions policy has also been prepared. Brent has approved a new employer's discretion policy.</p> <p>The discretions template encourages employers to carefully consider any discretions that generate pension costs. Brent's employer's discretions have been updated.</p>
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	Jul-25	<p>Breaches log to monitor all breaches and report material breaches to the regulator</p> <p>Breaches policy. The pensions team is liaising with IT services to obtain additional technical assurance.</p>

6	Risk Plan Funding & Accounting	Risk & Outline	Likelihood	Impact	Score	Control	Owner	Date of Review	Comment
6.1			2	5	10	Public Sector Payroll Controls	Brent	Oct-25	Contributions are checked on a monthly basis. Overdue Contributions for employers including academies and maintained schools are actively chased.
6.11	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	The Funding Strategy Statement Regular meetings with Fund's actuaries	Brent	Mar-26	The 2025 valuation process is nearing completion. The advanced data review and initial Council contribution rate modelling has taken place. The key financial and demographic assumptions proposed for use in the 2025 valuation have been discussed by Officers and the Actuary. They were presented to the Sub-committee in June 2025. In regard to the key discount rate assumption, the Fund has agreed to increase its prudence level to 80% to reflect significantly increased market volatility and global economic uncertainty while also allowing for potential reductions in employer contributions. The 2025 whole fund results were presented to the Pension Fund Sub-Committee in October 2025 in which the Brent Fund now maintains a 113% funding level and is in surplus, compared to 87% in the 2022 valuation. The draft 2025 valuation report and final Funding Strategy Statement were presented to the committee in February and are included on the agenda.
6.12			1	5	5	Fund's Funding Level Assessment	Brent	Oct-25	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.
Page 195	Geographical and economic risk in relation to investments	Significant volatility and potential downturn in global investment markets and currency fluctuation 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	Mar-26	The growth of protectionism may impact on investment returns. 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. The Fund has undergone an Investment Strategy Review following on from their March 2025 actuarial valuation and the final results were presented to the Pension Fund Sub-committee meeting in February 2026; whereby it was agreed by the Committee to adopt a new long-term investment strategy, leading to the re-shaping of the Funds' investments. The outcome of the review was for the Fund is to reduce its exposure to growth and income assets and use the proceeds towards protection assets. Geopolitical uncertainty has increased market volatility and risk. No change to the scoring as the risk is deemed to be cyclical in nature.
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	4	16	Triennial valuation/ Funding Strategy Statement. McCloud remedy solution in UPM	Brent	Jul-25	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. Underpins are disproportionately inflating transfers-out because the member will not necessarily benefit from the underpin when they retire. This is somewhat offset by transfers-in that have a underpin included. The LPP has had to use an older pre-McCloud data set for the valuation and this may impact on the results.
6.4		Affects the Plans abilities to: a) Pay out benefits	2	5	10	PAS	Brent	Oct-25	Procedures in place to deal with pension contributions not being made or late.
6.41	Pension Contributions not Paid by: Maintained Schools Academies Employers a) On time	b) Breaking 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	2	5	10	PAS	Brent	Oct-25	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	b) Or not at all c) Refusal to pay	g) Delay benefits beginning paid h) Can lead to delays in accounting for pension contributions	2	5	10	PAS	Brent	Oct-25	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	Mar-26	The 2024/25 Pension Fund statement of accounts and Annual Report have been published and signed at the end of February 2026.
6.51			1	5	5	Triennial valuations	Brent	Mar-26	2022 Triennial completed. 2025 triennial valuation is nearing completion.
6.52			1	5	5	The Funding Strategy Statement	Brent	Mar-26	A report on the 2025 Triennial Review (including the Funding Strategy Statement) is included on the agenda.
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.	5	3	15	Triennial valuations Investment Strategy Cashflow modelling	Brent	Mar-26	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. As of March 2026, the annual inflation rate for January 2026 remains above the Bank of England's 2% target rate at 3.0%, still below the levels experienced in 2022. Inflation figures had been gradually falling, however, prices may spike later in 2026 following recent market volatility (especially within the commodities market) coupled with the US dollar strengthening which has added to uncertainty about global supply chains. We will review the score if inflationary pressure persists.

Risk Heat Map



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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 practice 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.

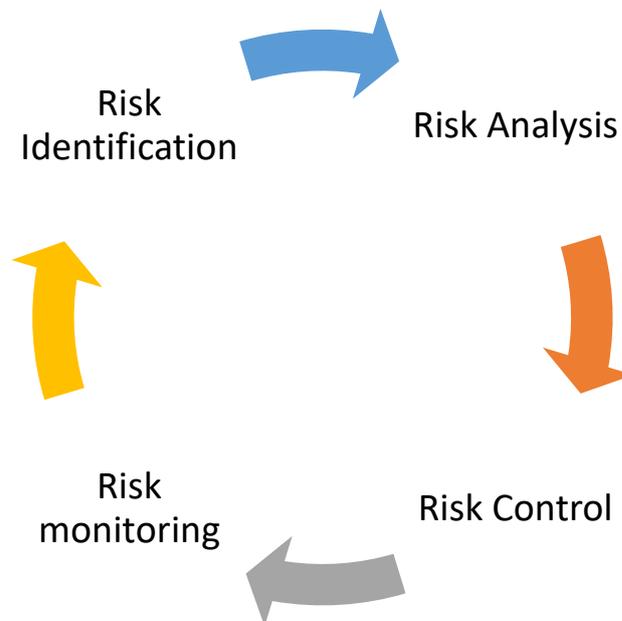
9. Responsibility

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 23 March 2026</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:	Open
List of Appendices:	<p>Three:</p> <p>Appendix 1: Brent Pension Fund Training Plan</p> <p>Appendix 2: Brent Pension Fund Training Strategy</p> <p>Appendix 3: Training Content and Learning Schedule</p>
Background Papers:	None
Contact Officers:	<p>Minesh Patel, Corporate Director, Finance and Resources (minesh.patel@brent.gov.uk) 020 8937 4043</p> <p>Amanda Healy, Deputy Director of Finance (amanda.healy@brent.gov.uk) 020 8937 5912</p> <p>Sawan Shah, Head of Finance (sawan.shah@brent.gov.uk) 020 8937 1955</p> <p>Ludmila Pshenichnikova, Finance Analyst (ludmila.pshenichnikova@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 November 2024, the government published their Fit for the Future consultation, which proposes several new measures to enhance governance, particularly the training of members involved in overall strategic direction of local authority pension funds. A key proposal is the requirement for administering authorities to publish a governance and training strategy, which would replace the Governance and Compliance statement.

3.5 There is a statutory requirement for committee members and officers to maintain appropriate knowledge and skills specific to the LGPS or to undertake training of any kind.

3.6 The Fund's training strategy will set out how knowledge will be acquired, assessed, maintained, and developed. In relation to the Government's Fit for the Future proposal, MHCLG consulted on updated guidance in December 2025. The Fund will review its current training strategy once the final guidance is received. Given the high expectations placed upon Board members, it is essential that members clearly understand what their role requires.

3.7 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.

3.8 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

3.9 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, **as at 1 March 2026**:

Title of Module	Module completed by
Introduction	B George C Bala D Ewart R Wheeler S Kabir T Smith
Module 1 – Committee Role and Pensions Legislation	B George C Bala D Ewart R Wheeler S Kabir T Smith
Module 2 – Pensions Governance	B George C Bala D Ewart R Wheeler S Kabir T Smith
Module 3 – Pensions Administration	B George C Bala D Ewart R Wheeler S Kabir T Smith
Module 5 – Procurement and Relationship Management	B George C Bala D Ewart R Wheeler S Kabir T Smith
Module 6 – Investment Performance and Risk Management	B George C Bala D Ewart R Wheeler S Kabir T Smith
Module 7 – Financial Markets and Product Knowledge	B George C Bala D Ewart R Wheeler S Kabir T Smith

Module 4 – Pensions Accounting and Audit Standards	B George C Bala D Ewart R Wheeler S Kabir T Smith
Module 8 – Actuarial Methods, Standards and Current Practices	B George C Bala D Ewart R Wheeler S Kabir T Smith
Current Issues	B George C Bala D Ewart R Wheeler S Kabir T Smith

3.10 All Board members have now completed the required mandatory training. To maintain awareness of emerging developments, members should be encouraged to periodically revisit the “Current Issues” module, as this is updated over time to reflect changes in legislation, governance expectations, and best practice.

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	

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Brent Pension Fund

Pension Committee and Pension Board Training
Strategy

March 2021

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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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 <p>Brent</p>	<p>Brent Pension Fund Sub-Committee 18 February 2026</p> <hr/> <p>Report from the Corporate Director, Finance and Resources</p>
<p>Investment Strategy Review</p>	

Wards Affected:	All
Key or Non-Key Decision:	Non-Key
<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>Part Exempt – Appendix 2 is part exempt as it contains the following category of exempt information as specified in Paragraph 3, 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)”</p>
List of Appendices:	<p>Two:</p> <p>Appendix 1: Investment Strategy Implementation</p> <p>Appendix 2: Investment Strategy Implementation – Private pack (Exempt)</p>
Background Papers:	N/A
<p>Contact Officer(s): <small>(Name, Title, Contact Details)</small></p>	<p>Minesh Patel, Corporate Director, Finance and Resources 020 8937 4043 (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>Manish Shah, Senior Finance Analyst +44 20 8937 1444 (manish.shah@brent.gov.uk)</p>

1.0 Executive Summary

- 1.1 This report provides final details on the review undertaken by the Pension Fund's investment advisor, Hymans Robertson, of the current investment strategy, following on from the Fund's 2025 valuation. The purpose of the review was to evaluate the current investment strategy and analyse the ability of alternative strategies to meet the Fund's strategic objectives.

2.0 Recommendation(s)

That the Pensions Fund Sub-Committee:

- 2.1 Consider and agree the investment strategy review undertaken by the Fund's investment advisors, Hymans Robertson, available in Appendix 1.
- 2.2 Following on from the October 2025 meeting, a final version of the investment strategy has been prepared by Hymans Roberston providing further and in-depth analysis to the original report. High-level conclusions are as follows and should be taken into consideration:
- As agreed at the October meeting, the Committee has adopted a new long-term investment strategy, described in this report as Alternative 3, leading to the re-shaping of the Funds' investments (see appendix 1).
 - The Fund to reduce its multi-asset fund allocation towards the new long-term strategic target, with the proceeds re-invested in the Protection portfolio, consisting of fixed interest gilts and multi-asset credit as set in paragraph 4.6 and in detail in the restricted investment strategy report (appendix 2)
 - The Fund to engage with London CIV (LCIV) to understand its plans for building the Fund's allocations to the private market allocation within the timeframe proposed.
 - To communicate between the Fund and the LCIV to implement the agreed long-term investment strategy providing the LCIV an interim target allocation reflecting the earmarked portfolio of equities, bonds and cash to ensure that LCIV can implement the strategy in line with the Committee's wishes.
 - With the reduction in employer contributions, to determine the expected annual shortfall between contribution income and benefit payments with the LCIV to enable them to create a plan to deliver the investment income needed to bridge this gap.
 - Looking ahead, the Committee to establish its local investment strategy.

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 The Fund's current strategic asset allocation was agreed in February 2023 following the 2022 valuation. In summary, a long-term target of 50% to equities, 35% to income (including diversified growth funds) and 15% to protection assets was agreed.

3.2.2 The Fund employs a phased approach to working towards the long-term target allocation; therefore, an interim allocation was also agreed. The table below shows the current interim and long-term allocation.

Asset Class	Interim Target (%)	Long-term Target (%)	Actual Fund asset allocation (Dec 2025) (%)
Equities	52.5	50.0	58.0
Global	40.0	40.0	45.9
UK	5.0	5.0	6.7
Emerging Markets	5.0	5.0	5.3
Private Equity	2.5	-	0.1
Income	32.5	35.0	26.4
Diversified Growth	20.0	5.0	14.3
Infrastructure	5.0	15.0	5.2
Property	2.5	10.0	3.0
Private Debt	5.0	5.0	3.9
Protection	15.0	15.0	15.6
Multi Credit	5.0	5.0	4.8
Gilts	10.0	10.0	7.6
Cash	-	-	3.2
TOTAL	100.0	100.0	100.0

3.2.3 Over the last 3 years, up to December 2025, the Fund has generated an actual return of 10.6% p.a., however relative performance against the Fund's benchmark was -0.4% p.a. Over the last year the actual return was 11.9% p.a. with relative performance 0.6% p.a above the benchmark.

3.2.4 The aim of the Fund's investment strategy is to maximise returns over the long term within specified risk tolerances to meet the wider strategic goals of the Fund and to close the gap between assets and liabilities. At the 2022 valuation,

the Fund was estimated by the actuary to be 87% funded. Initial results showed the Fund was 113% funded as at 31 March 2025, which represented a 26% improvement on the previous 2022 valuation.

4.0 Strategy Proposals

4.1 The Fund's investment advisors, Hymans Robertson, have completed their Investment Strategy review. The review focused on the high-level investment strategy with the aim of determining the high-level allocation to Growth, Income and Protection assets. In previous periods, the setting and implementation of the investment strategy was carried out by the Fund, however from the 1st April 2026, the London CIV will be responsible for the implementation of the investment strategy. This review had included carrying out asset liability modelling to test the probability (and associated risks) of the Fund's current investment strategy achieving its long-term objectives. They also tested how the current strategy compares with other investment strategies.

4.2 The remainder of this report provides a short summary of the Investment Strategy Review, the full report is attached in Appendix 1.

4.3 The new investment strategy review process for the 2025 valuation was undertaken in conjunction with the actuarial valuation with our advisors Hymans Robertson, who provide both investment and actuarial advice. With the latest funding status as at end of March 2025 resulting in a healthy position standing at 113%, a significant improvement of 26% from the 2022 valuation; it was put forward that the fund should reduce the risk exposure of the fund going into the 2025 valuation point. A summary of the initial comments at the October 2025 meeting was as follows:

- The Fund should maintain a meaningful allocation to listed growth assets (>40%) to ensure the Fund retains access to liquid assets that can generate a positive real return.
- The Fund should increase the protection allocation from 15% to 20% to further diversify the strategy and take advantage of attractive yield levels currently available in the market.
- The Fund should consider implementing a 2.5% allocation to Natural Capital to support the Fund's overall climate objectives.
- The Fund should reduce its long-term target to Infrastructure from 15% to 10% enabling assets to be allocated elsewhere within the Fund.
- The Fund should assess the local investment guidance issued by the government once available to determine how to evolve the Fund's private markets portfolio.

4.4 The Fund employs a phased approach to working towards the long-term target allocation; therefore, an interim allocation was also agreed. The table below shows the proposed interim and long-term allocation, together with the permitted range. As it is recognised that it will take some time to build investments in private markets, the interim target shows a temporary allocation to be held in liquid assets across equities, bonds and cash.

Assets	Actual Fund Asset Allocation (31 Dec 2025)	Interim Target (%)	Long-term Target (%)	Tolerance Range (+/-)
Global Equities	45.9%	52.5%	37.0%	+/- 3.0%
UK Equities	6.7%		5.0%	
EM Equities	5.3%		3.0%	
PE Equities	0.1%	1.0%	2.5%	n/a
Total Growth	58.0%	53.5%	47.5%	
Multi Asset	14.3%	7.0%	5.0%	n/a
Infrastructure	5.2%	6.0%	10.0%	n/a
Real Estate	3.0%	6.0%	10.0%	+/- 3.0%
Private Debt	3.9%	5.0%	5.0%	n/a
Natural Capital	-		2.5%	n/a
Total Income	26.4%	24.0%	32.5%	
Fixed Interest Gilts	7.6%	11.0%	10.0%	+/- 3.0%
Multi Asset Credit	4.8%	10.0%	10.0%	+/- 3.0%
Cash	3.2%	1.5%	-	
Total Protection	15.6%	22.5%	20.0%	

4.5 Growth

Reduce the growth exposure down by 10.5% to 47.5% in the long term:

4.5.1 Global equities: Reduce from 45.9% to 37.0% (down 8.9%)

The current allocation to global equities is overweight relative to the long-term target. The strategy recommends the Fund quantifies the reduction in carbon emissions achieved following the restructuring of its global equity mandates and reviews its “Net Zero Roadmap” to develop an action plan for achieving a net zero position.

4.5.2 Private equity: Increase from 0.1% to 2.5% (up 2.4%)

This is driven by the requirement of the government’s Fit for Future proposals for Funds to allocate more assets to local investment. It is recommended to introduce a 2.5% target allocation to private equity. Final details on how this will be assigned is to be decided between partner funds and the pool, as there is no current offering by LCIV.

4.6 Income

Increase the income exposure to 32.5%, (up 6.1%)

4.6.1 Multi-asset funds: Reduce from 14.3% to 5.0% (down 9.3%)

The review strategy recommends the fund reduces its over exposure to the multi-asset funds by around 7% with around a third of the proceeds from the sale to top up Gilts, which will bring the allocation to Gilts to the new long-term target. The remaining balance from the sale will be invested in multi asset credit. However, this is expected to take place after 1 April, with Officers to

engage with LCIV to clarify responsibilities for implementing these changes and the timing (refer to 4.7.1). Further details on this proposal and recommendations are included in restricted Appendix 2.

4.6.2 Infrastructure: Increase from 5.2% to 10.0% (up 4.8%)

The Fund currently holds three infrastructure investments, through Alinda, Capital Dynamics and LCIV and it is expected that the Alinda and Capital Dynamics investments will be allowed to run down with distributions received from these investments being reinvested in other mandates made through LCIV, either as an increase to the existing allocation (LCIV Infrastructure fund), or to the LCIV Renewable Infrastructure fund, or to a new LCIV fund.

4.6.3 Property: Increase from 3.0% to 10.0% (up 7.0%)

The existing holdings held with Fidelity and UBS plus the £35m commitment to the LCIV UK Housing Fund made in 2023 is still, in total, underweight the target allocation. It has been put forward by the review that the Fund works with the LCIV who have created a property vehicle with CBRE that operate a fund of funds mandate.

4.6.4 Natural capital: New allocation an increase of 2.5%

Natural Capital offers diversification benefits achieved away from traditional asset classes, together with attractive returns, an allocation to Natural Capital helps the pension scheme in achieving its net zero ambitions. With advent of Nature-Based Solutions offering by LCIV in July 2024, the review recommends the fund builds its knowledge of investing in this asset class, together with the investment aims, objectives, and risks.

4.7 Protection

Increase the allocation to the protection assets by 4.4% to 20%.

4.7.1 Multi-asset credit: Increase from 4.8% to 10% (up 5.2%)

The Fund is currently underweight in this asset class, with the view of increasing this allocation towards the 10% target from the proceeds from the reduction in the multi-asset fund allocation. The strategy review recommends implementing in dialogue with LCIV as from 1st April (refer to 4.6.1).

5.0 Stakeholder and ward member consultation and engagement

5.1 In view of the nature of the report, there has been no consultation or engagement with stakeholders or ward members to date.

6.0 Financial Considerations

6.1 These are discussed throughout the report and included in Appendix 1.

7.0 Legal Considerations

7.1 The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (the "Investment Regulations") govern the management of the pension fund and the investment of fund money. According

to Regulation 7 of the Investment Regulations an administering authority must formulate an investment strategy which must be in accordance with guidance issued from time to time by the Secretary of State. It must publish a statement of its investment strategy and must review, and if necessary revise, its investment strategy at least every three years.

7.2 It is intended that the draft Local Government Pension Scheme (Pooling, Management and Investment of Funds) Regulations 2026) will implement the pooling and local investment proposals and replace the LGPS (Management and Investment of Funds) Regulations 2016. Further legal updates will be provided once the regulations come into effect.

8.0 Equity, Diversity & Inclusion (EDI) Considerations

8.1 Not applicable.

9.0 Climate Change and Environmental Considerations

9.1 Not applicable.

10.0 Human Resources/Property Considerations (if appropriate)

10.1 Not applicable.

11.0 Communication Considerations

11.1 Not applicable.

Report sign off:

Minesh Patel

Corporate Director, Finance and Resources

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London Borough of Brent Pension Fund

Investment Strategy Implementation

February 2026

Kenneth Taylor – Senior Investment Consultant

For and on behalf of Hymans Robertson LLP

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1. Introduction

Addressee and Purpose

This report is addressed to the Officers and Pension Fund Sub Committee (the “Committee”) of the London Borough of Brent as administering authority to the London Borough of Brent Pension Fund (the “Fund”). It sets out the conclusions of the review of the Fund’s investment strategy, makes initial recommendations on the asset allocation for the Fund and provides recommendations for the Fund’s Growth, Income and Protection portfolios.

This report should not be used for any other purpose. It should not be released or otherwise disclosed to any third party except as required by law or with our prior written consent, in which case it should be released in its entirety. We accept no liability to any other party unless we have accepted such liability in writing. We provide comment from an investment but not a legal or tax perspective.

Where the subject of this report refers to legal or tax matters, please note that Hymans Robertson LLP is not qualified to give such advice therefore we recommend that you seek independent advice on these matters. We have prepared this advice in our capacity as investment advisers to the Fund.

Background and objectives

The work we have undertaken has been influenced by our understanding of the Fund’s background, objectives, and beliefs, which are:

- Ensure that sufficient resources are available to meet all benefit as they fall due for payment.
- Recover any shortfall in assets, relative to the value of accrued liabilities, over broadly the future working lifetime of current employees.
- Enable employer contributions to be kept as stable as possible and at reasonable cost; and,
- Maximise the returns from investments within reasonable risk parameters.

The investment strategy review process has been run in tandem with the actuarial valuation, with the bulk of the work focusing on whether an alternative investment strategy to the current approach could be more suitable. To evidence this, asset-liability modelling was undertaken as at 31 March 2024. The results of the asset-liability modelling work have already been presented to the Committee at the October 2025 meeting, and we provide a brief recap of these results in section 2 of this report.

The initial results of the 2025 actuarial valuation showed that the Fund was 113% funded at 31 March 2025, which represented a 26% improvement on the previous 31 March 2022 valuation. Asset performance has continued to be positive since 31 March 2025 and the Fund Actuary has confirmed that the funding position is likely to have improved further as a result. Considering the significantly improved funding position and future investment return expectations, and following detailed modelling and consultation throughout the valuation exercise, the Fund’s long-term open employers’ contribution rates are being reduced from 30.5% of pay in 2025/26 to 23.0% of pay in 2026/27 (and beyond).

The remainder of this report will focus on expanding the conclusions and recommendations put forward to the Committee in October.

Executive summary

The conclusions and recommendations from this report are set out below:

- As agreed at the October meeting, the Committee has adopted a new long-term investment strategy (described in this report as “Alternative 3”). This strategy includes new allocations to private equity and natural capital, a reduction in the Fund’s infrastructure allocation, and an increased allocation to Protection assets (specifically gilts and multi-asset credit).
- These changes will lead to some reshaping of the Fund’s investments. Some changes can be implemented in the near term (though Officers will likely need to engage with LCIV to clarify responsibilities for implementing these changes and the timing of these changes). Other changes will take a period of years to implement fully.
- In terms of immediate actions, we recommend the Fund reduces its multi-asset fund allocation towards the new long-term strategic target, with the proceeds being re-invested in the Protection portfolio, which consists of fixed interest gilts and multi-asset credit.
- Once this has been completed, the Fund will be c16% underweight to private markets, based on asset valuations as at 31 December 2025. This reflects the 7% underweight to property, the 4.5% underweight to infrastructure, and the new allocations to private equity and natural capital (and is net of the remaining allocation to multi-asset funds).
- It will take a period of years to build these allocations to their strategic targets. We recommend Officers engage with LCIV to understand its plans for building the Fund’s allocations so that the timeline can be better understood.
- The question then is, where should money earmarked for future investment in these private markets assets be invested in the meantime, noting that the value of this earmarked portfolio is not insignificant (value £230m as at 31 December 2025)?
- As discussed in our previous report from February 2024, we recommend a portfolio of assets is identified and earmarked to be drawn down over a period of time to fund these new investments. We recommend this earmarked portfolio is invested in a blend of equities, bonds and cash.
- The Fund will need to communicate its agreed long-term investment strategy to LCIV so that LCIV can begin to implement the strategy. We recommend the table in section 9 is presented to LCIV as a draft to allow any areas of ambiguity and uncertainty to be resolved.
- It will also be appropriate to specify an interim target allocation reflecting the earmarked portfolio discussed in section 7 of this report. We recommend Officers engage with LCIV to ensure that LCIV can implement the strategy in line with the Committee’s wishes.
- Given the proposed reduction in employer contributions, it will be important to determine the expected annual shortfall between contribution income and benefit payments. This information will be communicated to LCIV to enable them to create a plan to deliver the investment income needed to bridge this gap.
- Looking ahead, the Committee will need to establish its local investment strategy. We propose this is discussed at a future Committee meeting.

2. Recap on results of asset-liability modelling

Investment strategies modelled

We modelled the alternative investment strategies shown in the table below to assess whether a more suitable mix of assets could be appropriate for the Fund.

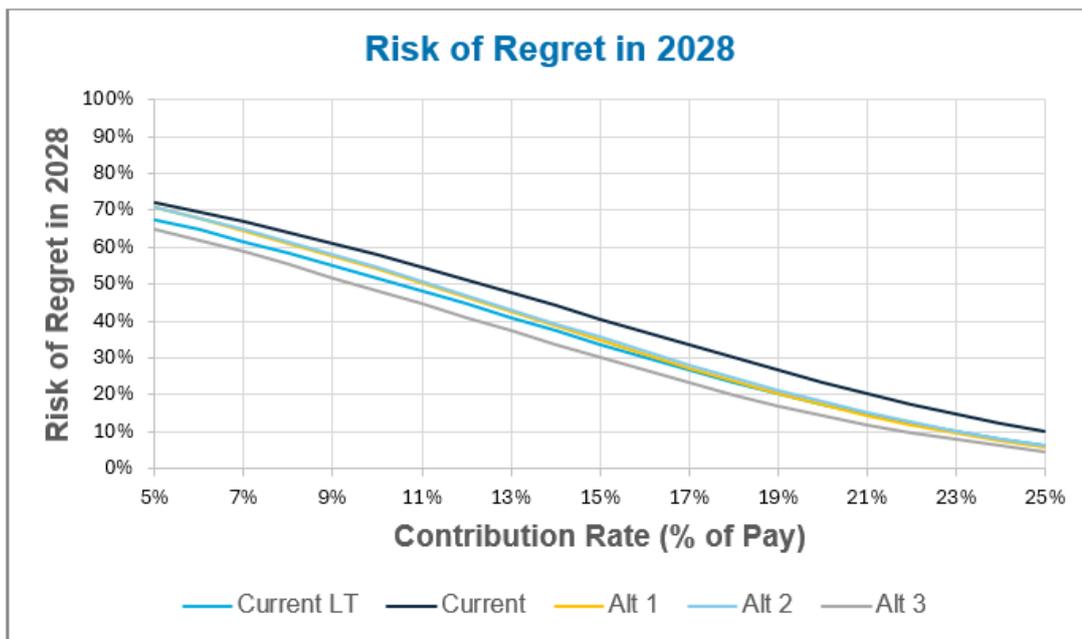
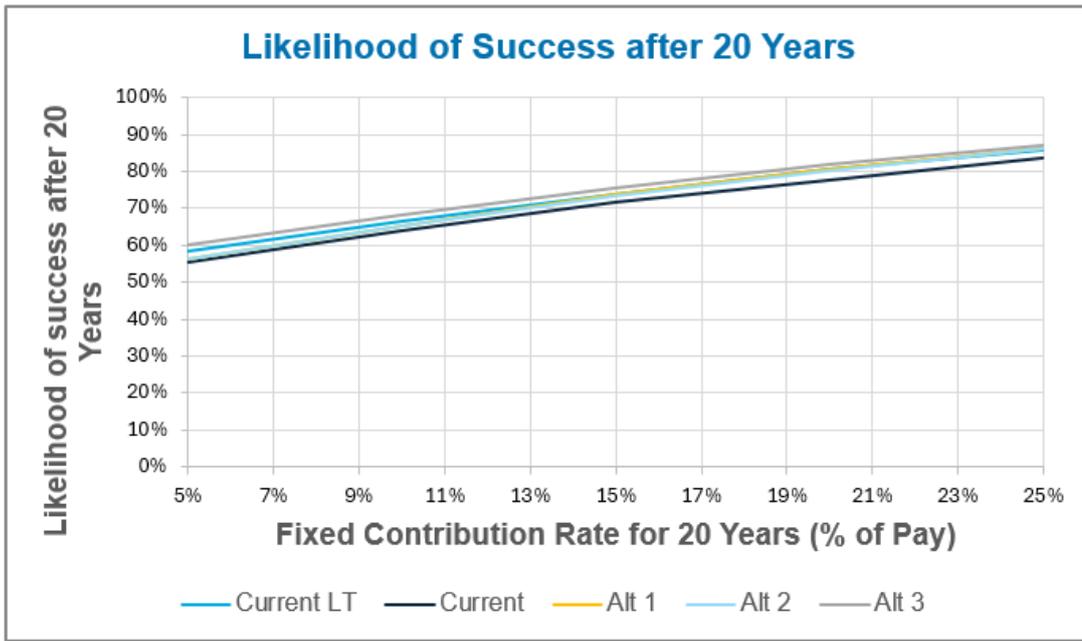
	Assets	Current long-term target (%)	Alt 1	Alt 2	Alt 3
Growth	UK equities	5.0%	5.0%	5.0%	5.0%
	Global equities	40.0%	37.0%	40.0%	37.0%
	Emerging markets equities	5.0%	3.0%	3.0%	3.0%
	Private equity	-	-	-	2.5%
Total Growth		50.0%	45.0%	48.0%	47.5%
Income	Multi-asset (Diversified Growth)	5.0%	5.0%	5.0%	5.0%
	Infrastructure	15.0%	10.0%	10.0%	10.0%
	Private debt	5.0%	5.0%	5.0%	5.0%
	Property	10.0%	10.0%	7.0%	10.0%
	Natural capital	-	-	-	2.5%
Total Income		35.0%	30.0%	27.0%	32.5%
Protection	Fixed interest gilts	10.0%	15.0%	15.0%	10.0%
	Multi-asset credit	5.0%	10.0%	10.0%	10.0%
	Cash	-	-	-	-
Total Protection		15.0%	25.0%	25.0%	20.0%

We undertook asset-liability modelling to compare these strategies allowing for different employer contribution rates and using two key metrics:

- Likelihood of Success: the probability that the Fund will be more than 100% funded in 20 years' time.
- Risk of Regret: the probability that contributions will need to be revised upwards at the next actuarial valuation in 2028.

A sample of the output from this modelling is shown in the charts below. These illustrate that "Alternative 3" gives the most favourable results among the strategies considered: it has the highest Likelihood of Success and the lowest Risk of Regret among the strategies considered. For full details, please refer to our previous report entitled "2025 valuation investment strategy review results" and dated September 2025.

Our recommendation to the Committee was to adopt Alternative 3 as the Fund's new long-term investment strategy. This report builds on that recommendation to make recommendations for the Fund's Growth, Income and Protection portfolios.



What has changed since the modelling was undertaken?

The modelling was undertaken in advance using 31 March 2024 membership data, market conditions, and future investment return expectations. For the formal triennial funding valuation exercise, the Fund Actuary has confirmed that the funding level was stronger at 31 March 2025, due to a combination of factors including positive investment returns and higher expected future investment returns. The significant improvement in past service funding position and higher expectation for future investment returns are two key factors that help support a reduction in the long-term open employers’ contribution rates to 23% of pay. Further, asset performance has continued to be positive since 31 March 2025 and the Fund Actuary has confirmed that the funding position is likely to have improved further as a result.

It is important for the Fund to monitor the funding position to assess the impact of changing market conditions and future investment return expectations. It is expected that the next formal review of investment strategy will be carried out in conjunction with the 31 March 2028 actuarial valuation.

3. Investment strategy review framework

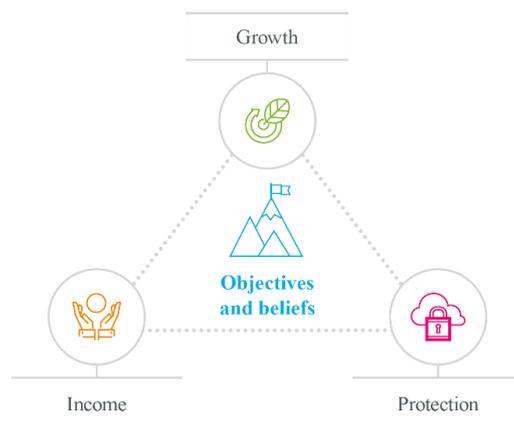
Investment strategy review process

The strategy review process has been run alongside the actuarial valuation, and is focused on the high-level allocation to Growth, Income and Protection assets, as well as the high-level asset class allocation within these categories, i.e. **what** the Fund should invest in.

Unlike previous reviews, the implementation of the investment structure i.e. how the Fund should invest has not been included as it is envisaged that the London CIV will be coordinating this phase of the strategy review, in line with the requirements of the ‘Fit for Future’ consultation. The Fit for the Future changes are discussed in the next section.

Framework for the review

The objectives of the review are to determine the mix of assets which best meets the risk and return requirements of the Fund. Our approach is to evaluate the Fund’s current strategy against a range of plausible alternatives, each designed to test potential enhancements the Fund could make. To help frame the analysis, we have used our Growth/Income/Protection framework, as per the diagram below.



- Growth** Assets which deliver positive real returns over the long-term enabling the Fund to meet its obligations whilst maintaining the affordability of the target level of contributions (assets such as global and private equity).
- Income** Assets which deliver a relatively high and stable level of income which helps the Fund to diversify risk and to fund benefits payments (assets such as property, infrastructure, private debt).
- Protection** Assets which reduce or hedge the Fund’s investment risk and thereby seek to protect the funding position (assets such as traditional gilts and index-linked gilts).

Current position

To ascertain any required adjustments to the overall strategy it is important to compare the Fund’s current allocation with the new long-term strategy recommended to the Committee at the October meeting. The following table shows the current Fund position as of 31 December 2025 versus these new long-term targets.

Taking this into consideration when setting alternative allocations to compare, we have included the current position as of 31 December 2025, alongside the new long-term targets.

