Public Document Pack

Pension Board

Thursday 5 November 2026 at 6.00 pm

This will be held as an online virtual meeting

Members of the public or press who want to follow proceedings will be able to do so online via the following link HERE:

Membership:

Members	Representing
David Ewart	Independent Chair
Councillor Members	
Councillor S Butt	Brent Employer representative
Councillor Dar	Brent Employer representative
Other Members	
Bola George	Member representative (Unison)
Chris Bala	Pension Scheme Members Representative
Robert Wheeler	Member representative (GMB)
Vaccany	Employer Member (Non Brent Council)

For further information contact: Harry Ellis, Governance Officer
Email: Harry.Ellis@brent.gov.uk; Phone Number: 07394837462

For electronic copies of minutes and agendas please visit:
Council meetings and decision making | Brent Council

recycle for Brent

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 of 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 discloseable pecuniary or personal interests in any matter to be considered at this meeting.	
3	**Minutes of the previous meeting** To approve the minutes of the previous meeting held on the 21st July 2026 as a correct record.	1 - 14
4	**Matters arising (if any)**	
	Board Reports	
5	**Pensions Administration Update** This report updates the Pension Board on various pension administration matters as part of its remit to oversee administration of the Brent Pension Fund.	15 - 66
6	**Brent Pension Fund Administration Strategy** This report presents the Brent Pension Fund Administration Strategy for review by the Board.	67 - 94
7	**LGPS Update Report** 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.	95 - 166
8	**Training Update** The purpose of this report is to update members on the provision of the LGPS Online Learning Facility.	167 - 212

9 Risk Register 213 - 238

This report presents the updated Risk Register for the Brent Pension Fund Administration Service.

Reports Referred from Pension Fund Sub-Committee (7th October 2026)

10 Investment Monitoring Report - Q2 2026 239 - 262

To receive the Brent Pension Fund Q2 2026 - 27 Investment Monitoring Update Report.

11 Presentation from London CIV 263 - 324

To receive a presentation provided for the Sub Committee by the London CIV regarding progress on implementation of the Fit for Future requirements along with an update on Governance & Engagement, Responsible Investment and Local Investment.

As part of the update members have also been provided with the London CIV Quarterly Performance Report (ending December 2025).

12 Brent Pension Fund: Annual Report and Accounts 2025-26 325 - 470

This report provides an update on the Pension Fund Annual Report and Accounts for the year ended 31 March 2026.

13 Investment Strategy Statement 471 - 486

This report provides an update on the Investment Strategy Statement.

14 Appointment of an Independent Person and LGPS Senior Officer for the Brent Pension Fund 487 - 492

The purpose of this report is to outline the proposals to appoint an independent person to support the discharge of the Council's pensions functions in accordance with Regulation 53A of the LGPS Regulations 2013 and the relevant statutory guidance, and to provide an update on the requirement to appoint a LGPS Senior Officer.

15 LAPFF Engagement Report 493 - 514

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

16 Date of next meeting

Members are asked to note the scheduled dates of Board meetings for the remainder of the 2026-27 Municipal Year, as follows:

- Monday 22 March 2027 to be held at 6pm as an online meeting.

17 Exclusion of Press and 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: Q2 2026 Investment Monitoring Report – Appendix 1 Fund Manager performance ratings.

(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).”

18 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.

Date of the next meeting: Monday 22 March 2027

This page is intentionally left blank

MINUTES OF THE PENSION BOARD

Held as an Online Meeting on Tuesday 21 July 2026 at 6.00pm

PRESENT: (In remote attendance) David Ewart (Independent Chair), Councillor S. Butt (Brent Employer Representative), Chris Bala (Pension Scheme Member Representative) and Bola George (Pension Scheme Member Representative – Unison).

Also Present: Councillor Grahl (Deputy Leader and Cabinet Member for Finance & Resources, Brent Council), Chris Batts (Head of Client Services, Local Pensions Partnership Administration LPPA) and Emily Booth (Client Relationship Manager, - LPPA).

As this was the first meeting of the Board following the local borough election in May 2026 the Chair invited all attendees to introduce themselves before the formal business of the meeting began. In briefly outlining the role of the Board the Chair advised members of the function and structure of the Pension Board, which he advised was a statutory body established to provide oversight on governance and review the performance and administration of the Pension Fund and was made up of an equal number of employer and Pension Scheme member representatives.

1. **Apologies for Absence**

Moving on to the formal business on the agenda, apologies for absence were received from Robert Wheeler (Pension Scheme Member Representative GMB) with Councillor Dar (Brent Employer Representative) recorded as absent.

2. **Declarations of Interest**

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 Chair noted that the previous meeting had not been quorate, but that the Board had agreed to proceed on the basis that any decisions made would be subject to ratification at the subsequent meeting.

Having reviewed the issues raised during the meeting previous it was **AGREED** to approve and confirm the minutes of the previous meeting held on Monday 23rd March 2026 as an accurate record and to ratify the decisions, as set out in the minutes.

4. **Matters Arising**

None.

5. **Pension Administration Update**

John Smith (Pensions Manager, Brent Council) introduced the report from the Corporate Director Finance & Resources outlining the performance of the Local Pensions Partnership Administration (LPPA) against the Service Level Agreement's (SLA's) during the period 1 January 2026 to 31 March 2026. In introducing the report, he highlighted the following key points before inviting Chris Batts (Head of Client Services, LPPA) to provide a more detailed update:

- As of 31 March 2026, Brent's Pension Fund consisted of 24,742 members, 6,579 of whom were active, 10,373 deferred and 7,790 pensioner & dependant members

- The average percentage of cases processed on time during the quarter was reported as 98.9%. The Fund's perception was that the service had stabilised, with none of the case types falling below the 95% SLA threshold. The fund remained aware, however, of the number of overdue 1995 scheme retirements and delayed death grants with the Council working with the LPPA to address the anomalies identified and the overview of LPPA's casework performance set out in section 3.3.4 of the report.

- Overall, administration performance was reported to have continued to improve incrementally.

Following introduction of the report, the Chair welcomed Chris Batts (Head of Client Services, LPPA) accompanied by Emily Booth (Client Relationship Manager at LPPA) as the Council's administration service provider, who provided further detailed updates regarding recent pensions administration performance, summarised below:

- Employer retirement notifications (received at least 30 days in advance of a member's retirement, enabling prompt payment) had dropped in Q4 to just under 34%, down from 59% in Q3 and 40% in Q2. This was considered consistent with a seasonal dip across all LPPA clients, particularly over December and January, and would continue to be monitored.

- Payments made within 30 days of retirement had also dipped slightly in Q4, though officers noted that the underlying case numbers were low, meaning percentage changes should be treated with caution and this had not translated into notable dissatisfaction or complaints.

- Contact centre performance: against a target average wait time of four minutes, Q4 performance was three minutes thirty seconds, which remained within target. Average call duration was, however, noted to have risen (by a factor of around 1.3 in the most recent quarter), which was being monitored and would be the subject of further analysis to be shared with the Board in due course.

- Customer satisfaction remained positive, with around 80% of respondents satisfied overall and no dissatisfied responses recorded for active or deferred retirements specifically.

- The deadline for the issue of Annual Benefit Statements (ABS) had been extended to 31 August to allow inclusion of McCloud underpin data. Good

progress was reported, with just under half of active statements and almost two-thirds of deferred statements already issued.

- A significant volume of regulatory change was in progress across the LGPS including Access and Fairness reforms; LGPS access for elected members; Scheme Advisory Board (SCAPE) factor changes; the McCloud remedy; Pensions Dashboard, and (for some larger LPPA clients) local government reorganisation. This sat alongside LPPA's own efficiency and service improvement programme. Chris Batts confirmed this work was being formally governed and reported through LPPA's internal change portfolio and executive leadership team, and that despite the volume of project work, casework performance against SLA had been maintained.

John Smith then moved on to complete the update, highlighting the following issues:

- In terms of complaints, there had been eight new complaint cases since the last Board with eight having been determined (albeit four cases had been carried forward from the previous quarter) with the number and nature of complaints received during the quarter analysed by case within section 3.3.7 of the report.

- Common data quality remained constant at 96.6%, while conditional data quality had continued to improve incrementally to 87.6%.

- On the McCloud remedy, LPPA was expected to be able to provide Annual Benefit Statements, including the McCloud underpin, and was in the process of completing a review of its retrospective cases that would enable remedy payments to be made.

- On the Pensions Dashboard, LPPA had held a roundtable dashboard discussion with its clients on 7 July 2026 and was continuing to assess it business readiness for the Dashboard Available Point (member go live). Members from the LPPA Member Panel had been invited to support the Money and Pensions Service (MaPS) testing of their Dashboard, with a dedicated Pensions Dashboard page now also available on the LPPA website.

Following the update, the Chair invited comments from Board members, with questions and responses summarised below:

- In response to a question on when the Pensions Dashboard would be available to users, Chris Batts advised that testing was underway and the current estimate for go-live was summer 2027, with a minimum of six months' notice to be given once a date had been confirmed. Sawan Shah (Head of Finance, Pensions and Housing Companies, Brent Council) added that different schemes were connecting to the dashboard ecosystem at different times. For larger public sector Funds, including Brent, the initial connection deadline had been the end of 2025, but a staged connection process meant smaller schemes were continuing to connect throughout 2026, ahead of a phased overall launch.

- Following on, Members sought clarification on the difference between LPPA's own member portal and the national Pensions Dashboard, and whether this

meant members would need to log in to two separate systems. Chris Batts explained that LPPA's secure portal, Pensions Point, had been designed to allow members to view their Brent Council pension and carry out administrative tasks (such as updating contact details or death grant nominations), whereas the national Pensions Dashboard was a government-led initiative intended to bring together a member's full pension picture (including the State Pension and any other pension pots) all in one place, to support retirement planning. It was noted the dashboard was expected to be particularly useful for members with multiple past employment trace pension pots.

- A further query was raised about the backlog of delayed death grants relating to 1995-scheme retirements, how many cases remained outstanding, when these were likely to be resolved, and whether excluding such delayed cases from SLA calculations meant the reported 98.9% performance figure reflected genuine member experience. John Smith explained that 1995-scheme cases related to members who left the service before the 1st April 1998, and whose pension must come into payment at age 60 with some of the historic data issues predating LPPA's appointment (the fund previously being administered by Capita).

  Clarifying the context to the backlog, members were advised of the discretion now available in cases that are over two years old to the Fund. Chris Batts highlighted the positive trend in terms of casework performance but acknowledged the issues, especially in relation to the delayed payment of death grants which he assured members the Council was continuing to work with LPPA on in order to address the concerns identified.

- As a final issue, details were also sought on the Fund's residual financial exposure under the McCloud remedy and whether there were any delivery risks to meeting the 31st August 2026 deadline for provision of Annual Benefit Statements. John Smith advised that the additional benefit cost was minimal, as relatively few members qualified for the underpin, though the administrative cost of delivering the remedy was more significant. Chris Batts then confirmed there is risk to achieving delivery of statements in any given year, owing to an ever-present small number of outstanding data queries but highlighted that LPPA had achieved almost 98% of benefit statements being issued within target date during the previous year, with a similar figure anticipated (around 97–98%) for the current year, including the McCloud underpin.

With no further questions raised the Chair thanked Chris Batt, Emily Booth and John Smith for the update and it was **RESOLVED** that the report be noted.

6. **Pension Fund Annual Report**

David Ewart (as Chair) introduced the Annual Report to the Pension Board, providing an update on the Board's work during 2025-26.

In introducing the report, the Chair highlighted the work of the Board as it related firstly to the review of investment activity and secondly to the performance of the pension administration function with additional roles in relation to risk management and the use of other discretionary powers. Reflecting on the improvement in performance of the

Fund over recent years it was recognised, in terms of investment activities, whilst this had taken up a smaller part of the Board's time, given the remit of the Pension Fund Sub Committee in this respect, members had continued to receive regular investment updates and been in general agreement with the action being taken by the Sub Committee. Members were also reminded of the positive nature of the latest actuarial valuation, which had lead to a reduction in employer contribution rates with it noted that the Fund remained cash flow positive. The Board remained mindful, however of their duty to effectively scrutinise the investment activity of the fund and of the increasing level of risk and ongoing nature of the pressures faced with 2026-27 also identified as significant in terms of the changes being introduced as a result of the Fit for the Future requirements, particularly in relation to governance arrangements.

In terms of Pension Administration, the Board had taken the lead in scrutinising the performance of the Fund's pensions administration partner Local Pensions Partnership Administration (LPPA), with the Board continuing to monitor those areas identified as not meeting SLA targets as well as general levels of performance and a focus on some of the most sensitive activity such as dealing with retirement from active membership and death in service, the level of service to Fund members and the quality of data held, although the need to maintain ongoing and continuous improvements had been recognised.

Whilst 2025-26 year had been a busy year and the Board remained aware of the areas for improvement highlighted it was also felt to have been an encouraging year for the Fund, despite the increasing risks and pressures identified, with the funding level continuing to improve and investment returns remaining strong, on an absolute basis, although slightly underperforming relative to the Fund's benchmark and a general improvement in the performance of the pension administration function (with some areas of challenges remaining).

In concluding the presentation of the Annual Report, the Chair also took the opportunity to thank all the Board members and supporting officers for their efforts and ongoing support.

Following the update provided by the Chair members were invited to raise any comments with the following issues highlighted:

- In beginning the discussion, details were sought on how the Fund in Brent compared with other authorities, noting that the performance remained below many other LGPS funds despite reaching 113% funding. The Chair explained that, owing to the Fund's historically low starting position, it remained in the lower quartile nationally. Sawan Shah added that funding levels tend to move in the same direction for most funds during a given period, and that compounding effects mean well-funded funds tend to grow faster while less well-funded funds grow more slowly. He confirmed the Fund's funding level had improved from around 60% some years ago, to 87% at the 2022 valuation, and to 113% at the valuation just completed.