You can see from the below that the Fund remains overweight to Growth and underweight to Income and Protection assets. This is in part due to the level of drawn down commitments to property and infrastructure that remain below the required levels to meet the respective long-term targets.

The purpose of this report is to recommend how the Fund should move towards the long-term targets shown in this table. For some asset classes (e.g. private equity), this transition may take a period of years. For other asset classes, there may be opportunities to carry out more immediate rebalancing to move towards these long-term targets. These points are discussed later in this report.

Assets	Allocation 31 Dec 2025 (%)	Long-term target (%)	Relative (+/-%)
UK equities	6.7%	5.0%	1.7%
Global equities	45.9%	37.0%	8.9%
Emerging markets equities	5.3%	3.0%	2.3%
Private equity	0.1%	2.5%	-2.4%
Total Growth	58.0%	47.5%	+10.5%
Multi-asset	14.3%	5.0%	9.3%
Infrastructure	5.2%	10.0%	-4.8%
Private debt	3.9%	5.0%	-1.1%
Property	3.0%	10.0%	-7.0%
Natural capital	-	2.5%	-2.5%
Total Income	26.4%	32.5%	-6.1%
Fixed interest gilts	7.6%	10.0%	-2.4%
Multi-asset credit	4.8%	10.0%	-5.2%
Cash	3.2%	-	3.2%
Total Protection	15.6%	20.0%	-4.4%

Source: Northern Trust, Investment managers

Impact of 'Fit for the Future' changes

From 1 April 2026, the London Collective Investment Vehicle ("LCIV") will be responsible for all investment management decisions required to implement the Fund's investment strategy. This includes decisions relating to tactical asset allocation, investment manager selection stock selection, investment stewardship (in line with the investment strategy statements set by Administering Authorities) and investment cashflow management.

The investment strategy itself will continue to be set by the Committee, with LCIV being the Committee's primary source of strategic investment advice. The Committee will be responsible for monitoring the actions taken by LCIV to implement the investment strategy, with the Committee's approach to monitoring to be discussed and agreed.

It may take time for LCIV to introduce and fully implement this new approach. We recommend Officers engage with LCIV to understand its plans and timeline. These discussions will inform which of the recommendations set out in this report can be implemented by Officers.

4. Growth assets portfolio

Growth assets aim to deliver positive real returns over the long-term enabling the Fund to meet its obligations whilst maintaining the affordability of the target level of contributions. A summary of two key asset classes within the Growth portfolio – listed equities and private equity – is provided below.

	Asset class description
Listed equities	<p>Listed equities are shares in publicly traded companies and form a key growth asset within LGPS portfolios. They offer higher long-term expected returns through capital gains and dividends, supporting stable and affordable employer contribution rates. Although returns can be volatile, equities remain liquid and provide valuable diversification.</p> <p>Exposure can be implemented through passive funds for broad, low-cost market coverage or active strategies in areas such as emerging markets where managers may add value. Lower carbon listed equity mandates can support LGPS funds' net zero ambitions through a reduction in carbon emissions.</p>
Private equity	<p>Private equity involves investing in privately owned companies with strong growth potential, where managers seek to improve operations and enhance long-term value. These investments are illiquid and require capital to be committed for long periods, but this illiquidity is expected to deliver a return premium above listed equities.</p> <p>Private equity offers limited diversification from listed markets yet provides access to different parts of the economy and can complement the growth portfolio. LGPS funds typically invest through fund-of-funds structures that spread risk across multiple managers and strategies, though fees and fund lifecycles are more complex and performance takes time to materialise.</p>

Actions taken since the last review

The following actions have been taken since the last investment strategy review:

- Global equities:** to support the Fund's net zero ambitions, the Committee agreed to replace the Fund's existing index-tracking global equity mandate with two new lower carbon index-tracking global equity mandates. This restructuring is expected to materially reduce the carbon intensity of the Fund's equity portfolio while maintaining broad global equity exposure. The transition of assets to these new mandates is underway.
- Emerging market equities:** the Fund invests in the LCIV Emerging Market Equity fund. Following a period of investment underperformance, LCIV carried out a review of this fund and has decided to replace the original manager (JP Morgan) with a new multi-manager fund structure (a 50:50 split between Acadian and Ashmore). We are supportive of the action LCIV has taken.

- **Private equity:** the Fund's current private equity investment with Capital Dynamics was valued at £1.5m as at 30 December 2025. Capital Dynamics have been active in the secondaries market, exploring ways to sell these investments. Absent a sale, this investment is expected to be allowed to run down.

Recommendations from this review

We recommend the following actions in relation to the Fund's Growth assets portfolio:

- **Global equities:** we recommend the Fund quantifies the reduction in carbon emissions achieved following the restructuring of its global equity mandates and reviews its "Net Zero Roadmap" to develop an action plan for achieving a net zero position.
- **UK equities:** we recommend the Fund engages with LCIV to understand whether it plans to launch a lower carbon UK equity fund.
- **Private equity:** we have recommended the Fund introduces a 2.5% target allocation to private equity. This represented a stepped change from previous investment strategy reviews and has been driven by the requirement of the fit for future consultation for Funds to allocate more assets to local investment. The final details on how this will be allocated are still to be decided between partner funds and the pool, but it is envisaged to be predominantly private assets and property. Although there is the potential for the final local investment allocation to be more diverse than just private equity it is envisaged the venture capital will play some part and therefore from a modelling perspective it was important to allocate accordingly to capture the risk return profile. Although LCIV does not currently offer a private equity fund we understand it has plans to launch one later this year. Whether this is to become part of the local investment offering is still not known and therefore we recommend Officers engage with LCIV to confirm their intentions on local investment vehicles.

5. Income assets portfolio

Income assets aim to deliver a relatively high and stable level of income which helps the Fund to diversify risk and to fund benefits payments (assets such as property, infrastructure, private debt). A summary of the principal asset classes within the Income portfolio is provided below.

	Asset class description
Multi-Asset	<p>Multi-asset funds provide exposure to a broad mix of asset classes within a single investment, allowing managers to adjust allocations and use diversification to seek smoother returns than pure equity strategies. They can help reduce reliance on traditional market risks, offer some protection in stressed markets, and may act as a useful source of liquidity to support rebalancing when other assets fall. Multi asset strategies vary widely, with differences in how much dynamic allocation they use, how directional they are to equity markets, and the range of underlying assets they include.</p> <p>For LGPS clients, these funds can simplify governance while still delivering diversified return potential, especially for smaller schemes seeking broad exposure through fewer managers.</p> <p>Multi-asset funds can also be used a source of capital to meet capital calls from private markets investments while providing exposure to a broad mix of asset classes before this capital is called. Indeed, the Fund has adopted this approach, maintaining an overweight position to this asset class with a view to reducing this position as more opportunities to invest in private markets investments become available.</p>
Infrastructure	<p>Infrastructure investing focuses on essential assets such as transport networks, utilities, energy systems and social infrastructure that support the functioning of society. These assets typically generate long-term, stable income streams that are often linked to inflation, making them attractive for LGPS funds seeking reliable cash flows and diversification. Returns tend to be resilient because many infrastructure assets operate in regulated or monopolistic environments, resulting in low correlation with listed markets.</p> <p>Infrastructure is an illiquid asset class, and investors must commit capital for long periods, particularly in closed-ended funds. Because individual assets can be concentrated, spreading allocations across multiple managers or strategies helps reduce asset-specific risk and improve diversification. Infrastructure can play several roles within an LGPS portfolio, including enhancing growth diversification, providing steady income, and supporting long-term funding objectives such as aligning with inflation-linked liabilities.</p>
Private Debt	<p>Private debt refers to lending that takes place outside public markets and includes areas such as direct lending, real estate debt and infrastructure debt. Returns are driven mainly by contractual income and, because the asset class is illiquid, investors typically receive an illiquidity premium over comparable public market debt. Private debt offers</p>

	<p>higher yields, a stable income-focused return stream and a diversified source of return within an LGPS income allocation.</p> <p>Funds are usually long-term commitments made through closed-ended structures, so liquidity needs must be carefully considered. The broad private debt universe allows LGPS funds to access different forms of lending, but strategies vary in complexity, duration and risk, and performance can take several years to fully emerge.</p>
Property	<p>Property investing typically involves commercial real estate such as offices, industrial units and retail assets, with some exposure to alternative and residential sectors. This asset class provides diversification away from equities and bonds, modest inflation linkage and the potential to add value on a risk-adjusted basis. Its returns are less volatile than equities and have historically shown low correlation with other major asset classes, helping reduce overall portfolio risk.</p> <p>Property is an illiquid asset class with high transaction costs and requires active management, so it is best held as a long-term strategic allocation. LGPS investors commonly access the asset class through pooled property funds for scale and diversification, while larger investors may consider direct portfolios.</p>
Natural Capital	<p>Natural capital refers to the environmental assets and ecosystems that provide essential services such as raw materials, carbon storage, biodiversity, flood protection and pollination. Investing in natural capital allows LGPS funds to access opportunities aligned with long-term sustainability themes while potentially supporting financial goals and impact objectives. The theme spans both traditional and private markets, ranging from listed equity and debt strategies to illiquid real assets such as timberland and farmland.</p> <p>More established natural resource strategies, particularly in real assets, can provide stable long-term return potential, while emerging private strategies carry higher risk and require careful manager selection. Natural capital is best approached as a long-term thematic allocation, with diversification and clarity of objectives central to constructing an effective mandate.</p>

Actions taken since the last review

The following actions have been taken since the last investment strategy review:

- **Multi-asset funds:** the Fund's allocation to multi-asset is split across two LCIV funds, with Baillie Gifford and Ruffer. In 2024 the Fund disinvested £33m from Baillie Gifford to move the Fund towards its strategic benchmark and to provide liquidity to support upcoming private market commitments.
- **Infrastructure:** the Fund has been exploring options for increasing its infrastructure allocation, including investment options outside of LCIV. At 31 December 2025, the infrastructure allocation was 5.2% of total Fund assets. At the time, this was significantly below the 15% strategic target allocation. As part of this strategy review, the strategic target allocation to infrastructure has been reduced to 10%. The aims here are to introduce greater diversification into the strategy, by placing less reliance on this asset class

and accommodating the new allocation to natural capital, among the other changes recommended. The Fund was 4.5% underweight this new long-term 10% target as at 31 December 2025.

- **Private debt:** the private debt allocation will build towards the 5% strategic target over a period of time. To support this, a commitment of £45m was made to LCIV Private Debt II in February 2025.
- **Property:** in 2023 the Fund made a £30m commitment to the LCIV UK Housing Fund. This investment, together with the UK commercial property investments held with Fidelity and UBS, has taken the Fund's property allocation to 3% of assets as at 31 December 2025 versus a strategic target of 10%. The Fund will need to identify opportunities to build its property allocation to the 10% target and future options are discussed in the next section. With input from Hymans Robertson, the Committee has continued to monitor its property investments and detailed discussions took place in relation to the Fidelity fund, which received material redemption requests and gave cause for concern over the ongoing viability of the fund. We noted the situation has since stabilised and were content to support the Fund in retaining this investment.

Recommendations from this review

We recommend the following actions in relation to the Fund's Income assets portfolio:

- **Multi-asset funds:** in line with the recommendation provided in 2024, we recommend the Fund reduces its allocation to multi-asset funds towards the long-term strategic target. Our formal recommendation is set out in a separate report.
- **Infrastructure:** the Fund holds three infrastructure investments, through Alinda, Capital Dynamics and LCIV. It is expected that the Alinda and Capital Dynamics investments will be allowed to run down with distributions received from these investments being reinvested in other mandates. The Fund's largest infrastructure investment is through the LCIV Infrastructure fund (value £61m at 31 December 2025). Further investments will need to be made to build the Fund's allocation towards the new 10% target. It is expected that these new investments will be made through LCIV, either as an increase to the existing allocation (LCIV Infrastructure fund), or to the LCIV Renewable Infrastructure fund, or to a new LCIV fund. In our view, it will be important to build a diversified infrastructure allocation so that the Fund is not overly exposed to a specific region or sector (notably renewable energy). The implementation of such a strategy will fall to LCIV.
- **Private debt:** the Fund should continue with the current plan, which involves topping up the private debt allocation by making commitments to future LCIV fund vintages. We expect that LCIV will be responsible for calculating the amounts that will be committed to these future fund vintages.
- **Property:** we understand LCIV has created a property vehicle, working with CBRE, that will be the future platform for partner funds that operate "fund of funds" mandates. We recommend Officers engage with LCIV to understand its plans for building out the Fund's property allocation, in terms of the pace at which this will happen, and a comparison of likely trading costs against potential cost savings.
- **Natural capital:** natural capital is a long-term investment that offers attractive prospective returns and diversification from more traditional asset classes. It can also have a role to play in helping pension schemes achieve their net zero ambitions: timberland, for example, can remove carbon dioxide from the atmosphere. This dual role has prompted many LGPS funds to explore an allocation to natural capital. LCIV launched a natural capital fund in July 2024, called the LCIV Nature-Based Solutions fund. We recommend the Committee builds its knowledge of investing in natural capital, the investment aims and

objectives, and risks. We would be happy to support the Fund in this area and to illustrate the contribution this investment could make towards achieving the Fund's net zero ambitions. We recommend Officers engage with LCIV about the LCIV Nature-Based Solutions fund and future plans.

6. Protection assets portfolio

Protection assets are assets which reduce or hedge the Fund's investment risk and thereby seek to protect the funding position (assets such as traditional gilts and index-linked gilts).

	Asset class description
Gilts	<p>Gilts are bonds issued by the UK Government, providing highly secure, predictable cash flows backed by the strength of the UK sovereign. They play an important role in LGPS portfolios as a low-risk, liquid asset that helps stabilise returns and provides reliable income. Conventional gilts pay fixed coupons, while index-linked gilts offer inflation-adjusted payments, making them useful for managing inflation risk.</p> <p>Gilts can be bought, sold or used efficiently within liability-aware strategies because they are easy to trade, can be leveraged, and are eligible as collateral for derivative positions. For LGPS funds, gilts serve as a high-quality anchor within the portfolio, supporting liquidity, risk management and long-term funding stability.</p>
Multi-asset credit	<p>Multi-asset credit (MAC) funds invest in a range of fixed income assets to provide diversified exposure across credit markets. MAC funds can add value through both top-down asset allocation, using relative value and macro analysis, and bottom-up security selection, through fundamental credit analysis. These funds also enable managers to exploit relative value across geographies, asset classes and capital structure positioning. Asset classes typically include investment- and speculative-grade corporate bonds, leveraged (or syndicated) loans, asset-backed securities (ABS) and emerging-market debt (EMD).</p>

Actions taken since the last review

The following actions have been taken since the last investment strategy review:

- **Gilts:** the value of the Fund's gilts holdings fell significantly during 2022 in response to the rise in interest rates. Rebalancing was undertaken to restore this allocation to its 10% strategic target.

Recommendations from this review

We recommend the following actions in relation to the Fund's Income assets portfolio:

- **Gilts:** the Fund is c2.4% underweight gilts. We recommend increasing the gilts allocation to the 10% strategic target utilising the remaining proceeds from the reduction in the multi-asset fund allocation.
- **Multi-asset credit:** the Fund is currently c5.2% underweight. We recommend increasing this allocation towards the 10% target. Utilising proceeds from the reduction in the multi-asset fund allocation will take the multi-asset credit allocation to 9.8%.

7. Creating an earmarked portfolio to fund new investments

Background and objectives

The Fund will build its investments in private markets assets, such as private equity, property, infrastructure, private debt and natural capital, over the next few years. These investments are drawn down over a multi-year period and the Fund needs to have liquid assets that can be accessed at short notice to meet capital calls issued by the managers.

Given the staged nature of private markets deployment, we propose creating an earmarked portfolio that can be drawn down over a period of years. This would be a temporary allocation, invested across equities, bonds and cash, that provides diversification and liquidity while maintaining an appropriate level of risk and return at a whole-Fund level. The blended fund would act as a holding portfolio until capital is required by private market managers.

In principle, a blended fund of this type provides several advantages:

- It holds capital earmarked for private markets in liquid assets until required
- It maintains the overall risk and return profile of the Fund within acceptable ranges
- It provides broad exposure and avoids concentration in any single asset class
- It offers an efficient mechanism for meeting capital calls at short notice

This approach can be implemented using existing holdings. The Fund's overweight equity and bond/cash positions naturally form the foundation of the blended fund, with cash levels sized in line with expected capital call activity over the coming months. The split would be reviewed periodically to ensure it remains appropriate given market conditions and funding requirements.

Overall, this provides a structured and cost-effective way to hold capital for future investments in private markets. It avoids unnecessary transactions, reduces management fees relative to multi-asset alternatives, and supports the development of the Fund's long-term strategic allocation.

Current position and the need for an earmarked portfolio

The table in the following section shows:

- the Fund's current position relative to the long-term strategic targets;
- the impact of the disinvestment from the reduction in the multi-asset allocation; and
- the reinvestment of these proceeds into Protection assets.

Following this transaction, the Fund becomes:

- overweight listed equities, by 12.9%;
- overweight Protection, by 3.0%; and
- underweight private equity and Income assets, by an aggregate 15.9%.

Because private markets cannot be deployed immediately and require a multi-year commitment schedule, the Fund must hold these surplus liquid assets in a way that is risk-aware, return-generating and easily accessible. This is the role of the earmarked blended fund.

Assets	Allocation 31 Dec 2025 (%)	Illustrative allocation post multi- asset change	Long-term target (%)	Relative post sale (+/-%)
UK equities	6.7%	6.7%	5.0%	1.7%
Global equities	45.9%	45.9%	37.0%	8.9%
Emerging markets equities	5.3%	5.3%	3.0%	2.3%
Total listed equities	57.9%	57.9%	45.0%	+12.9%
Private equity	0.1%	0.1%	2.5%	-2.4%
Multi-asset	14.3%	6.9%	5.0%	1.9%
Infrastructure	5.2%	5.2%	10.0%	-4.8%
Private debt	3.9%	3.9%	5.0%	-1.1%
Property	3.0%	3.0%	10.0%	-7.0%
Natural capital	-	-	2.5%	-2.5%
Total of private equity + Income	26.5%	19.1%	35.0%	-15.9%
Fixed interest gilts	7.6%	10.0%	10.0%	-
Multi-asset credit	4.8%	9.8%	10.0%	-0.2%
Cash	3.2%	3.2%	-	3.2%
Total Protection	15.6%	23.0%	20.0%	+3.0%

Source: Northern Trust, Investment managers

Options for the blended fund

Following the reduction of the multi-asset allocation, we estimate the Fund will be holding a blended portfolio of c.80% listed equities and c.20% cash. This provides strong return potential, commensurate with the portfolio of illiquid assets it is designed to replicate, although it relies heavily on cash holdings.

We would support a blended portfolio with 60-75% in equities with the balance held in a combination of bonds and cash. The right blend depends on a number of factors, including the anticipated timeline for deploying capital and the pace at which each individual asset class is built up. As an example, if a larger proportion of the capital calls is likely to fall within the short to medium, this would tend to support a lower initial allocation to equities. This would reduce the mismatch risk of using equities (which can be volatile particularly over short periods of time) to meet capital calls where the overall amounts are known with reasonable certainty.

We recommend Officers engage with LCIV to understand its plans for building the Fund's allocations so that the timeline can be better understood. It will also be important to engage with LCIV so that it understands the objectives of the blended portfolio and how the Fund expects this to operate in practice. Retaining some flexibility will be important: the balance between bonds and cash can be expected to vary over time depending on liquidity needs depending on expected capital calls. For this reason, we recommend the blended portfolio is reviewed on a regular basis to ensure it aligns with the Fund's overall risk and return objectives.

8. Other considerations

Investment income requirements

The proposed reduction in employer contributions means it will be informative to determine the expected annual shortfall between contribution income and benefit outgo. This information can be communicated to LCIV to allow them to determine the investment income needed to bridge this gap.

Local Investment

The government's Fit for the Future changes require Administering Authorities to:

- set out their approach to local investment
- work with relevant Strategic Authorities to identify suitable local investment opportunities.
- report on the extent and impact of their local investments.

It also requires pools to develop the capability to carry out due diligence on local investment opportunities, take the final decision on whether to invest, and manage those investments.

The Committee will need to establish the Fund's local investment strategy. The strategy will depend on the Committee's beliefs/views, covering:

- Appetite for local investing
- How you define local
- Your appetite for impact
- Investment/risk-return considerations
- Governance
- Monitoring/reporting

We propose this is discussed at a future Committee meeting.

9. Specifying the target investment strategy

The Fund will need to communicate its agreed long-term investment strategy to LCIV so that LCIV can begin to implement the strategy. Under the Fit for the Future requirements, the Fund must specify target allocations and tolerance ranges using a (summary) template set out in corresponding guidance. We have translated the recommendations set out in this report into this template and the results are set out in the table below. The proposed tolerance ranges reflect our experience of working with other funds. They also seek to strike a balance between ranges that would allow the Fund to drift too far from the target allocations and rebalancing too frequently. We recommend this is presented to LCIV as a draft to allow any areas of ambiguity and uncertainty to be resolved.

It will also be appropriate to specify an interim target allocation reflecting the earmarked portfolio discussed in section 7 of this report. We recommend Officers engage with LCIV to ensure that LCIV can implement the strategy in line with the Committee's wishes.

Long-term strategic target allocation

Asset class	Strategic asset allocation (%)	Tolerance range (+/- %) – specified only for listed assets
Listed equity	45.0	+/- 3.0%
Private equity	2.5	n/a
Private credit	5.0	n/a
Property/real estate	10.0	+/- 3.0%
Infrastructure	10.0	n/a
Other alternatives ¹	7.5	n/a
Credit	10.0	+/- 3.0%
UK government bonds	10.0	+/- 3.0%
Cash	-	+/- 3.0%
Total	100.0	

¹ Includes multi-asset (5%) and natural capital (2.5%)

Interim target allocation

To support further discussions with LCIV (for the reasons given in section 7), we have set out below an interim target allocation. This incorporates the blended fund and recognises the build-up of the Fund's private markets allocations albeit over a period of time. This interim target allocation is provided for illustrative purposes only and will need to be refined and finalised following discussions with LCIV.

Asset class	Interim target asset allocation (%)	Tolerance range (+/- %) – specified only for listed assets
Listed equity	52.5	+/- 3.0%
Private equity	1.0	n/a
Private credit	5.0	n/a
Property/real estate	6.0	+/- 3.0%
Infrastructure	6.0	n/a
Other alternatives ²	7.0	n/a
Credit	10.0	+/- 3.0%
UK government bonds	11.0	+/- 3.0%
Cash	1.5	+/- 3.0%
Total	100.0	

² Includes multi-asset (5%) and natural capital (2.5%)

10. Conclusion and next steps

The conclusions and recommendations from this report are summarised below:

- As agreed at the October meeting, the Committee has adopted a new long-term investment strategy (described in this report as “Alternative 3”).
- We recommend the Fund reduces its multi-asset fund allocation towards the long-term strategic target, with the proceeds being re-invested in the Protection portfolio, which consists of fixed interest gilts and multi-asset credit.
- Once this has been completed, the Fund will be c16% underweight to private markets, based on asset valuations as at 31 December 2025. This reflects the 7% underweight to property, the 4.5% underweight to infrastructure, and the new allocations to private equity and natural capital (and is net of the remaining allocation to multi-asset funds).
- We recommend a portfolio of assets is identified and earmarked to be drawn down over a period of time to fund these private markets investments. In practice, this will involve retaining overweight positions in equities, bonds and cash.
- The Fund will need to communicate its agreed long-term investment strategy to LCIV so that LCIV can begin to implement the strategy. We recommend the table in section 9 is presented to LCIV as a draft to allow any areas of ambiguity and uncertainty to be resolved.
- It will also be appropriate to specify an interim target allocation reflecting the earmarked portfolio discussed in section 7 of this report. We recommend Officers engage with LCIV to ensure that LCIV can implement the strategy in line with the Committee’s wishes.
- Given the proposed reduction in employer contributions, it will be important to determine the expected annual shortfall between contribution income and benefit payments. This information will be communicated to LCIV to enable them to create a plan to deliver the investment income needed to bridge this gap.
- Looking ahead, the Committee will need to establish its local investment strategy. We propose this is discussed at a future Committee meeting.

We look forward to discussing this paper with Officers and the Committee.

Prepared by:

Kenneth Taylor, Senior Investment Consultant

For and on behalf of Hymans Robertson LLP

February 2026

General investment risk warning

Please note the value of investments, and income from them, may fall as well as rise. This includes but is not limited to equities, government or corporate bonds, derivatives, and property, whether held directly or in a pooled or collective investment vehicle. Further, investments in developing or emerging markets may be more volatile and less marketable than in mature markets. Exchange rates may also affect the value of investments. As a result, an investor may not get back the full amount of the original investment. Past performance is not necessarily a guide to future performance.

Private equity investments, whether held directly or in pooled fund arrangements carry a higher risk than publicly quoted securities; the nature of private equity pooling vehicles makes them particularly illiquid and investment in private equity should be considered to have a long-time horizon.

Further reliances and limitations

Hymans Robertson LLP has relied upon or used third parties and may use internally generated estimates for the provision of data quoted, or used, in the preparation of this report. Whilst reasonable efforts have been made to ensure the accuracy of such estimates or data, these estimates are not guaranteed, and HR is not liable for any loss arising from their use.

This report does not constitute legal or tax advice. Hymans Robertson LLP is not qualified to provide such advice, which should be sought independently.

Appendix: Hymans Robertson manager ratings

Fund and Responsible Investment ratings

A description of the Hymans Robertson ratings referred to in this paper is provided below.

Hymans manager ratings

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.

Hymans RI ratings

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.



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London Borough of Brent Pension Fund

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H2 2025 Investment Monitoring Report - Public

Kenneth Taylor, Senior Investment Consultant

February 2026

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Market Background

Market update

Global growth signalled resilience in the third quarter (Q3), after a volatile first half of the year, with tariffs distorting some economies' GDP readings. Full-year global growth forecasts for 2025 were revised up, matching 2024's 2.7%.

Tariffs modestly lifted US inflation in Q3, but the annual CPI rate slowed to 2.7% in December, unchanged from June. UK inflation peaked in September and has slowed to 3.4%, as wage growth and service-sector price pressures moderated. Eurozone inflation is less pronounced, dipping below target in December (1.9%).

The US Federal Reserve (Fed) and the Bank of England lowered borrowing costs to 3.50–3.75% pa and 3.75% pa, respectively, amid labour market weakness. The European Central Bank held rates at 2.0% through the second half of the year (H2), as inflation neared target. The Bank of Japan raised rates to 0.75% pa in December (a 30-year high), addressing inflation and wage growth.

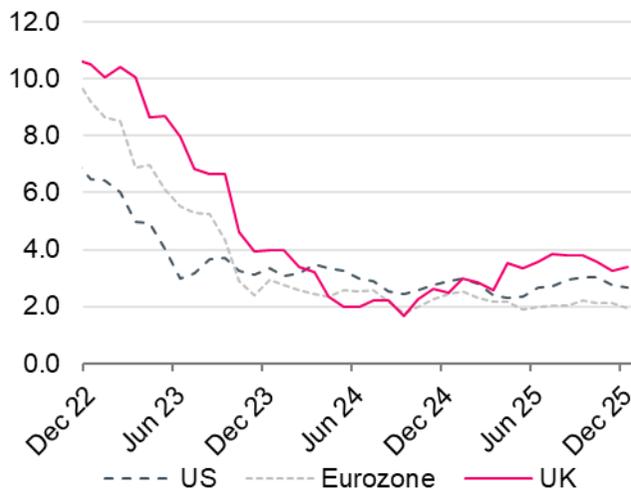
UK 10-year yields were little changed (4.5% pa), but 30-year yields fell 0.3% pa, to 5.2% pa, as the Autumn Budget boosted fiscal headroom. US 10-year yields eased 0.1% pa, to 4.2% pa. German (2.9% pa) and Japanese (2.1% pa) 10-year yields rose 0.3% pa and 0.6% pa, to 2.9% pa and 2.1% pa, on expectations of higher bond issuance.

The trade-weighted US dollar and sterling declined 0.2% and 1.6%, respectively, as markets raised their rate-cut expectations. The yen fell 8.0%, as concerns over Japan's debt sustainability outweighed higher yields and tighter monetary policy. The euro rose 0.4% in H2, supported by asset flows and narrower interest-rate differentials.

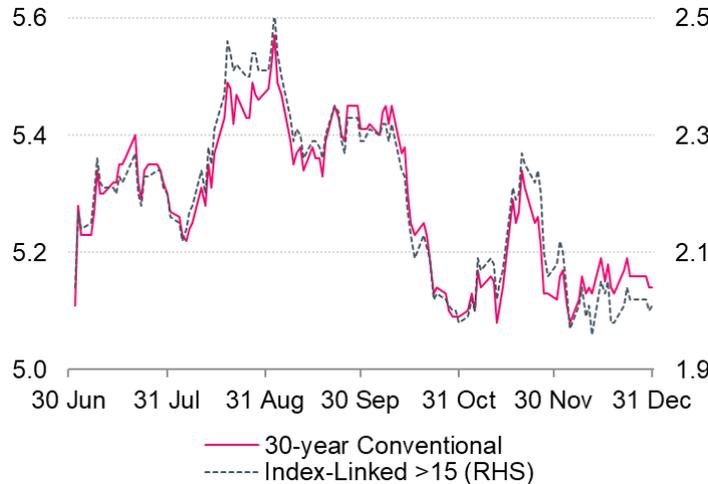
Gold prices rose 31.7% on expectations of lower US interest rates, central-bank purchases and strong retail demand. Oil prices fell 10.1% amid indications of a growing surplus.

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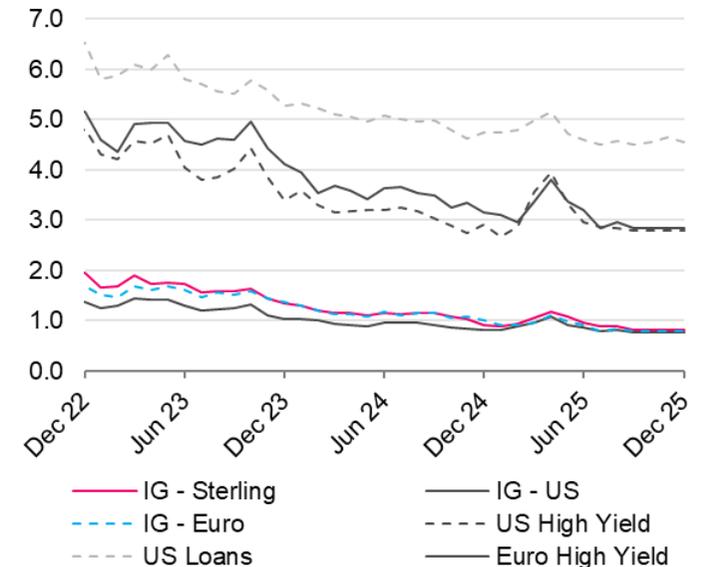
Annual CPI Inflation (% year on year)



Gilt yields chart (% p.a.)

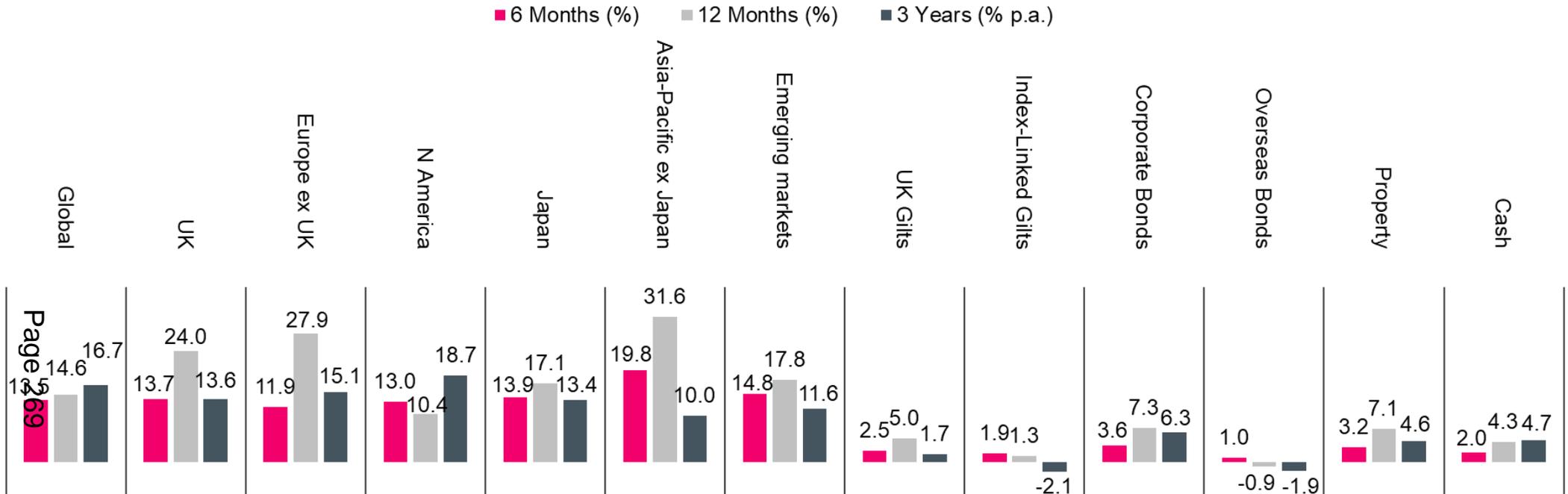


Investment and speculative grade credit spreads (% p.a.)



Market Background

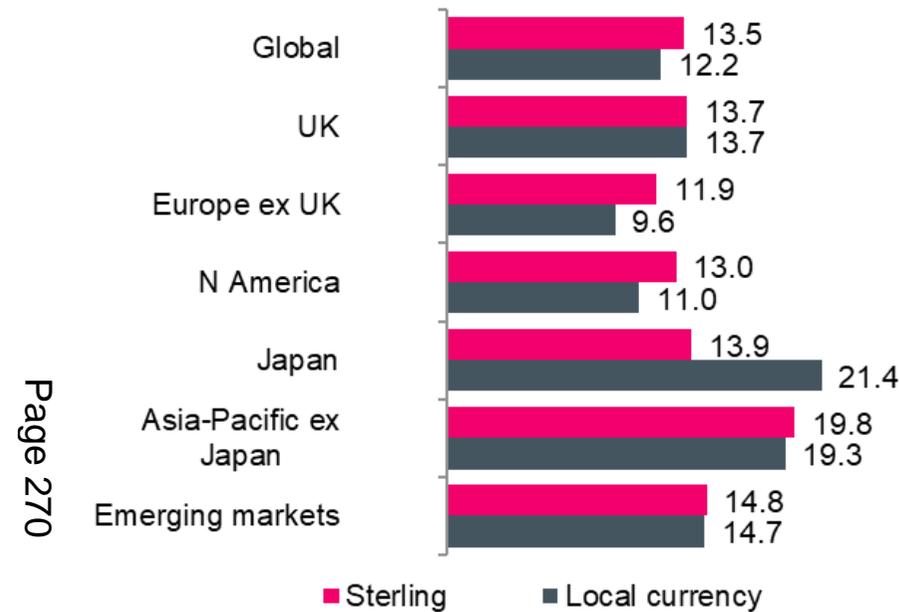
Historical returns for world markets



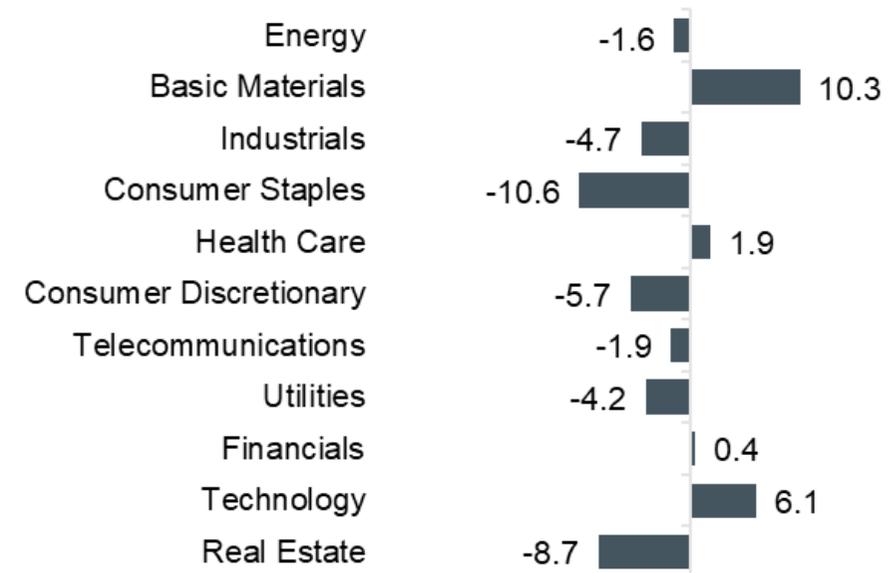
Data source: LSEG DataStream. Returns shown in Sterling terms. Indices shown (from left to right) are: FTSE All World, FTSE All Share, FTSE AW Developed Europe ex-UK, FTSE North America, FTSE Japan, FTSE AW Developed Asia Pacific ex-Japan, FTSE Emerging, FTSE Fixed Gilts All Stocks, FTSE Index-Linked Gilts All Maturities, iBoxx Corporates All Investment Grade All Maturities, ICE BofA Global Government Index, MSCI UK Monthly Property; UK SONIA.

Market Background

Regional equity returns ^[1]



Global equity sector returns ^[2]



Market commentary

Global equities rose 12.2% in H2, as trade tensions subsided and as corporate earnings, AI investment, rate cuts and expected fiscal stimulus buoyed markets. Four of eleven sectors (basic materials, tech, healthcare and financials) outperformed.

Developed Asia Pacific led gains, driven by its role in the semiconductor manufacturing chain and yen weakness, alongside hopes of Japanese fiscal stimulus. Easing trade tensions and falling US rates lifted emerging markets. UK equities outperformed; above-average exposure to outperforming sectors compensated for the limited tech weighting.

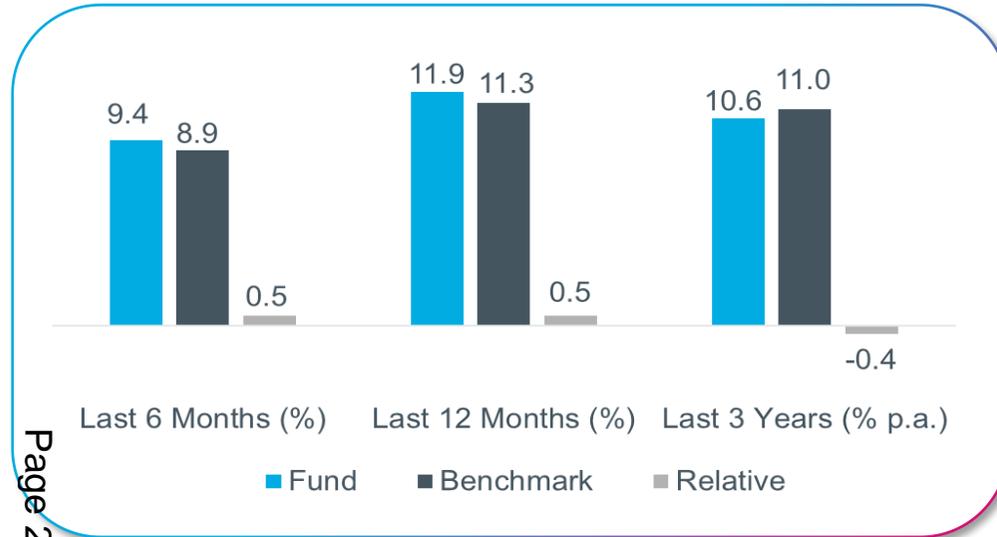
While growth (12.8%) outperformed value (11.0%) elsewhere, it underperformed in the US amid concerns over valuations and debt-funded capex. Consumer discretionary stocks were impacted, as companies absorbed tariff costs and weaker job growth hurt demand. Europe ex UK ranked bottom, given its below-average tech sector exposure and as euro strength, tariffs and increased Chinese competition weighed on manufacturing.

The MSCI UK Monthly Property Total Return Index rose 3.2% in H2, as income was supplemented by 0.4% gain in capital values. The sectoral trend continued: industrial (1.1%) and retail (0.9%) capital values grew, more slowly, while offices fell (1.7%).

4 Data source: LSEG DataStream. [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

Total fund performance

High-level asset allocation



GrIP	Actual	Benchmark	Relative
Growth	58.0%	58.0%	0.0%
Income	26.4%	25.0%	1.4%
Protection	12.4%	15.0%	-2.6%
Cash	3.2%	2.0%	1.2%

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Key points to note:

- The Fund has posted a positive return over the second half of 2025, ending the period with a valuation of £1,491.7m, up from £1,360.6m at the end of Q2 2025.
- The Fund’s passive global equity mandates were again the main contributors to the total return over the period, with UK equities also performing well. Emerging market equities provided very strong performance over the period. The multi-asset funds provided steady support, and the multi-asset credit and gilts funds delivered modest positive returns over the period.
- On a relative basis the Fund outperformed its benchmark by 0.5% over the period, but is slightly behind its composite benchmark over the past 3 years.
- The new allocation to the LGIM Future World Global Equity Index Fund was implemented in Q4 2025, funded by a reallocation from the LGIM Global Equity Fund. Investing in the LGIM Future World Global Equity Index Fund will lead to an immediate reduction in the Fund’s carbon emissions with further reductions anticipated in future, supporting the Fund’s net zero ambitions.
- The cash held by the Fund rose from to £46.1m to £47.9m.

Source: Northern Trust.

*At the time of writing, the Fund’s Q4 2025 funding position is not available. The Fund Actuary is currently finalising the 2025 actuarial valuation of the Fund, which is based on updated data and assumptions. The provision of estimated funding level data has been paused while this work is underway.

Asset allocation

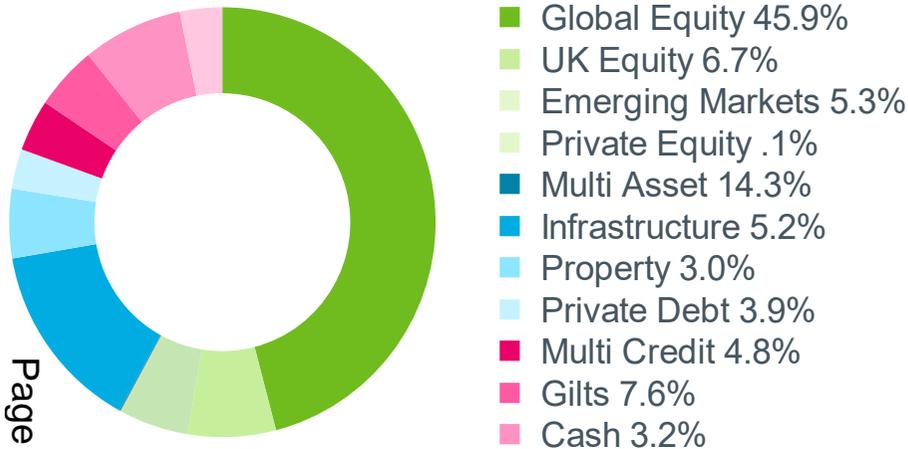
	Valuation (£m)		Actual Proportion	Benchmark	+ / -
	Q2 25	Q4 25			
LGIM Global Equity	566.1	183.4	12.3%	40.0%	3.0%
LGIM Future World Global Equity Index Fund	0.0	458.1	30.7%		
Blackrock Acs World Low Crbn	38.7	43.9	2.9%	3.0%	-0.1%
LGIM UK Equity	87.3	99.3	6.7%	5.0%	1.7%
LCIV Emerging Markets	65.2	79.6	5.3%	5.0%	0.3%
Capital Dynamics Private Equity	1.5	1.3	0.1%	5.0%	-4.9%
Total Growth	758.8	865.5	58.0%	58.0%	0.0%
LCIV Baillie Gifford Multi Asset	104.1	110.4	7.4%	12.0%	2.3%
LCIV Ruffer Multi Asset	97.5	102.4	6.9%		
Alinda Infrastructure	15.4	15.0	1.0%	5.0%	0.2%
Capital Dynamics Infrastructure	2.1	2.0	0.1%		
LCIV Infrastructure	57.2	60.7	4.1%		

Asset allocation

	Valuation (£m)		Actual Proportion	Benchmark	+ / -
	Q2 25	Q4 25			
Fidelity UK Real Estate	15.0	14.6	1.0%	3.0%	0.0%
UBS Triton Property	11.3	11.4	0.8%		
LCIV UK Housing Fund	15.2	18.7	1.3%		
LCIV Private Debt	42.6	44.7	3.0%	5.0%	-1.1%
LCIV Private Debt II	17.1	13.4	0.9%		
Total Income	377.5	393.5	26.4%	25.0%	1.4%
LCIV MAC	68.3	71.5	4.8%	5.0%	-0.2%
BlackRock UK Gilts Over 15 yrs	109.8	113.4	7.6%	10.0%	-2.4%
Total Protection	178.1	184.9	12.4%	15.0%	-2.6%
Cash	46.1	47.9	3.2%	2.0%	1.2%
Total Scheme	1,360.6	1,491.7	100.0%	100.0%	

Note: The target allocations were agreed in June 2023 as part of the last investment strategy review. The benchmark currently shown reflects the interim target allocation, representing the first step in the journey toward the long-term target. As the Fund's allocations and commitments to private markets increase over time, we will gradually transition to comparing against the long-term target. These will be updated once the new Investment Strategy Statement is in place, on completion of the 2025/26 investment strategy review.

Asset class exposures*



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Asset allocation commentary

The Fund’s current target allocations are as follows:

Interim Growth – 58%; Income/Diversifiers – 25%; Protection plus cash – 17%;

Long-term: Growth – 50%; Income/Diversifiers – 35%; Protection – 15%

LGIM Future World Global Equity Index fund

The Fund has shown a desire to develop its climate ambitions through development of its Net Zero roadmap. During 2024, the Committee considered options for replacing the Fund’s global equity mandates to assist the Fund in meeting its net zero ambitions. The Committee selected the LGIM Future World Global Equity Index Fund and the LCIV PEPPA fund (short for Passive Equity Progressive Paris-Aligned). These investments, once complete, will lead to an immediate reduction in the Fund’s carbon emissions with further reductions expected in future. The replacement funds selected also provide improved alignment with the Fund’s Responsible Investment priorities. The investment in the LGIM Future World Global Equity Index Fund was completed during the final quarter of 2025, and the investment in the LCIV PEPPA fund is expected to be completed in early 2026.

8 Source: Northern Trust.

*Total may not round to 100% due to rounding.

Manager performance

	Last 6 Months (%)			Last 12 Months (%)			Last 3 Years (% p.a.)		
	Fund	B'mark	+ / -	Fund	B'mark	+ / -	Fund	B'mark	+ / -
LGIM Global Equity	13.2	13.3	-0.1	13.8	13.9	-0.1	17.2	17.4	-0.2
LGIM Future World Global Equity Index Fund*	-0.4	-0.4	0.0	-	-	-	-	-	-
Blackrock Acs World Low Crbn	13.3	12.7	0.6	12.5	12.8	-0.3	17.2	16.7	0.4
LGIM UK Equity	13.7	13.7	0.0	24.0	24.0	0.0	13.6	13.6	0.0
LCIV Emerging Markets	22.0	18.0	3.4	27.6	24.4	2.6	10.1	12.1	-1.8
Page 275 Growth									
LCIV Baillie Gifford Multi Asset	6.1	2.9	3.1	10.9	6.2	4.4	7.1	6.7	0.4
LCIV Ruffer Multi Asset	5.0	2.9	2.0	10.1	6.2	3.6	0.7	6.7	-5.6
Alinda Infrastructure	5.2	1.8	3.3	-2.3	5.3	-7.2	10.6	5.3	5.0
Capital Dynamics Infrastructure	-2.1	1.8	-3.8	-6.0	5.3	-10.7	-2.1	5.3	-7.0
LCIV Infrastructure	2.9	1.8	1.0	6.7	5.3	1.3	6.4	5.3	1.0

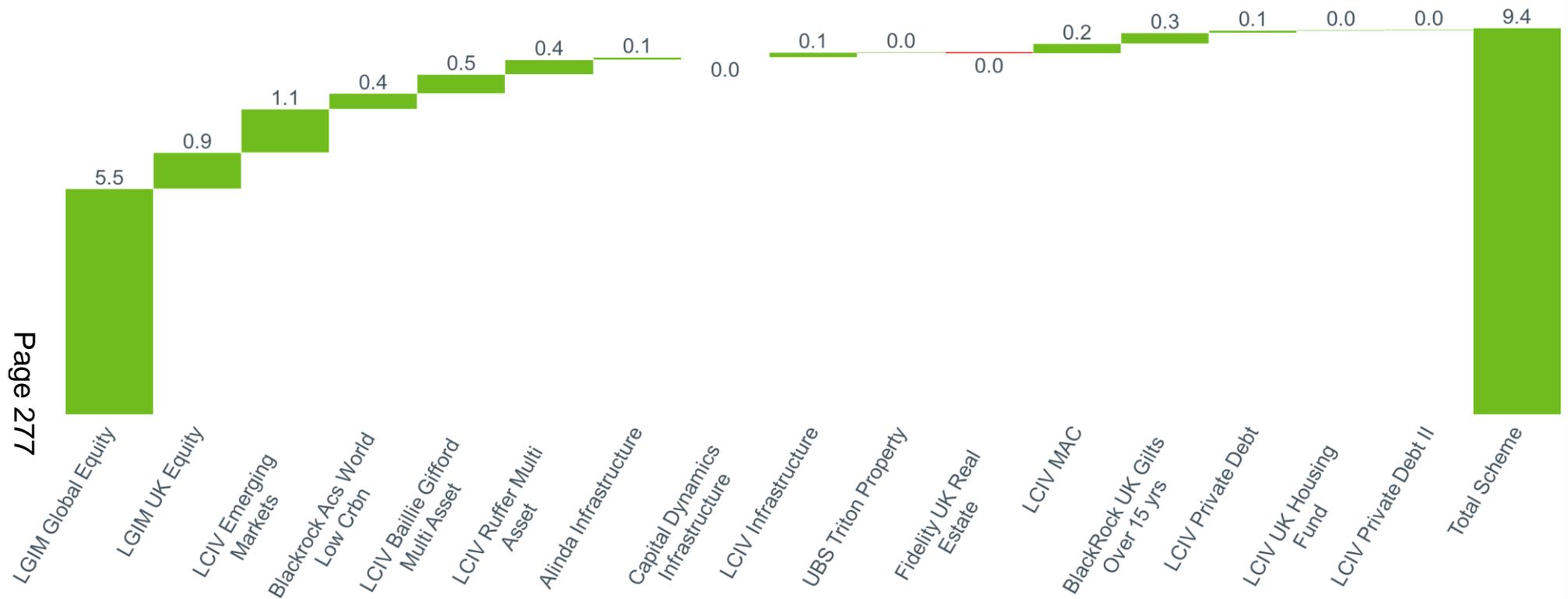
*LGIM Future World Fund funded in December 2025, showing since inception performance figures, as 6-month performance not yet available. Due to the unavailability of fund returns, the benchmark return has been used as a proxy (Solactive L&G ESG Global Markets Index).

Manager performance

	Last 6 Months (%)			Last 12 Months (%)			Last 3 Years (% p.a.)		
	Fund	B'mark	+ / -	Fund	B'mark	+ / -	Fund	B'mark	+ / -
Fidelity UK Real Estate	-2.8	2.0	-4.7	0.1	5.1	-4.7	0.5	3.0	-2.4
UBS Triton Property	2.4	2.0	0.4	4.9	5.1	-0.2	3.0	3.0	0.0
LCIV UK Housing Fund	0.7	3.0	-2.2	0.7	6.0	-5.0	-	-	-
LCIV Private Debt	2.1	3.0	-0.9	12.2	6.0	5.9	6.2	6.0	0.2
LCIV Private Debt II	-	-	-	-	-	-	-	-	-
LCIV CQS MAC	4.6	3.0	1.6	8.9	6.4	2.4	9.5	6.8	2.5
BlackRock UK Gilts Over 15 yrs	3.3	3.2	0.0	3.8	3.7	0.1	-2.0	-2.0	0.0
Total Scheme	9.4	8.9	0.5	11.9	11.3	0.5	10.6	11.0	-0.4

Note: Performance from Capital Dynamics' private equity allocation is not shown and has been excluded from the total performance calculations. The LCIV Private Debt II Fund was initially funded on 30/04/2025

Fund performance by manager



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Positive contributions were broad-based in H2 2025, with no material detractors across the portfolio. The LGIM Global Equity fund was again the largest driver of returns, delivering a strong 5.5% gain for the Fund over the period. Additional uplift came from the LGIM UK Equity fund, the LCIV Emerging Markets fund, and the BlackRock ACS World Low Carbon Equity fund, all of which performed well.

Multi-asset allocations also contributed positively, with both the LCIV Baillie Gifford and Ruffer Multi-Asset funds adding steady gains. Within fixed income, the MAC mandate and UK Gilts fund delivered solid positive returns, supported by the rally in credit and rates markets over H2 2025. Property and infrastructure allocations were broadly flat to modestly positive overall.

Overall, the diversified blend of equity, multi-asset, and fixed income exposures resulted in a total scheme return of 9.4% over the six-month period to 31 December 2025.

11 Source: Fund performance provided by Northern Trust and is net of fees.

Please note that due to rounding, the total performance shown above may not add to the total half-year performance shown on page 10 of this report.

Current issues in LGPS – December 2025 edition

Spotlight on legislation & consultations - A round-up of the Pension Schemes Bill, the Fit for the future – technical consultation and draft statutory guidance, the LGPS (England and Wales) scheme improvements consultation, and the LGPS (Scotland) benefits consultation.

Autumn Budget 2025 - The main pensions talking point from the Chancellor's Budget on 26 November was around salary-sacrifice arrangements. From 6 April 2029, any employee pension contributions above an annual amount of £2,000 will no longer be exempt from National Insurance Contributions (NICs).

Our 60-second summary covering Budget 2025 can be found [here](#).

English and Welsh 2025 valuations - A big thank you to the circa 70 LGPS officers who joined our client-only webinar on 4 December to discuss stakeholder engagement. The session was Chatham House only and was not recorded. However, we plan to follow up shortly with a communication that shares some of the analysis, such as peer comparisons, and insights from the polls that were run throughout the webinar.

Liquidity management - LGPS funds must now manage cash flows more carefully, with economic and demographic factors leading to many funds having negative cash flows. The reduced contribution rates arising from the 2025 actuarial valuations will intensify this challenge, especially as LGPS pensions are expected to rise by 3.8% in 2026.

Our 60-second summary on managing cashflows in the LGPS can be found [here](#).

New Year, New Accounting - As we approach the New Year, the last LGPS employers of 2025, with a financial year-end at 31 December, will hear soon from their LGPS contact about the options available for their FRS102 accounting.

Our webinar, 2024/25 LGPS accounting disclosures: understanding your results, can be seen [here](#).

Design Thinking in practice: testing - In the final [blog](#) in his series, our digital guru Chris Varley considers testing and how this can be applied within the LGPS. Traditionally, testing is seen as the final hurdle to be overcome prior to “going live”. But it's worth considering its role more broadly - as an ongoing opportunity to learn, adapt, and improve solutions based on feedback. He concludes that early and honest feedback ultimately drives better outcomes.

Spotlight on Responsible Investment - A round-up of our latest insights of all things RI-related.

Current issues in LGPS – December 2025 edition

Dashboards - making use of valuation data checks - With all the change affecting the LGPS it would be easy to lose sight of Pension Dashboards coming over the hill. For funds in England and Wales (and Scotland next year), the outputs from the triennial valuation process can help officers to direct and prioritise work in readiness for the public to search for lost or forgotten pension pots. Our [blog](#) explains more.

LOLA 3.0 - future proofing your training - With changes in legislation comes changes in training needs. We've listened to your feedback, carried out horizon scanning and delved ever deeper into the world of best practice. From this, the latest evolution of the LGPS Online Learning Academy is emerging. We are committed to providing the best possible training services to the LGPS and are looking forward to releasing the latest version in the new financial year. For more information about what we've been up to, check out our [blog](#).

Capital Markets update - Global growth has proven resilient, despite rising US tariffs and uncertainty. We've seen high global equity valuations, largely driven by the tech-heavy US market. While strong tech earnings justify some premium, valuations assume sustained growth and leave the US exposed to AI disappointment.

Manager benchmarks and performance targets

Mandate	Date appointed	Benchmark description
LGIM Global Equity	31/10/2010	FTSE All World Developed ex UK
LGIM UK Equity	12/06/2012	FTSE All Share
LGIM Future World Global Equity Index Fund	30/11/2025	Fund Return
LCIV Emerging Markets	30/11/2018	MSCI Emerging Markets
Blackrock Acs World Low Crbn	03/09/2021	MSCI World
LCIV Baillie Gifford Multi Asset	31/05/2012	BoE Base Rate +2% p.a.
LCIV Ruffer Multi Asset	15/03/2017	BoE Base Rate +2% p.a.
LCIV Panda Infrastructure	31/08/2009	UK CPI +2% p.a.
Capital Dynamics Infrastructure	31/10/2012	UK CPI +2% p.a.
LCIV Infrastructure	31/10/2012	UK CPI +2% p.a.
Capital Dynamics Private Equity	31/12/2003	MSCI All World +1% p.a.
LCIV Private Debt	22/06/2021	Absolute BM 6%
LCIV Private Debt II	30/04/2025	Absolute BM 6%
LCIV UK Housing Fund	31/03/2024	Absolute BM 6%
Fidelity UK Real Estate	22/12/2021	MSCI/AREF UK All Balanced Property
UBS Triton Property	31/08/2022	MSCI/AREF UK All Balanced Property
LCIV MAC	30/11/2018	SONIA + 2% p.a.
BlackRock UK Gilts Over 15 yrs	05/03/2019	FTA UK Gilts Over 15 yrs

Glossary - equity manager styles

'Style' refers to the type of stocks a manager will typically research and select for portfolios. It is important to diversify these 'styles' in order to manage concentration risks.

- **Value** – this style tilt considers whether stocks held within the portfolio are discounted relative to their fundamentals, i.e. whether stocks have low market valuations versus current earnings or book value.
- **Growth** – this style tilt considers companies earning potential relative to its industry and the overall market. The key consideration within this factor is a company's potential for growth and therefore commonly used metrics include historical earnings growth and forward earnings growth.
- **Quality** – this style tilt considers companies financial stability. A company's quality can be evaluated using various metrics including: profitability, earnings quality, financial leverage and corporate governance.

Volatility – this style tilt considers the systematic risk of the portfolio relative to the market.

Momentum – this style tilt is based on the premise that stocks that have recently risen or fallen in price will continue to do so in the future.

Low volatility – A low volatility equity manager will aim to construct a portfolio that exhibits significantly lower volatility than the benchmark index (low volatility is a relative, not absolute, term). A low volatility manager will generally target a volatility of around 15% p.a. versus a benchmark that exhibits a 20% p.a. volatility. A low volatility portfolio will generally be constructed through a quantitative assessment of past stock performance and correlation to select stocks that have historically exhibited low levels of volatility.

- **Neutral** - A neutral manager will aim to construct portfolios that have no significant sector or style biases relative to the benchmark index. This is more common in bottom up, in-depth research, managers (sometimes referred to as 'stock pickers') who aim to isolate stocks that are undervalued relative to their peers whilst avoiding taking a position on whether a country or industry itself will out or underperform. For example they might take an overweight position in BP if they believe the stock is fundamentally undervalued but remove their exposure to the more general oil market by compensating with an underweight **position in Shell**.

Glossary

- **Buy-out** – purchase of a more mature company usually as part of a private equity deal.
- **Capital structure** – how a company is financed through equity and debt.
- **Closed-ended** - When an investment fund has a finite lifecycle, money is invested and returned in full to the investor over a defined period (usually 5 – 8 years for private debt)
- **Commitment** – The investment amount initially made to a fund, this is then drawn by the manager over time and invested.
- **Dividend** – Annual income paid through holding an equity.
- **Duration** – A measure of the average expected life of an investment that indicates sensitivity to interest rate changes.

Page 282 **Indirect – Access and asset via other funds rather than directly.**

- **Information ratio** - This measures the risk-adjusted returns of a fund relative to its respective benchmarks. For active funds, a higher information ratio is better.
- **IRR** - a measure of performance taking into account cashflow.
- **Liquidity** – ability to sell a stock quickly at a known price.
- **MAC** – Multi Asset Credit, an investment fund made up of a mix of different types of debt/credit.
- **Mid-market** – focus on mid-sized companies.
- **Open (closed) ended investment** – Open ended investments have no end date and can be traded. Closed ended cannot usually be traded and have a finite life.
- **Senior secured** - Debt issued at a high level in a company's capital structure secured against company assets.
- **Sub-investment grade** – bond assets rated below investment grade (and therefore higher risk).
- **Tracking error** – This shows the difference in actual performance between a fund and its respective benchmark. This should be lower for passive funds tracking an index compared to active funds where the manager is trying to outperform a benchmark.
- **TVPI** - Total value (distributions plus residual values) divided by paid-in capital. An alternative measure of the return on investment for closed-end funds
- **Volatility** – a measure or risk based on ‘ups and downs’ of stock/portfolio over a period of time.

Growth, Income and Protection



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Geometric vs 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

Risk warning

This report is provided to the Pension Fund Investment Panel of the London Borough of Brent Pension Fund in our capacity as your investment adviser. Its purpose is to assist the Committee with their monitoring of the Fund's investments. The report shows how the assets have performed over various time periods, on an absolute basis and relative to the agreed benchmarks, in the context of general market movements. It also shows how the asset allocation compares with the Fund's strategic target allocation. The report may contain fund and fund manager specific research ratings and comments based on the views of our investment research team. Please speak to your investment adviser before taking any investment decisions or actions. They will advise whether formal investment advice is necessary, including a risk assessment and investment suitability information where appropriate. No investment decisions should be taken based solely on the contents of this report.

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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.

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

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 <p>Brent</p>	<p>Brent Pension Fund Sub-Committee 18 February 2026</p> <hr/> <p>Report from the Corporate Director, Finance and Resources</p>
<p>2025 Triennial Valuation Results and Funding Strategy Statement</p>	

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Part Exempt – Appendix 3 is classified as exempt as it contains the following category of exempt information specified in Paragraph 3, 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)”
List of Appendices:	Three: Appendix 1: Valuation Report Appendix 2: Funding Strategy Statement (FSS) Appendix 3: (Exempt) Valuation Report – draft appendices
Background Papers:	N/A
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	<p>Minesh Patel, Corporate Director, Finance and Resources 020 8937 4043 (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>

1.0 Executive Summary

1.1 This report sets out the results of 2025 triennial actuarial valuation and the Funding Strategy Statement (FSS) to the Committee for consideration and approval.

2.0 Recommendation(s)

The Committee is asked to:

2.1 Note, comment and agree the draft valuation report at Appendix 1.

2.2 Delegate authority to the Corporate Director, Finance and Resources to finalise the valuation report before 31 March 2026.

2.3 Notes the proposal to reduce the employer contribution rate for the next three financial years for Brent Council, local authority schools and the majority of academies to 23.0% (from 30.5% in 2025/26).

2.4 Approve the Funding Strategy Statement (FSS) as set out in section 3.5 of this report and Appendix 2.

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 Every three years, a formal valuation of the whole Fund is carried out under Regulation 62 (1) of LGPS Regulations 2013 to assess and examine the ongoing financial position of the Fund.

3.2.2 Its purpose is to:

- Compare actual experience against assumptions made at the last valuation;
- Value the assets and liabilities of each individual employer and the pension fund as a whole using data from the Fund's administration system and financial records;
- Set employer contribution rates, including for the Council, for the next 3 years (1 April 2026 to 31 March 2029);
- Review the Funding Strategy Statement (FSS);
- Perform a health check on the Fund's solvency.

3.2.3 The last valuation took place as at 31 March 2022 and the next one is to be carried out as at 31 March 2025. The results of each valuation must be reported to the administering authority within twelve months of the valuation date.

3.2.4 The actuary calculates the funding level at each valuation. This is calculated as the ratio of the market value of the assets and the value of the benefits built up to the valuation date for the employees and ex-employees. If this is less than 100% then it means there is a shortfall, therefore there is a deficit; if it is more than 100% then there is said to be a surplus.

3.3 Detail

3.3.1 Hymans Robertson, the Fund actuary, attended the October 2025 meeting of the Sub-Committee outlining the valuation process, and the initial results the review of the Funding Strategy Statement (FSS).

3.3.2 In this previous meeting, the Fund actuary delivered a presentation of the whole fund results including the funding level, assets, liabilities and the overall deficit level. It was explained why the funding level had improved since the last valuation 3 years ago with the main driver being the significantly improved investment outlook. It was also explained that different employers within the Fund will have different funding levels due to the profile of their members and contribution rates in the past.

3.3.3 The results show that has significantly improved from the last valuation at 31 March 2022. The improvement in funding level is primarily due to higher assumed future investment returns.

Valuation Date	31 March 2025 (£m)	31 March 2022 (£m)
Liabilities	1,162	1,296
Assets	1,313	1,134
Surplus/(Deficit)	151	(162)
Funding Level	113%	87%

3.3.4 As a result, combined employer contribution rates have reduced from 30.6% of pay in financial year 2025/26 to 22.9% of pay for the next 3 financial years.

3.3.5 Since that meeting, draft valuation results schedules, which provide the contribution rate for each employer for the next three financial years, have been produced for the Council and all employers within the Fund. These have been communicated to employers. The Fund also held an employers' forum in November 2025 to present the valuation results to the employers.

3.3.6 The draft valuation report, attached in Appendix 1, summarises the process that has taken place and presents the valuation results, funding position and employer contribution rates for 2026/27 to 2028/29. Within the draft valuation report Appendices 4 (Climate change scenario analysis), 5 (Section 13 dashboard) and 8 (Rates and Adjustments Certificate) are yet to be finalised and are attached in restricted Appendix 3. This report recommends the committee to note, comment and agree the draft valuation report and delegate

authority to the Corporate Director, Finance and Resources to finalise the report before 31 March 2026.

3.3.7 The below table outlines progress on the valuation timetable:

Date	Event	Progress Update
August 2024	2025 Valuation planning begins	Complete
January 2025	Advanced data review - holistic review of all data required for the actuarial valuation	Complete
February – April 2025	Review funding plans for long-term stable employers	Complete
31 March 2025	Valuation date	Complete
April 2025	Council contribution rate (comPASS) modelling.	Complete
April 2025	Employers submit their month return for March 2025.	Complete
June 2025	Resolve all queries arising from monthly returns.	Complete
24 June 2025	Sub-committee meeting - Report to Pensions Sub-committee to review and agree key valuation assumptions.	Complete
July 2025	Provision of membership data to the Fund actuary by LPPA on behalf of the scheme manager.	Complete
August 2025	Data validations, responding to data queries and Fund actuary sign off for data.	Complete
August – September 2025	Whole fund results prepared and discussed with officers.	Complete
08 October 2025	Sub-committee meeting - Provision of initial whole fund results, Council contribution rate modelling results and employer contribution strategy proposal (draft FSS).	Complete
October 2025	Issue employer results together with draft Funding Strategy Statement for formal consultation.	Complete
November 2025	Hold employer forum and employer surgeries.	Complete
December 2025 – January 2026	Finalise Funding Strategy Statement following consultation. Agree any changes to employer contribution rates.	Complete
18 February 2026	Sub-committee meeting - Draft valuation report and rates and adjustments certificate. Sign off FSS.	On track
31 March 2026	Sign off rates and adjustments certificate with final employer contribution rates.	On track
01 April 2026	Implementation of new FSS and contribution rates.	On track

3.4 Revised Contribution Rates

- 3.4.1 As noted above, in October 2025, the Pension Fund Sub-Committee were given an update on the Fund's early whole fund asset liability modelling exercise carried out by the Fund actuary in Q1 2025 (and which had an effective date of 31 March 2024) and the whole fund results of the 31 March 2025 triennial funding valuation.
- 3.4.2 Using all available information to date, the Pension Fund Sub-Committee were asked to note a proposal to reduce the employer contribution rate for the next three financial years for Brent Council, local authority schools and the majority of academies to 26.0% (from 30.5% in 2025/26).
- 3.4.3 The next stage of the valuation was then for the Fund actuary and officers to work through the detailed individual employer results calculations, including mini asset liability modelling (with an effective date of 31 March 2025) for each employer. This work was carried out during October and November.
- 3.4.4 The results from this individual employer results stage showed further marked improvement of the key funding metrics when compared to the early asset liability modelling results.
- 3.4.5 When considering the improved individual employer results alongside the Funding Strategy Statement funding parameters agreed with committee in October, the officers and Fund actuary believe it is prudent and appropriate to apply an additional reduction (3.0%) to the originally proposed contribution rate of 26.0%. Therefore, a contribution rate of 23.0% will apply from 1 April 2026 for the next three financial years.
- 3.4.6 Importantly, this contribution rate of 23.0% gives at least an 80% likelihood of being 100% funded at the end of the 20 years funding time horizon with an acceptable Risk of Regret.