- Following on, it was asked which administration indicators remained concerning despite recent improvements, and what preparations had been made for the forthcoming Fit for the Future governance reforms. The Chair identified complaint

volumes and contact centre wait times as areas of ongoing concern, observing that in some months over 10% of callers wait more than ten minutes to be answered.

On the subject of the Board's membership, it was noted the report stated the Board comprised of seven members, Members asked whether co-opted members were reflected in that figure. The Chair confirmed the seven comprised of three Pension Scheme member representatives (including trade unions) (Chris Bala, Robert Wheeler and Bola George), two councillor Brent Employer Representatives (Councillor S. Butt and Councillor Dar), one Non Brent Employer Representative position, with currently remained vacant alongside the Independent Chair. Officers confirmed that the vacant Non Brent Employer representative position continued to prove difficult to fill, despite repeated recruitment attempts and promotion at employer forums with a further recruitment exercise planned at the start of the September 2026 school term. This would need to be undertaken alongside consideration of the pending appointments of the Senior LGPS Officer and Independent Person also required under the Fit for the Future arrangements.

With no further questions, the Chair thanked the members and officers for their work and the Board **RESOLVED** to note and endorse the Annual Report.

7. **Local Government Pension Scheme Update**

John Smith (Pensions Manager, Brent Council) introduced the report from the Corporate Director Finance & Resources, providing an update on the latest developments within the LGPS regulatory environment listing during the quarter. The following key matters were highlighted:

- An update was provided on introduction of the Qualified Absence Purchase Arrangement (QAPA) which had been designed to enable members to purchase pension lost during periods of authorised absence exceeding 14 days. For periods of authorised absence of 14 days or less, it was noted that both the member and employer would need to continue to pay pension contributions at the normal rates with details also provided on the principal differences between QAPAs and Additional Pension Contributions (APCs).

- The Bereaved Partner’s Paternity Leave Regulations 2026, made on 10 March 2026, had introduced a new statutory entitlement for eligible employees to take leave to care for a child. Members were advised this would apply within the first year following a child’s birth, placement for adoption, or (in the case of overseas adoption) the child’s entry into Great Britain, where the child’s primary carer dies on or after 6 April 2026. For pension purposes, it was reported that any period of bereaved partner’s paternity leave would be treated as pensionable with Assumed Pensionable Pay (APP) to be applied throughout the entire period of leave, regardless of whether the leave was paid or unpaid.

- Councillors' pensions had been reintroduced with effect from the 11th of May 2026, with a broader definition of pensionable pay than under the previous scheme. In outlining the key elements of the scheme, members were advised that elected membership in the Local Government Pension Scheme (LGPS)

could not be aggregated with any non-elected LGPS membership and of the transfer process with the pensions of councillors who chose to retire before their state pension age (SPA) being subject to actuarial reduction for early payment. It was also confirmed that provision for early access to benefits would not be available in relation to flexible retirement, redundancy, retirement on the grounds of business efficiency, retirement by mutual consent on business efficiency grounds with there being no discretion to waive actuarial reductions. It was also confirmed that Council's would not be able to contribute towards additional contributions contracts (APCs) or additional voluntary contributions (AVCs), except for salary sacrifice shared cost AVCs, or awarded additional pension under Regulation 31.

- On the Pensions Dashboard, the default public-facing dashboard was stated to be the Money and Pensions Service (MoneyHelper) dashboard, though a range of new services, including private sector options, were now expected following recent consultations.

- Both the LGPS (Fit for the Future) reform and Local Government Pension Scheme (Pooling, Management and Investment of Funds) Regulations 2026 had taken effect from the 30th June 2026. These had introduced the requirement for an updated Investment Strategy Statement, new statutory guidance on the knowledge and understanding of those involved in LGPS governance, a new "LGPS Senior Officer" and independent person role and requirements for periodic independent governance reviews and asset pooling.

- As a final update, attention was drawn to the increase, introduced by HM Treasury in May 2026, to the superannuation contributions adjusted for past experience (SCAPE) discount rate used by the Government Actuary's Department. Members were advised the SCAPE discount rate was used in the valuation of unfunded public service pension schemes and played a key role in determining employer contribution rates and actuarial factors used across public service pension schemes with the rate having increased from CPI plus 1.7% to CPI plus 2%.

Following the update, the Chair invited questions, with points raised and responses summarised below:

- Details were sought on the changes Brent would need to make to comply with the Fit for the Future guidance. John Smith explained that governance requirements were tightening across the sector generally; Brent would need to appoint a new, "LGPS Senior Officer" role, alongside an independent person to oversee governance at Sub-Committee (and potentially Board) level. Brent would also be subject to independent governance reviews and asset pooling requirements. It was then asked if Brent had assessed the resource implications and opportunity cost of appointing a Senior LGPS Officer and an independent person. Amanda Healy (Deputy Director of Finance) advised that sector-wide discussions were underway, particularly across London, to agree a consistent approach to the independent person role and fee levels, to avoid funds competing on cost for candidates in order to minimise any additional costs, which it was confirmed would need to be met by the Pension Fund rather than the

Council's General Fund, and the Ministry of Housing, Communities and Local Government not having indicated any additional resource would be provided to meet these costs.

- Details were sought on the number of councillors who had opted into the LGPS since May 2026 and the impact on cost. In response, members were advised that the position was mixed with details on the overall % who had opted-in to be provided as part of the next update.

The Chair thanked John Smith for a comprehensive and informative report and with no further questions or comments raised by members it was **RESOLVED** to note the report and the recent developments outlined in relation to the LGPS.

8. **Risk Register**

John Smith (Pensions Manager, Brent Council) introduced a report from the Corporate Director Finance & Resources presenting the updated Risk Register for the Brent Pension Fund Pensions Administration Service. The Board was reminded that the regulator expected the fund's risk register to be regularly reviewed alongside the Risk Strategy (attached as Appendix 2 to the report). In noting the updated Risk Register detailed within Appendix 1 of the report, the Board was advised of the following key changes since the previous update:

- The score for risk 4.11 (Pension events planning projects) had been amended to reflect the substantial volume of new legislation and change discussed elsewhere on the agenda.

- The score for risk 4.21 (Annual Benefit Statements) relating to the McCloud remedy, had been lowered, reflecting that LPPA now had a good handle on delivery of the underpin following earlier difficulties.

- The score for risk 4.51 relating to admission agreements (a long-standing issue for Brent) had been lowered following the identification of additional legal support to draft initial agreements.

- The risk relating to Pension Board training (risk 5.2) had been revised to reflect the departure of experienced members and the need for new members to begin their training journey.

- Geopolitical risk (risk 6.2) had been reviewed with a comment added to reflect geopolitical uncertainty having increased market volatility and risk but no change being identified in the scoring as the risk was deemed to be cyclical in nature.

- In terms of pension plan accounting (risk 6.5) additional comment had been added to reflect the value of the Pension Fund's investments having increased during 2025-26 with the Fund in a positive cash-flow position

The Chair thanked John Smith for addressing a point raised at a previous meeting regarding the risk heat map. Following this, the Chair invited questions from the Board, with the key highlights summarised below:

- Beginning with the Fund's residual risk, members wished to know the highest threat by score, and whether cybersecurity risks had increased following the Pensions Dashboard implementation. John Smith explained that the Risk Register reflected officers' collective assessment of risk based on regular review. On cybersecurity, he confirmed that significant resource was being invested in making the Pensions Dashboard as resilient as possible, though a residual risk remained, in part due to external private dashboard providers also requiring access to Fund data ungoverned by Brent.

- In relation to risk recategorization, Members enquired over what evidence would be required before the inflation risk score could be downgraded. In response, Sawan Shah highlighted examples of recent fluctuations in the inflation rate triggered by a range of external factors which made tracking more complex. It was advised that a sustained reduction in the frequency of such external shocks would likely be needed before the risk score could reasonably be downgraded, and, as such, no clear timescale could currently be provided.

The Chair thanked those who had prepared the register and commended both its quality and the clarity of the presentation. With no further questions raised, the Chair noted that the risk scores around inflation and market volatility reflected the difficult environment in which the fund was currently operating.

As a result, the Board **RESOLVED** to note updated Risk Register, including the key changes set out in section 3.2.4 of the report.

9. **Training Strategy Update**

Sawan Shah (Head of Finance, Pensions and Housing Companies, Brent Council) introduced the report from the Corporate Director Finance & Resources which set out the Fund's updated training strategy for Pension Fund Sub Committee members, Board members and officers. In introducing the report, members were advised that the update had been driven primarily by the Government's Fit for the Future reforms and new LGPS governance guidance published at the end of June 2026, which had strengthened requirements around knowledge, skills and understanding, including a requirement for funds to maintain a formal training strategy.

As additional background to the review, it was noted that the updated version of the Training Strategy (detailed within Appendix 1 of the report) had been designed to reflect the requirement on Board members to be conversant with the rules of the Scheme and any document recording policy relating to the administration of the Scheme as well as ensuring they had relevant knowledge and understanding of the law relating to pensions. Having reviewed and updated the Training Strategy to ensure provision of a comprehensive framework to support these requirements, members were advised key elements included:

- compliance with the updated LGPS regulations and statutory guidance published following the Fit for the Future consultation.

- adoption of nine core knowledge areas where appropriate knowledge and skills should be achieved.

- clearly defined expectations on the level of knowledge required for each role.

- A requirement for induction training within three months of appointment or before attending a first meeting.

- completion of an annual Training Needs Analysis, to assess levels of knowledge and identify the key areas and gaps in which training was required.

- enhanced monitoring and reporting requirements, including disclosures in the Fund's Annual Report and updates to the Pension Fund Sub Committee & Board.

- a commitment on resources, including an annual training budget and procurement of appropriate learning tools.

- Formalisation of the requirement for members to complete the Pensions Regulator's online training toolkit.

Following the update, the Chair invited questions, with points raised and responses summarised below:

- Regarding new Member training requirements, details were sought as to whether attendance at conferences, as well as formal training, should be recorded as part of the training records for individual members. Sawan Shah confirmed that any training or conference attendance (for example, LGC pensions training) should be reported. He then asked that members share supporting materials such as agendas or booklets where possible, to help officers assess relevance. It was also confirmed officers would be happy to advise on the usefulness of any external events members were considering, and that the strategy deliberately provided for a range of learning approaches. This included pre-meeting training sessions, e-learning, conferences and seminars, reading materials, and regular LGA bulletins. These options were made available in recognition that members learnt in different ways.

The Chair thanked Sawan Shah for the update and with no further questions raised the Board **RESOLVED** to note and endorse the updated training strategy (detailed within Appendix 1 of the report) along with the requirement for members to acquire and maintain the appropriate level of expertise, knowledge and skills and continued commitment to support the learning programme.

Before moving on to the remaining items on the agenda the Chair reminded Board members that agenda items 10, 11, 12, 13, 14 and 18 were reports referred to the Pension Board for information following their consideration at the Brent Pension Fund Sub Committee on 9 July 2026.

10. **Investment Monitoring Report – Q1 2026**

The Board received the Investment Monitoring Report covering Q1 (1st January to 31st March 2026), noting it had been presented in detail to the Pension Fund Sub-Committee. Key highlights from the report were summarised as follows:

- The Fund had posted positive returns over the quarter, ending with a valuation of £1.48 billion, down slightly from £1.49 billion in December 2025.

- Reviewing the year as a whole, global equity markets had been volatile following the announcement of US tariffs in April 2025 but rebounded strongly shortly afterwards. A further pullback from market highs had occurred in February/March 2026 following the escalation of conflict in the Middle East. Overall, equities delivered strong returns over the year, driven by robust corporate earnings, while other asset classes (government and corporate bonds, property and cash) were more muted but generally positive.

- The Fund returned -0.9% in the final quarter of the year but a strong 12.1%–12.7% over the 12-month period, reflecting the Fund's significant allocation to growth assets, which stood at around 58% of the portfolio. This was higher than the new long-term strategic allocation agreed as part of the Investment Strategy Review, given that the shift towards income and protection assets were planned to take place gradually over a number of years.

No questions were raised by members. In noting that the report had been subject to detailed review at the Brent Pension Fund Sub Committee, the Board **RESOLVED** to note the contents of the report.

11. **London CIV Update**

The Board received an update from Manish Shah (Senior Finance Analyst, Pension Fund, Brent Council) on the presentation provided by representatives of the London CIV at the Pension Fund Sub Committee on developments relating to the Fit for the Future reforms (recent national government reforms to the UK's pensions sector) following sign off of the Investment Management Agreement in June 2026. Key points from the presentation and update provided were highlighted as follows:

- The London CIV currently managed around £60 billion of LGPS assets, of which £38 billion was pooled and actively managed by the London CIV directly, with the remainder passively managed by LGIM and BlackRock.

- The London CIV currently offered around 18 public market funds and 8 private market funds, with further funds in both categories, as well as local investment options, in development.

- Going forward, the London CIV's focus would include implementation of investment strategy and responsible investment at pool level, strategic asset allocation advice to partner funds, governance, and delivery of local investment.

- A further meeting with the London CIV was scheduled for the last week of July 2026 to discuss quarterly performance reporting in more detail.

In noting that the presentation had been subject to detailed review at the Brent Pension Fund Sub Committee, and with no questions or comments raised, the Board **RESOLVED** to note the update provided.