3.5 Funding Strategy Statement

- 3.5.1 A key governance document for the valuation is the Fund's Funding Strategy Statement (FSS). The FSS sets out the underlying assumptions and principles that are adopted when valuing the Fund's liabilities and setting contribution rates. The FSS also addresses the fact that different employers within the fund have different objectives and it includes deficit recovery periods for different employers. The FSS is normally reviewed during the valuation process in consultation with the Fund actuary and employers.
- 3.5.2 In January 2025, updated guidance for preparing and maintaining a FSS was published by Ministry of Housing, Communities and Local Government (MHCLG), the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Scheme Advisory Board's (SAB's) Compliance and Reporting committee published new guidance for LGPS funds when preparing the FSS. It replaces the 2016 guidance produced by CIPFA and developments include:

- Funds must now write their FSS in clear, non-technical language and adopt a common structure and terminology.
- Employer Lifecycle Coverage – Each FSS must explain how contribution rates are set when an employer joins the fund, at each valuation, and as the employer approaches exit. It should also outline how exit debts or credits will be managed.
- Stronger Consultation Requirements – The guidance sets out best practice for meaningful consultation, including early publication of a timetable, concise materials, and engagement with all relevant stakeholders such as employers, guarantors and the Local Pensions Board.
- Funds should also provide more information in the FSS to explain the impact of employers being in surplus or deficit, recognising a varying effect across different employer groups.

3.5.3 At the October 2025 Sub-Committee meeting, the draft FSS was presented prior to consultation with employers. The Sub-Committee noted that a full review of the FSS document has been carried out to ensure the document is compliant with the updated guidance including two new parts to the FSS: Key Funding Principles and Employer Events. In addition, a new policy has been introduced to outline how individual employer contribution rates may be reviewed in-between valuations.

3.5.4 The consultation was conducted in December 2025 and January 2026 and the final FSS is provided in Appendix 2 for Sub-Committee approval. The main change made since the draft FSS is to update section 2.3 on the approach for stabilised employers to reflect the one-off change to contribution strategy at this valuation.

4.0 Stakeholder and ward member consultation and engagement

4.1 As required by the LGPS regulation 58, the revised Funding Strategy Statement was consulted with employers in the pension fund during December 2025 and January 2026.

5.0 Financial Considerations

5.1 These are discussed throughout the report. The triennial valuation will set employer contribution rates for the following three financial years. Employer contributions are the single largest component in the Pension Fund's yearly cash inflow. Appropriate contribution rates by the various employers are necessary for the stability of the Pension Fund.

5.2 The Fund is required to produce an FSS which sets out the underlying assumptions and principles that are adopted when valuing the Fund's liabilities and setting contribution rates.

6.0 Legal Considerations

6.1 The triennial valuation process for the Local Government Pension Fund (LGPS) is governed by Regulation 62 of the Local Government Pension Regulations 2013. This regulation mandates that administering authorities must obtain an actuarial valuation of the assets and liabilities of each pension fund as at March every three years, along with a report by an actuary and a rates and adjustments certificate. The Funding Strategy Statement (FSS) plays a critical role in the valuation process, as the actuary must consider the current version of the FSS when determining the primary rate of employer contributions. To ensure compliance with current legislation, the FSS and Investment Strategy Statement should align with the requirements of Regulation 62 and other relevant provisions, such as Regulation 58, which governs the preparation and maintenance of the FSS.

7.0 Equity, Diversity & Inclusion (EDI) Considerations

7.1 There are no adverse 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 of 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, Finance and Resources

London Borough of Brent Pension Fund

Report on the actuarial valuation as at 31 March 2025

February 2026

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Craig Alexander FFA C.Act

Fellow of the Institute and Faculty of Actuaries
For and on behalf of Hymans Robertson LLP



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Executive summary



1. Executive summary

We have been commissioned by London Borough of Brent (“the Administering Authority”) to carry out a valuation of the London Borough of Brent Pension Fund (“the Fund”) as at 31 March 2025. This fulfils Regulation 62 of the Local Government Pension Scheme Regulations 2013. This report is a summary of the valuation.

Contribution rates

The contribution rates for individual employers set at the 31 March 2025 valuation can be found in the Rates and Adjustments certificate. Table 1 shows the combined individual employer rates, compared to the last valuation in 2022.

	31 March 2025		31 March 2022	
Primary rate	18.9% of pay		21.8% of pay	
Secondary rate	2026/27	4.0%	2023/24	11.7%
	2027/28	4.0%	2024/25	10.2%
	2028/29	4.0%	2025/26	8.8%

Table 1: Combined employer contribution rates compared with previous valuation

On average, contribution rates have reduced due to higher assumed future returns at 2025, reducing the estimated cost of funding future benefit payments.

Funding position

At 31 March 2025, the funding position on the Fund’s assumptions has significantly improved from the last valuation at 31 March 2022. Table 2 shows the reported funding position, compared to the last valuation in 2022.

Valuation Date	31 March 2025	31 March 2022
Assets (£m)	1,313	1,134
Liabilities (£m)	1,162	1,296
Surplus / (Deficit) (£m)	151	(162)
Funding Level	113%	87%

Table 2: Reported funding position compared with previous valuation

Similar to contribution rates, the improvement in funding level is primarily due to higher assumed future investment returns at 2025.

Comparison with other LGPS funds

The funding position and contribution rates are based on assumptions about future factors such as investment returns, inflation and life expectancy. As these are uncertain, different assumptions are used by each LGPS fund to reflect their own views, circumstances and strategic objectives. These differences (amongst other factors, including crucially the previous funding level, employer affordability and long-term contribution stability) will lead to differences in funding positions and contribution rates across the LGPS. To support comparison, LGPS funds are required to report a funding position on a consistent set of assumptions (called the “SAB funding level”). The Fund’s SAB funding level at 31 March 2025 is 93%. **SAB assumptions are to allow comparison only and are not intended to be appropriate for funding or setting contribution rates. As such, this result has no impact on the Fund’s funding strategy or employer contribution rates.**

Valuation approach



2. Valuation approach

2.1 Valuation purpose

The triennial actuarial valuation is an important part of the Fund's risk management framework. Its main purpose is to ensure the Fund continues to have a funding strategy that is likely to achieve the objectives set out in the Funding Strategy Statement.

This report contains the valuation's two key outcomes:

- Employer contribution rates for the period 1 April 2026 to 31 March 2029
- The funding position of the whole Fund at 31 March 2025.

Further information on the process, methodology and strategy has been communicated to relevant stakeholders throughout the valuation. There is also further information publicly available in the Funding Strategy Statement and [Hymans Robertson's LGPS 2025 valuation toolkit](#).

2.2 Setting employer contribution rates

Employer contributions need to be set at a level which ensures the Fund has a reasonable likelihood of having enough money to pay members' benefits. Identifying the amount of benefits that may be paid is complex, as benefits earned today may not be paid until 50+ years has passed. Over that period, there is significant uncertainty over factors which affect the cost of benefits e.g. inflation and investment returns. These uncertainties are considered within the risk-based approach to setting employer contribution rates. This approach is built around three key funding decisions.

Key funding decisions

- **Decision 1:** What is the target funding level (how much money the Fund aims to hold) and funding basis (the set of actuarial assumptions used to value the past and future liabilities)?
- **Decision 2:** What is the funding time horizon (the time given to employers to meet the target funding level)?
- **Decision 3:** What is the likelihood of success (how likely it is that employers will meet the target funding level at the end of the funding time horizon)?

The funding decisions will vary between employers within the Fund and are documented in the Funding Strategy Statement.

Risk-based approach

Asset-liability modelling is used to project each employer's assets and benefit payments into the future under 5,000 different economic simulations. The resulting 5,000 projections of the employer's assets and benefits are used to quantify the likelihood of success.

The simulations are generated using Hymans Robertson's Economic Scenario Service (ESS). Further information on this can be found in [Appendix 2](#).

Contribution rates are then set for each employer which achieves the employer's minimum likelihood of meeting their target funding level on their funding basis at the end of their funding time horizon.

2.3 Measuring the funding position

The funding position is measured as at the valuation date. While it is limited in providing insight into the future health of the Fund, it is a useful high-level summary statistic. A market-related approach is taken to calculate both the assets and the liabilities to ensure they are consistent with one another:

- The market value of the Fund’s assets at the valuation date has been used.
- The liabilities have been valued using assumptions based on market indicators at the valuation date (these are detailed in [Appendix 2](#)).

Calculating the liabilities

The liabilities are the value of all future payments to members based on all benefits earned up to, or in payment at, the valuation date, expressed in today’s money. Chart 1 shows the annual split of projected benefit payments for all members in the Fund at the valuation date.

The projections are based on the membership data provided for the valuation ([Appendix 1](#)), the assumptions ([Appendix 2](#)) and our understanding of the LGPS benefit structure as at 31 March 2025 (details at www.lgpsregs.org). There are currently sources of uncertainty and potential change related to the LGPS benefit structure and [Appendix 2](#) sets out how these have been considered.

The “spike” in year 2 reflects the anticipated retirement of a tranche of active and deferred members who are currently older than their assumed retirement age, whilst the “dip” around year 20 reflects the planned increase in State Pension Age to 68.

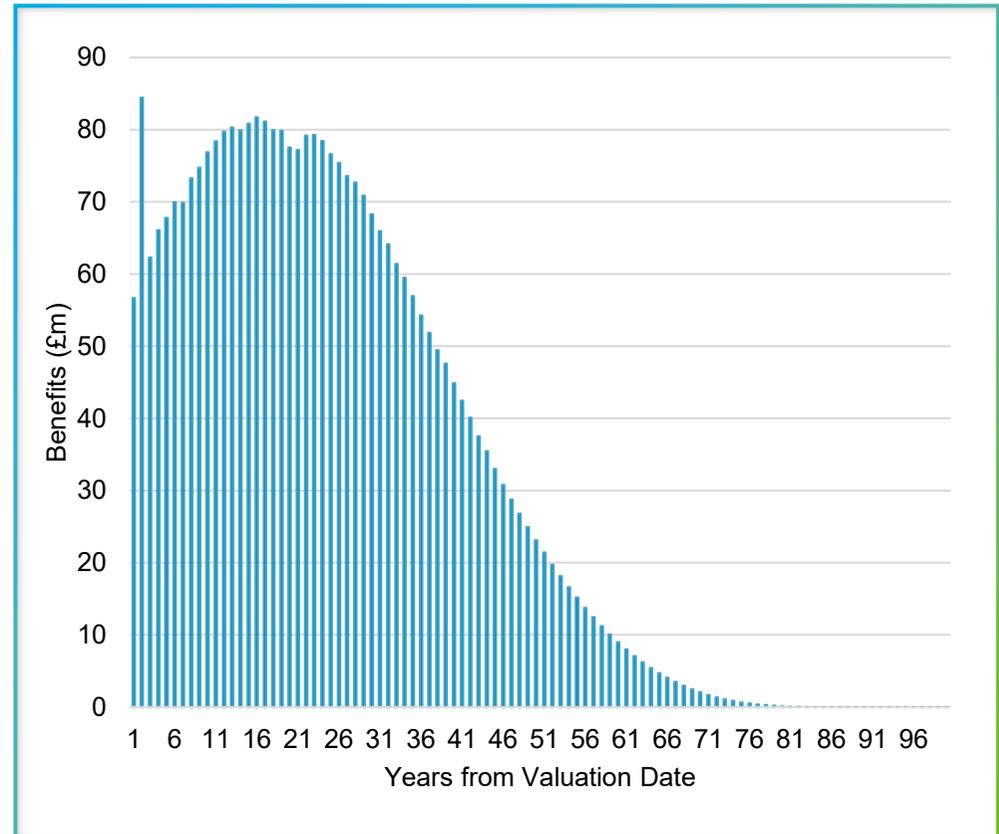


Chart 1: Projected benefit payments for all service earned up to 31 March 2025

To express the future payments in today’s money, each projected payment is discounted back to the valuation date in line with an assumed rate of future investment return (known as the ‘discount rate’).

Valuation results



3. Valuation results

3.1 Employer contribution rates

The primary objective of the funding strategy is to set employer contribution rates that will enable it to have enough assets to pay members' benefits as they fall due. A secondary objective is to ensure the rates are as stable and affordable as possible. The risk-based approach detailed earlier is used to meet these objectives.

The employer contribution rate is made up of two components:

- **Primary rate:** the level of contributions sufficient to fund benefits that will be accrued in the future.
- **Secondary rate:** the difference between the primary rate and the total contribution rate. This may be in respect of costs associated with accrued benefits or adjustments to achieve the Fund's stability and affordability objectives.

Table 3 shows the combined individual employer contribution rates to be paid into the Fund over the period 1 April 2026 to 31 March 2029. There is also a comparison with the contributions set at the last valuation in 2022.

	31 March 2025		31 March 2022	
Primary rate	18.9% of pay		21.8% of pay	
Secondary rate	2026/27	4.0%	2023/24	11.7%
	2027/28	4.0%	2024/25	10.2%
	2028/29	4.0%	2025/26	8.8%

Table 3: Combined employer contribution rates compared with previous valuation

The primary rate includes an allowance of 1.3% of pensionable pay for the Fund's administration and governance expenses (1.3% of pay at the last valuation).

Employees pay contributions to the Fund in addition to these rates. The employee contribution rates are set by the LGPS Regulations.

On average, employer total contribution rates (ie Primary plus Secondary) have reduced mainly due to higher assumed future investment returns at 2025 compared to 2022. This reduces the estimated cost of funding future benefit payments.

Each employer has a contribution rate which is appropriate to their circumstances, and these can be found in the Rates & Adjustments Certificate ([Appendix 8](#)).

3.2 Funding position as at 31 March 2025

Table 4 sets out the assets and liabilities at the valuation date. The results at the 2022 valuation are shown for comparison.

The funding position provides a high-level snapshot as at 31 March 2025, but there are limitations:

- The liabilities are very sensitive to the choice of assumptions about the future
- The market value of assets held by the Fund will change daily.

Employer contribution rates are not set using the reported funding position above. The contribution rates take into consideration how assets and liabilities will evolve over time in different economic scenarios. They also reflect each employer’s funding profile and covenant.

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The funding position and contribution rates are based on assumptions about future factors such as investment returns, inflation and life expectancy. As these are uncertain, different assumptions are used by each LGPS fund to reflect their own views, circumstances and strategic objectives. These differences (amongst other factors, including crucially the previous funding level and employer affordability and long-term contribution stability) will lead to differences in funding positions and contribution rates across the LGPS. To support comparison, LGPS funds are required to report a funding position on a consistent set of assumptions (called the “SAB funding level”). The Fund’s SAB funding level at 31 March 2025 is 93%. **SAB assumptions are to allow comparison only and are not intended to be appropriate for funding or setting contribution rates. As such, this result has no impact on the Fund’s funding strategy or employer contribution rates.**

Valuation date		31 March 2025	31 March 2022
Assets		1,313	1,134
Liabilities	Actives (£m)	291	352
	Deferreds (£m)	278	367
	Pensioners (£m)	593	577
Surplus / (Deficit) (£m)		151	(162)
Funding Level		113%	87%

Table 4: Single reported funding position compared with the previous valuation

The improvement in funding level is primarily due to higher assumed future investment returns at 2025. Chart 2 on the next page provides further information on what’s caused the funding position to change since 2022.

3.3 Other funding metrics

The future investment return required to be 100% funded at this valuation is 5.3% p.a. which has increased from the previous valuation (5.1% p.a.). This means, at 31 March 2025, the Fund needed to earn 5.3% p.a. to have enough money to meet accrued benefits at that date. The estimated likelihood of the Fund’s investment strategy achieving the required return is 86% at 31 March 2025 (62% at 2022).

Changes since the last valuation – funding position

The factors that have caused the funding position to change since the last valuation are split between:

- actual experience being different from expectations at the last valuation (**known events**)
- changes in assumptions about the future (**future expectations**).

Chart 2 details these factors and their magnitude.

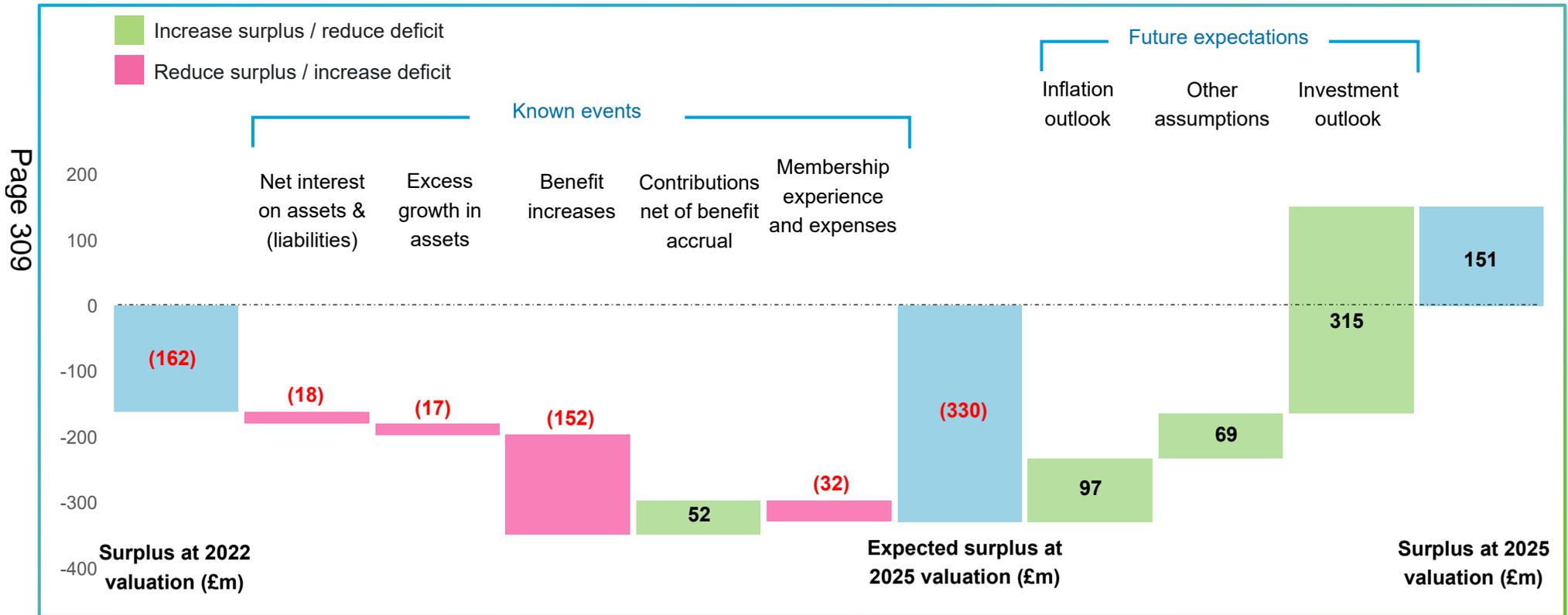


Chart 2: Change in funding position since last valuation

Risks and sensitivities



4. Risks and sensitivities

4.1 Background

If all future experience is in line with expectations and there are no changes in the financial or demographic environment, it's projected that the funding level at the next valuation (31 March 2028) would be 110%.

However, the funding position, and the Fund's funding strategy, are sensitive to various sources of risks. These funding risks broadly fall into categories of economic, demographic, regulatory and other.

Identifying and specifying these risks, including analysis of their potential impact, is an important part of the risk management cycle.

4.2 Economic risks

Impact of known events

The main economic risks are in relation to investment returns, benefit increases (ie Consumer Price Index inflation) and salary increases.

For all three sources of risk, the table below details the actual experience since the last valuation compared to 2022 expectations, and the impact on funding.

Source	Expected	Actual	Funding impact
Investment returns	4.3% p.a.	3.8% p.a.	(£17m)
Benefit increases	2.7% p.a.	6.1% p.a.	(£152m)
Salary increases	3.0% p.a.	8.1% p.a.	(£22m)

Table 5: Impact of known economic events since 2022

Impact of changes in future outcomes

The results in this report are based on a set of assumptions about the future outcomes for these economic risks. If the future differs from the assumptions used at this valuation, the Fund's liabilities may be higher (or lower) than the current estimate.

Investment returns: Chart 3 below shows how the funding level at 31 March 2025 changes depending on the level of assumed future investment returns. Each point on the line denotes the estimated likelihood of achieving the level of future return at the valuation date. This indicates that the best estimate (return with an estimated 50% likelihood) funding level at 31 March 2025 is 155%. The Fund’s assumption at this valuation is summarised in [Appendix 2](#) and is illustrated by the solid blue diamond.

- **Benefit increases:** if future inflation was 0.1% pa higher than assumed at this valuation, then the funding level would reduce by c2% (with a c£16m fall in the surplus).
- **Salary increases:** if salary increases were 0.5% pa higher than assumed at this valuation then the funding level would reduce by less than 1% (with a c£4m fall in the surplus).

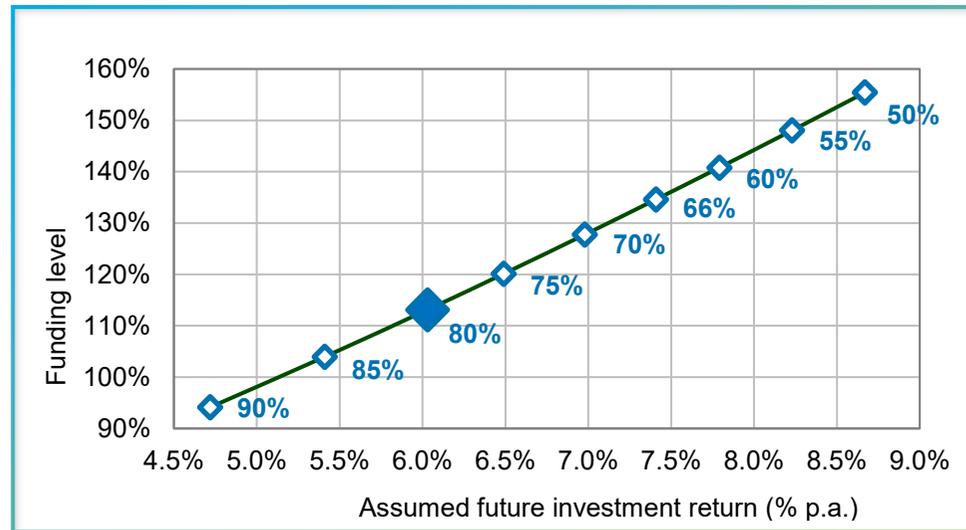


Chart 3: Impact of future return assumption on funding level

Prudence within assumptions

Reflecting the sharp change in the economic environment since the last valuation in 2022, the Fund has made allowance for higher assumed future investment returns (compared to the 2022 valuation). However, there is also increased uncertainty within the wider environment due to ongoing geo-political tensions and financial market volatility, alongside additional uncertainty about future long-term UK inflation levels and global financial markets. Therefore, the Fund has increased the level of prudence within funding strategies and contribution rates at the 2025 valuation*. The overall outcome of higher assumed future investment returns, even when combined with higher prudence is, on average, a reduction in employer total contribution rates (ie Primary plus Secondary) at the 2025 valuation.

The Fund believes this approach balances the key objectives of **affordability** and **stability** of employer contribution rates, whilst ensuring the Fund is **solvent** over the long-term.

- **Affordability:** the Fund has taken into account, and given credit for, higher expected future investment returns which reduces the cost to employers of providing LGPS benefits (all other things being equal).
- **Stability:** if the Fund doesn’t achieve the higher level of assumed returns, or future returns expectations reduce, then it doesn’t necessarily mean immediate increases in employer contribution rates in the future. Prudence levels will remain under review and part of the Fund’s wider governance and risk management framework and, given different economic or funding conditions, it may be appropriate to reduce prudence at future valuations to support the Fund’s longer-term aims of stable (and affordable) contributions for employers.

* Prudence levels are set out in the Fund’s Funding Strategy Statement and the governance audit trail of these key decisions is documented in [Appendix 3](#).

4.3 Demographic risks

Impact of known events

The main demographic risk is in relation to life expectancy. The Fund’s mortality experience between the 2022 and 2025 valuations has resulted in the following impact on the funding position, as shown in Table 6.

Mortality experience	
Actual amount of annual pension ceased	£3.2m
Expected amount of annual pension ceased	£3.5m
Difference	£0.3m
Impact on liabilities	(£0.4m)

Table 6: Impact of member mortality experience since 2022

Impact of changes in future outcomes

The results in this report are based on an assumption that in the long-term, the rate of mortality reduces at a rate of 1.5% p.a. If this rate of reduction turned out to be stronger (1.75% p.a. instead of 1.5% p.a.), then members would live longer than expected. In this scenario, the funding level would fall by around 1% (with a c£6m fall in the surplus).

4.4 Other risks

Regulatory

Changes in central government legislation may affect the future cost of the LGPS. For example, the cost to rectify the McCloud discrimination is estimated to be an increase in liabilities of £1m at this valuation. [Appendix 2](#) sets out potential regulatory changes which may impact future pension costs.

Climate change

Climate change has the potential to make extreme outcomes more likely which could in turn have a significant impact on the funding position. The Fund has carried out modelling to assess the potential impact of extreme outcomes on longer term funding. Further details on this are presented in [Appendix 4](#).

Post-valuation events

The results in this report are as at 31 March 2025. Since this date, asset performance has been positive and the funding position is likely to have improved as a result. However, short-term volatility in the funding position is to be expected due to the Fund’s growth-orientated investment strategy. Given that the Fund aims to set long-term, stable funding strategies and contribution rates, and experience since 31 March 2025 is not abnormal, no allowance has been made for post-valuation events in setting employer contribution rates or the funding position at this valuation.

The Fund will continue to monitor the environment in which it participates to understand and manage the impact of any changes.

Final comments



5. Final comments

The Fund's valuation operates within a broader framework, and this document should be considered alongside the following:

- The Funding Strategy Statement which (in particular) highlights how different employers in different circumstances have their contributions calculated.
- The Investment Strategy Statement, which sets out the investment strategy for the Fund.
- The Fund's risk register.
- The general governance of the Fund, including meetings of the Pension Fund Sub-Committee and Local Pensions Board, decisions delegated to officers, the Fund's business plan, etc.

Throughout the valuation, relevant stakeholders in the Fund have been engaged, consulted and communicated with as appropriate. Details of the governance process followed during the valuation are set out in [Appendix 3](#).

Under the LGPS regulations, the next formal valuation of the Fund is due to be carried out as at 31 March 2028 where contribution rates payable from 1 April 2029 will be set.

February 26
For and on behalf of Hymans Robertson

Craig Alexander FFA C.Act



Appendices

[London Borough of Brent Pension Fund](#)

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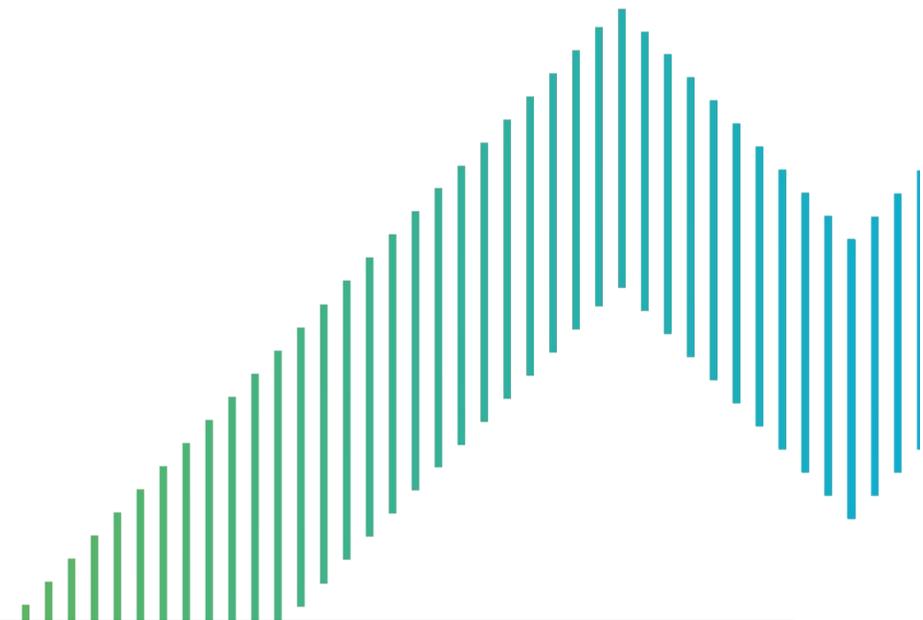
[Appendix 5: Section 13 dashboard](#)

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Appendix 1: Data

Membership data

The membership data used for the purposes of this valuation was provided by the Administering Authority on 25 July 2025.

A summary of the membership data used for this valuation is set out in Table 7, alongside corresponding data from the previous valuation for comparison. The membership numbers in the table relate to the total number of records.

The results of this valuation are dependent on the quality of the underlying data used. We have relied on information supplied by the Administering Authority and their administrator as being accurate. We have carried out a series of reasonableness validation checks on the supplied membership data and compared against the Fund's (unaudited) accounts to confirm its suitability for the purposes of this valuation.

More information on how we verify the quality of the data used in the valuation has been shared with the Administering Authority in our report 'Data Report for the 2025 Valuation'.

Whole Fund Membership Data	This Valuation 31 March 2025	Last Valuation 31 March 2022
Employee members		
Number	5,622	5,720
Total actual pay (£000)	179,107	148,740
Total accrued pension (£000)	29,383	22,170
Average age (liability weighted)	56	53
Deferred pensioners (including undecideds)		
Number	11,398	10,377
Total accrued pension (£000)	24,435	20,303
Average age (liability weighted)	56	54
Pensioners and dependants		
Number	7,581	6,695
Total pensions in payment (£000)	49,048	36,780
Average age (liability weighted)	71	71

Table 7: Membership data summary

Asset data

To check the membership data and derive employer asset values, we have used asset and accounting data and employer-level cash flow data provided by the Fund.

Investment strategy

A summary of the investment strategy allocation used to derive the future assumed investment return is set out in Table 8.

This strategy was confirmed by the Administering Authority as appropriate for the purposes of the valuation.

Asset class	Allocation
UK Equity	5.0%
Global Equity	40.0%
Emerging Market Equity	5.0%
Property	10.0%
Infrastructure Equity	15.0%
Fixed Interest Gilts	10.0%
Multi Asset Credit	5.0%
Private lending	5.0%
Diversified Growth Funds	5.0%
Total	100.00%

Table 8: Investment strategy allocation used for the calculation of employer contribution rates.

Appendix 2: Assumptions

To set and agree assumptions for the valuation, the Fund carried out an in-depth analysis and review in May 2025 with the final set noted by the Pension Fund Sub-Committee in June 2025.

Summary of assumptions

	31 March 2025	31 March 2022
Financial assumptions		
Discount rate	6.0% p.a. (80% likelihood of success)	4.3% p.a. (70% likelihood of success)
Benefit increases (CPI inflation)	2.3% p.a.	2.7% p.a.
Salary increases	2.6% p.a.	3.0% p.a.
Demographic assumptions		
Baseline longevity	VitaCurves	VitaCurves
Longevity future improvements	CMI 2024 model with core parameterisation except: Initial addition = 0.25% (Male & Female) Long-term rate of improvement 1.5% p.a.	CMI 2021 model Initial addition, A = 0.25% (both Male and Female) Smoothing factor, Sk = 7.0 Long-term rate of improvement = 1.5% p.a.
Commutation	80% of maximum under HMRC limits	50% of maximum under HMRC limits
50:50 scheme	0% of members elect to change scheme	1% of members
Retirement age	Earliest age at which members can retire with unreduced benefits	
Family statistics	Varying proportion have dependant at death Dependant of a male is 3.5 years younger than him Dependant of a female is 0.6 year older than her	Varying proportion have dependant at death Dependant of a male is 3 years younger than him Dependant of a female is 3 year older than her

Table 9: Summary of assumptions

Deriving future investment return likelihoods

To derive the distribution of future investment returns and obtain associated estimated likelihoods, we use the Fund’s long-term investment strategy and our Economic Scenario Service (ESS) model. The ESS uses statistical models to generate a future distribution of year-on-year returns for each asset class, eg UK equities. The ESS reflects correlations between asset classes and wider economic variables (eg inflation). In the short-term (first few years), the models are fitted with current financial market expectations. Over the longer-term, models are built around our views of fundamental economic parameters, for example equity risk premium, credit-spreads and long-term inflation. Table 10 sets out the individual asset class return distribution of the ESS model at 31 March 2025.

Time period	Percentile	Annualised total returns								Inflation/Yields		
		UK Equities	Global Equities (unhedged)	EM equities (unhedged)	Property	Infrastructure equity (unlisted)	Fixed interest gilt (24 yr maturity)	Multi Asset Credit (sub investment grade)	Private Lending	Inflation (CPI)	17 year real yield (CPI)	17 year yield
5 years	16 th	0.1%	-0.5%	-3.2%	0.2%	1.1%	1.7%	4.1%	4.5%	1.2%	1.5%	4.8%
	50 th	8.2%	8.2%	8.5%	6.8%	8.1%	4.2%	6.7%	8.2%	2.8%	2.4%	5.8%
	84 th	16.4%	16.9%	20.9%	14.1%	15.5%	6.7%	8.8%	11.4%	4.3%	3.3%	7.1%
10 years	16 th	2.5%	2.1%	0.2%	2.3%	3.1%	3.9%	5.8%	6.4%	0.8%	0.8%	3.9%
	50 th	8.6%	8.5%	8.8%	7.3%	8.4%	5.5%	7.4%	8.8%	2.5%	2.1%	5.3%
	84 th	14.6%	14.8%	17.5%	12.7%	13.8%	7.0%	8.9%	10.9%	4.1%	3.3%	7.1%
20 years	16 th	3.8%	3.7%	2.2%	3.5%	4.2%	5.0%	6.1%	7.0%	0.7%	-0.5%	1.6%
	50 th	8.4%	8.3%	8.5%	7.3%	8.3%	6.1%	7.6%	8.8%	2.3%	1.3%	3.6%
	84 th	12.9%	13.1%	15.1%	11.3%	12.4%	7.1%	9.1%	10.7%	3.9%	3.0%	6.2%
	Volatility (1 yr)	16.3%	18.6%	24.3%	15.2%	14.5%	6.6%	6.3%	9.3%	1.4%	-	-

Table 10: ESS individual asset class return distributions at 31 March 2025

Demographic assumptions

The tables below set out sample rates for demographic assumptions at 5-year age intervals. All figures are incidence rates per 1,000 members except salary scale. FT and PT denote full-time and part-time active membership respectively.

Males

Age	Salary Scale	Death Before Retirement	Withdrawals		III Health Tier 1		II I Health Tier 2	
		FT & PT	FT	PT	FT	PT	FT	PT
20	105	0.17	355.79	487.81	0.00	0.00	0.00	0.00
25	117	0.17	235.01	322.22	0.00	0.00	0.00	0.00
30	131	0.20	166.75	228.58	0.00	0.00	0.00	0.00
35	144	0.24	130.28	178.58	0.10	0.07	0.02	0.01
40	151	0.41	104.89	143.73	0.16	0.12	0.03	0.02
45	159	0.68	98.53	134.98	0.35	0.27	0.07	0.05
50	167	1.09	81.22	111.14	0.90	0.68	0.23	0.17
55	173	1.70	63.96	87.56	3.54	2.65	0.51	0.38
60	174	3.06	57.00	78.01	6.23	4.67	0.44	0.33
65	174	5.10	34.99	47.88	11.83	8.87	0.00	0.00

Table 11: Sample rates for demographic assumptions – Males

Females

Age	Salary Scale	Death Before Retirement	Withdrawals		III Health Tier 1		II I Health Tier 2	
		FT & PT	FT	PT	FT	PT	FT	PT
20	105	0.10	281.94	299.12	0.00	0.00	0.00	0.00
25	117	0.10	189.71	201.24	0.10	0.07	0.02	0.01
30	131	0.14	159.02	168.67	0.13	0.10	0.03	0.02
35	144	0.24	137.25	145.52	0.26	0.19	0.05	0.04
40	151	0.38	114.23	121.07	0.39	0.29	0.08	0.06
45	159	0.62	106.60	112.97	0.52	0.39	0.10	0.08
50	167	0.90	89.87	95.14	0.97	0.73	0.24	0.18
55	173	1.19	67.06	71.06	3.59	2.69	0.52	0.39
60	174	1.52	54.04	57.20	5.71	4.28	0.54	0.40
65	174	1.95	25.76	27.25	10.26	7.69	0.00	0.00

Table 12: Sample rates for demographic assumptions - Females

Average life expectancies

Based on the longevity assumptions used for the 2025 valuation, Table 13 details the average life expectancy for the Fund's membership.

Average life expectancy	31 March 2025	31 March 2022
Male pensioner	22.2 years	22.1 years
Male non-pensioner	23.1 years	23.4 years
Female pensioner	24.8 years	24.8 years
Female non-pensioner	26.0 years	26.3 years

Table 13: Average life expectancies

The average life expectancies are from the age of 65. They assume that pensioners are aged 65 at the respective valuation date and non-pensioners are aged 45.

Benefit structure

Results are based on our understanding of the benefit structure of the LGPS in England and Wales on 31 March 2025 – see www.lgpsregs.org. However, there are areas of uncertainty and potential change.

- **McCloud:** in line with the 2022 valuation, we have made an allowance for the cost of these potential improvements, including McCloud data (where available). Further detail on the assumption is available on request.
- **Cost sharing mechanism:** we have assumed that there will be no changes required to the LGPS benefit structure due to this mechanism.
- **Guaranteed Minimum Pension equalisation and revaluation:** in line with the 2022 valuation, we have assumed that all increases on GMP for members with a State Pension Age after 5 April 2016 will be funded by the Fund.
- **Virgin Media case:** we have made no allowance for any impact that the Virgin Media case may have on the LGPS benefit structure.
- **Other benefit changes:** there may be benefit changes due to the current “Access and Fairness” consultation. We have not made any allowance for any changes to the benefit structure proposed in this consultation as we would not expect them to be material if implemented.

Local Government re-organisation: there may be a change in administering authority and participating employers due to Local-Government re-organisation. Consideration has been given to this potential transition when setting contribution rates for councils, however, final proposals for re-organisation are still under consideration.

Appendix 3: Governance audit trail

The triennial actuarial valuation is a significant exercise carried out by the Fund. This report is a summary of the main outputs from the triennial actuarial valuation. The outputs are the result of funding strategy analysis, discussions and Fund decisions throughout the valuation process. A high-level audit trail of the key funding strategy decisions is set out below.

Funding strategy

The **actuarial assumptions** were reviewed by the Fund in May 2025, supported by analytics and other information from the Fund Actuary. The assumptions were agreed by the Fund at the Pension Fund Sub-Committee meeting in June 2025.

The funding strategy parameters, which feed into the setting of employer contribution rates, were considered in stages.

- **Local authorities and academies:** review carried out by officers in the first half of 2025, including consideration of funding target, funding time horizon, likelihood of success, contribution stability mechanism and interaction with the Fund's investment strategy. The outcomes were discussed at the September 2025 Pension Fund Sub-Committee meeting.
- **Other employers:** the funding strategy for the remaining employers in the Fund was reviewed by the Fund's Officers alongside the above with the outcomes discussed at the September 2025 Pension Fund Sub-Committee meeting. Other aspects of the funding strategy, including the approach to cessation valuations and exit credits were reviewed in October 2025.

The outcomes of these decisions was collated and documented in an updated copy of the Funding Strategy Statement. The draft FSS was discussed at the October 2025 Pension Fund Sub-Committee meeting. The final version of the FSS is effective from 1 April 2026.

Stakeholder engagement

In addition, the Fund has engaged with employers and the Local Pensions Board throughout the valuation exercise. A summary of the engagement is detailed below.

- **Employer forums:** the employers forum on 18 November 2025 discussed the key themes of the 2025 valuation.
- **Employer results:** a results schedule setting out their 2025 valuation funding position and contribution rate was issued to relevant employers in November 2025. Employers were then offered the opportunity to engage with the Fund to discuss their results.
- **Funding Strategy Statement consultation:** an updated version of the FSS was issued to employers in November 2025 with the opportunity to feed back comments or ask questions to the Fund by January 2026.

Appendix 4: Climate change scenario analysis

tbc

Appendix 5: Section 13 dashboard

tbc

Appendix 6: Reliances & limitations

We have been commissioned by London Borough of Brent ('the Administering Authority') to carry out a full actuarial valuation of London Borough of Brent Pension Fund ('the Fund') at 31 March 2025, as required under Regulation 62 of the Local Government Pension Scheme Regulations 2013 ('the Regulations').

This report is addressed to the Administering Authority. It has been prepared by us as actuaries to the Fund and is solely for the purpose of summarising the main outcomes of the 2025 actuarial valuation. It has not been prepared for any other third party or for any other purpose. We make no representation or warranties to any third party as to the accuracy or completeness of this report, no reliance should be placed on this report by any third party and we accept no responsibility or liability to any third party in respect of it.

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This summary report is the culmination of other communications in relation to the valuation, in particular our:

- [2025 valuation toolkit](#) which sets out the methodology used when reviewing funding plans
- contribution rate modelling, including climate risk analysis, dated September 2025 which discusses the contribution, funding and investment strategy for the Fund's stabilised employers
- paper dated 29 May 2025 which discusses the valuation assumptions

- initial results report dated 22 September 2025 which outlines the whole Fund results and inter-valuation experience
- data report dated tbc which summarises the data used for the valuation, the approach to ensuring it is fit for purpose and any adjustments made to it during the course of the valuation

The totality of our advice complies with the Regulations as they relate to actuarial valuations.

We have also prepared the valuation with regard to the Funding Strategy Statement which details the approach taken by the Fund to fund the current and future benefits due to members.

The following Technical Actuarial Standards apply to this advice and have been complied with where material and to a proportionate degree. They are:

- **TAS100** – Principles for technical actuarial work
- **TAS300** – Pensions

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Appendix 7: Glossary

➤ **50:50 option**

An option for LGPS members to pay half employee contributions and earn half the retirement benefit (pre-retirement protection benefits are unreduced).

➤ **Asset-liability modelling**

An approach to modelling and understanding risk for a pension fund. The assets and liabilities are projected forwards into the future under many different future scenarios of inflation, investment returns and interest rates. The future scenarios are then analysed to understand the risk associated with a particular combination of contribution rates and investment strategy. Different combinations of contribution rates and/or investment strategies may be tested.

➤ **Baseline longevity**

The rates of death (by age and sex) in a given group of people based on current observed data.

➤ **VitaCurves**

The assumptions used for baseline longevity. These assumptions are provided by Club Vita, a firm of longevity experts we partner with for longevity analysis. They combine data from thousands of pension schemes and use it to create detailed longevity assumptions at member-level, as well as insight on general longevity trends and future improvements.

➤ **Commutation**

The option for members to exchange part of their annual pension for a one-off lump sum at retirement. In the LGPS, every £1 of pension exchanged gives the member £12 of lump sum. The amounts that members commute is heavily influenced by tax rules which set an upper limit on how much lump sum can be taken tax-free.

➤ **CPI inflation**

The annual rate of change of the Consumer Prices Index (CPI). The CPI is the UK government's preferred measure of inflation and is the measure used to increase LGPS (and all other public sector pension scheme) benefits each year.

➤ **Deferred pensioner**

A former employee who has left employment (or opted out of the pension fund) but is not yet in receipt of their benefits from the fund.

➤ **Demographic assumptions**

Assumptions concerned with member and employer choices rather than macroeconomic or financial factors. For example, retirement age or promotional salary scales. Demographic assumptions typically determine the timing of benefit payments.

➤ **Discount rate**

A number used to place a single value on a stream of future payments, allowing for expected future investment returns.

➤ **Employee (or active) members**

Members who are currently employed by employers who participate in the Fund and are paying contributions into the Fund.

➤ **ESS**

Economic Scenario Service - Hymans Robertson's proprietary economic scenario generator used to create thousands of simulations of future inflation, asset class returns and interest rates.

➤ Funding position

The extent to which the assets held by the Fund at 31 March 2025 cover the accrued benefits ie the liabilities.

The two measures of the funding position are:

- the funding level - the ratio of assets to liabilities; and
- the funding surplus/deficit - the difference between the asset and liabilities values.

➤ Inflation

Prices tend to increase over time, which is called inflation. Inflation is measured in different ways, using a different 'basket' of goods and mathematical formulas.

➤ Liabilities

An employer's liability value is the single value at a given point in time of all the benefit payments expected to be made in future to all members. Benefit payments are projected using demographic and financial assumptions and the liability is calculated using a discount rate.

➤ Longevity improvements

An assumption about how rates of death will change in future. Typically, we assume that death rates will fall and life expectancies will improve over time, continuing the long-running trend.

➤ Pensioner

A former employee who is in receipt of their benefits from the fund. This category includes eligible dependants of the former employee.

➤ Primary rate

The estimated cost of future benefits, expressed in percentage of pay terms. The primary rate will include an allowance to cover the Fund's expenses.

➤ Prudence

To be prudent means to err on the side of caution in the overall set of assumptions. We build prudence into the choice of discount rate by choosing an assumption with a prudence level of more than 50%. All other assumptions aim to be best estimate.

➤ Prudence level

A percentage indicating the likelihood that the assumed rate of investment return will be achieved in practice, based on the ESS model.

The higher the prudence level, the more prudent the assumed rate of investment return.

➤ Secondary rate

An adjustment to the primary rate, generally to reflect costs associated with benefits that have already been earned up to the valuation date. This may be expressed as a percentage of pay and/or monetary amount.

➤ Withdrawal

Refers to members leaving the scheme before retirement. These members retain an entitlement to an LGPS pension when they retire but are no longer earning new benefits.

Appendix 8: Rates and Adjustments Certificate

tbc

Appendix 9: Gender pensions gap

tbc

Brent Pension Fund Funding Strategy Statement April 2026

Effective date	1 April 2026
Previous valuation date	31 March 2025
Date approved	
Next review	March 2029
Prepared in accordance with SAB / CIPFA / MHCLG guidance dated	January 2025

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1 Purpose of the Brent Pension Fund and the Funding Strategy Statement

The Local Government Pension Scheme (LGPS) regulations require funds to maintain and publish a funding strategy statement (FSS). According to the Ministry for Housing, Communities and Local Government (MHCLG) the purpose of the FSS is to document the processes the administering authority uses to:

- *establish a clear and transparent fund-specific strategy identifying how employers' pension liabilities are best met going forward*
- *support the desirability of maintaining as constant and stable primary contribution rate as possible, as defined in Regulation 62(5) of the LGPS Regulations 2013*
- *ensure that the regulatory requirements to set contributions to ensure the solvency and long-term cost efficiency of the fund are met*
- *explain how the fund balances the interests of different employers*
- *explain how the fund deals with conflicts of interest and references other policies/strategies.*

You can find more information about the LGPS at www.lgpsmember.org and about the regulatory framework in [Appendix A](#).

This document sets out the FSS for Brent Pension Fund (the Fund). If you have any queries about the FSS, contact sawan.shah@brent.gov.uk.

The Brent Pension Fund is part of the Local Government Pension Scheme (LGPS) and is administered by the Brent Council, known as the administering authority. The administering authority runs the Fund on behalf of participating employers, their employees and current and future pensioners. You can find out more about roles and responsibilities in [Appendix B](#).

Brent Council worked with the fund's actuary, Hymans Robertson, to prepare this FSS which is effective from 1 April 2026, and is expected to remain in force until 31 March 2029 at the latest, unless an interim review is carried out prior to then. [LGPS Regulations](#) (specifically Regulation 62) require an actuarial valuation to be carried out every three years, under which contribution rates for all participating employers are set for the following three years. This FSS sets out the assumptions and methodology underpinning the 2025 actuarial valuation actuarial exercise.

1.1 What are the funding strategy objectives?

The funding strategy objectives are to:

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

The Fund engages with employers when developing funding strategy in a way which balances the risk appetite of stakeholders. The funding strategy therefore reflects the specific characteristics of its fund employers and its own investment strategy.

1.2 Who is the FSS for?

The FSS is mainly for employers participating in the Fund, because it sets out how money will be collected from them to meet the Fund's obligations to pay members' benefits.

Different types of employers participate in the Fund:

Scheduled bodies

Employers who are specified in a schedule to the LGPS regulations, including councils and employers like academies and further education establishments. Scheduled bodies must give employees access to the LGPS if they can't accrue benefits in another pension scheme, such as another public service pension scheme.

Designating employers (otherwise known as Resolution bodies)

Employers like town and parish councils can join the LGPS through a resolution. If a resolution is passed, the Fund can't refuse entry. The employer then decides which employees can join the scheme.

Admission bodies

Other employers can join through an admission agreement. The Fund can set participation criteria for them and can refuse entry if the requirements aren't met. This type of employer includes contractors providing outsourced services like cleaning or catering to a scheduled body.

Some existing employers may be referred to as **community admission bodies** (CABs). CABs are employers with a community of interest with another scheme employer. Others may be called **transferee admission bodies** (TABs), that provide services for scheme employers. These terms aren't defined under current regulations but remain in common use from previous regulations.

The Scheme Advisory Board refer to three different tiers of employers which may participate in the LGPS, specifically:

- Tier 1 – Local Authorities (including contractors participating in the LGPS with Local Authority backing)
- Tier 2 – Academy Trusts and Further Education Institutions (Colleges).
- Tier 3 – Standalone employers with no local or national taxpayer backing. Include universities, housing associations and charities.

1.3 How is the funding strategy specific to the Brent Pension Fund?

The funding strategy reflects the specific characteristics of the Fund employers and its own investment strategy.

1.4 How often is the Funding Strategy Statement reviewed?

The FSS is reviewed in detail at least every three years ahead of the triennial actuarial valuation and an annual check is carried out in the intervening years.

Any amendments will be consulted on and approved by the Pensions Committee.

Amendments to the FSS may be in the following circumstances:

- material changes to the scheme benefit structure (e.g. HM Treasury-led)
- on the advice of the fund actuary

- significant changes to investment strategy or if there has been significant market volatility which impacts the FSS or goes beyond FSS expectation
- if there have been significant changes to the fund membership and/or Fund maturity profile
- if there have been significant or notable changes to the number, type, or individual circumstances of any of the employing authorities to such an extent that they impact on the funding strategy (e.g. exit/restructuring/failure) which could materially impact cashflow and/or maturity profile and/or covenant)
- if there has been a material change in the affordability of contributions and/or employer(s) financial covenant strength which has an impact on the FSS.
- recommendations from MHCLG/GAD.

In undertaking such reviews, the administering authority should consider:

- looking at experiences in relation to long-term funding assumptions (in terms of both investment income and forecast contributions income) and consequences of actions taken by employers (e.g. pay awards and early retirements)
- the implications for the funding strategy and, if significant, determine what action should be taken to review the FSS
- the implications arising from the funding strategy for meeting the liabilities of individual employers and any amendments required to the ISS
- consulting with individual employers specifically impacted by any changes as an integral part of the monitoring and review process

A review won't necessarily lead to rates changes for individual employers but could impact admissions, terminations, approach to managing risk and employer risk assessment.

1.5 Links to Administration Strategy

The Fund maintains an Administration Strategy Statement which outlines the responsibilities, standards and procedures for employers and the Fund. A copy of our Administration Strategy can be found [here](#).

Adherence with the requirements of the Administration Strategy Statement is crucial to ensure the well-running of the pension Fund and any failure to do so may lead to uncertainty around the value of an employer's liabilities and the need for prudent assumptions to fill any data gaps.

1.6 Actuarial valuation report

The actuarial valuation report sets out 1) the actuary's assessment of the past service funding position, and 2) the contributions required to ensure full funding by the end of the time horizon. The Rates and Adjustments certificate shows the contribution rates payable by each employer (which may be expressed as a percentage of payroll and/or monetary amounts).

PART A – Key Funding Principles

2 How does the Fund calculate employer contributions?

2.1 Calculating contribution rates

Employee contribution rates are set by the LGPS regulations.

Employer contributions rates are determined by a mandatory actuarial valuation exercise and are made up of the following elements:

- **the primary contribution rate** – contributions payable towards future benefits
- **the secondary contribution rate** – the difference between the primary rate and the total employer contribution

The primary rate also includes an allowance for the Fund's expenses.

The fund actuary uses a model to project each employer's asset share over a range of future economic scenarios. The contribution rate takes each employer's assets into account as well as the projected benefits due to their members. The value of the projected benefits is worked out using employer membership data and the assumptions in [Appendix E](#).

The total contribution rate for each employer is then based on:

- **the funding target** – how much money the Fund aims to hold for each employer
- **the time horizon** – the time over which the employer aims to achieve the funding target
- **the likelihood of success** – the proportion of modelled scenarios where the funding target is met.

This approach takes into account the maturing profile of the membership when setting employer contribution rates.

The approach taken by the fund actuary helps the Fund meet the aim of maintaining as stable a primary employer contribution rate as possible.

2.2 The contribution rate calculation

Table 1: contribution rate calculation for individual or pooled employers

Type of employer	Scheduled bodies			CABs and designating employers		TABs
	Local authorities	Academies converted from LEA	Free Schools	Open to new entrants	Closed to new entrants	(all)
SAB Tier	Tier 1	Tier 2	Tier 2	Tier 3	Tier 3	Tier 1
Funding target*	Ongoing	Ongoing	Ongoing	Ongoing, but may move to low-risk exit basis		Ongoing

Minimum likelihood of success	80%	80%	80%	80%	80%	80%
Maximum time horizon	20 years	20 years	20 years	15 years	Average future working lifetime	Same as letting employer
Primary rate approach**	The contributions must be sufficient to meet the cost of benefits earned in the future with the required likelihood of success at the end of the time horizon, expressed as a percentage of pensionable pay					
Secondary rate	The difference between the total contribution rate payable (determined as per 2.1) and the primary rate. Negative adjustments are expressed as a percentage of payroll and positive adjustments can be expressed as a percentage of payroll or monetary amounts (for mature closed employers).					
Stabilised contribution rate?	Yes	Yes	No	No	No	No
Treatment of surplus (assessed at valuation date)	Covered by stabilisation arrangement		Total contribution rate must be set at least at the primary rate. However, reductions may be permitted by the administering authority subject to additional consideration of the low-risk exit basis position.			
Phasing of contribution changes	Covered by stabilisation arrangement		3 years			

* See [Appendix E](#) or further information on funding targets.

** The Primary Rate for the Whole Fund is the weighted average (by payroll) of the individual employers' primary rates

Employers participating in the Fund under a pass-through agreement will pay a contribution rate as agreed between the contractor and letting employer, subject to administering authority approval.

The Fund manages funding risks as part of the wider risk management framework, as documented in the Fund's risk register. The funding-specific risks identified and managed by the Fund are set out in [Appendix D](#).

2.3 Making contribution rates stable

Making employer contribution rates reasonably stable is an important funding objective. Where appropriate, contributions are set with this objective in mind. The Fund may adopt a stabilised approach to setting contributions for individual employers, which keeps contribution variations within a pre-determined range from year-to-year. Stabilisation criteria and limits are reviewed during each triennial valuation process.

The administering authority believes a stabilised approach remains a prudent long-term strategy and the robustness of this approach was once again tested by extensive asset liability modelling (ALM) carried out by the Fund actuary at the 31 March 2025 funding valuation.

Table 2: current stabilisation approach

Type of employer	Local authorities, Academies converted from LEA
Maximum contribution increase per year	+1.5% of pay
Maximum contribution decrease per year	-1.5% of pay

At their absolute discretion, the administering authority may permit acceleration or extension of contribution rises and reductions within the contribution stability mechanism.

Note that in light sustained past service funding position improvements and higher expected future investment returns at the 2025 funding valuation only, stabilised employers have experienced a one-off contribution rate reduction outside of the normal stabilisation parameters (when comparing the certified 2026/27 rates with the 2025/26 rates).

2.4 How does the funding strategy link to the investment strategy

The funding strategy sets out how money will be collected from employers to meet the Fund's obligations. Contributions, assets and other income are then invested according to an investment strategy set by the administering authority. You can find the Fund's investment strategy in its Investment Strategy Statement (ISS).

The funding and investment strategies are closely linked. The Fund must be able to pay benefits when they are due – those payments are met from a combination of contributions (through the funding strategy) and asset returns and income (through the investment strategy). If investment returns or income fall short the Fund won't be able to pay benefits, so higher contributions would be required from employers.

The investment strategy is set considering the Fund's long-term funding requirements and its investment risk appetite. The fund's current strategic investment strategy is summarised in the table below.

Asset class	Allocation
Equities	52.5%
Property	2.5%
Infrastructure	5.0%
Private Debt	5.0%
Diversified Growth	20.0%
Multi Asset Credit	5.0%
Gilts	10.0%

2.5 Does the funding strategy reflect the investment strategy?

The funding policy is consistent with the investment strategy. Future investment return expectations are set with reference to the investment strategy, including a margin for prudence which is consistent with the regulatory requirement that Funds take a 'prudent longer-term view' of funding liabilities (see [Appendix A](#))

2.6 Reviewing contributions between valuations

The Fund may amend contribution rates between formal valuations, in line with its policy on contribution reviews. The Fund's policy is available in Appendix F. The purpose of any review is to establish the most appropriate contributions. A review may lead to an increase or decrease in contributions.

2.7 What is pooling for funding and contribution rate purposes?

A single contribution rate is payable by all employers in the pool and individual funding positions are not tracked.

2.8 What is pooling for contribution rate purposes only?

A single contribution rate is payable by all employers in the pool and individual funding positions are tracked, by the Fund actuary.

Contribution rates can be volatile for smaller employers that are more sensitive to individual membership changes, pooling across a group of employers minimises this.

As individual funding positions are tracked, some employers may be better funded or more poorly funded than the pool average. In this type of pooling arrangement, employers do not target full funding at exit. If an employer leaves the Fund, the cessation valuation is based on their own funding position rather than the pool average.

CABs that are closed to new entrants aren't usually allowed to enter a pool.

TABs are usually also ineligible for pooling (with other TABs). Where pass-through is in place, a TAB will be pooled with the letting authority.

The current contribution rate pools are:

- LEA schools generally pool with the Council, although there may be exceptions for specialist or independent schools
- Academies may be pooled within their Multi-Academy Trust

2.9 Administering authority discretion

Individual employers may be affected by circumstances not easily managed within the FSS rules and policies. If this happens, the administering authority may adopt alternative funding approaches on a case-by-case basis.

Additionally, the administering authority may allow greater flexibility to the employer's contributions if added security is provided. Flexibility could include things like a reduced contribution rate, extended time horizon, or permission to join a pool. Added security may include a suitable bond, a legally binding guarantee from an appropriate third party, or security over an asset.

The Fund may, at its absolute discretion, permit the prepayment of employer contributions in specific circumstances.

2.10 Non cash funding

The Fund will not accept any form of non-cash assets in lieu of contributions.

2.11 Managing surpluses and deficits

The funding strategy is designed to ensure that all employers are at least fully funded on a prudent basis at the end of their own specific time horizon. The uncertain and volatile nature of pension scheme funding means that it is likely there will be times when employers are in surplus and times when employers are in deficit. The funding strategy recognises this by 1) including sufficient prudence to manage the effect of this over the time horizon, and 2) making changes to employer contribution rates to ensure the funding strategy objectives are met.

Fluctuations in funding positions are inevitable over the time horizon, due to market movements and changing asset values, which could lead to the emergent of deficits and surplus from time to time, and lead to changes in employer contribution rates.

3 What additional contributions may be payable?

3.1 Pension costs – awarding additional pension and early retirement on non ill-health grounds

If an employer awards additional pension as an annual benefit amount, they pay an additional contribution to the Fund as a single lump sum. The amount is set by guidance issued by the Government actuary's Department and updated from time to time.

If an employee retires before their normal retirement age on unreduced benefits, employers will be asked to pay additional contributions called strain payments.

Employers typically make strain payments as a single lump sum, though strain payments may be spread over an appropriate period if the administering authority agrees.

3.2 Pension costs – early retirement on ill-health grounds

If a member retires early because of ill-health, their employer must pay a funding strain, which may be a large sum.

The administering authority does not offer any arrangement to mitigate this. Individual employers should make their own arrangements if they are concerned about the risk of unmanageable ill-health strain costs.

Employers must tell the administering authority if the policy ends or if there are any changes to coverage or premium.

4 How does the Fund calculate assets and liabilities?

4.1 How are employer asset shares calculated?

The Fund adopts a cashflow approach to track individual employer assets.

Each Fund employer has a notional share of the Fund's assets, which is assessed yearly by the actuary. The actuary starts with assets from the previous year-end, adding cashflows paid in/out and investment returns to give a new year-end asset value. The fund actuary makes a simplifying assumption, that all cashflow and investment returns have been paid uniformly over the year. This assumption means that the sum of all employers' asset values is slightly different from the Whole Fund asset total over time. This minimal difference is split between employers in proportion to their asset shares at each valuation.

If an employee moves one from one employer to another within the Fund, assets equal to the cash equivalent transfer value (CETV) will move from the original employer to the receiving employer's asset share. These are calculated on an annual basis.

Alternatively, if employees move when a new academy is formed or an outsourced contract begins, the fund actuary will calculate assets linked to the value of the liabilities transferring.

4.2 How are employer liabilities calculated?

The Fund holds membership data for all active, deferred and pensioner members. Based on this data and the assumptions in [Appendix E](#), the fund actuary projects the expected benefits for all members into the future. This is expressed as a single value – the liabilities – by allowing for expected future investment returns.

Each employer's liabilities reflect the experience of their own employees and ex-employees.

4.3 What is a funding level?

An employer's funding level is the ratio of the market value of asset share against liabilities. If this is less than 100%, the employer has a shortfall: the employer's deficit. If it is more than 100%, the employer is in surplus. The amount of deficit or surplus is the difference between the asset value and the liabilities value.

Funding levels and deficit/surplus values measure a particular point in time, based on a particular set of future assumptions. While this measure is of interest, for most employers the main issue is the level of contributions payable. The funding level does not directly drive contribution rates. See section 2 for further information on rates.

PART B – Employer Events

5 What happens when an employer joins the Fund?

5.1 When can an employer join the Fund

Employers can join the Fund if they are a new scheduled body or a new admission body. New designated employers may also join the Fund if they pass a designation to do so.

On joining, the Fund will determine the assets and liabilities for that employer within the Fund. The calculation will depend on the type of employer and the circumstances of joining.

A contribution rate will also be set. This will be set in accordance with the calculation set out in Section 2, unless alternative arrangements apply (for example, the employer has agreed a pass-through arrangement). More details on this are in Section 5.3 below.

5.2 New academies

Academies converting from local authority status

New academies (including free schools) join the fund as separate scheduled employers. Only active members of former council schools transfer to new academies. Free schools do not transfer active members from a converting school but must allow new active members to transfer in any eligible service.

Liabilities for transferring active members will be calculated (on the ongoing basis) by the fund actuary on the day before conversion to an academy. Liabilities relating to the converting school's former employees (ie members with deferred or pensioner status) remain with the ceding council.

New academies will be allocated an asset share based on the estimated funding level of the ceding council's active members, having first allocated the council's assets to fully fund their deferred and pensioner members. This funding level will then be applied to the transferring liabilities to calculate the academy's initial asset share, capped at a maximum of 100%.

The council's estimated funding level will be based on market conditions on the day before conversion. The fund treats new academies as separate employers in their own right, who are responsible for their allocated assets and liabilities. Whilst academies are not pooled, their contributions may be set on a pooled basis as follows:

Academy type	Primary contribution rate	Secondary contribution rate
Converting from LEA	Calculated using the current funding strategy (set out in section 2) and the transferring membership	Balance so that total rate equals Council rate each year
Free school	Calculated using the current funding strategy (set out in section 2) and the initial membership.	

If an academy leaves one MAT and joins another, all active, deferred and pensioner members transfer to the new MAT.

The fund's policies on academies may change based on updates to guidance from the MHCLG or the DfE. Any changes will be communicated and reflected in future funding strategy statements.

5.3 New admission bodies as a results of outsourcing services

New admission bodies usually join the Fund because an existing employer (usually a scheduled body like a council or academy) outsources a service to another organisation (a contractor). This involves TUPE transfers of staff from the letting employer to the contractor. The contractor becomes a new participating Fund employer for the duration of the contract and transferring employees remain eligible for LGPS membership. At the end of the contract, employees typically revert to the letting employer or a replacement contractor.

Liabilities for transferring active members will be calculated by the fund actuary on the day before the outsourcing occurs.

New contractors will be allocated an asset share equal to the value of the transferring liabilities. The admission agreement may set a different initial asset allocation, depending on contract-specific circumstances.

There is flexibility for outsourcing employers when it comes to pension risk potentially taken on by the contractor. You can find more details on outsourcing options from the administering authority or in the contract admission agreement.

5.4 Other new employers

There may be other circumstances that lead to a new admission body entering the Fund, e.g. set up of a wholly owned subsidiary company by a local authority. Calculation of assets and liabilities on joining and a contribution rate will be carried out allowing for the circumstances of the new employer.

New designated employers may also join the Fund. Contribution rates will be set using the same approach as any other designated employers in the Fund.

5.5 Risk assessment for new admission bodies

Under the LGPS regulations, a new admission body must assess the risks it poses to the fund if the admission agreement ends early, for example if the admission body becomes insolvent or goes out of business. In practice, the fund actuary assesses this because the assessment must be carried out to the administering authority's satisfaction.

After considering the assessment, the administering authority may decide the admission body must provide security, such as a guarantee from the letting employer, an indemnity or a bond.

This must cover some or all of the:

- strain costs of any early retirements, if employees are made redundant when a contract ends prematurely
- allowance for the risk of assets performing less well than expected
- allowance for the risk of liabilities being greater than expected
- allowance for the possible non-payment of employer and member contributions
- admission body's existing deficit.

Where an academy is the letting employer, the Fund will expect academies to ensure and confirm that the outsourcing complies with the requirements set out in the DfE Academy Trust LGPS Guarantee policy before permitting an admission body in the Fund. Where this requirement is met, no additional risk assessment or security will typically be required for the admitted body as the pension liabilities will be covered by the DfE Academy Guarantee.

A copy of our Admissions policy is available on request.

6 What happens if an employer has a bulk transfer of staff?

Bulk transfer cases will be looked at individually, but generally:

- the Fund won't pay bulk transfers greater in value than either the asset share of the transferring employer in the fund, or the value of the liabilities of the transferring members, whichever is lower
- the Fund won't grant added benefits to members bringing in entitlements from another Fund, unless the asset transfer is enough to meet the added liabilities
- the Fund may permit shortfalls on bulk transfers if the employer has a suitable covenant and commits to meeting the shortfall in an appropriate period, which may require increased contributions between valuations.

7 What happens when an employer leaves the Fund?

7.1 What is a cessation event?

Triggers for considering cessation from the Fund are:

- the last active member stops participation in the Fund
- insolvency, winding up or liquidation of the admission body
- a breach of the agreement obligations that isn't remedied to the Fund's satisfaction
- failure to pay any sums due within the period required
- failure to renew or adjust the level of a bond or indemnity, or to confirm an appropriate alternative guarantor
- termination of a deferred debt arrangement (DDA).