12. **Draft Statement of Accounts 2025-26**

Manish Shah (Senior Finance Analyst) introduced the report from the Corporate Director Finance and Resources, presenting the draft Pension Fund Annual Accounts for the year ending 31st March 2026 the following main issues were highlighted for members:

- During 2025/26, the value of the Pension Fund's investments increased to £1,482m (2024/25 £1,310m). Growth assets continued to be main driver of positive returns both in absolute and in relative terms over the past 12 months, with investments held within the Emerging Markets equities being the main performer and the overweight position in this asset class having benefited fund performance. The UK housing market had for the quarter remained flat but underperformed the bench over the same period as rising gilts yields triggered by the war in Iran continued to impact demand.

- Total contributions received from employers and employees were £70m for the year, a decrease on the previous year's £73m reflecting the reduction in the main employer contribution rate from 30.5% to 23% as the Fund's funding position had improved

- Total benefits paid to scheme beneficiaries, in the form of pensions or other benefits, were £62m, an increase on the previous year's £60m.

- As in 2024/25, the pension fund remained in a positive cash-flow position as its contributions exceeded outgoings to members.

The Chair congratulated officers on publishing the accounts on time and commended their quality. Following this the Chair opened the floor to any questions or recommendations from the Board, with the following issues highlighted:

- A large increase in the number of pensioners recorded under "other employers" was noted, rising from 932 to 1,437. Members enquired as to what had caused this which officers advised they would need to investigate and provide further detail on following the meeting.

- Moving on, a member asked whether there were any audit risks or areas of significant accounting judgement the Board should be aware of. Officers confirmed that nothing specific had been raised by the auditors and that the audit was progressing cleanly. The Chair, speaking in his separate capacity as Independent Chair of the Audit and Standards Advisory Committee, noted that the pension fund accounts have historically been one of the more straightforward areas of the Council's audit.

With no further issues raised officers were commended for their work to complete the draft accounts and in noting that the report had been subject to detailed review at the

Brent Pension Fund Sub Committee the Board **RESOLVED** to note the Draft Pension Find Statement of Accounts and Audit Plan 2025-26.

13. **Fit for the Future Update**

Sawan Shah (Head of Finance, Pensions and Housing Companies) introduced a report from the Corporate Director Finance & Resources presenting an update on the Government's Fit for the Future reforms, following publication of the final regulations, which had been laid before Parliament and came into force on 30 June 2026, alongside final guidance which had also been published.

In presenting the report, members were reminded that the Pension Schemes Act 2026 had received Royal Assent at the end of April 2026, enabling the subsequent regulations, and that the reforms covered three key areas: asset pooling, local investment, and governance arrangements across the Local Government Pension Scheme.

The most significant change for the Fund was that Brent, as administering authority, would continue to be responsible for setting funding and investment strategy, however, there would be a much greater focus on oversight and scrutiny of the asset pool with the London CIV, responsible for implementation of the strategy and investments. Members were advised that the Fund was already well advanced in this respect, with 93% of assets managed directly or indirectly by the London CIV, and that the Investment Management Agreement signed with the London CIV on 11 June 2026 now provided for management of the Fund's remaining off-pool assets.

Members were further advised that an updated Investment Strategy Statement was required to be published by March 2027, with officers planning to bring this to the Pension Fund Sub-Committee in October 2026. In terms of governance requirements, these now included the appointment of a Senior Responsible Officer and an Independent Person by the end of 2026; and that an independent governance review would be required by March 2028, and every three years thereafter. Updated requirements in relation to governance training and conflicts of interest documentation were also outlined and noted.

In concluding the report, Members were advised that the Fund already operated within a robust governance environment, and that these requirements largely added to, rather than fundamentally changed, that existing environment.

With no questions or comments raised and in noting that the report had been subject to detailed review and approval at the Brent Pension Fund Sub Committee, the Chair thanked officers for the update and **RESOLVED** to note the report.

14. **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 along with the summary of key engagements made by LAPFF as reported in Appendix 1 of the report. In noting that the report had been subject to detailed review

at the Brent Pension Fund Sub Committee the Board **RESOLVED** to note the report and update on LAPFF engagement activity, without further comment.

15. **Date of Next Meeting**

The Board noted the dates identified for the meetings in the 2026–27 municipal year, as follows:

- 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.

16. **Any Other Urgent Business**

No items of urgent business were identified for consideration at the meeting.

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

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

The meeting then continued in open session.

18. **London CIV update**

The Board received a brief update on the London CIV, providing the latest information on Brent Pension Fund investments held within the London CIV and recent developments in light of the Government's Fit for the Future plans.

In noting that the report had been subject to review at the Brent Pension Fund Sub Committee, the Board **RESOLVED** to update without further comment.

With no further business on the agenda, the Chair closed the meeting by thanking all members and officers for their input.

The meeting closed at: 7:43pm

DAVID EWART
Independent Chair

Brent	**Pension Board** 5 November 2026
	Report from the Corporate Director, Finance and Resources

Pensions Administration Update

Wards Affected:	All
Key or Non-Key Decision:	N/A
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:	Three Appendix 1: LPPA Quarterly Administration Report Q1 Appendix 2: LPPA Quarterly Complaints Report Appendix 3: LPPA Data Report
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	Minesh Patel, Corporate Director, Finance and Resources Email: minesh.patel@brent.gov.uk Tel: 020 8937 4043 Amanda Healy, Deputy Director of Finance Email: amanda.healy@brent.gov.uk Tel: 020 8937 5912 Sawan Shah, Head of Finance Email: Sawan.Shah@brent.gov.uk Tel: 020 8937 1955 John Smith, Pensions Manager Email: john.smth@brent.gov.uk Tel: 020 8937 1985

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

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 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 (SLAs) during the period 1 April 2026 to 30 June 2026.

3.2.2 When reviewing these statistics, the reader must remember that the LPPA does not report the volume of cases received but only the number of cases completed.

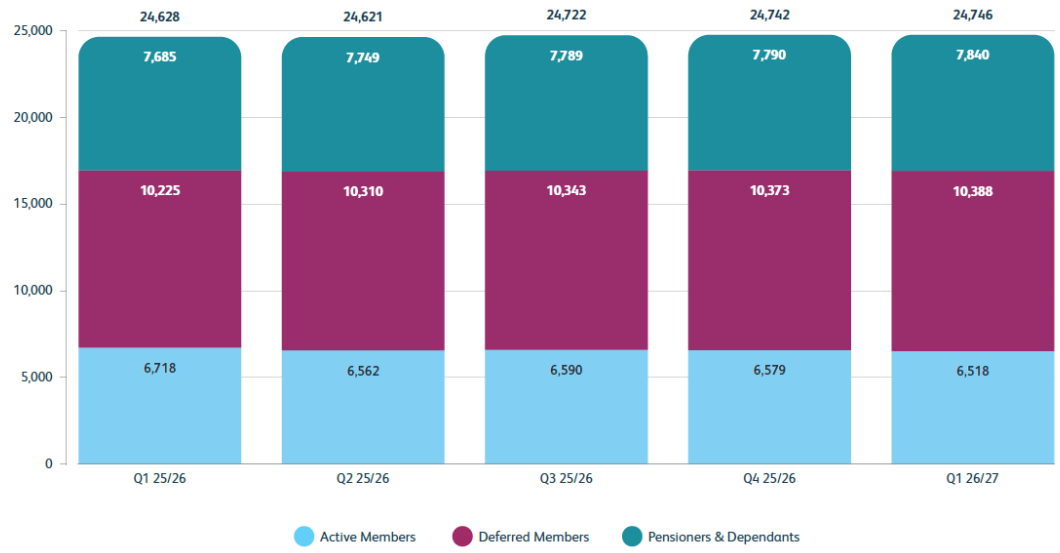
3.2.3 Brent is working closely with the LPPA to enhance service delivery, and the Pensions administration team hold monthly meetings with LPPA to monitor its performance.

3.2.4 The service has stabilised but there are still areas that need attention. A summary of Q1 2026-27 performance is provided below and full details are set out in Appendix 1.

3.3 LPPA Quarter 1 2026/27 performance report

3.3.1 Brent Pension Fund had 24,746 members on 30 June 2026 of which:

- 6,518 were active members,
- 10,388 were deferred members, and
- 7,840 were pensioner and dependant members



Key statistics

3.3.2 The average percentage of cases processed on time during the quarter was reported as 99.0%.

3.3.3 The Fund considers that the service has stabilised, noting that performance for all case types remained at or above 95%. Nevertheless, the Fund continues to scrutinise instances where service standards have not been met and raises them through regular contract management meetings. Where necessary, Brent and LPPA are working together to investigate such cases and implement appropriate improvements.

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 shows the cases in progress. It gives a helpful overview of the volume of casework.

Figure 2:

	Brought forward at 01/04/26	Received (Inbound)	Completed (Outbound)	Work in Flight as of 30/06/26
New Starters	0	2	2	0
Transfers In	347	139	166	320
Transfers Out	293	189	184	298
Estimates	10	58	54	14
Deferred Benefits	249	174	219	204
Retirements - Deferred	114	176	170	120
Retirements - Active	111	176	174	113
Refunds	89	132	139	82
Deaths	346	254	255	345
Correspondence	54	142	112	84
Aggregation	82	104	91	95
Other	57	452	454	55
Total	1,752	1,998	2,020	1,730

3.3.6 The figures were broadly stable across the quarter. The Helpdesk call performance measures the average wait time and calls answered. During the quarter average wait time increased to 4 minutes 38 seconds. Within this, 66.6% of calls were answered within 4 minutes, 74.2% were answered within 6 minutes but, disappointingly, 9.03% waited over 15 minutes. Although this is a notable decline compared to the previous quarter, wait times tend to fluctuate seasonally.

3.3.7 Performance in this quarter was affected by a small number of periods of exceptionally concentrated demand, particularly during the first few hours of the working day following Bank Holidays. These short-lived spikes, caused by members contacting us after the extended closure, resulted in significantly longer waits and had a disproportionate effect on the overall average wait time.

Complaints

3.3.8 There have been 8 new complaint cases since the last Pension Board and 8 have been determined albeit that 4 cases were carried forward from the previous quarter. The number and nature of the complaints received during the quarter is analysed by case type as shown in Figure 3 below and, overall, they are relatively low. Further information is provided in Appendix 2.

Figure 3:

	Q4 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	3	4	5	5	0	0	0	2
General Service	1	3	3	1	2	0	0	1
No Value Recorded	0	1	0	0	0	0	0	1
Payroll	0	0	0	0	0	0	0	0
Regulatory	0	0	0	0	0	0	0	0
Totals	**4**	**8**	**8**	**6**	**2**	**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

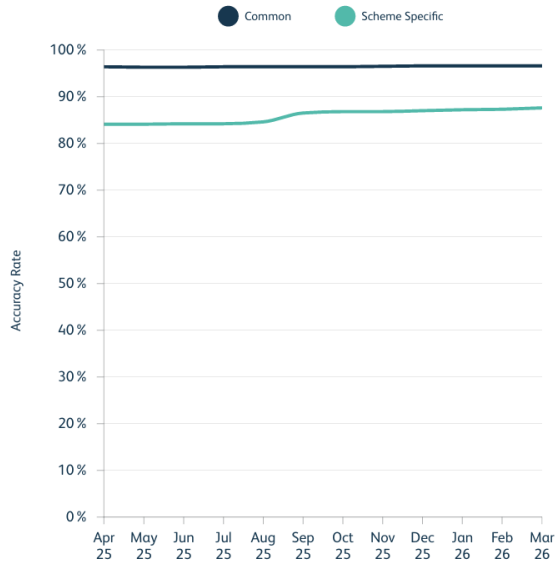
3.3.9 The Pension Regulator (TPR) acknowledges that complete, accurate scheme records are a vital part of the administrative function. The Regulator defines two types of data held in scheme records:

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 June 2026, Common data is stable at 96.6% and the conditional data has improved incrementally to 87.7%.

Figure 4:



	Common (Target 95 %)	Scheme Specific (Target 90 %)
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%
Jan 26	96.6%	87.2%
Feb 26	96.6%	87.3%
Mar 26	96.6%	87.6%

3.3.11 LPPA continues to work on data quality improvements, particularly in relation to Pensions Dashboard readiness. Recent data validation exercises have demonstrated significant reductions in the number of data quality exceptions, and over 98% of member records now meet the current Dashboard matching criteria. Further information is provided in the data quality report attached in Appendix 3.

Engagement and communication

3.3.12 The LPPA achieved Pension Administration Standards Association accreditation (PASA) in April 2026.

3.3.13 In Quarter 1 the LPPA delivered:

- Access and Fairness page added
- Elected Member newsletter
- Annual online newsletter
- Pensions Pulse retired persons newsletter about accessing P60s and pay dates

3.3.14 The LPPA plans to deliver the following for Quarter 2 2026/27;

- Annual deferred benefits newsletter
- Annual benefit statements on PensionPoint
- Pensions Pulse newsletter for employers
- McCloud remedy communications ongoing

3.4 Annual Benefit Statement (ABS)

3.4.1 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.

3.4.2 This year's exercise has been a particularly complex undertaking for the LGPS sector, with the continued implementation of the McCloud remedy requiring administrators to assess member eligibility and, where appropriate, include underpin protection estimates and supporting communications within statements.

3.4.3 Overall, a total of 13,443 Annual Benefit Statements were produced, comprising 5,173 active member statements and 8,270 deferred member statements. Brent provided annual benefit statements (ABS) to 96.8% of active members and 99.6% of deferred members. Within the McCloud eligible population, ABS were provided to 95.7% active members and 99.3% for deferred members.

3.4.5 The main reasons for an ABS not being produced were outstanding employer data, unresolved member record queries, or cases requiring further assessment of McCloud underpin eligibility.