The administering authority, at its discretion, can defer triggering a cessation for up to three years by issuing a suspension notice. That means cessation won't be triggered if the employer takes on one or more active members during the agreed time.

If no DDA exists, the administering authority will instruct the fund actuary to carry out a cessation valuation to calculate if there is a surplus or a deficit when the Fund leaves the scheme.

7.2 What happens on cessation?

The administering authority must protect the interests of the remaining Fund employers when an employer leaves the scheme. The actuary aims to protect remaining employers from the risk of future loss. The funding target adopted for the cessation calculation is below. These are defined in [Appendix E](#).

- (a) Where there is no guarantor, cessation liabilities and a final surplus/deficit will usually be calculated using a low-risk basis, which is more prudent than the ongoing participation basis.
- (b) Where there is a guarantor, the guarantee will be considered before the cessation valuation. Where the guarantor is a guarantor of last resort this will have no effect on the cessation valuation. If this isn't the case (i.e. if the guarantee continues to apply in respect of the former employer's obligations post cessation), cessation may be calculated using the same basis that was used to calculate liabilities (and the corresponding asset share) on joining the Fund.
- (c) Depending on the guarantee, it may be possible to transfer the employer's liabilities and assets to the guarantor without crystallising deficits or surplus. This may happen if an employer can't pay the contributions due and the approach is within guarantee terms. This is known as 'subsumption' of the assets and liabilities.

If the Fund can't recover the required payment in full, unpaid amounts will be paid by the related letting authority (in the case of a ceased admission body) or shared between the other Fund employers. This may require an immediate revision to the rates and adjustments certificate or be reflected in the contribution rates set at the next formal valuation.

The fund actuary charges a fee for cessation valuations and there may be other cessation expenses. Fees and expenses are at the employer's expense.

The cessation policy is available from the administering authority.

7.3 What happens if there is a surplus?

If the cessation valuation shows the exiting employer has more assets than liabilities – an exit credit – the administering authority can decide how much (if any) will be paid back to the employer based on:

- the surplus amount
- the proportion of the surplus due to the employer's contributions over the employer's period of participation in the Fund
- any representations (like risk sharing agreements or guarantees) made by the exiting employer and any employer providing a guarantee or some other form of employer assistance/support
- any other relevant factors.

The exit credit policy is available from the administering authority.

7.4 What happens if there is a deficit?

If there is a deficit, full payment will usually be expected in a single lump sum or:

- spread over an agreed period, if the employer enters into a deferred spreading agreement (DSA)
- if an exiting employer enters into a deferred debt agreement (DDA), it stays in the Fund and pays contributions until the cessation debt is repaid. Payments are reassessed at each formal valuation.

The employer flexibility on exit policy is available from the administering authority.

7.5 What if an employer has no active members?

When employers leave the Fund because their last active member has left, they may pay a cessation debt, receive an exit credit or enter a DDA/DSA. Beyond this they have no further obligation to the Fund and either:

- a) their asset share runs out before all ex-employees' benefits have been paid. The other Fund employers will be required to contribute to the remaining benefits. The fund actuary will portion the liabilities on a pro-rata basis based on each employer's share of overall liabilities at each formal valuation.
- b) the last ex-employee or dependant dies before the employer's asset share is fully run down. The fund actuary will apportion the remaining assets to the other Fund employers based on each employer's share of overall liabilities at each formal valuation.

8 What are the statutory reporting requirements?

8.1 Reporting regulations

The Public Service Pensions Act 2013 requires the Government actuary's Department to report on LGPS Funds in England and Wales after every three-year valuation, in what's usually called a section 13 report. The report includes advice on whether the following aims are achieved:

- Compliance
- Consistency
- Solvency
- Long term cost efficiency

8.2 Solvency

Employer contributions are set at an appropriate solvency level if the rate of contribution targets a funding level of 100% over an appropriate time, using appropriate assumptions compared to other Funds. Either:

- (a) employers collectively can increase their contributions, or the Fund can realise contingencies to target a 100% funding level; or
- (b) there is an appropriate plan in place if there is, or is expected to be, a reduction in employers' ability to increase contributions as needed.

8.3 Long-term cost efficiency

Employer contributions are set at an appropriate long-term cost efficiency level if the contribution rate makes provision for the cost of current benefit accrual, with an appropriate adjustment for any surplus or deficit. To assess this, the administering authority may consider absolute and relative factors.

Relative factors include:

1. comparing LGPS Funds with each other
2. the implied deficit recovery period
3. the investment return required to achieve full funding after 20 years.

Absolute factors include:

1. comparing Funds with an objective benchmark
2. the extent to which contributions will cover the cost of current benefit accrual and interest on any deficit
3. how the required investment return under relative considerations compares to the estimated future return targeted by the investment strategy
4. the extent to which contributions paid are in line with expected contributions, based on the rates and adjustment certificate
5. how any new deficit recovery plan reconciles with, and can be a continuation of, any previous deficit recovery plan, allowing for Fund experience.

These metrics may be assessed by GAD on a standardised market-related basis where the Fund's actuarial bases don't offer straightforward comparisons. Standard information about the Fund's approach to solvency of the pension Fund and long-term cost efficiency will be provided in a uniform dashboard format in the valuation report to facilitate comparisons between Funds.

Appendices

Appendix A – The regulatory framework

A1 Why do Funds need a funding strategy statement?

The Local Government Pension Scheme (LGPS) regulations require Funds to maintain and publish a funding strategy statement (FSS). The purpose of the FSS was set out in Section 1.

To prepare this FSS, the administering authority has used guidance jointly prepared by the Scheme Advisory Board (SAB), MHCLG, and by the Chartered Institute of Public Finance and Accountancy (CIPFA) dated January 2025.

The Fund has a fiduciary duty to scheme members and obligations to employers to administer the scheme competently to keep employer contributions at an affordable level. The funding strategy statement sets out how the Fund meets these responsibilities.

A2 Consultation

Both the LGPS regulations and most recent CIPFA guidance state the FSS should be prepared in consultation with “*persons the authority considers appropriate*”. This should include ‘*meaningful dialogue... with council tax raising authorities and representatives of other participating employers*’.

In practice, for the Fund, the consultation process for this FSS included issuing a draft version to participating employers and attending an open employers’ forum.

The fund also shared the draft FSS with the Department for Education.

A3 How is the FSS published?

The FSS is published on the Fund’s website at <https://www.brent.gov.uk/pensions> and copies are made available on request.

A4 How does the FSS fit into the overall Fund documentation?

The FSS is a summary of the Fund’s approach to funding liabilities and isn’t exhaustive. The Fund publishes other statements like the Investment Strategy Statement and the Fund’s annual report and accounts also includes up-to-date Fund information.

You can see all Fund documentation at <https://www.brent.gov.uk/pensions>.

Appendix B – Roles and responsibilities

B1 The administering authority is required to:

1. operate a pension Fund
2. collect employer and employee contributions, investment income and other amounts due to the pension Fund as stipulated in LGPS Regulations
3. have an escalation policy in situations where employers fail to meet their obligations
4. pay from the pension Fund the relevant entitlements as stipulated in LGPS Regulations
5. invest surplus monies in accordance with the relevant regulations
6. ensure that cash is available to meet liabilities as and when they fall due
7. ensure benefits paid to members are accurate and undertake timely and appropriate action to rectify any inaccurate benefit payments take measures as set out in the regulations to safeguard the Fund against the consequences of employer default
8. take measures as set out in the regulations to safeguard the fund against the consequences of employer default
9. manage the valuation process in consultation with the Fund's actuary
10. prepare and maintain an FSS and associated funding policies and ISS, after proper consultation with interested parties
11. monitor all aspects of the Fund's performance and funding, and amend the FSS/ISS accordingly
12. establish a policy around exit payments and payment of exit credits/debits in relation to employer exits
13. effectively manage any potential conflicts of interest arising from its dual role as both Fund administrator and scheme employer
14. enable the local pension board to review the valuation and FSS review process and as set out in their terms of reference
15. support and monitor a Local Pension Board (LPB) as required by the Public Service Pensions Act 2013, the Regulations and the Pensions Regulator's relevant Code of Practice

B2 Individual employers are required to:

1. ensure staff who are eligible are contractually enrolled and deduct contributions from employees' pay correctly after determining the appropriate employee contribution rate (in accordance with the Regulations),
2. provide the Fund with accurate data and understand that the quality of the data provided to the Fund will directly impact on the assessment of their liabilities and their contributions. In particular, any deficiencies in their data may result in the employer paying higher contributions than otherwise would be the case if their data was of high quality
3. pay all ongoing contributions, including employer contributions determined by the actuary and set out in the rates and adjustments certificate, promptly by the due date
4. develop a policy on certain discretions and exercise those discretions as permitted within the regulatory framework

5. make additional contributions in accordance with agreed arrangements in respect of, for example, augmentation of scheme benefits and early retirement strain
6. notify the administering authority promptly of all changes to active membership that affect future funding
7. Pay any exit payments on ceasing participation in the Fund timely provide the Fund with accurate data and understand that the quality of the data provided to the Fund will directly impact on the assessment of their liabilities and their contributions. In particular, any inaccuracies in data may result in the employer paying higher contributions than otherwise would be the case if their data was of high quality.

B3 The fund actuary should:

1. prepare valuations including the setting of employers' contribution rates at a level to ensure Fund solvency and long-term cost efficiency based on the assumptions set by the administering authority and having regard to the FSS and the LGPS Regulations
2. provide advice so the Fund can set the necessary assumptions for the valuation • prepare advice and calculations in connection with bulk transfers and the funding aspects of individual benefit-related matters such as pension strain costs, ill health retirement costs, compensatory added years costs, etc
3. provide advice and valuations to the Fund so that it can make decisions on the exit of employers from the Fund
4. provide advice to the Fund on bonds or other forms of security against the financial effect on the Fund of employer default
5. assist the Fund in assessing whether employer contributions need to be revised between valuations as permitted or required by the regulations
6. ensure that the Fund is aware of any professional guidance or other professional requirements that may be relevant in the role of advising the Fund.
7. identify to the Fund and manage any potential conflicts of interest that may arise in the delivery the contractual arrangements to the Fund and other clients.

B4 Local Pension Boards (LPB):

Local Pension Boards have responsibility to assist the administering authority to secure compliance with the LGPS regulations, other legislation relating to the governance and administration of the LGPS, any requirements imposed by the Regulator in relation to the LGPS, and to ensure the effective and efficient governance and administration of the LGPS. It will be for each Fund to determine the input into the development of the FSS (as appropriate within Fund's own governance arrangements) however this may include:

1. Assist with the development and review the FSS
2. Review the compliance of scheme employers with their duties under the FSS, regulations and other relevant legislation
3. Assist with the development of and review communications in relation to the FSS.

B5 Employer guarantors

1. Department for Education - To pay cessation debts in the case of academy cessations (where the obligations are not being transferred to another MAT) and to consider using intervention powers if an academy is deemed to be in breach of the regulations.
2. Other bodies with a financial interest (outsourcing employers)

3. Any other guarantor

B6 Other parties:

- 1 internal and external investment advisers ensure the investment strategy statement (ISS) is consistent with the funding strategy statement
- 2 investment managers, custodians and bankers play their part in the effective investment and dis-investment of Fund assets in line with the ISS
- 3 auditors comply with standards, ensure Fund compliance with requirements, monitor and advise on fraud detection, and sign-off annual reports and financial statements
- 4 governance advisers may be asked to advise the administering authority on processes and working methods
- 5 internal and external legal advisers ensure the Fund complies with all regulations and broader local government requirements, including the administering authority's own procedures
- 6 MHCLG, assisted by the Government Actuary's Department and the Scheme Advisory Board, work with LGPS Funds to meet Section 13 requirements.

Appendix C – Glossary

Actuarial certificates

A statement of the contributions payable by the employer (see also rates and adjustments certificate). The effective date is 12 months after the completion of the valuation.

Actuarial valuation

An investigation by an actuary, appointed by an Administering Authority into the costs of the scheme and the ability of the Fund managed by that authority to meet its liabilities. This assesses the funding level and recommended employer contribution rates based on estimating the cost of pensions both in payment and those yet to be paid and comparing this to the value of the assets held in the Fund. Valuations take place every three years (triennial).

Administering Authority (referred to as ‘the Fund’)

A body listed in Part 1 of Schedule 3 of the regulations who maintains a Fund within the LGPS and a body with a statutory duty to manage and administer the LGPS and maintain a pension Fund (the Fund). Usually, but not restricted to being, a local authority.

Admission agreement

A written agreement which provides for a body to participate in the LGPS as a scheme employer

Assumptions

Forecasts of future experience which impact the costs of the scheme. For example, pay growth, longevity of pensioners, inflation, and investment returns,

Code of Practice

The Pensions Regulator’s General Code of Practice.

Debt spreading arrangement

The ability to spread an exit payment over a period of time

Deferred debt agreement

An agreement for an employer to continue to participate in the LGPS without any contributing scheme members

Employer covenant

The extent of the employer’s legal obligation and financial ability to support its pension scheme now and in the future.

Funding level

The funding level is the value of assets compares with the liabilities. It can be expressed as a ratio of the assets and liabilities (known as the funding level) or as the difference between the assets and liabilities (referred to as a surplus or deficit).

Fund valuation date

The effective date of the triennial Fund valuation.

Guarantee / guarantor

A formal promise by a third party (the guarantor) that it will meet any pension obligations not met by a specified employer. The presence of a guarantor will mean, for instance, that the Fund can consider the employer's covenant to be as strong as its guarantor's.

Local Pension Board

The board established to assist the Administering Authority as the Scheme Manager for each Fund.

Non-statutory guidance

Guidance which although it confers no statutory obligation on the parties named, they should nevertheless have regard to its contents

Notifiable events

Events which the employer should make the Administering Authority aware of

Past service liabilities

The cost of pensions already built up or in payment

Pension committee

A committee or sub-committee to which an administering authority has delegated its pension function

Pensions Administration Strategy

A statement of the duties and responsibilities of scheme employers and Administering Authorities to ensure the effective management of the scheme

Primary and secondary employer contributions

Primary employer contributions meet the future costs of the scheme and Secondary employer contributions meet the costs already built up (adjusted to reflect the experience of each scheme employer). Contributions will therefore vary across scheme employers within a Fund.

Rates and adjustments certificate

A statement of the contributions payable by each scheme employer (see actuarial certificates)

Scheme Manager

A person or body responsible for managing or administering a pension scheme established under section 1 of the 2013 Act. In the case of the LGPS, each Fund has a Scheme Manager which is the Administering Authority.

Appendix D – Risks and controls

D1 Managing risks

The administering authority has a risk management programme to identify and control financial, demographic, regulatory and governance risks.

The local pension board assists the Fund its managing its risks and the full role of the board is set out [here](#).

Details of the key Fund-specific risks and controls are below.

D2 Financial risks

Risk	Summary of Control Mechanisms
Fund assets fail to deliver returns in line with the anticipated returns underpinning the valuation of liabilities and contribution rates over the long-term.	<p>Only anticipate long-term returns on a relatively prudent basis to reduce risk of under-performing.</p> <p>Assets invested on the basis of specialist advice, in a suitably diversified manner across asset classes, geographies, managers, etc.</p> <p>Analyse progress at three yearly valuations for all employers.</p> <p>Inter-valuation roll-forward of liabilities between valuations at whole Fund level.</p>
Inappropriate long-term investment strategy.	<p>Overall investment strategy options considered as an integral part of the funding strategy. Used asset liability modelling to measure key outcomes.</p> <p>Chosen option considered to provide the best balance.</p>
Active investment manager under-performance relative to benchmark.	<p>Quarterly investment monitoring analyses market performance and active managers relative to their index benchmark.</p>
Pay and price inflation are significantly more than anticipated.	<p>The focus of the actuarial valuation process is on real returns on assets, net of price and pay increases.</p> <p>Inter-valuation monitoring, as above, gives early warning.</p> <p>Some investment in bonds also helps to mitigate this risk.</p> <p>Employers pay for their own salary awards and should be mindful of the geared effect on pension liabilities of any bias in pensionable pay rises towards longer serving employees.</p>

Effect of possible increase in employer's contribution rate on service delivery and admission/scheduled bodies	An explicit stabilisation mechanism has been agreed as part of the funding strategy. Other measures are also in place to limit sudden increases in contributions.
Orphaned employers give rise to added costs for the fund	The fund seeks a cessation debt (or security /guarantor) to minimise the risk of this happening in the future. If it occurs, the actuary calculates the added cost spread pro-rata among all employers.
Effect of possible asset underperformance as a result of climate change	Covered in the fund's Investment Strategy Statement.

D3 Demographic risks

Risk	Summary of Control Mechanisms
Pensioners live longer, thus increasing cost to fund.	Set mortality assumptions with some allowance for future increases in life expectancy. The fund actuary has direct access to the experience of over 50 LGPS funds which allows early identification of changes in life expectancy that might in turn affect the assumptions underpinning the valuation.
Maturing fund – i.e. proportion of actively contributing employees declines relative to retired employees.	Continue to monitor at each valuation, consider seeking monetary amounts rather than % of pay and consider alternative investment strategies.
Deteriorating patterns of early retirements	Employers are charged the extra cost of non-ill-health retirements following each individual decision. Employer ill health retirement experience is monitored, and insurance is an option.
Reductions in payroll causing insufficient deficit recovery payments	In many cases this may not be sufficient cause for concern and will in effect be caught at the next formal valuation. However, there are protections where there is concern, as follows: Employers in the stabilisation mechanism may be brought out of that mechanism to permit appropriate contribution increases. For other employers, review of contributions is permitted in general between valuations and may require a move in deficit contributions from a percentage of payroll to fixed monetary amounts.

D4 Regulatory risks

Risk	Summary of Control Mechanisms
Changes to national pension requirements and/or HMRC rules e.g. changes arising from public sector pensions reform.	<p>The administering authority considers all consultation papers issued by the Government and comments where appropriate.</p> <p>Benefits are valued in line with the regulations in force at the time of the valuation.</p> <p>The government's long term preferred solution to GMP indexation and equalisation - conversion of GMPs to scheme benefits - was built into the 2019 valuation.</p>
Time, cost and/or reputational risks associated with any MHCLG intervention triggered by the Section 13 analysis.	Take advice from fund actuary on position of fund as at prior valuation, and consideration of proposed valuation approach relative to anticipated Section 13 analysis.
Changes by government to particular employer participation in LGPS Funds, leading to impacts on funding and/or investment strategies.	<p>The administering authority considers all consultation papers issued by the government and comments where appropriate.</p> <p>Take advice from fund actuary on impact of changes on the fund and amend strategy as appropriate.</p>

D5 Governance risks

Risk	Summary of Control Mechanisms
Administering authority unaware of structural changes in an employer's membership (e.g. large fall in employee members, large number of retirements) or not advised of an employer closing to new entrants.	<p>The administering authority has a close relationship with employing bodies and communicates required standards e.g. for submission of data.</p> <p>The actuary may revise the rates and adjustments certificate to increase an employer's contributions between triennial valuations.</p> <p>Deficit contributions may be expressed as monetary amounts.</p>
Actuarial or investment advice is not sought, or is not heeded, or proves to be insufficient in some way	The administering authority maintains close contact with its specialist advisers. Advice is delivered via formal meetings involving elected members, and recorded appropriately. Actuarial advice is subject to professional requirements such as peer review.
Administering authority failing to commission the Fund Actuary to carry out a termination valuation for a departing admission body.	<p>The Administering Authority requires employers with Best Value contractors to inform it of forthcoming changes.</p> <p>CABs' memberships are monitored and, if active membership decreases, steps will be taken.</p>

An employer ceasing to exist with insufficient funding or adequacy of a bond.	<p>The administering authority believes that it would normally be too late to address the position if it was left to the time of departure.</p> <p>The risk is mitigated by:</p> <ul style="list-style-type: none"> • Seeking a funding guarantee from another scheme employer, or external body, where-ever possible. • Alerting the prospective employer to its obligations and encouraging it to take independent actuarial advice. • Vetting prospective employers before admission. • Where permitted under the regulations requiring a bond to protect the fund from various risks. • Requiring new admission bodies to have a guarantor. • Reviewing bond or guarantor arrangements at regular intervals. • Reviewing contributions well ahead of cessation if thought appropriate.
An employer ceasing to exist resulting in an exit credit being payable	<p>The administering authority regularly monitors admission bodies coming up to cessation</p> <p>The administering authority invests in liquid assets to ensure that exit credits can be paid when required.</p>

D6 Employer covenant assessment and monitoring

Many of the employers participating in the Fund, such as admitted bodies (including TABs and CABs), have no local tax-raising powers. The Fund assesses and monitors the long-term financial health of these employers to assess an appropriate level of risk for each employer's funding strategy.

Type of employer	Assessment	Monitoring
Local Authorities	Tax-raising or government-backed, no individual assessment required	n/a
Academies	Government-backed, covered by DfE guarantee in event of MAT failure	Check that DfE guarantee continues, after regular scheduled DfE review
Admission bodies (CABs)	No change since 2022 valuation	Regular ongoing dialogue
Admission bodies (TABs)	No change since 2022 valuation	Regular ongoing dialogue
Designating employers	No change since 2022 valuation	Regular ongoing dialogue

Any change in covenant over the inter-valuation period may lead to a contribution rate review.

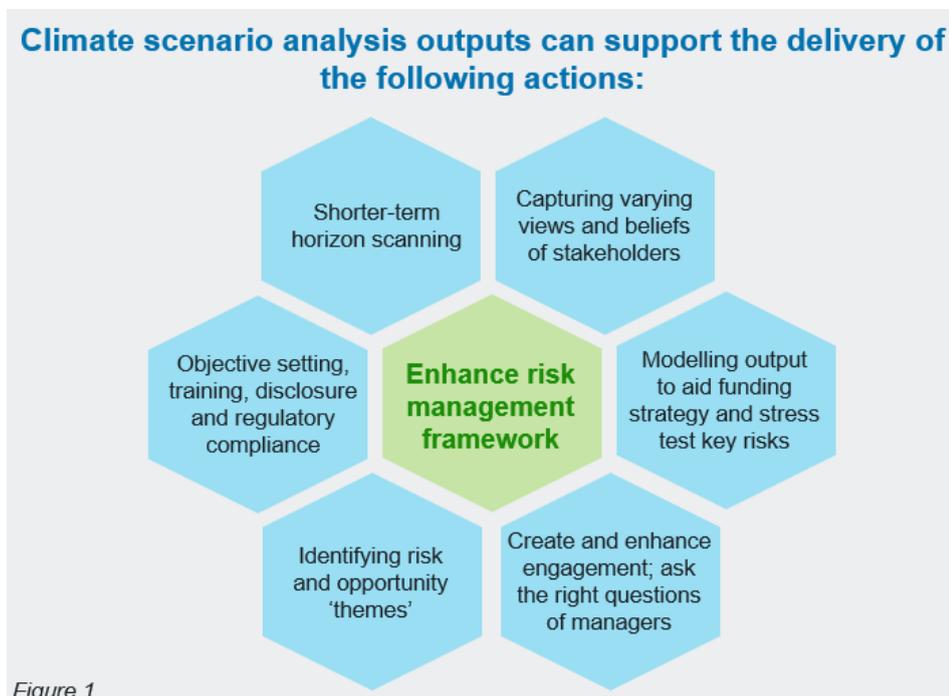
D7 Climate risk and TCFD reporting

The Fund has considered climate-related risks when setting the funding strategy. The Fund has carried out climate scenario analysis incorporating both stress testing, and narrative-based scenario analysis for the local authority employers at the 2025 valuation. The narrative approach explores the complex and interrelated risks associated with climate change by defining a specific extreme, downside risk (in this instance a food shock) and constructing narratives around potential policy and market responses, noting these may be sub-optimal. This approach allows consideration to be given to the impact of sudden, severe downside risks in the short term, the interdependencies that arise and potential immediate actions. Coupling this approach with stress testing (to better understand the impact of possible climate scenarios) has allowed the Fund to assess a range of outcomes that may arise, and assess the resilience of the Fund under these scenarios.

The results show that:

1. When considering climate scenario stress tests, the Fund appears to be generally resilient to different climate scenarios, with generally modest impacts versus the base case modelled
2. The results of the downside, narrative analysis suggest that the Fund is likely to be resilient in the face of some severe downside risk events (in comparison to the base case), but not all.

Climate scenario analysis helps assess risks and tests the resilience of current and long-term strategies under various scenarios. This helps to identify vulnerabilities across both assets and liabilities. Identification of these vulnerabilities can inform risk management processes (see figure 1), helping the Fund ensure appropriate controls and mitigations are in place. Scenario analysis therefore supports informed decision making, and may be used in future to assist with disclosures prepared in line with Task Force on Climate-Related Financial Disclosures (TCFD) principles.



This climate analysis was not applied to the funding strategy modelling for smaller employers. However, given that the same underlying model is used for all employers and that the local authority employers make up the vast majority of the fund's assets and liabilities, applying the climate analysis to all employers was not deemed proportionate at this stage and would not be expected to result in any changes to the agreed contribution plans.

The Fund's Responsible Investment beliefs are included in its Investment Strategy Statement.

Appendix E – Actuarial assumptions

The Fund's actuary uses a set of assumptions to determine the strategy, and so assumptions are a fundamental part of the Funding Strategy Statement.

E1 What are actuarial assumptions?

Actuarial assumptions are required to value the fund's liabilities because:

- There is uncertainty regarding both the timing and amount of the future benefit payments (the actual cost can't be known until the final payment is made). Therefore, to estimate the cost of benefits earned to date and in the future, assumptions need to be made about the timing and amount of these future benefit payments
- The assets allowed to an employer today are a known figure. However, the future investment return earned on those assets and future cashflows into the fund are uncertain. An assumption is needed about what those future investment returns will be

There are two types of actuarial assumptions that are needed to perform an actuarial valuation: **financial assumptions** determine the expected amount of future benefit payments and the expected investment return on the assets held to meet those benefits, whilst **demographic assumptions** relate primarily to the expected timing of future benefit payments (i.e. when they are made and for how long).

All actuarial assumptions are set as best estimates of future experience with the exception of the discount rate assumption which is deliberately prudent to meet the regulatory requirement for a 'prudent' valuation.

Any change in the assumptions will affect the value that is placed on future benefit payments ('liabilities'), but different assumptions don't affect the actual benefits the fund will pay in future.

E2 What funding bases are operated by the Fund?

A *funding basis* is the set of actuarial assumptions used to value an employer's (past and future service) liabilities. The fund operates two funding bases for funding valuations: the *ongoing participation basis* and the *low-risk exit basis*. All actuarial assumptions are the same for both funding bases with the exception of the discount rate – see further details below.

E3 What financial assumptions are used by the fund?

Discount rate

The discount rate assumption is the average annual rate of future investment return assumed to be earned on an employer's assets from a given valuation date. The fund uses a risk-based approach to setting the discount rate which allows for prevailing market conditions on the valuation date (see 'Further detail on the calculation of financial assumptions') and the Fund's investment strategy.

The discount rate is determined by the *prudence level*. Specifically, the discount rate is calculated to be:

The average annual level of future investment return that can be achieved on the Fund's assets over a 20-year period with a x% likelihood.

The prudence level is the likelihood. The prudence levels used by the fund are as follows:

Funding basis	Prudence level
Ongoing participation	80%
Low-risk exit	90%

CPI inflation

The CPI inflation assumption is the average annual rate of future Consumer Price Index (CPI) inflation assumed to be observed from a given valuation date. This assumption is required because LGPS benefit increases (in deferment and in payment) and revaluation of CARE benefits are in line with CPI.

The fund uses a risk-based approach to setting the CPI inflation assumption which allows for prevailing market conditions on the valuation date (see 'Further detail on the calculation of financial assumptions'). The CPI inflation assumption is calculated to be:

The average annual level of future CPI inflation that will be observed over a 20 year period with a 50% likelihood

Salary growth

The salary growth assumption is linked to the CPI inflation assumption via a fixed margin. The salary increases assumption is 0.3% above the CPI inflation assumption plus a promotional salary scale.

E4 Further detail on the calculation of financial assumptions

The discount rate and CPI inflation assumptions are calculated using a risk-based method. To assess the likelihood associated with a given level of investment return or a given level of future inflation, the fund actuary uses Hymans Robertson's propriety economic scenario generator; the *Economic Scenario Service* (or ESS). The model uses statistical distributions to project a range of 5,000 different possible outcomes for the future behaviour of different asset classes and wider economic variables, such as inflation.

The table below shows the calibration of the model as at 31 March 2025 for some sample asset classes and economic variables. All returns are shown net of fees and are the annualised total returns over 5, 10 and 20 years. Yields and inflation refer to the simulated yields at that time horizon.

Table: Summary of assumptions underlying the ESS, 31 March 2025

Time period	Percentile	Annualised total returns								Inflation/Yields		
		UK Equities	Global Equities (unhedged)	EM equities (unhedged)	Property	Infrastructure equity (unlisted)	Fixed interest gilt (24 yr maturity)	Multi Asset Credit (sub investment grade)	Private Lending	Inflation (CPI)	17 year real yield (CPI)	17 year yield
5 years	16 th	0.1%	-0.5%	-3.2%	0.2%	1.1%	1.7%	4.1%	4.5%	1.2%	1.5%	4.8%
	50 th	8.2%	8.2%	8.5%	6.8%	8.1%	4.2%	6.7%	8.2%	2.8%	2.4%	5.8%
	84 th	16.4%	16.9%	20.9%	14.1%	15.5%	6.7%	8.8%	11.4%	4.3%	3.3%	7.1%
10 years	16 th	2.5%	2.1%	0.2%	2.3%	3.1%	3.9%	5.8%	6.4%	0.8%	0.8%	3.9%
	50 th	8.6%	8.5%	8.8%	7.3%	8.4%	5.5%	7.4%	8.8%	2.5%	2.1%	5.3%
	84 th	14.6%	14.8%	17.5%	12.7%	13.8%	7.0%	8.9%	10.9%	4.1%	3.3%	7.1%
20 years	16 th	3.8%	3.7%	2.2%	3.5%	4.2%	5.0%	6.1%	7.0%	0.7%	-0.5%	1.6%
	50 th	8.4%	8.3%	8.5%	7.3%	8.3%	6.1%	7.6%	8.8%	2.3%	1.3%	3.6%
	84 th	12.9%	13.1%	15.1%	11.3%	12.4%	7.1%	9.1%	10.7%	3.9%	3.0%	6.2%
	Volatility (1 yr)	16.3%	18.6%	24.3%	15.2%	14.5%	6.6%	6.3%	9.3%	1.4%	-	-

The ESS model is recalibrated monthly. The fund actuary uses the most recent calibration of the model (prior to the valuation date) to set financial assumptions for each funding valuation.

E5 What demographic assumptions were used?

The Fund uses advice from Club Vita to set demographic assumptions, as well as analysis and judgement based on the fund's experience.

Demographic assumptions vary by type of member, so each employer's own membership profile is reflected in their results.

Life expectancy

The longevity assumptions are a bespoke set of VitaCurves produced by detailed analysis and tailored to fit the fund's membership profile.

Allowance has been made for future improvements to mortality, in line with the 2024 version of the continuous mortality investigation (CMI) tables published by the actuarial profession. The starting point has been adjusted by +0.25% to reflect the difference between the population-wide data used in the CMI and LGPS membership. A long-term rate of mortality improvements of 1.5% p.a. applies.

Other demographic assumptions

Retirement in normal health	Members are assumed to retire at the earliest age possible with no pension reduction.
Promotional salary increases	Sample increases below
Death in service	Sample rates below
Withdrawals	Sample rates below
Retirement in ill health	Sample rates below
Family details	A varying proportion of members are assumed to have a dependant partner at retirement or on earlier death. For example, at age 65 this is assumed to be 55% for males and 54% for females. The dependant of a male member is assumed to be 3.5 years younger than him and the dependent of a female member is assumed to be 0.6 years older than her.
Commutation	80% of maximum tax-free cash
50:50 option	0% of existing members will opt to change schemes

Females

Age	Salary Scale	Death Before Retirement	Withdrawals		III Health Tier 1		III Health Tier 2	
			FT & PT	FT	PT	FT	PT	FT
20	105	0.10	281.94	299.12	0.00	0.00	0.00	0.00
25	117	0.10	189.71	201.24	0.10	0.07	0.02	0.01
30	131	0.14	159.02	168.67	0.13	0.10	0.03	0.02
35	144	0.24	137.25	145.52	0.26	0.19	0.05	0.04
40	151	0.38	114.23	121.07	0.39	0.29	0.08	0.06
45	159	0.62	106.60	112.97	0.52	0.39	0.10	0.08
50	167	0.90	89.87	95.14	0.97	0.73	0.24	0.18
55	173	1.19	67.06	71.06	3.59	2.69	0.52	0.39
60	174	1.52	54.04	57.20	5.71	4.28	0.54	0.40
65	174	1.95	25.76	27.25	10.26	7.69	0.00	0.00

Males

Age	Salary Scale	Death Before Retirement	Withdrawals		III Health Tier 1		III Health Tier 2	
			FT & PT	FT	PT	FT	PT	FT
20	105	0.17	355.79	487.81	0.00	0.00	0.00	0.00
25	117	0.17	235.01	322.22	0.00	0.00	0.00	0.00
30	131	0.20	166.75	228.58	0.00	0.00	0.00	0.00
35	144	0.24	130.28	178.58	0.10	0.07	0.02	0.01
40	151	0.41	104.89	143.73	0.16	0.12	0.03	0.02
45	159	0.68	98.53	134.98	0.35	0.27	0.07	0.05
50	167	1.09	81.22	111.14	0.90	0.68	0.23	0.17
55	173	1.70	63.96	87.56	3.54	2.65	0.51	0.38
60	174	3.06	57.00	78.01	6.23	4.67	0.44	0.33
65	174	5.10	34.99	47.88	11.83	8.87	0.00	0.00

Appendix F – Contribution review policy

The Fund may amend contribution rates between valuations for a ‘significant change’ to the liabilities or covenant of an employer. Such reviews may be instigated by the fund or at the request of a participating employer. Any review may lead to a change in the required contributions from the employer.

F1 Guidance and regulatory framework

[Regulation 64](#) of the Local Government Pension Scheme Regulations 2013 (as amended) sets out the way in which LGPS funds should determine employer contributions, including the following:

- Regulation 64 (4) – allows the Fund to review the contribution rate if it becomes likely that an employer will cease participation in the Fund, with a view to ensuring that the employer is fully funded at the expected exit date.
- Regulation 64A - sets out specific circumstances where the Fund may revise contributions between valuations (including where a review is requested by one or more employers).

This policy also reflects [statutory guidance](#) from MHCLG on preparing and maintaining policies relating to the review of employer contributions. Interested parties may want to refer to an accompanying [guide](#) that has been produced by the Scheme Advisory Board.

F2 Statement of principles

This statement of principles covers review of contributions between valuations. Each case will be treated on its own merits, but in general:

- The Fund reserves the right to review contributions in line with the provisions set out in the LGPS Regulations.
- The decision to make a change to contribution rates rests with the Fund, subject to consultation with employers during the review period.
- Full justification for any change in contribution rates will be provided to affected employers.
- Advice will be taken from the Fund Actuary in respect of any review of contribution rates.
- Any revision to contribution rates will be reflected in the Rates & Adjustment certificate.

F3 Circumstances for review

The Fund would consider one or more of the following circumstances as a potential trigger for review:

- in the opinion of the Fund there are circumstances which make it likely that an employer (including an admission body) will become an exiting employer sooner than anticipated at the last valuation;
- an employer is approaching exit from the Fund within the next two years and before completion of the next triennial valuation;
- there are changes to the benefit structure set out in the LGPS Regulations which have not been allowed for at the last valuation;
- it appears likely to the Fund that the amount of the liabilities arising or likely to arise for an employer or employers has changed significantly since the last valuation;
- it appears likely to the Fund that there has been a significant change in the ability of an employer or

employers to meet their obligations (e.g. a material change in employer covenant, or provision of additional security);

- it appears to the Fund that the membership of the employer has changed materially such as bulk transfers, significant reductions to payroll or large-scale restructuring; or
- where an employer has failed to pay contributions or has not arranged appropriate security as required by the Fund.

F4 Employer requests

The Fund will also consider a request from any employer to review contributions where the employer has undertaken to meet the costs of that review and sets out the reasoning for the review (which would be expected to fall into one of the above categories, such as a belief that their covenant has changed materially, or they are going through a significant restructuring impacting their membership).

The Fund will require additional information to support a contribution review made at the employer's request. The specific requirements will be confirmed following any request and this is likely to include the following:

- a copy of the latest accounts;
- details of any additional security being offered (which may include insurance certificates);
- budget forecasts; and/or
- information relating to sources of funding.

The costs incurred by the Fund in carrying out a contribution review (at the employer's request) will be met by the employer. These will be confirmed upfront to the employer prior to the review taking place.

F5 Other employers

When undertaking any review of contributions, the Fund will also consider the impact of a change to contribution rates on other Fund employers. This will include the following factors:

- The existence of a guarantor.
- The amount of any other security held.
- The size of the employer's liabilities relative to the whole Fund.

The Fund will consult with other Fund employers as necessary.

F6 Effect of market volatility

Except in circumstances such as an employer nearing cessation, the Fund will not consider market volatility or changes to asset values as the basis for a change in contributions outside a formal triennial valuation.

F7 Documentation

Where revisions to contribution rates are necessary, the Fund will provide the employer with a note of the information used to determine these, including:

- Explanation of the key factors leading to the need for a review of the contribution rates, including, if appropriate, the updated funding position.
- A note of the new contribution rates and effective date of these.

- Date of next review.
- Details of any processes in place to monitor any change in the employer's circumstances (if appropriate), including information required by the Fund to carry out this monitoring.

The Rates & Adjustments certificate will be updated to reflect the revised contribution rates

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

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 Brent	Brent Pension Fund Sub-Committee 18 February 2026
Report from the Corporate Director of Finance and Resources	
LAPFF Engagement Report	

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt:	Open
List of Appendices:	One Appendix 1: LAPFF Engagement Report Sep 2025
Background Papers:	N/A
Contact Officers:	<p>Minesh Patel, Corporate Director, Finance and Resources 020 8937 4043 (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 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.

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.

4.0 Background to LAPFF

4.1 LAPFF (the Local Authority Pension Fund Forum) represents 87 members and 7 pools with combined assets exceeding £425bn. 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.

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 (as of September 2025) and highlights the achievements during the relevant period.

Water Stewardship

- 5.2 The LAPFF is engaging companies on water stewardship from two key perspectives: the risks of water resource use and scarcity, and the human rights impacts that arise when access to clean water is compromised. These issues are particularly material for water-intensive sectors such as mining and food and beverage, where poor management can heighten social, environmental, and financial risks.
- 5.3 At the same time, LAPFF is addressing water pollution, focusing on sewage discharges in the UK utilities sector and the growing threat of persistent contaminants such as “forever chemicals,” which pose long-term risks to ecosystems, public health, and corporate accountability.
- 5.4 LAPFF continues its engagement with UK water utilities in 2025 as the sector faces mounting scrutiny from the public, policymakers, regulators, and investors over environmental performance — particularly the persistent issue of storm overflow pollution. Further adding to the challenges the sector faces, in July 2025, the UK government announced that OFWAT will be abolished and replaced with a single, more powerful body combining the responsibilities of OFWAT, the Environment Agency, Natural England, and the Drinking Water Inspectorate. This arguably marks the most significant overhaul of water sector regulation since privatisation.
- 5.5 LAPFF met with Chair and outgoing CEO of Pennon Group, the utility firm which owns and operates South West Water, who confirmed active engagement with OFWAT and DEFRA, emphasising urgent action over discussion. The Independent Water Commission’s findings — that the UK’s regulatory system is broken — were discussed, and Pennon welcomed recommendations for leadership and reform. South West Water was named a major improver by the Environment Agency.
- 5.6 Its £3.2bn investment focuses on storm overflows and wastewater treatment, cutting pollution incidents by 50% in early 2025 and improving sewer performance. Key actions include redesigning pumping stations, expanding monitoring, and removing 15,000 spills. Pennon also strengthened data governance and CEO succession planning, with LAPFF noting its positive and forward-looking stance despite sector challenges.

Executive Remuneration

- 5.7 During Q3, LAPFF intensified its engagement with listed companies across Europe and the U.S., following a wave of significant shareholder dissent on remuneration during the 2025 AGM proxy season. These conversations focused on uncovering key drivers behind investor opposition and assessing how companies are responding to mounting shareholder concerns.

- 5.8 LAPFF engaged for the first time with Prysmian, an Italian multinational specialising in the design, manufacture and installation of energy and telecommunications cables and systems. The company's remuneration report was rejected by 58.9% of shareholder votes cast this year. Concerns centred around the severance package awarded to outgoing CEO Valerio Battista, who stepped down from the executive role but remained on the board. Shareholders viewed this as a "double benefit," inconsistent with a clean departure.
- 5.9 Prysmian explained that, as an Italian-listed company, executive contracts fall under the statutory 'Dirigente' category, which includes mandatory severance provisions, even in cases of consensual departure. The package had been agreed in 2015, fully disclosed, and later reduced. The board defended Mr Battista's continuation as a director, emphasising his central role in Prysmian's growth and the stability his presence provided.
- 5.10 The company addressed shareholder concerns over its long-term incentive (LTI) design, which is currently based on three-year relative Total Shareholder Return (TSR) performance. LAPFF encouraged the addition of safeguards such as an absolute TSR underpin or dual thresholds to ensure payouts reflect genuine value creation, particularly in volatile markets.
- 5.11 LAPFF will be watching closely to see how Prysmian responds to dissent on its remuneration report and whether the company strengthens performance safeguards, such as incorporating absolute measures alongside relative TSR to better align executive pay with long-term investor outcomes.

Nature & Biodiversity

- 5.12 It has been two years since the Taskforce on Nature-Related Financial Disclosure's (TNFD) final recommendations were published, encouraging businesses to assess, report and act on their nature-related dependencies, impacts, risks and opportunities. For those companies with the most material negative impacts on nature, LAPFF asks companies to make public commitments to mitigate nature loss. Companies are also expected to provide detailed disclosures on how these commitments inform their assessment and disclosure of material dependencies and impacts on nature.
- 5.13 As a part of its continued engagement with Nature Action 100 (NA100), a global, investor-led initiative aimed at halting loss of biodiversity, LAPFF held a meeting with Pfizer. This is the first time investors have met with the company as part of the initiative but builds on a wider set of engagements that LAPFF has been involved in with others in the pharmaceutical sector.
- 5.14 Pfizer acknowledged the link between climate change and biodiversity and outlined the findings of its first biodiversity risk assessments, conducted in 2023, which identified manufacturing and R&D sites near sensitive ecosystems. The group emphasised the importance of transparency around assessments of material impacts and dependencies, noting that disclosure of salient issues is

a foundational step before targets and governance structures can be integrated. Pfizer recognised this and noted that nature-related issues remain under consideration alongside its current resource prioritisation on net zero and water stewardship, including longstanding work on pharmaceuticals in the environment and antimicrobial resistance.

- 5.15 LAPFF is monitoring whether companies already engaged are beginning to translate commitment into tangible actions on biodiversity, water stewardship, and supply chain risks. It will also continue to assess company progress as further disclosures and reports are released. Where companies without sufficient approaches to mitigating negative impacts on nature and biodiversity, and do not respond to LAPFF's requests for engagement, escalation will be considered.

Consultation Responses

- 5.16 LAPFF submitted a response in September 2025 to a consultation on sustainability reporting. The framework for the proposed sustainability standards comes from the IFRS Foundation, and LAPFF raised concerns about the restrictive nature of a central premise within the consultation, that: "the updated framework will seek to ensure that only information that is decision-useful is required to be disclosed and that this is provided in a format that best meets the needs of investors and other users." LAPFF views the term 'decision useful' as problematic. It is not described in UK legislation and is described by accounting standard setters, which can lead to tensions between standards and UK law.
- 5.17 Directors are not considered "users" under the "decision useful" definition because they are assumed to have internal access to information. However, disclosure can still be relevant to directors by highlighting issues that might otherwise go unnoticed, such as workforce deaths or diversity metrics. LAPFF also noted concerns that restricting reporting to only what is decision-useful could exclude important social and environmental information. These risks, while potentially deemed immaterial to investors, may have wider systemic consequences.
- 5.18 In summary, LAPFF argued that the "decision useful" premise could restrict meaningful sustainability reporting, limit transparency, and fail to capture risks that affect both the company and the broader market. By narrowing the scope of disclosure to only what affects investor decisions, important social, environmental, and governance information may be underreported, potentially increasing systemic risks and reducing accountability across the corporate sector.

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

July-September
2025

Cement • Water Stewardship • Executive Pay

Local
Authority
Pension
Fund
Forum

ENGAGEMENTS

Cover image: Fernando Reyes Unsplash



Image: Alamy

Coldstones Quarry, a member of the Heidelberg Cement Group, in Nidderdale, Pateley Bridge, North Yorkshire Dales, UK

CLIMATE CEMENT

Cement production is a highly localised industry in which production, and therefore carbon emissions, are closely linked with consumption. Cement production can amount to up to 10% of a country's CO₂ emissions.

Environmental issues include.

1. De-carbonisation of the chemical reaction in which calcium carbonate produces carbon dioxide, as well as decarbonisation of the energy sources supplying heat to the kiln.
2. Non-carbon issues around water resources, as cement supply is water intensive as well as supply of the aggregate (usually pulverised rock) which turns cement into concrete.

When it comes to decarbonising the chemical reaction the only current solution, other than production substitution, is a form of carbon capture and storage. During 2024/25 Heidelberg is the only company that has commenced using that process.

HEIDELBERG & CRH

Objective: A focus of the meetings with the cement companies has been to assess the credibility of the company's decarbonisation strategies. Key areas of discussion included the deployment of Carbon Capture and Storage (CCS), substitution of clinker (a key cement ingredient and the main source of CO₂ emissions in cement production) and the development of alternative low-carbon technologies, particularly to address the industry's reliance on fossil fuels for kiln heating.

The engagement with Heidelberg Materials emphasised the role of CCS, given Heidelberg's plans to operate one of

the first full-scale CCS plants in Norway. Additional focus was placed on broader emissions-reduction measures, including energy transition, process innovation, and climate risk management.

Overall, these meetings aimed to ensure that both companies demonstrate progress towards reducing emissions in line with LAPFF's expectations. Particular attention was given to the cost implications, transparency, and scalability of CCS and other abatement options.

Achieved CRH : CRH reported progress in advancing CCS capabilities in France, with funding secured and government partnerships in place. A cautious but deliberate approach is being taken, ensuring projects provide both return on investment and a learning pathway for future deployment (e.g. Tarmac CCS).

The Forum heard where the company were in terms of clinker factor and alternative fuel use. The company had reduced its clinker factor to 75.9% in

ENGAGEMENTS

2024, while alternative fuels reached 47% globally (55% in the EU). CRH continues to prioritise clinker substitution and alternative fuels through EcoRec (Europe) and Sapphire (North America).

The company has a Safety, Environment & Social Responsibility (SESR) Committee which oversees climate targets. The SESR board committee meets five times annually, including a meeting to review performance against decarbonisation milestones. ESG topics receive significant board attention, with deep dives into decarbonisation, circularity, water and workforce engagement.

While in the last meeting with CRH, the company expressed concerns with the risk of European producers being undercut by imports of emissions intensive cement, this year CRH expressed confidence in the EU Carbon Border Adjustment Mechanism (CBAM) and Emission Trading System (ETS) reform, noting the trial phase has been effective and timelines are being respected.

The company confirmed 15% of long-term incentives remain linked to ESG metrics (net zero, sustainable products growth, inclusion & diversity), while 20% of short-term incentives are now ESG-linked.

In progress CRH: CRH is exploring blending of secondary materials (gypsum, fly ash, slag) and carbon upcycling to reduce demand for virgin resources. Projects remain early-stage with low technology readiness levels but are seen as critical to becoming its “own biggest supplier”. While clinker substitution and alternative fuel remain central and LAPFF continues to press for greater clarity on short, medium and long-term targets, CRH confirmed that specific targets are set internally and not disclosed publicly. Plant-level roadmaps are developed bottom-up and then consolidated into global strategy, taking account of fuel supply, regulation, and market acceptance.

Demand for low-carbon, premium products (e.g. calcined clay, reclaimed fly ash, SEM variants) is growing. Pricing is passed through where customer incentives exist, but market acceptance varies. CRH remains cautious about potential undercutting from non-green imports but is optimistic CBAM will provide adequate protection. LAPFF will

continue to track the competitiveness and integrity of low-carbon cement offerings.

While sustainability remains a priority, CRH acknowledged political headwinds (e.g. U.S. federal shifts) and structural challenges (e.g. lack of landfill tax, absence of co-processing systems) may slow adoption in the US American market relative to Europe.

Achieved Heidelberg: The Forum met with Heidelberg in Q3 2025 for the first time after some previous correspondence. The Forum was interested to hear how Heidelberg delivered the first full-scale CCS project in the cement sector, at its Brevik plant in Norway. The plant captures CO₂ and stores it under the North Sea. The company described the success as a “moon landing” achievement which marks a unique industry-first after more than a decade of development.

The Forum raised questions on the real-life implications and operational practicality of decarbonisation in the plant, after reading Brevik is expected to capture 400,000 tonnes of CO₂ annually from 2025, including around 50% of its own plant emissions. Heidelberg confirmed it is working with DNV (Danske Veritas) as an independent auditor to verify CCS performance, including permanent CO₂ storage and blockchain-based carbon accounting, to avoid any risk of greenwashing.

Heidelberg also remarked that it is the only cement producer with an average clinker ratio below 70% and has upgraded its target to 64% by 2030. The company acknowledged that roughly 40% of clinker volumes are already under carbon pricing. Heidelberg emphasised that achieving its KPIs provides a cost advantage versus competitors, especially under CBAM.

In progress Heidelberg: Heidelberg’s decarbonisation strategy is heavily reliant on CCS projects that currently receive a substantial amount of government funding, with the company acknowledging that economic viability without subsidies remains unproven. Rising inflation and energy costs further challenge profitability, even as average cement pricing now reflects decarbonisation measures. The company note that ongoing dialogue with policymakers and peers (e.g. annual CCS

workshops, EU and UK collaboration) is central to progress. Heidelberg applies global rather than regional climate targets, creating competitiveness pressures in markets exposed to high-CO₂ imports. Ongoing policy support is therefore critical, and LAPFF will continue to monitor these dynamics closely.

The company also highlighted the availability of supplementary cementitious materials remains a bottleneck. The company is scaling limestone use and tailoring recipes to local markets, but further substitution depends on regulatory standards and material supply.

The Forum pressed Heidelberg on its environmental impact on biodiversity and the actions the company is taking to mitigate its impact. The company stated it is increasing circular feedstocks and exploring water management systems, biodiversity assessments, and AI-driven plant safety tools. Progress varies by region, and plant-specific constraints remain. This is an area of interest that the Forum will return to with the company.

ASIA RESEARCH AND ENGAGEMENT

Objective: LAPFF continues to be actively involved in Asia Research and Engagement’s Energy Transition Platform, which engages major financial institutions in Asia to improve their alignment with a 1.5°C pathway. Engagements focus on enhancing disclosure, strengthened transition finance frameworks, and the adoption of clearer policies on new financing for higher-emission energy sources, such as coal and oil sands.

Achieved: LAPFF met with Bank Mandiri and CIMB in the quarter.

Bank Mandiri confirmed coal remains around 4–5% of its loan book, with exposure expected to change in step with Indonesia’s energy mix, which projects coal demand to peak by 2033. Mandiri is developing sectoral decarbonisation pathways, starting with energy, and reported renewable financing now accounts for 24% of its energy mix lending. The bank acknowledged

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challenges in emissions data coverage (currently 56% of its portfolio) but expects improvements as new Indonesian disclosure standards come into force by 2027. It has begun offering “transition loans” tied to measurable climate KPIs, though only one has been completed to date. Mandiri also highlighted growth in sustainable finance (+10.8% from the previous year) and is exploring how to incorporate just transition principles into its lending, noting this remains at an early stage.

CIMB outlined progress against its 2019–2024 sustainability targets, noting a stronger focus on sustainable finance in its 2030 strategy (MYR 300bn target) and an internal carbon tax rising to MYR 335/t by 2030. The bank confirmed thermal coal exposure has fallen 48% since 2021, with a full phaseout targeted by 2040, and tighter client restrictions introduced from 2025. CIMB acknowledged challenges around green finance uptake in emerging markets but highlighted growth in sustainable finance and transition advisory services.

In Progress: Finance and energy companies in Asia remain heavily influenced by government regulation and national energy policies, which can slow the pace of transition. LAPFF will therefore continue to engage banks on how they intend to align with 1.5°C scenarios despite these structural challenges, particularly where coal and other high-emission energy sources remain part of short to medium term transition plans.

ENVIRONMENT

WATER STEWARDSHIP

LAPFF recognises water risk as cutting across multiple industries, including mining, energy, water utilities, and food and drink, where failures can have severe social, environmental, and financial consequences. In this respect, LAPFF is engaging companies on water stewardship from two key perspectives: the risks of water resource use and scarcity, and the human rights impacts that arise when access to clean water is compromised. These issues are



The River Kelvin in GLasgow

particularly material for water-intensive sectors such as mining and food and beverage, where poor management can heighten social, environmental, and financial risks. At the same time, LAPFF is addressing water pollution, focusing on sewage discharges in the UK utilities sector and the growing threat of persistent contaminants such as PFAS “forever chemicals,” which pose long-term risks to ecosystems, public health, and corporate accountability.

For water-intensive industries and companies operating in water-stressed regions or near vulnerable communities

(including Indigenous peoples) climate change is amplifying risks by intensifying scarcity and quality challenges. This creates operational, regulatory, and reputational pressures. Access to safe, sufficient, and affordable water and sanitation underpins public health and sustainable development, consistent with SDG 6 and the principles of the Valuing Water Finance Initiative (VWFI). Poor management, whether through over-use, pollution, or inadequate provision for communities, can result in human rights impacts and significant financial harm. Water stewardship is therefore a

Image: Alamy

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fundamental component of responsible business and human rights with investors increasingly expect companies to embed water stewardship and human rights due diligence into corporate strategy and risk management.

Water pollution is another pressing concern and remains a focus of LAPFF's engagement with the UK water sector. Sewage discharges from storm overflows are a particular longstanding issue, with monitoring data showing hundreds of thousands of spill events each year. Despite new requirements for companies to publish real-time information, 2024 Environment Agency data confirmed spill counts and durations remain at historically high levels. This has reinforced pressure on water utilities companies to accelerate investment in network upgrades, storage capacity, and treatment resilience, particularly to protect bathing waters, rivers, and other sensitive ecosystems.

In addition to environmental and reputational risks of overflows and sewage spills, attention is also now turning to PFAS "forever chemicals," which are highly persistent in UK Water and linked to potential health risks. A recent study, funded by the environmental charity Fidra, highlighted growing concerns about chemical pollution in UK rivers, particularly the presence of trifluoroacetic acid (TFA), a type of PFAS or "forever chemical." Traces of TFA were found in 98% of samples from 32 rivers across the UK, with the highest concentrations in the River Kelvin (Glasgow) and none detected in the River Ness (Highlands). TFA is formed through the breakdown of pesticides, refrigerants, and other synthetic chemicals, and has been detected in human blood, breast milk, food, and wine in the EU. While acute toxicity is not the main risk, German scientists have raised concerns about potential reproductive toxicity from long-term, low-level exposure, and Germany's Environment Agency has applied to classify TFA as toxic for reproduction and environmentally harmful. With no UK regulations currently in place, the Drinking Water Inspectorate has commissioned research, while Water UK has called for a ban and campaigners are pressing for a national removal plan.

LAPFF's objective is to press companies manage water responsibly by

embedding stewardship and human rights due diligence into strategy and operations, reducing risks from scarcity and pollution, and safeguarding ecosystems, communities, and long-term investor value to protect the environment and restore public trust. In Q3, LAPFF engagement activities under water stewardship focused on pollution and water utilities companies and sustainable water use with the food and beverage sector.

Objective: LAPFF continues its engagement with UK water utilities in 2025 as the sector faces mounting scrutiny from the public, policymakers, regulators, and investors over environmental performance — particularly the persistent issue of storm overflow pollution. Further adding to the challenges the sector faces, in July 2025, the UK government announced that OFWAT will be abolished and replaced with a single, more powerful body combining the responsibilities of OFWAT, the Environment Agency, Natural England, and the Drinking Water Inspectorate. This arguably marks the most significant overhaul of water sector regulation since privatisation.

Despite storm overflows being permitted during extreme weather events to prevent flooding and sewage backing up into homes, the frequency and duration of discharges remain unacceptably high. Environment Agency data for 2024 recorded a total of 3.61 million hours of sewage spills (the highest on record) with only marginal improvements in spill frequency compared to prior years. Industry investment is beginning to show some effect, but progress has been slow and public confidence remains low. As such, objectives for this year's meetings with the Chairs of Pennon and Severn Trent include: assessing the company's environmental performance, particularly in relation to persistently high levels of storm overflow spills; understanding company views on the abolishment of OFWAT and the implications for future regulation of the UK water sector; and examining steps taken to address the presence of trifluoroacetic acid (TFA) and other 'forever chemicals' in Britain's rivers. LAPFF has scheduled an additional meeting with United Utilities in Q4 of 2025.

Achieved Pennon: LAPFF met with

the Chair of Pennon and the outgoing CEO. The company confirmed active engagement with OFWAT and the UK Department for Environment, Food & Rural Affairs (DEFRA), emphasising the urgency of moving from policy discussion to action. LAPFF raised the findings of the Independent Water Commission, chaired by Sir Jon Cunliffe, which concluded that the current water regulation system in the UK is broken. Pennon welcomed the review's recommendations on government leadership, regional planning, and regulatory reform.

Pennon, owner of South West Water (SSW), highlighted significant improvement recognised in the Environment Agency's progress report, with South West Water named as one of the biggest improvers. The company has a £3.2bn investment programme underway, with a major focus on storm overflows and wastewater treatment. Key achievements include SSW reporting a more than 50% reduction in pollution incidents in the first half of 2025 compared to the same period in 2024, alongside longer-term improvements in sewer flooding and network performance. Operational actions include redesigning water pumping stations, expanding sewage monitoring systems (with full monitoring in place since 2022), and removing 15,000 spills from the system.

On governance, Pennon reported strengthened systems and controls over data and reporting, with greater transparency and clear escalation processes to the Board. The CEO succession process is being managed carefully to minimise disruption, with both internal and external candidates under consideration. While acknowledging the challenges facing the sector, LAPFF noted that Pennon remained positive and forward-looking.

In progress Pennon: Weather variability (wet versus dry years) continues to affect pollution incident data, and Pennon will need to adapt operations further to manage climate-related extremes while maintaining focus towards environmental goals. Although improvements have been made, the South West's coastal geography presents ongoing challenges. The company has set a target to reduce average spills from 41 (2024) to 16.5 by 2030, which will

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Image: Alamy

Tittesworth Reservoir reservoir near Leek, Staffordshire

require sustained investment and strong community engagement.

As the UK's regulatory landscape shifts, Pennon noted it is closely monitoring potential reforms, although from the LAPFF perspective, uncertainty over timing and clarity of changes remains. LAPFF will also follow with interest the announcement of Pennon's new CEO. Recruitment remains sensitive given sector-wide reputational issues and constraints on executive remuneration imposed by regulators. Pennon emphasised its aim to strike the right balance between fixed and variable pay, while acknowledging that these constraints could affect the company's ability to attract top talent compared with other utility sectors.

Achieved Severn Trent: LAPFF met with Severn Trent's Chair, Christine Hodgson, and the company's investor relations lead. The company described active engagement with regulators during the transition to a new, consolidated regime following the Independent

Water Commission's findings, and emphasised the need to move quickly from policy design to delivery. Severn Trent has retained a 4-star Environment Agency EPA rating for five consecutive years, noting they are the only UK water company to do so over this period, and reported the lowest average storm-overflow spills in the sector in 2024, supported by >2,000 targeted interventions and £1.5bn AMP8 spend approved for overflows.

Year-to-date (Jan–Jun) performance shows a 65% reduction in spills and 72% reduction in spill duration versus the prior year, with average spills expected to fall to ~18 per overflow by December 2025 and to 14 by 2030, ahead of government targets. The company outlined a £14.9bn AMP8 programme (an increase on its original proposal), including enhancement investment across river health, storm overflows and resilience, alongside a £575m affordability package aimed at ~693,000 households by 2030.

On emerging pollutants, Severn Trent presented PFAS monitoring (>100,000

tests since Jan 2023), a practical treatment programme (eg. Witches Oak Water Treatment Work (WTW) commissioning to treat Tier 3 PFAS levels and advance treatment solutions development work with Chemviron, CPL, IXOM and Lummus), and the highest AMP8 PFAS investment allocation to accelerate risk reduction.

In progress Severn Trent: While spill frequency is trending down, the average duration per spill rose to 7.3 hours in 2024 (from 7.0 in 2023), underlining the need to strengthen the network against 'wet-year' variability and deliver the AMP8 storage, treatment and nature-based solutions at pace. Achieving the trajectory to ~18 average spills per overflow by end-2025 and ~14 by 2030 will require sustained capex execution, supply-chain capacity and community engagement.

Regulatory uncertainty remains a sector-wide risk as Ofwat is dismantled and functions migrate into a new "super-regulator" over an expected two-year

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transition. Severn Trent must also plan for the England/Wales split in economic regulation given its Hafren Dyfrdwy operations.

Ofwat's July 2025 draft determination asked Severn Trent to revise elements of its 2025–30 plan. The company is resubmitting ahead of a final decision due in December 2025. LAPFF will track deliverability, bill impacts and the effectiveness of the £575m affordability package.

On PFAS/TFA and other emerging pollutants, Severn Trent intends to use its AMP8 allowance and the PR24 “notified item” safety net if standards tighten, but practical risk reduction (treatment plus destruction) and transparent reporting will be central to maintaining public confidence.

Finally, given ongoing public scrutiny, including past enforcement actions and the 2024 Panorama accounting allegations (which the company disputes), LAPFF will continue to monitor governance, remuneration balance, and assurance over data and dividend policy alongside environmental outcomes.

Objective Coca Cola: LAPFF engaged with The Coca-Cola Company in Q3 to understand the basis for recent changes to its 2035 Water Strategy. These changes include the removal of its 100% sustainable sourcing goal for key agricultural ingredients; the extension of its 2023 pledge to improve 60 critical watersheds by 2030 to a less ambitious 2035 deadline with a narrower location-based focus; and the omission of water quality, WASH (Water, Sanitation, and Hygiene), and ecosystem protection from its 2024 environmental goals. This engagement served as an opportunity to continue the dialogue started through the Valuing Water Finance Initiative (VWFI) investor letter sent to Coca-Cola in January 2025. The letter emphasised growing investor focus on water risk management and the urgent need to address supply chain-related water risks.

Achieved Coca Cola: In LAPFF's investor meeting, The Coca-Cola Company reiterated that water remains its top priority, citing that since 2015, it has replenished more than 100% of the water it uses in finished products globally, on an aggregate level, to nature and communities, reaching 148% in 2023.

However, this headline figure does not address mounting concerns about weaker ESG commitments. LAPFF pressed the point that Coca Cola appears to have rolled back several water-related goals, including the removal of time-bound targets for sustainable agriculture and dropping its commitment to certify all concentrate sites (where the company manufactures the concentrated syrup or beverage base) under the Alliance for Water Stewardship (AWS) Standard by 2025, while also extending other goals, such as watershed restoration and emissions reductions, to 2035. Although the company presented this change as a simplification and refinement of targets and commitments, focusing on areas it can directly control, LAPFF raised concerns that this represents a dilution of ambition, credibility, and accountability from an investor perspective.

The Coca-Cola Company highlighted its Foundation's \$40m commitment to WASH (water, sanitation, and hygiene) projects in high-stress areas. While LAPFF recognises this as a positive step, the initiative is limited in scale when set against the company's global water footprint and the significant financial risks posed by the fact that one-third of its facilities are located in high water-stress regions.

LAPFF also raised governance concerns, including the combined Chair/CEO role and the extended tenure of several independent non-executive directors, which risk undermining board independence.

In progress Coca Cola: While Coca Cola said it would take on board LAPFF's concerns, the company's reliance on “voluntary goals” and its tendency to frame reduced commitments as “evolving” strategies continues to raise concern for the Forum.

LAPFF emphasised that water risk is a material financial issue and the need for measurable targets and stronger accountability. The company maintains it has a handle on this through reliance on local assessments, partnerships, and replenishment programmes. In response to LAPFF's question on governance, Coca Cola acknowledged LAPFF's position and committed to consider LAPFF's feedback.

The company stated willingness to engage in ongoing dialogue with LAPFF on water strategy, supply chain management, and governance.

NATURE & BIODIVERSITY

Objective: It has been two years since the Taskforce on Nature-Related Financial Disclosure's (TNFD) final recommendations were published, encouraging businesses to assess, report and act on their nature-related dependencies, impacts, risks and opportunities. For those companies with the most material negative impacts on nature, LAPFF asks companies to make public commitments to mitigate nature loss. Companies are also expected to provide detailed disclosures on



Pfizer Inc., in San Diego, California

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how these commitments inform their assessment and disclosure of material dependencies and impacts on nature. Finally, companies should outline the specific steps being taken to address these dependencies and impacts across both operations and supply chains.

Achieved: As a part of its continued engagement with Nature Action 100 (NA100), LAPFF led a meeting with Pfizer. This is the first time investors have met with the company as part of the initiative but builds on a wider set of engagements that LAPFF has been involved in with others in the pharmaceutical sector. Pfizer acknowledged the link between climate change and biodiversity and outlined the findings of its first biodiversity risk assessments, conducted in 2023, which identified manufacturing and R&D sites near sensitive ecosystems.

The group emphasised the importance of transparency around assessments of material impacts and dependencies, noting that disclosure of salient issues is a foundational step before targets and governance structures can be integrated. Pfizer recognised this and noted that nature-related issues remain under consideration alongside its current resource prioritisation on net zero and water stewardship, including longstanding work on pharmaceuticals in the environment and antimicrobial resistance.

Outside of LAPFF's collaborative engagement work through NA100, the Forum identified several major global companies that have large dependencies on natural resources based on their business model. As a result, LAPFF wrote to WH Group, Tyson Foods, Bunge, Marubeni Corp, International Paper Company, Archer-Daniels-Midland (ADM), requesting detailed information on LAPFF's objectives. Of these, Bunge responded and provided details of its current approach to nature and invited LAPFF to attend a group investor call on ESG due to be held later this year.

In Progress: LAPFF will continue to press companies on the integration of nature-related risks into their governance and disclosure frameworks, particularly in line with the TNFD recommendations. LAPFF is monitoring whether companies already engaged are beginning to translate commitment into

tangible actions on biodiversity, water stewardship, and supply chain risks. It will also continue to assess company progress as further disclosures and reports are released. Where companies without sufficient approaches to mitigating negative impacts on nature and biodiversity, and do not respond to LAPFF's requests for engagement, escalation will be considered.

SOCIAL FACTORS LUXURY GOODS

LVMH Moët Hennessy Louis Vuitton (LVMH)

Objective: LAPFF has undertaken a series of engagements with luxury goods manufacturers to encourage better practice and disclosures on how the sector manages human rights risks. LVMH has had two Maison subsidiaries in Italy placed under court administration: Dior in 2024, and more recently Loro Piana in July 2025. LAPFF focused this engagement on a deep-dive into the company's audit and remediation processes, specifically examining the Loro Piana case, having discussed Dior during a previous meeting.

Achieved: LVMH provided further details regarding how the issue at Loro Piana had been uncovered, and the ongoing work being undertaken to enhance its human rights due diligence. LVMH noted that there were parts of this process that it was unable to publicly report due to the court administration order. However, the company was able to provide reassurance to LAPFF that its audit programme was working as intended. LAPFF had previously written to LVMH suggesting inclusions for its upcoming standalone human rights policy and reiterated that LVMH should make a clear commitment to the UN Guiding Principles on Business & Human Rights, with detailed, transparent disclosures on how risks were being prevented and mitigated.

In Progress: LAPFF will monitor LVMH's ongoing human rights due diligence with respect to its Loro Piana court

administration and will seek to engage on new information that comes to light in its next round of reporting.