	Target	Actual	Target status
Total active ABS	95%	96.8%	Exceeded
Total deferred ABS	95%	99.6%	Exceeded
McCloud active ABS	95%	95.7%	Exceeded
McCloud deferred ABS	95%	99.3%	Exceeded

3.4.6 Notwithstanding the challenges associated with implementing the McCloud remedy and system developments, the results all exceeded the 95% benchmark, which is considered a realistic and successful target given the complexity of the exercise and the dependency on employer-provided data.

3.4.7 ABS were automatically uploaded to members' PensionPoint accounts as soon as they became available. For the first time, members with a registered email address received automated notifications advising them when their statement was available to view online.

3.4.8 Annual member newsletters issued in August directed active and deferred members to their Annual Benefit Statements and provided supporting information about accessing and understanding their benefits. Additionally, the dedicated Annual Benefit Statement webpage was updated to include information relating to the McCloud remedy.

3.4.9 In line with our standard approach, paper copies were issued to members who opted out of digital communications.

3.4.10 Members who have not received an ABS will receive a statement from the Fund as soon as the relevant information has been received from the employer, and any outstanding queries have been resolved.

3.5 Councillors' Pensions

3.5.1 The Government consulted on the Access and Protections proposals in late 2025.

3.5.2 With effect from 11 May 2026, the LGPS was opened to councillors and mayors who elect to join.

3.5.3 The relatively short lead time has presented challenges for software providers in implementing the required functionality. System functionality has now been delivered.

3.5.4 Communications have been sent to the Council confirming the updated process for reporting elected members which will enable records to be set up. All parties are working collaboratively to embed the new processes.

3.6 McCloud

3.6.1 The focus is now shifting from the production of ABSs to implementing the remaining elements of the McCloud remedy.

3.6.2 The next phase involves identifying and assessing retrospective member cases to determine eligibility for underpin protection and calculating any resulting adjustments to benefits or payments.

3.6.3 The Path to Green requires:

- Demonstrating sustained progress in processing remedy payments.
- Completing the assessment of retrospective member cases within the agreed timetable.
- Successfully transitioning to business-as-usual processing.
- Delivering and successfully testing all remaining UPM functionality on schedule.

3.7 Pensions Dashboard

3.7.1 The project is focused on ensuring business readiness for the anticipated consumer launch of Pensions Dashboards in 2027. This includes assessing the potential impact of currently unknown levels of demand on LPPA and developing an appropriate plan to manage that demand.

3.7.2 A dedicated Pensions Dashboard page is available on the LPPA website https://www.lppapensions.co.uk/pensions-dashboards/

3.8 Internal Audit

3.8.1 An Internal Audit of the Pension Fund's arrangements for the oversight and monitoring of its outsourced pensions administration service is scheduled to commence in November 2026. It is standard practice for Internal Audit to undertake periodic reviews of Pension Fund activities, focusing on areas of operational risk.

3.8.2 The objective of the audit is to provide assurance on the effectiveness of the Fund's governance, oversight and control arrangements in respect of the outsourced pensions administration service provided by the Local Pensions Partnership Administration (LPPA). The review will focus on the Fund’s management and

oversight of the contract rather than a detailed review of the administrator's own control environment.

The audit will assess controls relating to the following areas:

- Governance, accountability and third-party risk management arrangements
- Monitoring and reporting of administration performance and service levels
- Management, escalation and resolution of service, data and control issues
- Assurance, business continuity and contingency arrangements relating to the outsourced service.

3.8.4 Fieldwork is expected to take place during November 2026, with the report expected in December 2026. The outcome of the review will be reported to the Pension Board at the next meeting following completion of the audit.

4.0 Stakeholder and ward member consultation and engagement

4.1 This is not applicable to this report.

5.0 Financial Considerations

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

6.0 Legal Considerations

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

7.0 Equality, Diversity & Inclusion (EDI) Considerations

7.1 There are none directly arising from this report.

8.0 Climate Change and Environmental Considerations

8.1 There are none directly arising from this report.

9.0 Human Resources/Property Considerations (if appropriate)

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

LPP
Local Pensions Partnership Administration

Quarterly Administration Report:
Brent Pension Fund

1 APRIL 2026 - 30 JUNE 2026



lppapensions.co.uk

Brent

Contents

Definitions 1

Executive Summary 2

Fund Membership 5

Casework Performance 7

Active to Retirement Process - First Payment Within 30 Days 11

Contact Centre Calls Performance 15

Member Satisfaction Scores 18

Member Online Portal 23

Employer Engagement & Member Communication Activity 26

Data Quality 29

Appendices 32

Definitions

Total Fund Membership 6

Casework Performance - All Cases 8

Casework Performance - Standard..... 9

Ongoing Casework at the end of the Reporting Quarter 10

Contact Centre Performance 16

Contact Centre Call Satisfaction 19

Retirement Satisfaction..... 21

Member Online Portal..... 24

Member Log Ins..... 25

Common/Scheme Specific Data Fails 31

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.

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.

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.

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).

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.

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).

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.

Member Online Portal

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

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.

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

Performance Summary

Casework SLA performance

Overall operational casework performance was **99.0%** against overall Service Level Agreements (SLAs) for the quarter. Focus continues to be on driving further improvements to the member experience.

On 19 May 2026, the UK Government announced a decrease in the SCAPE discount rate. The change had an immediate and material impact on LPPA's core administration activities with a range of pension calculations, including retirement benefits, transfer values and member estimates, directly affected.

New factors will be released in phases. Most LGPS work can continue, but non-club transfers remain on hold. These changes may lead to higher volumes of complaints.

LPPA are managing the impact of the change and maintain control over service delivery including immediate operational controls introduced to pause affected processes and ensure that no inaccurate calculations are issued.

Contact Centre

Contact Centre average wait time over the quarter was **4 minutes 38 seconds**, above the target of 4 minutes.

While call volumes remained manageable overall, performance was influenced by a small number of periods where demand was heavily concentrated, particularly during the first few hours of the working day following Bank Holidays. These short-duration spikes generate significantly higher wait times as members contact us after the extended closure period and can have a disproportionate impact on the overall average wait time reported for the quarter.

It is worth noting that the median wait time across the quarter was significantly lower at **1 minutes 12 seconds**, meaning that at least half of all callers waited less than this before speaking to an adviser. This provides a more representative view of the typical member experience, with the average being skewed by a relatively small number of high-demand periods.

During the quarter, the introduction of SCAPE changes on 20th May also increased the complexity of member enquiries. Whilst this did not materially increase call volumes, it did result in longer conversations as advisers supported members with more detailed explanations and guidance, contributing to an increase in average handling time.

We continue to monitor demand patterns closely and have taken steps to mitigate the impact of post-Bank Holiday demand peaks, whilst maintaining a focus on delivering a positive experience for members contacting the service.

Member Satisfaction

The majority of those surveyed about their retirement experience do not respond. For the active members retiring **7** responded to the survey, customer satisfaction was **85.7%** and for the **14** Deferred into payment members, customer satisfaction was **71.4%**. Low volumes of 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 **95.0%** and **75.2%** respectively.

Statutory deadlines

Pensions Increase was successfully applied for **99.4%** of eligible pensioners and **99.9%** of eligible deferred members. All eligible member records that have not had PI applied are being investigated and resolved. Not all the exclusions will need PI calculating.

Issuing of P60s was completed in line with statutory requirements under PAYE.

Outlook

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

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

LPPA is well placed to meet demand and drive further improvements in the member and employer experience.

The current level of regulatory change is unprecedented and is creating material operational pressure across the LGPS. LPPA recognise both the scale and the additional pressure arising from the recent SCAPE discount rate changes and associated processing impacts and we are actively managing delivery, risk and regulatory obligations through a structured and controlled approach.

LPPA continues to prioritise the delivery of statutory responsibilities, while maintaining service stability and focusing on key SLA casework areas. We recognise that the cumulative impact of multiple concurrent regulatory changes increases operational pressure — including increased contact volumes, higher case complexity, retrospective calculations and greater reliance on employer data and validation processes.

Our approach is designed to ensure:

- Continued delivery of statutory processes
- Controlled implementation of regulatory change
- Clear prioritisation where capacity is constrained
- Transparency with members, employers and clients where service impacts arise

Executive Summary

LPPA Projects Update

Access and Fairness

Phase one of the Local Government Pension Scheme (LGPS) Access and Fairness regulations took effect on April 1, 2026. These updates — resulting from the government's consultation — are designed to make the LGPS fairer, improve access to pension benefits, and simplify administration.

LPPA has focused on translating the new regulations into practical employer processes, payroll requirements and pension administration procedures and has supported employers with website updates and focussed communications.

We have communicated the Access and Fairness changes to members via targeted email communications, the 2026 online Retired Newsletter, updates across the LPPA website and PensionPoint and Contact Centre IVR messaging. This will be supported by additional messaging and signposting in Annual Benefit Statements.

Work was completed by 1 July to identify death cases in scope for equalisation of survivor benefits and removal of the death grant age 75 limit. We will continue to review cases and refine the numbers further to identify where actual payments are due, as we work towards the next stage of identifying the survivors and beneficiaries, and re-calculating benefits. LPPA will work in collaboration with clients to ensure appropriate contacts are made given the sensitive nature of the cases.

LGPS for elected members and Councillors

Eligible councillors and mayors in England regained access to the Local Government Pension Scheme (LGPS) starting May 11, 2026. Membership is opt-in rather than automatic, meaning elected members must actively apply to join.

LPPA have updated our website with employer and member pages with links to supporting material on the national member website and are working with Civica on the system changes required.

SCAPE factor changes

On 19 May 2026, the UK Government announced a decrease in the SCAPE discount rate. The change had an immediate and material impact on LPPA's core administration activities with a range of pension calculations, including retirement benefits, transfer values and member estimates, directly affected.

LPPA are managing the impact of the change and maintain control over service delivery including immediate operational controls introduced to pause affected processes and ensure that no inaccurate calculations are issued.

From a member perspective, the Contact Centre has been briefed and provided with consistent messaging to support member and employer enquiries, and coordinated communications are being issued to ensure clarity and transparency across stakeholders.

A working group has been established to help manage delivery of these changes including key workstreams across operations, systems, communications and risk to manage delivery in a controlled and aligned way.

As of the end of June, GAD have released CETV and divorce factors which are currently being tested by LPPA. As advised by LGA, CETV and divorce cases are on hold until the new factors have been implemented and members have been informed.

We are still awaiting new early retirement factors from GAD but appropriate messaging has been included in member retirement quote communications and on the online calculators to help manage their expectations about potential changes to future benefits.

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.

The team are focused on the work required to ensure remedy eligible members receive the underpin on their ABS by 31 August.

Work is also underway to ensure completion of retrospective cases and BAU processes.

Pensions Dashboard

The Pensions Dashboard will enable individuals to access their pensions information online, securely and all in one place. The Dashboard is expected to go live to consumers in summer/autumn 2027. The Dashboard has now moved into consumer testing phase.

Following successful connection to the Dashboard, 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.

LPPA has supported the Money and Pensions Services (MaPS) with the second phase of testing the MoneyHelper Pensions Dashboard by inviting Funds' participants of our Member Panel to register their interest in carrying out testing.

Efficiency and Service Improvement Programme

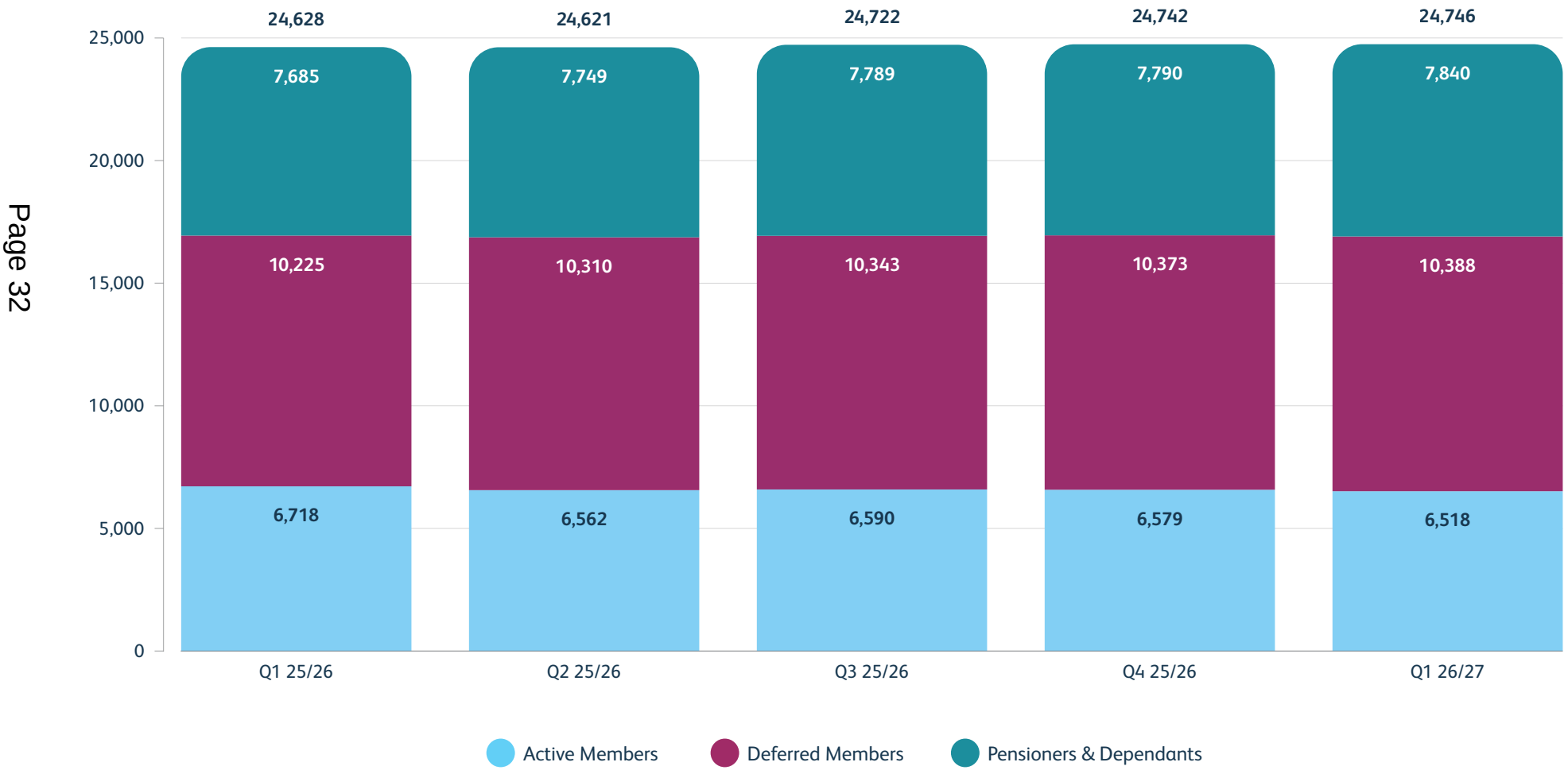
LPPA's Service Improvement Programme (ESIP) is designed to leverage the investment in UPM, delivering automation and improved self-service capability and member experience.