CONFLICT AFFECTED AND HIGH-RISK AREAS (CAHRAS)

Objective: LAPFF has increased its engagement on companies exposed to CAHRAs, extending its engagement focus on the issue. LAPFF now aims to cover a wide range of sectors and geographies where CAHRAs pose serious risks to companies.

Where companies are exposed to these risks, LAPFF expects them to undertake heightened human rights due diligence (hHRDD) in line with the UN Guiding Principles on Business and Human Rights, and the UN Development Programme's guide on hHRDD in CAHRAs. This includes companies undertaking conflict analysis, thorough human rights impact assessments, strengthening of supply chain oversight, ensuring that contracts and business relationships do not contribute to abuses, and more thorough engagement with affected stakeholders amongst other elements. Companies exposed to these risks need to demonstrate a more in-depth and thorough degree of due diligence than those operating outside of a CAHRA context.

Achieved: Banks

The finance sector faces reputational, legal, and operational risks from exposure to CAHRAs, particularly where investments, lending, and financial services are connected to human rights abuses or conflict financing. Reputational risks arise from public scrutiny and potential loss of client and investor trust, while legal risks stem from tightening regulatory frameworks and litigation linked to complicity in abuses. Operational risks include disruptions to business relationships, defaults, and long-term value erosion when companies or projects in CAHRAs are associated with instability or rights violations.

After writing to four Australian banks

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in Q2 2025, LAPFF met with three of them in Q3 and received a written response from the other.

Despite the majority of its loan book being domestically orientated, the National Australia Bank (NAB) does provide some corporate financing to companies that are exposed to high-risk sectors like fossil fuels and mineral extraction. NAB did not disclose specific examples of where it has exerted influence over client activities but was able to provide an anonymised example in which the bank had provided corporate finance to a company that had supply chain links in a high risk country. NAB provided an overview of how it had approached this issue and influenced change in supply chain practices.

ANZ Bank noted that while it does not currently have a CAHRA-specific policy, customer and portfolio risks are monitored through country and sector screening, with larger clients reviewed annually. Enhanced human rights due diligence is embedded in the credit process, supported by external datasets such as Transparency International and Sustainalytics. The bank's salient human rights issues include Indigenous rights, data privacy, and the safety of its people, with its Human Rights Statement updated earlier this year. ANZ outlined examples of decision-making in higher-risk markets, including its long-standing operations in Papua New Guinea, where it engages with government, NGOs, and communities. The bank emphasised that it has declined finance in certain cases and leverages its customer relationships to influence practices linked to human rights risks.

The Commonwealth Bank of Australia's (CBA) business model is primarily domestic-focused, with operations centred in Australia and a subsidiary in New Zealand (ASB Bank). The bank provides a full range of retail and commercial banking services in these markets. Despite largely providing retail banking services and serving small-to-medium enterprises, a small portion of its business is in institutional financing. The bank was able to clearly lay out its escalation process, and how it approached both clients with higher levels of risk in relation to human rights.

Oil & Gas

During Q3 LAPFF met with Eni and TotalEnergies to discuss exposure to

CAHRAs.

The meeting with TotalEnergies explored both the company's broad approach to human rights in CAHRAs as well as a deep dive into its Mozambique LNG project, which was closed in 2021 due to force majeure. TotalEnergies described its reliance on both internal intelligence teams and external experts to conduct conflict analysis and due diligence, highlighting that ex-military staff provide updated regional risk assessments. The company reiterated that misuse of force is its primary human rights lens in CAHRAs and referenced lessons from past exits, including Myanmar. In relation to Mozambique, TotalEnergies spoke about the establishment of its US\$200m community foundation and broader socio-economic projects in Cabo Delgado, aimed at addressing root causes of social unrest.

Eni outlined how its risk management process, explaining that security risk was one of the company's top nine risks, encompassing how it approached CAHRAs. It detailed that its salient risks are continually assessed at board level on a six-monthly basis. The company described a structured security risk management process that combines external country risk mapping with site-specific vulnerability assessments, ensuring consistency across operations. Eni also highlighted its human rights due diligence model, covering its workforce, value chain, communities, and consumers, with findings publicly disclosed through dedicated human rights impact assessments. Eni demonstrated examples of best practice, including mandatory human rights clauses in all joint venture agreements and contracts, joint audits with partners, and proactive conflict analysis tools applied in countries such as Mozambique and Nigeria. The company also emphasised its active participation in the Voluntary Principles on Security and Human Rights, with regular workshops and training in high-risk regions.

UN Special Rapporteur Report on the Occupied Palestinian Territories

In response to a report published in July by the UN Special Rapporteur on the situation of human rights in the Palestinian Territory occupied since 1967 (A/HRC/59/23). LAPFF wrote to a number of companies listed in the report,

with the aim of advancing the Forum's understanding of company approaches to human rights due diligence in conflict-affected and high-risk areas (CAHRAs). Microsoft has since responded, sharing several of its publicly available materials on the subject and informing LAPFF that further detail on its approach to CAHRAs will be included in its upcoming annual report.

Electric Vehicles

Honda

In Q1 2025, LAPFF requested engagement from several electric vehicle manufacturers considered to be laggards with regards to managing human rights risks within their mineral supply chains. LAPFF met with Honda this quarter, whose approach was largely reliant on the Responsible Mineral Initiative's audit programme, alongside EcoVadis supplier surveys to manage human rights risks. The company's disclosures on its audit programme are limited in scope and do not provide a breakdown of non-compliance or how such instances are managed. LAPFF requested that the company provide more detailed breakdowns of how it assessed risks associated with individual minerals, and to publish more transparent information on its audit programme.

In Progress: LAPFF continues to expand its work on CAHRAs, engaging with companies across sectors where exposure to conflict risks is most acute. LAPFF will continue to emphasise the importance of public reporting, escalation processes, and demonstrable examples of positive influence in high-risk contexts. LAPFF will be maintaining dialogue with both financial institutions and corporates to encourage stronger alignment with international standards such as the UNGPs and the UN Working Group's guidance on hHRDD.

GOVERNANCE

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EXECUTIVE REMUNERATION

Objective: During Q3, LAPFF intensified its engagement with listed companies across Europe and the U.S., following a wave of significant shareholder dissent on remuneration during the 2025 AGM proxy season. These conversations focused on uncovering key drivers behind investor opposition and assessing how companies are responding to mounting shareholder concerns. By probing both the rationale for dissent and the corrective actions being considered, LAPFF sought to gain a clearer picture of governance practices and the extent to which boards are aligning executive pay with long-term shareholder value.

Prysmian

Achieved: LAPFF engaged for the first time with Prysmian, an Italian multinational specialising in the design, manufacture and installation of energy and telecommunications cables and systems. The company's remuneration report was rejected by 58.9% of shareholder votes cast this year.

Concerns centred around the severance package awarded to outgoing CEO Valerio Battista, who stepped down from the executive role but remained on the board. Shareholders viewed this as a "double benefit," inconsistent with a clean departure. Prysmian explained that, as an Italian-listed company, executive contracts fall under the statutory 'Dirigente' category, which includes mandatory severance provisions, even in cases of consensual departure. The package had been agreed in 2015, fully disclosed, and later reduced. The board defended Mr Battista's continuation as a director, emphasising his central role in Prysmian's growth and the stability his presence provided.

The company also addressed shareholder concerns over its long-term incentive (LTI) design, which is currently based on three-year relative TSR performance. LAPFF encouraged the addition of safeguards such as an absolute TSR underpin or dual thresholds to ensure payouts reflect genuine value creation, particularly in volatile markets. Prysmian confirmed that while no changes can be made retroactively,

shareholder feedback is being actively considered in the 2026 Long Term Incentive (LTI) design process.

On health and safety, Prysmian outlined a strong governance framework for its ESG-linked metrics. The company noted that 75% of its 108 plants are audited annually, with audits conducted by independent third parties and frequency determined by performance scores. Health and safety acts as a performance underpin for ESG metrics; in the prior year, a single fatality resulted in a zero ESG score across the company, despite other KPIs being met. Prysmian is also trialling innovations such as robotised forklifts and redesigning plants to reduce high-risk activities, while ensuring that subcontractors are held to the same safety standards as employees.

In progress: LAPFF will be watching closely to see how Prysmian responds to dissent on its remuneration report and whether the company strengthens performance safeguards, such as incorporating absolute measures alongside relative TSR to better align executive pay with long-term investor outcomes.

Another area to monitor is how effectively Prysmian communicates the role of Italian labour law in shaping severance arrangements. Clearer explanation of jurisdictional context may be important in reducing shareholder

concerns about perceived inconsistencies in executive exits.

On health and safety, the consistency and transparency of safety metrics in pay – and the extent to which they drive genuine improvements rather than underreporting – will remain central to investor scrutiny.

Infineon

Achieved: LAPFF has an established history of engagement with German manufacturer Infineon, having previously met with the Chair in 2021 on climate change. More recently, investor attention has shifted towards remuneration. At its February 2025 shareholder meeting, 43.32% of shareholders voted against the company's remuneration report – a sharp increase from 12.3% in 2023 and just 1.01% in 2024. Although the proposal passed, the scale of dissent signalled growing investor concern.

In response, the supervisory board has introduced several changes to the remuneration structure. ESG targets remain at 20%, while the former 80% TSR weighting has been halved: 20% is now measured against a defined semiconductor peer group, and 20% against the DAX. The remaining 40% is tied to Infineon's Target Operating Model, setting profitability and cash flow goals to close the gap with peers, the company reported that this has been well received



Company headquarters of Infineon in Neubiberg

Image: Alamy

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by investors.

Further governance changes include removing the discretionary short term incentive (STI) modifier, extending the LTI period from four to five years with an additional holding requirement, broadening malus and clawback clauses, and phasing out change of control provisions in management contracts. On quantum, the supervisory board has proposed staged increases of 27% for the CEO and 13% for other directors, concentrated in variable pay, with base pay unchanged. Benchmarking against semiconductor peers was cited as the rationale, with the board arguing that more competitive pay is necessary to attract and retain senior talent in a highly specialised market.

In Progress: Looking forward, LAPFF will want to see how Infineon's revised remuneration structure performs in practice and whether it meaningfully strengthens the link between executive pay and long-term value creation. Particular attention will fall on the balance between relative TSR, DAX performance and the Target Operating Model, and whether these adjustments alleviate past concerns.

The proposed increases to pay levels will also be closely scrutinised, with a focus on whether they are proportionate, transparently communicated, and aligned with internal equity across the wider workforce.

Genmab

Achieved: LAPFF met with biotechnology company, Genmab, to discuss ongoing shareholder dissent around remuneration, which has seen opposition levels of 37% and 40% in recent years. The company attributes much of this to differences over peer group selection, as it benchmarks against US biopharma peers while many investors continue to view it as a European company. Genmab defended its global pay structure approach by pointing to its international footprint and the need to remain competitive in attracting senior executives, most of whom are U.S. based.

The company acknowledged the misalignment between executive payouts and shareholder returns, noting that long-term incentives are heavily weighted toward pipeline progression rather than

financial results, reflecting the company's reliance on milestone achievements as it transitions away from royalty-driven revenues to a fully integrated pharma model.

Furthermore, while Genmab has expanded disclosure retrospectively and reduced short term incentive payouts in recognition of underperformance, LAPFF highlighted that the absence of forward-looking disclosure on performance thresholds makes it difficult for shareholders to assess whether executive rewards are genuinely linked to delivery.

In Progress: A key area for improvement will be providing more transparent, forward-looking disclosure on performance metrics and vesting thresholds. This would help reassure investors that executive rewards are genuinely linked to outcomes rather than retrospective justification.

In addition, governance concerns remain: the chair of the remuneration committee has served for 22 years, with other members also long tenured, raising questions about board independence and refreshment. With royalty revenues expected to decline significantly by the end of the decade, investors will also be watching to see whether Genmab can successfully scale its own commercial portfolio and demonstrate profitability. Together, these factors will shape how shareholders judge the appropriateness of future pay structures.

BE Semiconductor (Besi)

Achieved: LAPFF engaged for the first time with the Dutch semiconductor designer and manufacturer, Besi, following significant shareholder dissent at the 2025 AGM on the company's remuneration policy. Investor concerns arose over the final application of the 2019 policy that was valid from January 2020 to year end December 2023. It included a discretionary element allowing awards of up to 120,000 shares for outstanding performance. In January 2024, the Board met to assess company performance in 2023 based on three assessment elements:

- Net income return
- Average return on equity
- Generation of cash from company operations

The performance of the company

was deemed 'outstanding' and so the obligation of the board, according to the shareholder-approved policy, was to award the maximum package, 120,000 shares. However, when the policy was adopted in 2019, Besi's share price stood at around €25 but by 2023, it had risen above €100, substantially inflating the potential value of share-based awards.

In response, the Supervisory Board used its discretion to reduce the maximum payout by 20%, from 120,000 to 96,000 shares and then further to 70,000 after consultation with management. However, many shareholders still viewed the award as disproportionate given the wider macroeconomic tailwinds that had boosted valuations across the sector. This disconnect contributed to significant opposition despite the company meeting its 'outstanding performance' threshold.

Besi highlighted that the new remuneration policy (valid from 2024-2027) directly addresses shareholder concerns by removing all discretion and introducing a hard cap of 10 times base salary, with awards linked to share price rather than fixed share quantities.

In Progress: Shareholders remain concerned that parts of the previous incentive design allowed payouts even at or below median performance, raising questions over alignment with long-term value creation. LAPFF will continue to monitor whether Besi's revised policy, with its strict cap and rules-based design, adequately addresses these issues in practice.

Another focus will be the robustness of STI metrics. While Besi insists that most are quantitative and rigorous, some investors perceive them as overly tailored or discretionary relative to peers. The company's ability to clearly demonstrate the challenge level of targets and benchmark them transparently against competitors will be central to restoring shareholder confidence.

Finally, given Besi's long-term track record (TSR up 20 times over the past decade, with one-third of revenues distributed through dividends and buybacks), investors will expect remuneration structures to ensure that future payouts reflect sustainable performance rather than market-driven valuation gains.

ENGAGEMENT

Pandora

Achieved: LAPFF engaged with Danish jeweller Pandora following shareholder dissent (47.78% opposed) at the 2025 AGM, primarily linked to a special bonus awarded to the CEO. Concerns focused on the vesting period (2 years plus one-year holding period), which was not aligned with the company's standard LTIP framework (3 years plus 2-year holding period). While Pandora subsequently amended the terms to meet the standard total lock-in in response to investor feedback, the change occurred after votes had been cast.

The company emphasised that its remuneration policy allows for the granting of special bonuses when deemed necessary by the board. Pandora described this award as a one-off, justified in the interests of the company, although details could not be disclosed for competitive reasons. The board also stressed the importance of benchmarking against European peers and C25 companies, while acknowledging the need to remain competitive in attracting international talent.

A key area of debate with LAPFF was performance target disclosure. Pandora currently discloses performance metrics and weightings but not numeric targets, citing commercial sensitivity – particularly around financial and TSR-related measures linked to product launches and strategic ambitions. The company argued that even retrospective disclosure could compromise future plans. While some peers do disclose targets, Pandora maintains that its business model makes such transparency not viable on grounds of commercial sensitivity. The company committed to considering retrospective disclosure for certain “softer” targets at a future board meeting, as well as clarifying communication to shareholders around the exceptional nature of the CEO award.

In progress: From LAPFF's perspective, concerns remain over the lack of quantitative disclosure, which makes it difficult for shareholders to assess the level of challenge embedded in Pandora's incentive plans. Repeated use of similar performance metrics across the STI, LTI, and special award risks create the perception of executives being rewarded multiple times for the same

achievements.

LAPFF further stressed that in periods of unprecedented market conditions, disclosure becomes even more important. Without numeric targets, it is hard to separate rewards earned through genuine executive delivery from those inflated by external macroeconomic factors. Pandora has committed to reviewing whether retrospective disclosure could be expanded, particularly for non-financial measures, with the Board, and LAPFF will monitor this.

COLLABORATIVE ENGAGEMENTS

PRI Advance Vale

In Q3, LAPFF secured a meeting with Vale, scheduled for October 2025, which will be reported on in the Q4 QER. This meeting will request further disclosure on how employee and community feedback is collected, managed, and integrated into board-level oversight. The group remains particularly interested in findings from Vale's 2024 Community Perception Survey, as well as employee feedback mechanisms and their role in shaping Vale's broader social strategy.

Additionally, the PRI Advance group is planning to meet with Earthworks, non-profit environmental organisation based in the US, in September to discuss their April 2025 report on Vale's Brazilian operations (meeting details to be confirmed). The group also noted that Vale will also host a field trip to Brumadinho during PRI in Person Brazil later this year, and the group will await feedback from this visit.

Vale shared its ESG newsletter with investors on 18 August 2025. Updates in this newsletter included information on dam safety, sustainability, and governance and transparency, as summarised:

DAM SAFETY

Vale reported progress on dam safety, with the Forquilha III dam's emergency level reduced from 3 to 2, meaning the company no longer has any dams at the highest risk level. In addition, Vale has

completed the full implementation of the Global Industry Standard on Tailings Management (GISTM) across all of its tailings dams, reinforcing its alignment with best practice in the mining sector. The company also expressed support for the newly created Global Tailings Management Institute, signalling ongoing commitment to improving industry-wide standards. Separately, the Xingu Dam at the Alegria Mine in Mariana had its emergency level downgraded from 2 to 1 following geotechnical improvements, enhanced monitoring systems, and advanced technical studies confirming its structural stability.

SUSTAINABILITY

Vale announced it has reached 50% of its Voluntary Forest Goal for 2030, conserving 200,000 hectares of forest areas. This milestone demonstrates progress towards the company's longer-term commitment to biodiversity and environmental protection.

GOVERNANCE & TRANSPARENCY

Vale achieved 100% adherence to the Brazilian Corporate Governance Code for the second consecutive year, exceeding market averages and aligning with the Novo Mercado standards. The company was also featured in a Global GRI and TNFD case study report, highlighting its efforts in managing nature-related dependencies, risks, and opportunities, and positioning itself as an example of advancing nature-positive ESG leadership. Furthermore, Vale released its first Sustainability-Related Financial Information Report, becoming the first company in Brazil to voluntarily adopt ISSB and CBPS standards ahead of regulatory requirements. The report set out the company's climate strategy, including emission reduction targets and R\$7.4 billion in investments since 2020, underscoring Vale's focus on opportunities linked to the energy transition.

ENGAGEMENT

CONSULTATION RESPONSES

Department of Business consultation – Exposure draft of UK Sustainability Reporting Standards: UK SRS S1 and UK SRS S2

LAPFF submitted a response in September 2025 to a consultation on sustainability reporting. The framework for the proposed sustainability standards comes from the IFRS Foundation, and LAPFF raised concerns about the restrictive nature of a central premise within the consultation, that: “the updated framework will seek to ensure that only information that is decision-useful is required to be disclosed and that this is provided in a format that best meets the needs of investors and other users.

LAPFF views the term ‘decision useful’

as problematic. It is not described in UK legislation. It is described by accounting standard setters but this can lead to tensions between standards and UK law. This is evident in the fact that “Useful for users” creates potential for contradictory implications as not all users are the same. A long only shareholder as user will require comprehensive quality information. However, a short seller, as a “user” may wish to have poor quality information to give them grounds to short the stock.

Similarly, as noted by the Judge in the Royal Bank of Scotland prospectus case¹, sell side analysts as users may want an edge in their research and wish for poor disclosure. By the RBS prospectus case “decision-useful” is contrary to the law concerning prospectus quality information. But “decision usefulness” has further harms to that set out above.

It is a limitation of scope as it omits the first order impact e.g. on the company of knowing there will be transparency on the behaviour of a company itself as the reporting party. A non-accounting

example would be the register of MPs’ interests. The reason for disclosure is a prohibitive effect in first instance, as opposed to being an after effect for third party consumption.

Directors are not “users” under the “decision useful” definition as they are viewed as having the ability to obtain information internally. However disclosure may be relevant to directors in bringing up information that otherwise would not be noticed by them. Such examples would be diversity disclosure by companies. Or deaths in a workforce.

LAPFF also had concerns about the scope of the term decision useful as it can potentially limit information to that which could impact the share price or investor decisions. This could end up restricting reporting on social and environmental risks. These could be viewed as immaterial when in fact not. It may lead to systemic risks not being reported on by individual companies as the focus will be inherently idiosyncratic risks. However, the combined impact could contribute to market-wide risks.

¹ [2015] EWHC 3433 (Ch), para 47

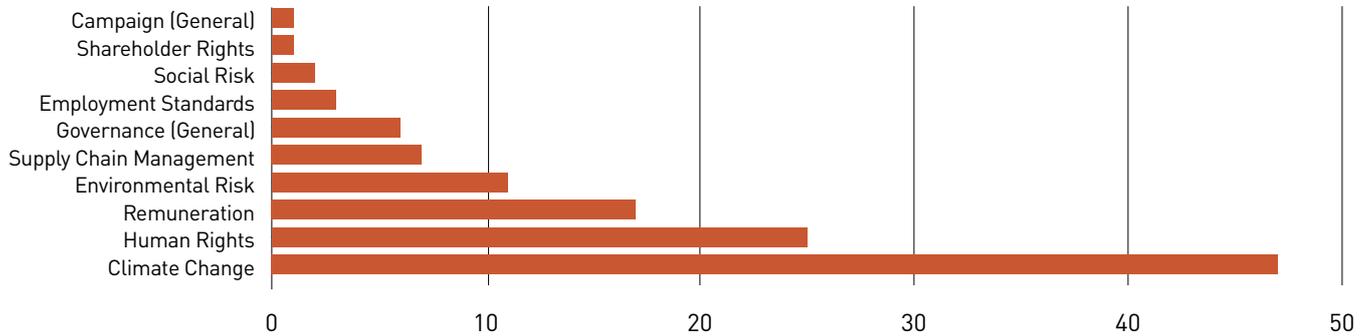
COMPANY PROGRESS REPORT

This dataset represents data taken from ‘Meetings’, ‘AGMs’ and ‘Received Correspondence’ only.

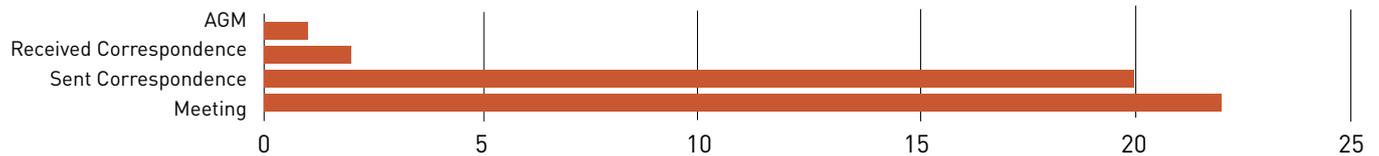
Company/Index	Activity	Topic	Outcome
ANGLO AMERICAN PLC	Meeting	Governance (General)	Change in Process
ANZ-AUSTRALIA & NEW ZEALAND BANK	Meeting	Human Rights	Satisfactory Response
BANK MANDIRI (PERSERO) TBK	Meeting	Climate Change	Small Improvement
BE SEMICONDUCTOR INDS NV	Meeting	Remuneration	No Improvement
BUNGE GLOBAL SA	Received Correspondence	Environmental Risk	Dialogue
CIMB GROUP HOLDINGS BERHAD	Meeting	Climate Change	Change in Process
COMMONWEALTH BANK OF AUSTRALIA	Meeting	Human Rights	Satisfactory Response
CRH PLC	Meeting	Environmental Risk	Dialogue
ENI SPA	Meeting	Human Rights	Satisfactory Response
GENMAB AS	Meeting	Remuneration	Dialogue
HEIDELBERG MATERIALS AG	Meeting	Environmental Risk	Dialogue
HONDA MOTOR CO LTD	Meeting	Human Rights	Dialogue
INFINEON TECHNOLOGIES AG	Meeting	Remuneration	Substantial Improvement
KINGFISHER PLC	Meeting	Employment Standards	Dialogue
LVMH (MOET HENNESSY - LOUIS VUITTON) SE	Meeting	Human Rights	Moderate Improvement
MICROSOFT CORPORATION	Received Correspondence	Human Rights	Dialogue
NATIONAL AUSTRALIA BANK LIMITED	Meeting	Human Rights	Satisfactory Response
PANDORA AS	Meeting	Remuneration	Dialogue
PENNON GROUP PLC	Meeting	Environmental Risk	Dialogue
PFIZER INC.	Meeting	Environmental Risk	Dialogue
PRYSMIAN SPA	Meeting	Remuneration	Dialogue
SEVERN TRENT PLC	Meeting	Environmental Risk	Change in Process
SSE PLC	AGM	Climate Change	Dialogue
THE COCA-COLA COMPANY	Meeting	Environmental Risk	No Improvement
TOTALENERGIES SE	Meeting	Human Rights	Dialogue

ENGAGEMENT DATA

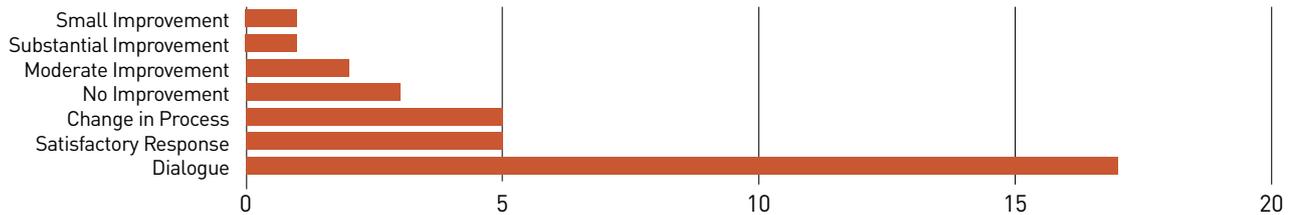
ENGAGEMENT TOPICS



ACTIVITY

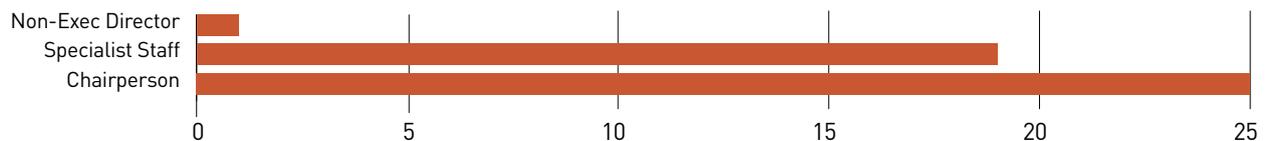


MEETING ENGAGEMENT OUTCOMES*



*Outcomes data is taken from 'Meetings', 'AGMs' and 'Received Correspondence' only

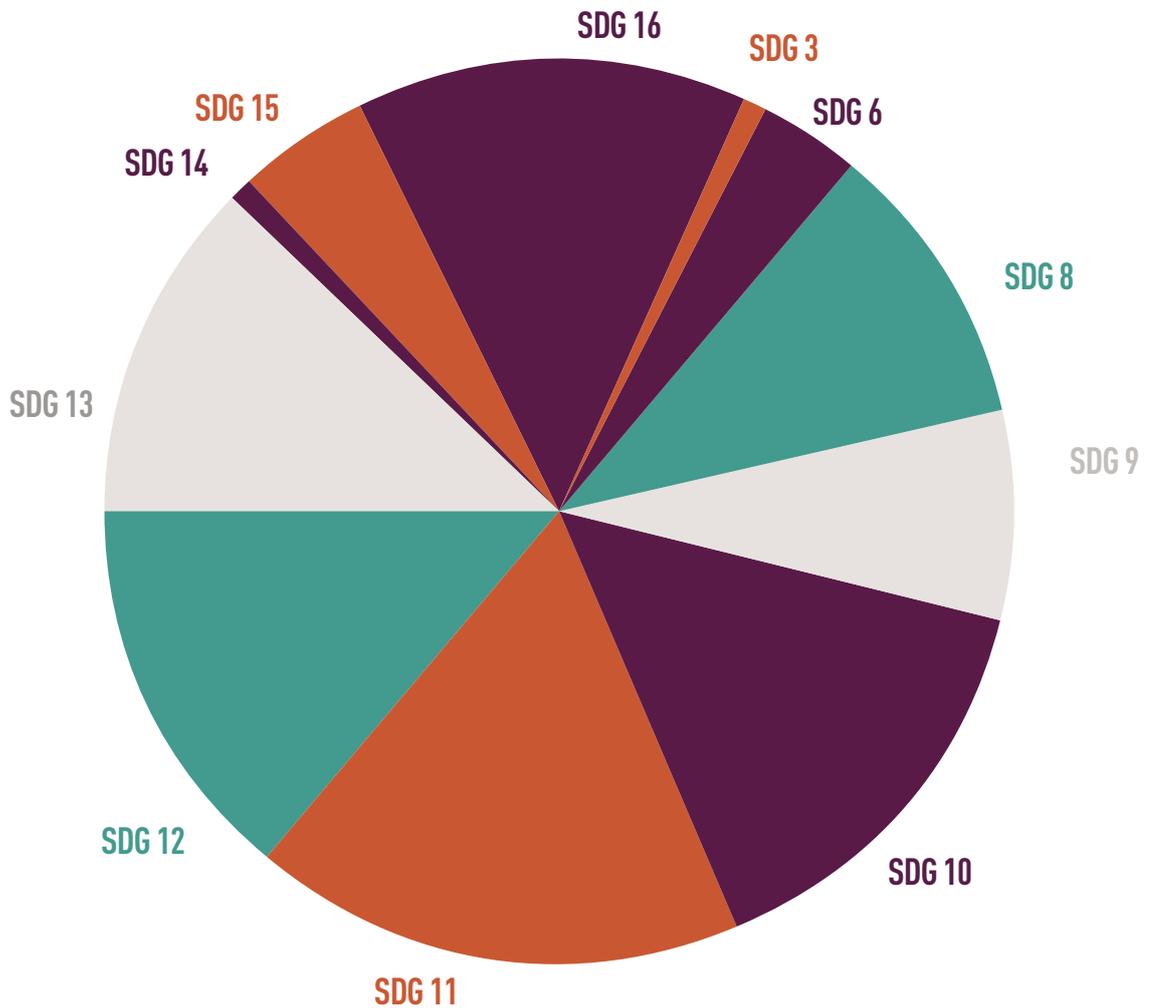
POSITION ENGAGED



COMPANY DOMICILES



ENGAGEMENT DATA



LAPFF SDG ENGAGEMENTS

SDG 1: No Poverty	0
SDG 2: Zero Hunger	0
SDG 3: Good Health and Well-Being	1
SDG 4: Quality Education	0
SDG 5: Gender Equality	0
SDG 6: Clean Water and Sanitation	4
SDG 7: Affordable and Clean Energy	0
SDG 8: Decent Work and Economic Growth	11
SDG 9: Industry, Innovation, and Infrastructure	8
SDG 10: Reduced Inequalities	16
SDG 11: Sustainable Cities and Communities	19
SDG 12: Responsible Production and Consumption	15
SDG 13: Climate Action	13
SDG 14: Life Below Water	1
SDG 15: Life on Land	5
SDG 16: Peace, Justice, and Strong Institutions	15
SDG 17: Strengthen the Means of Implementation and Revitalise the Global Partnership for Sustainable Development	0

LOCAL AUTHORITY PENSION FUND FORUM MEMBERS

Avon Pension Fund	Gwynedd Pension Fund	Rhondda Cynon Taf Pension Fund
Barking and Dagenham Pension Fund	Hackney Pension Fund	Scottish Borders Pension Fund
Barnet Pension Fund	Hammersmith and Fulham Pension Fund	Shropshire Pension Fund
Bedfordshire Pension Fund	Haringey Pension Fund	Somerset Pension Fund
Berkshire Pension Fund	Harrow Pension Fund	South Yorkshire Pension Authority
Bexley (London Borough of)	Havering Pension Fund	Southwark Pension Fund
Brent (London Borough of)	Hertfordshire Pension Fund	Staffordshire Pension Fund
Cambridgeshire Pension Fund	Hillingdon Pension Fund	Strathclyde Pension Fund
Camden Pension Fund	Hounslow Pension Fund	Suffolk Pension Fund
Cardiff & Glamorgan Pension Fund	Isle of Wight Pension Fund	Surrey Pension Fund
Cheshire Pension Fund	Islington Pension Fund	Sutton Pension Fund
City of London Corporation Pension Fund	Kensington and Chelsea (Royal Borough of)	Swansea Pension Fund
Clwyd Pension Fund (Flintshire CC)	Kent Pension Fund	Teesside Pension Fund
Cornwall Pension Fund	Kingston upon Thames Pension Fund	Tower Hamlets Pension Fund
Croydon Pension Fund	Lambeth Pension Fund	Tyne and Wear Pension Fund
Cumbria Pension Fund	Lancashire County Pension Fund	Waltham Forest Pension Fund
Derbyshire Pension Fund	Leicestershire Pension Fund	Wandsworth Borough Council Pension Fund
Devon Pension Fund	Lewisham Pension Fund	Warwickshire Pension Fund
Dorset Pension Fund	Lincolnshire Pension Fund	West Midlands Pension Fund
Durham Pension Fund	London Pension Fund Authority	West Yorkshire Pension Fund
Dyfed Pension Fund	Lothian Pension Fund	Westminster Pension Fund
Ealing Pension Fund	Merseyside Pension Fund	Wiltshire Pension Fund
East Riding Pension Fund	Merton Pension Fund	Worcestershire Pension Fund
East Sussex Pension Fund	Newham Pension Fund	
Enfield Pension Fund	Norfolk Pension Fund	Pool Company Members
Environment Agency Pension Fund	North East Scotland Pension Fund	ACCESS Pool
Essex Pension Fund	North Yorkshire Pension Fund	Border to Coast Pensions Partnership
Falkirk Pension Fund	Northamptonshire Pension Fund	LGPS Central
Gloucestershire Pension Fund	Nottinghamshire Pension Fund	Local Pensions Partnership
Greater Gwent Pension Fund	Oxfordshire Pension Fund	London CIV
Greater Manchester Pension Fund	Powys Pension Fund	Northern LGPS
Greenwich Pension Fund	Redbridge Pension Fund	Wales Pension Partnership

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