ESIP planning continues for 2026 but has been impacted by regulatory and SCAPE factor changes. The next process automation, Automated Active Retirement Process (AARP) is expected to be released in September. Work in flight also includes employer monthly return real-time validations and remaining bank account verification processes.



Fund Membership

Total Fund Membership



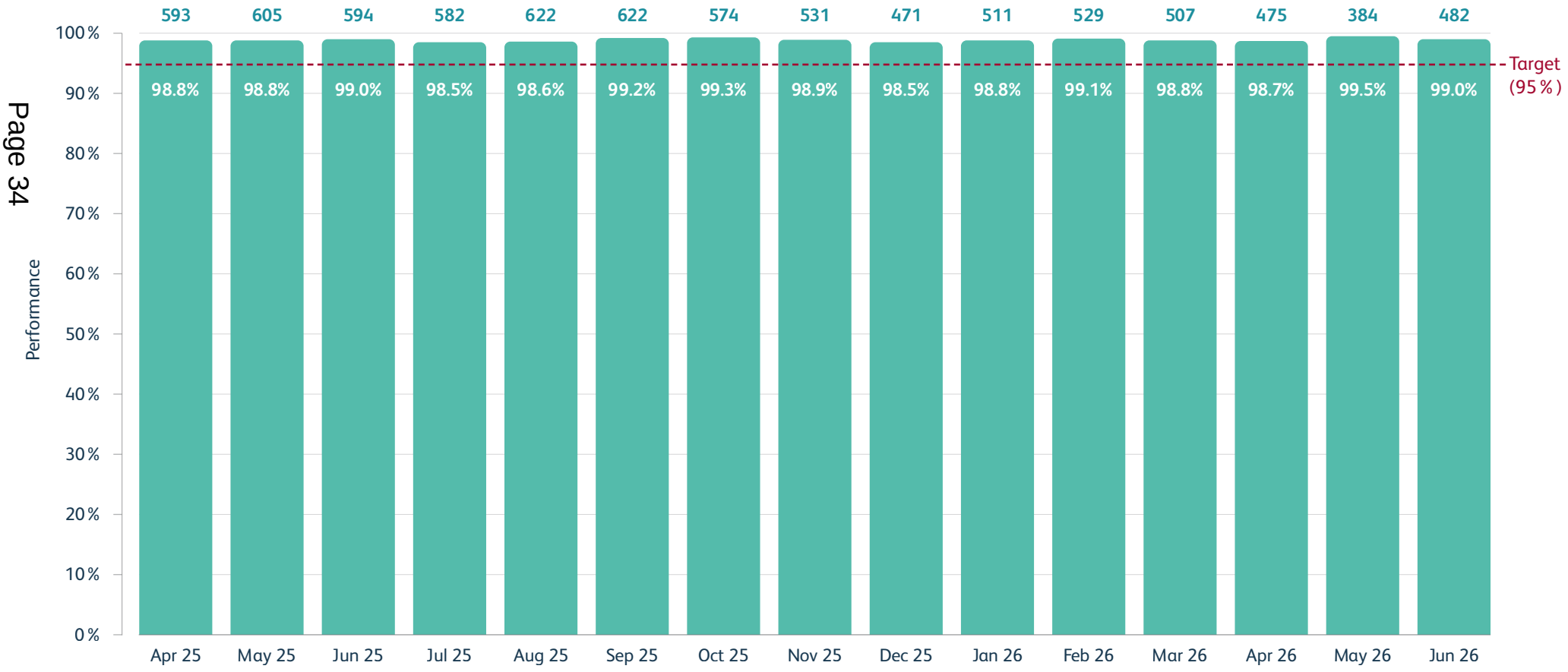


Casework Performance

Performance – All Cases

The quarterly SLA performance was **99.0%**

Total completed cases included for each month.



Performance Standard



Ongoing Casework at the End of the Reporting Quarter

Note:

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

	Brought forward at 01/04/26	Received (Inbound)	Completed (Outbound)	Work in Flight as of 30/06/26
New Starters	0	2	2	0
Transfers In	347	139	166	320
Transfers Out	293	189	184	298
Estimates	10	58	54	14
Deferred Benefits	249	174	219	204
Retirements - Deferred	114	176	170	120
Retirements - Active	111	176	174	113
Refunds	89	132	139	82
Deaths	346	254	255	345
Correspondence	54	142	112	84
Aggregation	82	104	91	95
Other	57	452	454	55
Total	1,752	1,998	2,020	1,730

CLIENT SPECIFIC

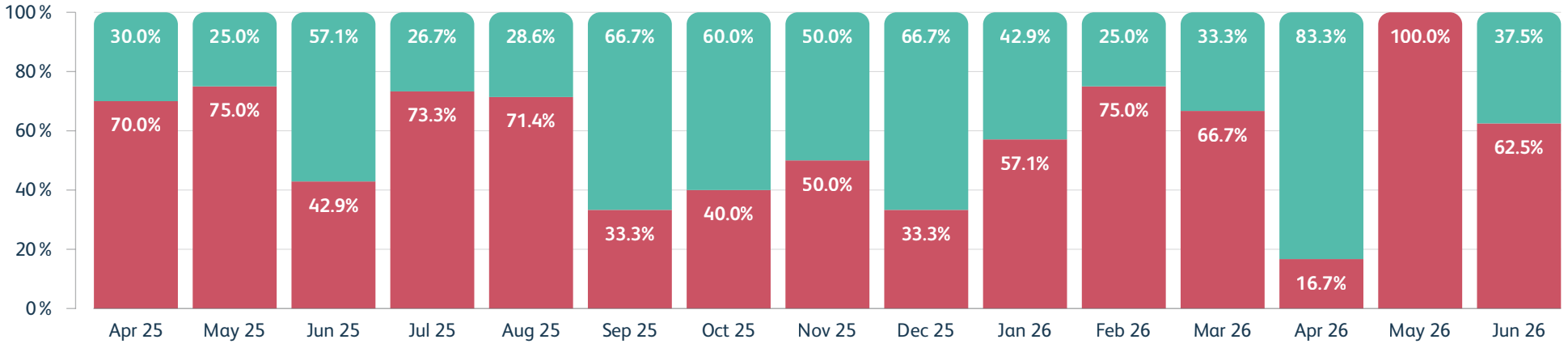


Active to Retirement Process - First Payment Within 30 Days

Employer Retirement Notifications

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).



	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26
Retirement Notifications	10	12	7	15	7	9	5	2	3	7	4	9	6	6	8
Received On-Time (Number)	3	3	4	4	2	6	3	1	2	3	1	3	5	0	3
Received On-Time (%)	30.0 %	25.0 %	57.1 %	26.7 %	28.6 %	66.7 %	60.0 %	50.0 %	66.7 %	42.9 %	25.0 %	33.3 %	83.3 %	0.0 %	37.5 %
Received Late (Number)	7	9	3	11	5	3	2	1	1	4	3	6	1	6	5
Received Late (%)	70.0 %	75.0 %	42.9 %	73.3 %	71.4 %	33.3 %	40.0 %	50.0 %	33.3 %	57.1 %	75.0 %	66.7 %	16.7 %	100.0 %	62.5 %

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

Active to Retirement

On-time Notification – First Payments

Note:

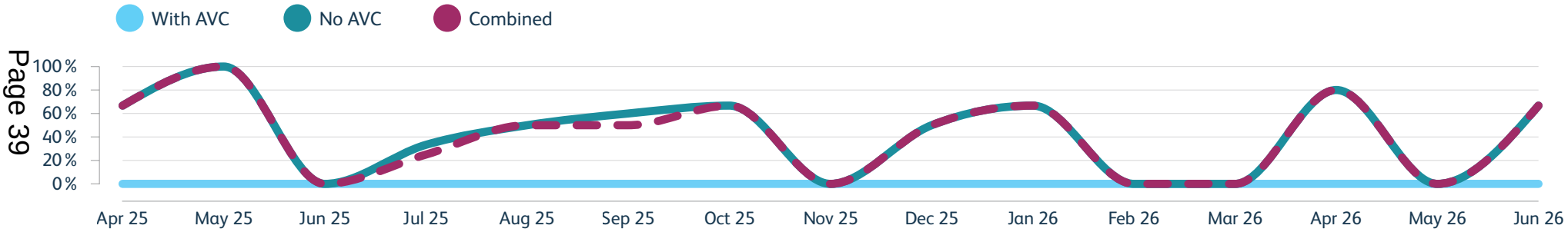
% of first payments made within 30 days of retirement date – where LPPA receives the leaver notification from the employer at least 30 days before the actual retirement date.

★Insights:

Why some retirements are not paid within 30 days: LPPA aims to pay retirement benefits within 30 days of a member's retirement date, but this depends on receiving complete and accurate pay, service and retirement information from the employer.

Retirement benefits cannot be calculated or authorised until all required details have been provided. In many cases, employers notify LPPA of retirements very close to, or after, the retirement date, leaving limited time for calculations, validations and quality checks. Delays can also occur where information is incomplete or needs clarification. As a result, some retirements will fall outside the 30-day target despite prompt action by LPPA once the necessary information is received.

Opportunity for improvement: The most effective way to improve retirement payment timeliness is for employers to notify LPPA of retirements earlier. Over the last 12 months, 40.7 % of retirement cases are notified with less than 30 days' notice. Providing at least 30 days advance notice would allow earlier case preparation, record validation and resolution of any outstanding queries, increasing the likelihood that benefits can be paid on or shortly after the retirement date.



	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26
No. of payments made where member has an AVC	0	0	1	1	0	1	0	0	0	0	0	3	0	0	0
No. of payments made with **no** AVC	3	3	3	3	2	5	3	1	2	3	1	0	5	0	3
% of payments made within 30 days – with AVC	N/A	N/A	0.0 %	0.0 %	N/A	0.0 %	N/A	N/A	N/A	N/A	N/A	0.0 %	N/A	N/A	N/A
% of payments made within 30 days – **no** AVC	66.7 %	100.0 %	0.0 %	33.3 %	50.0 %	60.0 %	66.7 %	0.0 %	50.0 %	66.7 %	0.0 %	N/A	80.0 %	N/A	66.7 %
% of payments made within 30 days – combined	66.7 %	100.0 %	0.0 %	25.0 %	50.0 %	50.0 %	66.7 %	0.0 %	50.0 %	66.7 %	0.0 %	0.0 %	80.0 %	N/A	66.7 %

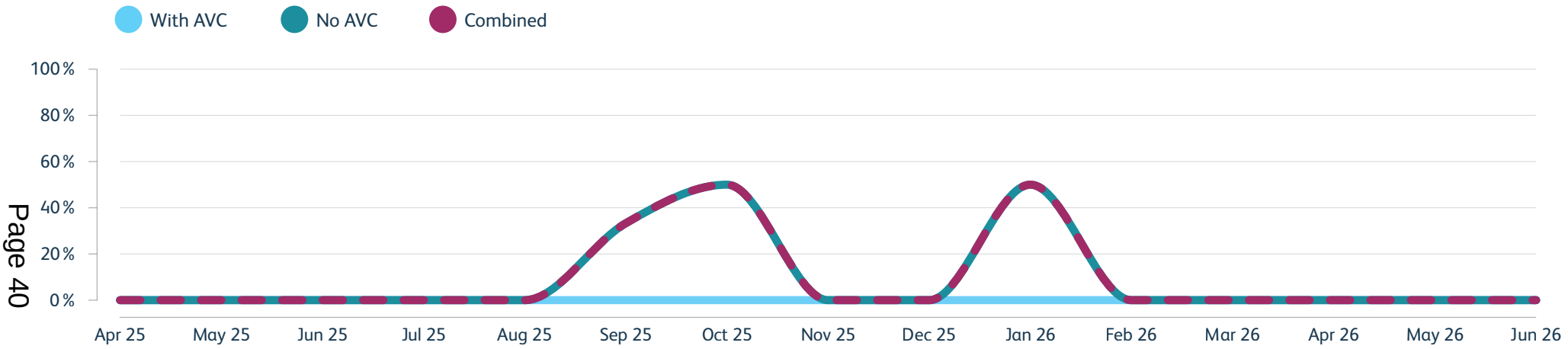
Data based on processes completed in the month. Measurement is based on the earliest payment made, i.e. earliest of first pension payment or lump sum.

CLIENT SPECIFIC

Late Notification – First Payments

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.



	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26
No. of payments made where member has an AVC	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
No. of payments made with **no** AVC	6	9	3	11	5	3	2	1	1	4	3	6	1	6	5
% of payments made within 30 days – with AVC	0.0 %	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
% of payments made within 30 days – **no** AVC	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	33.3 %	50.0 %	0.0 %	0.0 %	50.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
% of payments made within 30 days – combined	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	33.3 %	50.0 %	0.0 %	0.0 %	50.0 %	0.0 %	0.0 %	0.0 %	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

Contact Centre Calls Performance

Calls Answered

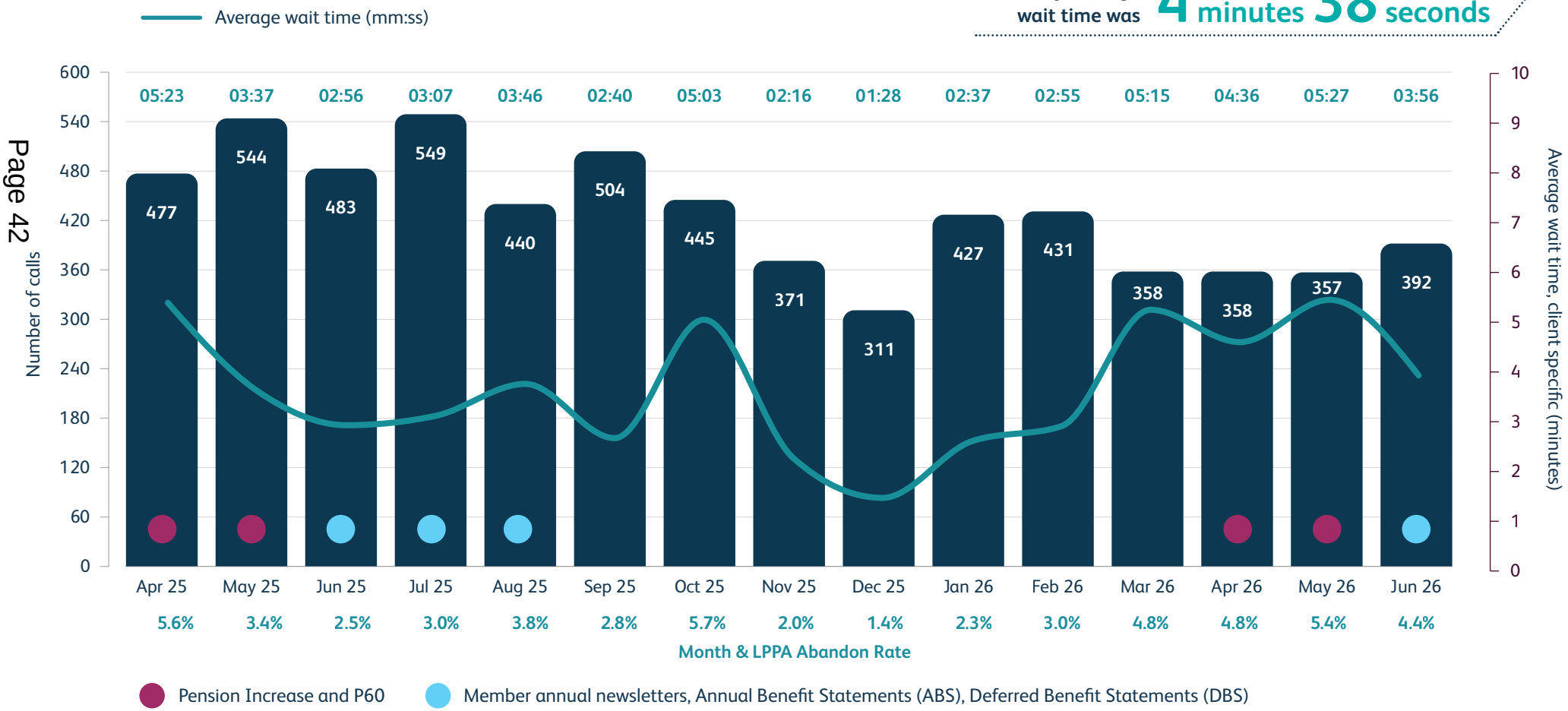
★Insights:

Performance was influenced by a small number of periods where demand was heavily concentrated, particularly during the first few hours of the working day following Bank Holidays. These short-duration spikes generate significantly higher wait times as members contact us after the extended closure period and can have a disproportionate impact on the overall average wait time reported.

It is worth noting that the median wait time across the quarter was significantly lower at 1 minute 12 seconds, meaning that at least half of all callers waited less than this before speaking to an adviser. This provides a more representative view of the typical member experience, with the average being skewed by a relatively small number of high-demand periods.

During the quarter, the introduction of SCAPE changes on 20th May also increased the complexity of member enquiries. Whilst this did not materially increase call volumes, it did result in longer conversations as advisers supported members with more detailed explanations and guidance, contributing to an increase in average handling time.

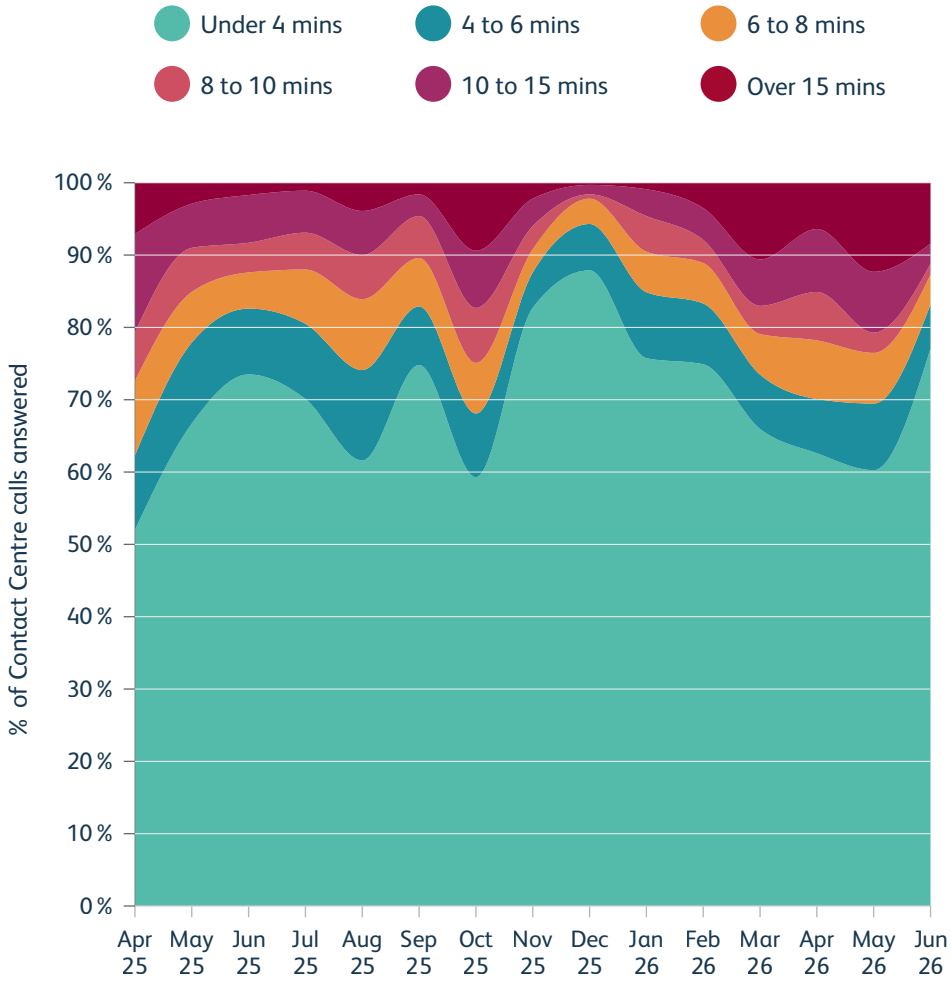
Quarterly average wait time was 4 minutes 38 seconds



Wait Time Range

CLIENT SPECIFIC

	Under 4 mins	4 to 6 mins	6 to 8 mins	8 to 10 mins	10 to 15 mins	Over 15 mins
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%
Jan 26	75.6%	9.1%	5.6%	4.9%	3.7%	0.9%
Feb 26	74.9%	8.4%	5.6%	3.2%	4.4%	3.5%
Mar 26	65.9%	7.5%	5.6%	3.9%	6.4%	10.6%
Apr 26	62.6%	7.5%	8.1%	6.7%	8.7%	6.4%
May 26	60.2%	9.2%	7.0%	2.8%	8.4%	12.3%
Jun 26	77.0%	6.1%	4.1%	1.5%	2.8%	8.4%





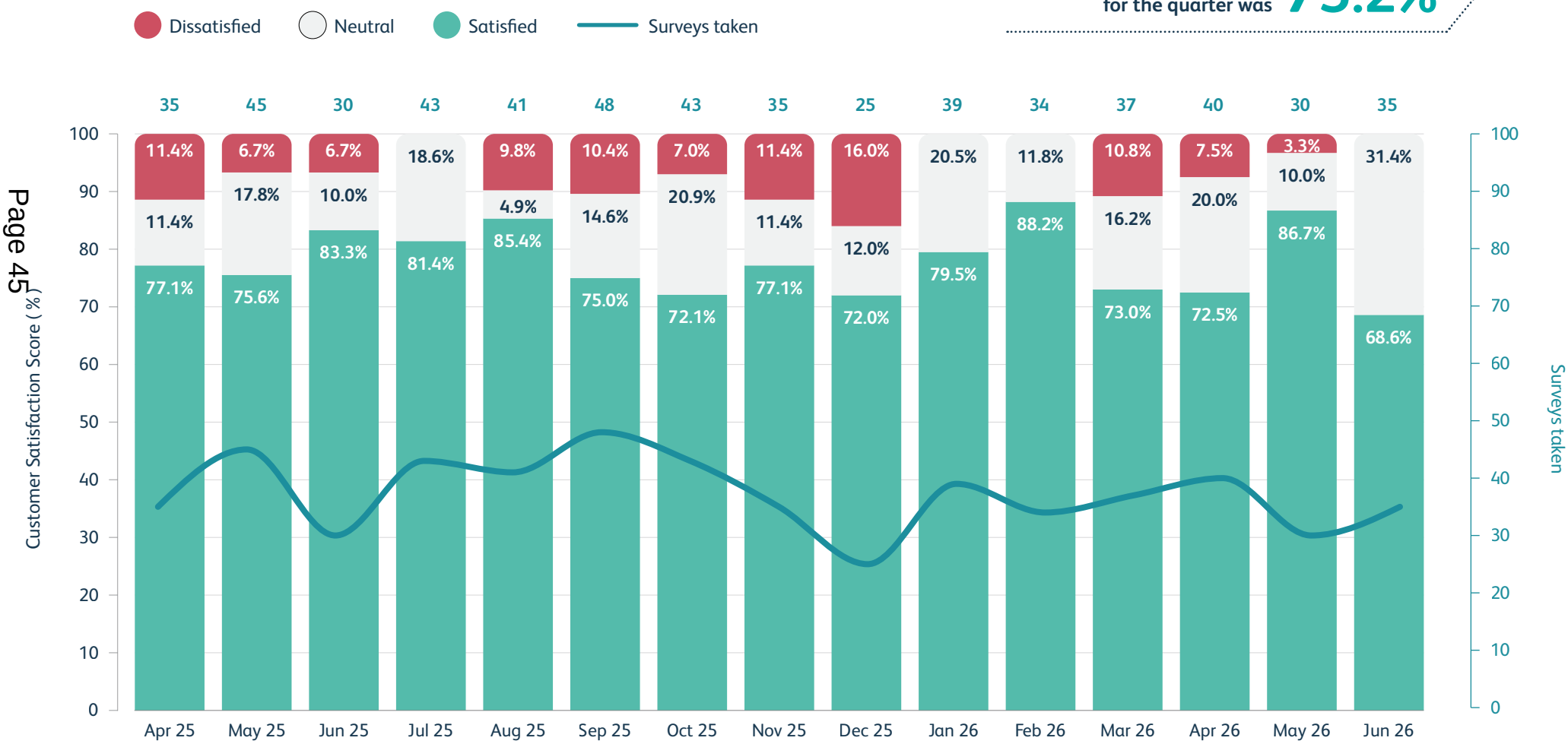
Member Satisfaction Scores

Contact Centre Calls Satisfaction - Overall

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 **75.2%**

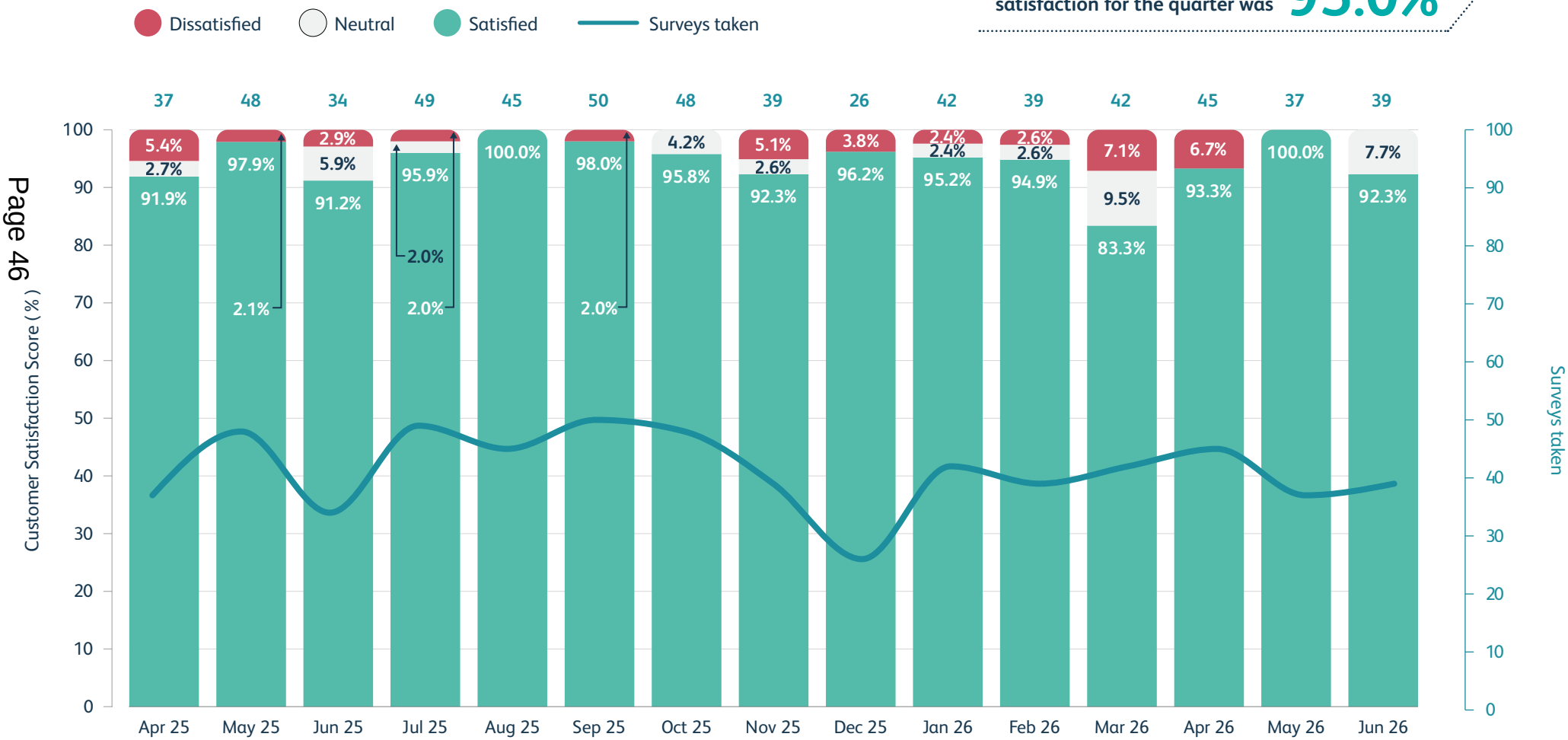


Contact Centre Calls Satisfaction - Agent

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 95.0%

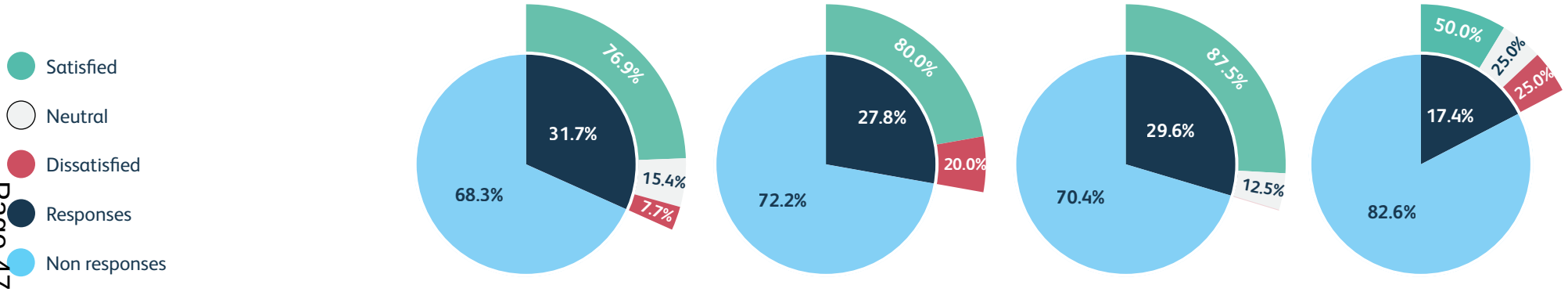


Member Satisfaction Scores

Retirements - Active

★Insights:

Communication, updates and payment visibility remain the most common improvement opportunities across clients, however, there is also evidence of strong customer experiences. Many members reported being satisfied or very satisfied with the service received and frequently highlighted the value of LPPA colleagues, telephone support, Pension Point and written communications. The feedback suggests that where expectations are clear and customers feel informed throughout the process, satisfaction remains high even when the retirement journey is complex.



	Q2 25/26		Q3 25/26		Q4 25/26		Q1 26/27	
Retirements processed, completed	48		40		30		25	
Surveys issued and as a % of retirements	41	85.4%	36	90.0%	27	90.0%	23	92.0%
Non responses and as a % of surveys issued	28	68.3%	26	72.2%	19	70.4%	19	82.6%
Responses and as a % of surveys issued	13	31.7%	10	27.8%	8	29.6%	4	17.4%
Satisfied responses and as a % of responses	10	76.9%	8	80.0%	7	87.5%	2	50.0%
Neutral responses and as a % of responses	2	15.4%	0	0.0%	1	12.5%	1	25.0%
Dissatisfied responses and as a % of responses	1	7.7%	2	20.0%	0	0.0%	1	25.0%
Satisfied and neutral responders plus non responders, as a % of surveys issued	40	97.6%	34	94.4%	27	100.0%	22	95.7%

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

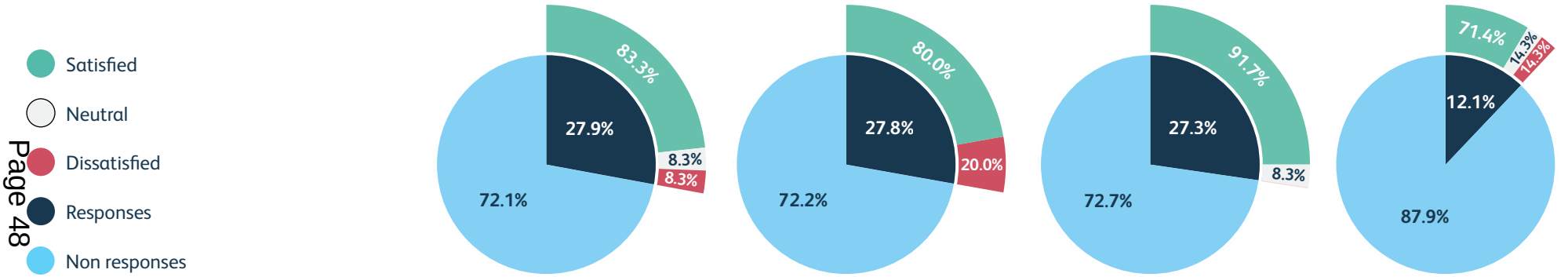
Member Satisfaction Scores

Retirements - Deferred

Note (also applies to previous page):

Charts show a breakdown of quarterly retirement surveys:

- Retirements processed 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).
- 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).



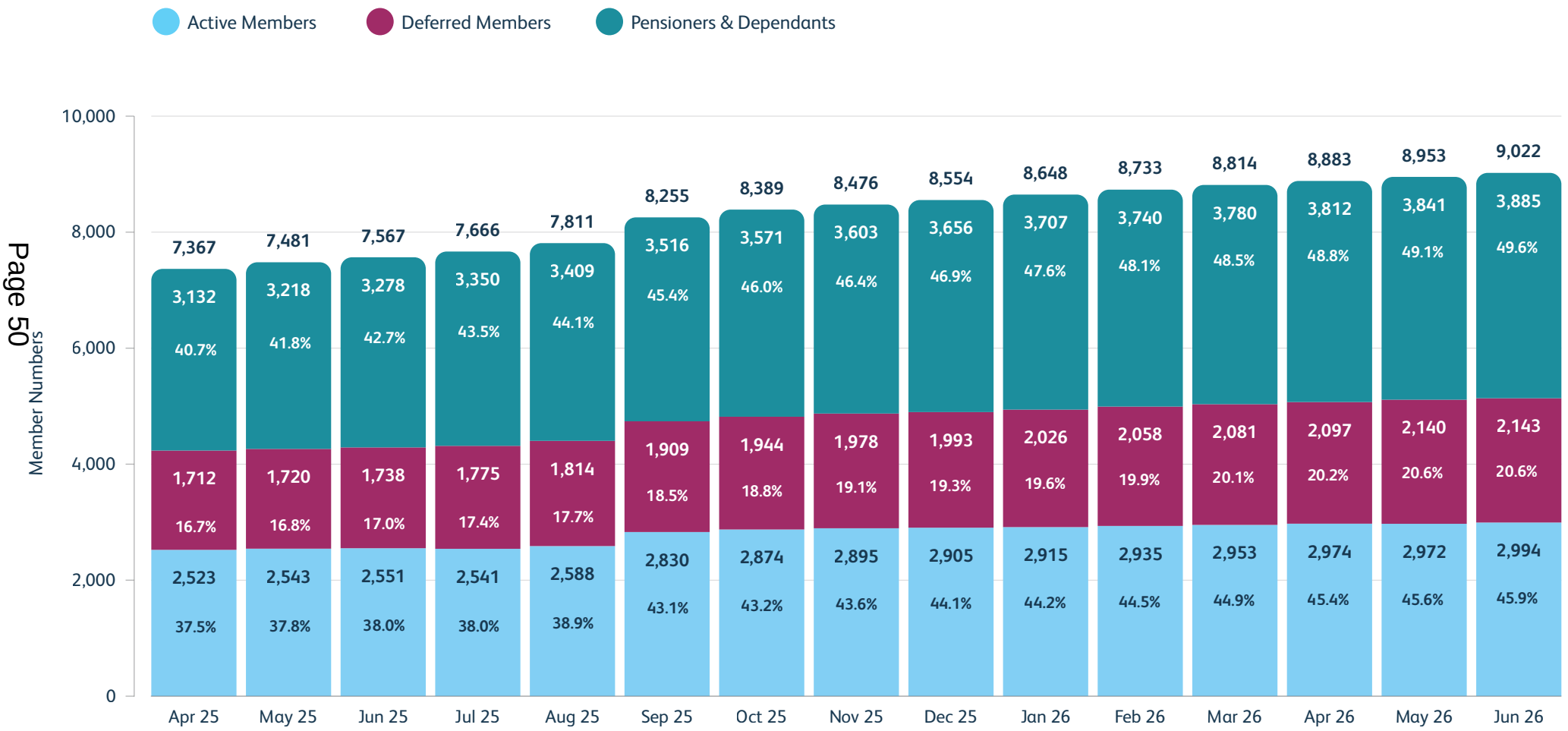
	Q2 25/26		Q3 25/26		Q4 25/26		Q1 26/27	
Retirements processed, completed	64		87		50		70	
Surveys issued and as a % of retirements	43	67.2%	18	20.7%	44	88.0%	58	82.9%
Non responses and as a % of surveys issued	31	72.1%	13	72.2%	32	72.7%	51	87.9%
Responses and as a % of surveys issued	12	27.9%	5	27.8%	12	27.3%	7	12.1%
Satisfied responses and as a % of responses	10	83.3%	4	80.0%	11	91.7%	5	71.4%
Neutral responses and as a % of responses	1	8.3%	0	0.0%	1	8.3%	1	14.3%
Dissatisfied responses and as a % of responses	1	8.3%	1	20.0%	0	0.0%	1	14.3%
Satisfied and neutral responders plus non responders, as a % of surveys issued	42	97.7%	17	94.4%	44	100.0%	57	98.3%

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



Member Online Portal

Total members registered



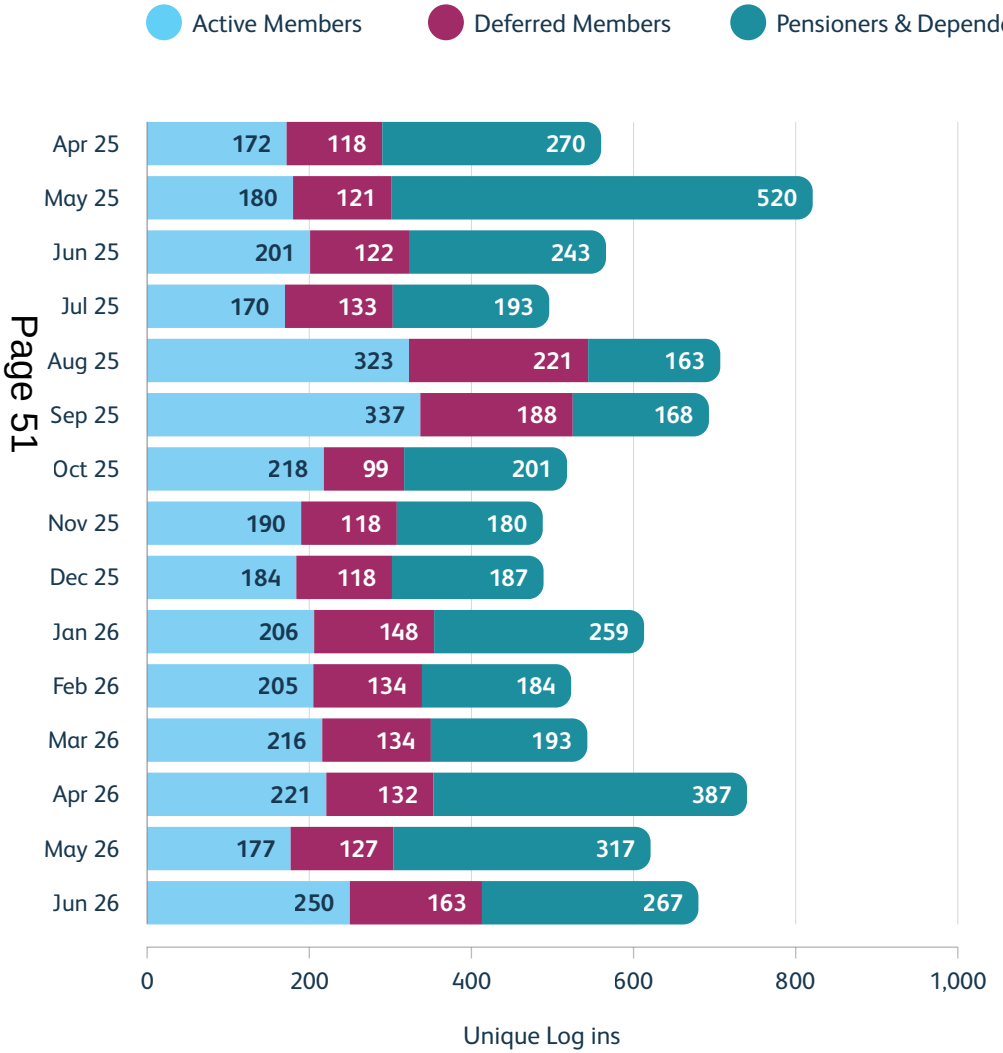
**The percentage figure is the percentage against the total membership of that status*

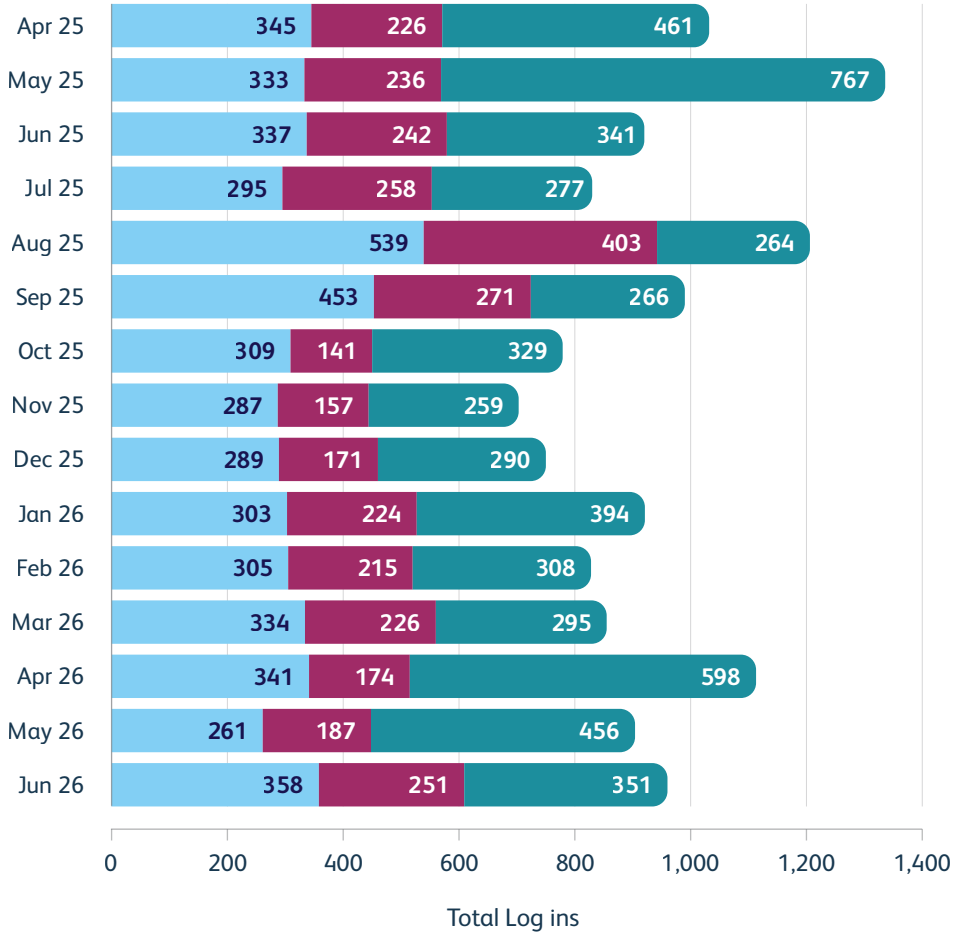
Member logins

PensionPoint

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, whist active and deferred members login in higher numbers in August and September to access their annual benefit statemement.







Employer Engagement & Member Communication Activity

Employer Engagement & Member Communication Activity

DELIVERED Q1 2026 / 27 (April to June 2026)

General

- LPPA was presented with the accreditation certificate and trophy at the PASA annual conference in London on 29 April 2026, following the assessment process earlier in the year.

Employers

- Following a review of responses to our second Employer Satisfaction Survey which was issued in March, a score of **88%** was achieved, which relates to employers' satisfaction with LPPA's support and overall performance. This is an increase compared to a satisfaction score of **71%** recorded in September 2025 (the first time that employers had been surveyed).
- Important updates and improvements to the monthly data return process were communicated to employers to ensure that the quality of data held by LPPA continues to meet the standards set by the Pensions Dashboard criteria.
- In addition to developing a new Access and Fairness (A&F) page on the LPPA website for members and employers, an employer email was also issued which covered all aspects of changes to the regulation. Importantly, it also provides employers with instructions on how to complete their monthly return, and how to apply APP (Assumed Pensionable Pay) to specific cases because of these changes.
- In May, an email communication was sent to employers with details on changes to Elected member Pension Regulations. It included links to online opt-in forms for eligible members to complete, should they wish to join the LGPS. It also provided employers with links to additional resources, and to the LPPA web page which contains further information.
- Following the Government's announcement of changes to SCAPE (Superannuation Contributions Adjusted for Past Experience) discount rates, LPPA made the necessary updates to any member and employer letters for casework types impacted by these changes, as well as adding important information to our employer portal and PensionPoint (member portal). An email communication was also issued to employers to keep them informed.
- A communication was sent to employers to inform them of changes to enable them to keep their contact details updated through the portal. A step-by-step guide was also added to the website to support them with more information.

Members

- The annual, online retired member newsletter was published on the LPPA website, and emails were issued to members. The newsletter helped to support members looking to access their latest P60 document, included pension pay dates for 2026/27, details on the Access and Fairness LGPS regulation changes, and updates on McCloud remedy. It also included an article on 'Artificial Intelligence (AI) and your Pension'.
- An information page was added to the LPPA pensions website to focus on guidance to support members in staying safe when using Artificial Intelligence (AI) tools alongside their pension information.
- In June, members also received notification of the A&F regulatory changes through email communications, LPPA website and PensionPoint prompts, recorded messages on our Contact Centre IVR wating line, and messages included with their ABS communication.
- The LPPA Member Panel was emailed and invited to support national testing of the MoneyHelper Pensions Dashboard. This included incentives offered by MoneyHelper to join the research testing programme.
- Notification emails started to be issued to Active and Deferred members to inform them that their 2025/26 ABS is available to view in PensionPoint – this activity will be completed by the statutory deadline 31 August 2026.

SCHEDULED Q2 2026 / 27 (July to September 2026)

- The annual (online) newsletter will be issued to active and deferred members, and will include updates on ABS and how to access their document through PensionPoint. It will also feature information on the benefits and risks of AI in pensions, as well as further information on A&F regulation changes.
- ABS documents will continue to be produced for members, with email notifications signposting members to PensionPoint to access their document, as well as printed copies in the post to members who request a paper copy.
- Ongoing improvements will be made to the LPPA pensions website.
- Pension Pulse (newsletter) communications will be issued to employers in Q2.
- McCloud remedy communications activity will be ongoing in Q2 for LGPS members impacted by the regulation.

Employer Engagement & Member Communication Activity

CLIENT SPECIFIC

Employers

Session	Date	Employer	Attendees
Key Employer Meeting	03/06/2026	London Borough of Brent	1
Understanding Pay Elements	11/06/2026	North West London Jewish Day School	1

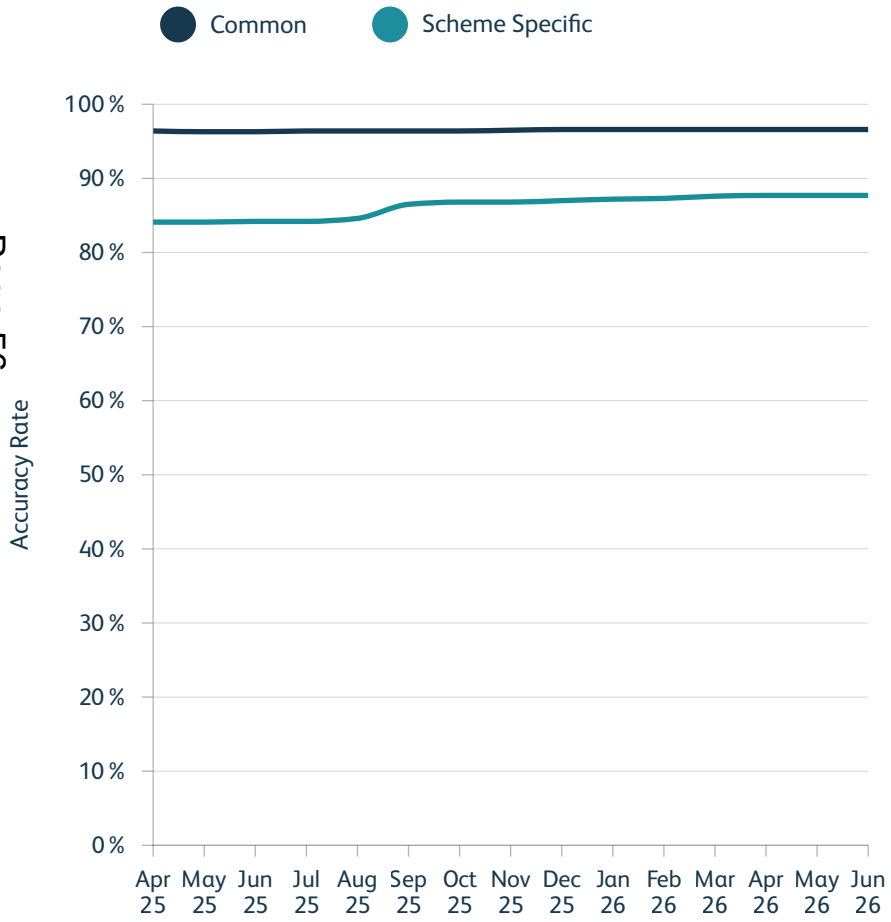
Members

Session	Date	Attendees
Making Sense of Your Pension	08/06/2026	1



Data Quality

TPR data scores



	Common (Target 95 %)	Scheme Specific (Target 90 %)
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%
Jan 26	96.6%	87.2%
Feb 26	96.6%	87.3%
Mar 26	96.6%	87.6%
Apr 26	96.6%	87.7%
May 26	96.6%	87.7%
Jun 26	96.6%	87.7%

End of Quarter Data Quality (TPR Scores)

Common Data

Data Item	Active	Deferred	Pensioner / Dependant
Invalid or Temporary NI Number	0	77	24
Duplicate effective date in status history	3	24	5
Gender is not Male or Female	0	0	0
Duplicate entries in status history	30	41	25
Missing (or known false) Date of Birth	0	0	0
Date Joined Scheme greater than first status entry	4	1	4
Missing Surname	0	0	0
Incorrect Gender for members title	0	0	0
Invalid Date of Birth	9	0	0
No entry in the status history	0	0	10
Last entry in status history does not match current status	42	20	10
Member has no address	17	527	5
Missing Forename(s)	1	6	0
Missing State Retirement Date	0	0	5
Missing postcode	9	531	11
Missing Date Joined Pensionable Service	1	0	10
Total Fails	116	1,227	109
Individual Fails	102	658	82
Total Members	6,518	10,388	7,840
Accuracy Rate	98.4 %	93.7 %	99.0 %
Total Accuracy Rate			96.6 %

Scheme Specific Data

Data Item	Fails
Divorce Records	0
Transfer In	94
AVCs/Additional Contributions	13
Deferred Benefits	8
Tranches (DB)	12
Gross Pension (Pensioners)	40
Tranches (Pensioners)	451
Gross Pension (Dependants)	74
Tranches (Dependants)	15
Date of Leaving	151
Date Joined Scheme	154
Employer Details	13
Salary	613
Crystallisation	143
CARE Data	45
CARE Revaluation	7
Annual Allowance	587
LTA Factors	309
Date Contracted Out	8
Pre-88 GMP	638
Post-88 GMP	626
Total Fails	4,001
Individual Fails	3,044
Total Members	24,746
Accuracy Rate	87.7%



Appendices

LPPA Annual Activity

	Apr 26	May 26	Jun 26	Jul 26	Aug 26	Sep 26	Oct 26	Nov 26	Dec 26	Jan 27	Feb 27	Mar 27
Annual Benefit Statement and Newsletter to Active and Deferred Members												
Pension Increases												
P60s and Newsletter to Pensioners												
Pension Saving Statements												

Statutory deadline for completion of associated activity.

LPP

Local Pensions Partnership Administration

LPP
Local Pensions Partnership Administration

Brent Pension Fund

Quarterly Complaints Reporting

The Complaints Board continues to provide oversight of complaint handling and actively reviews lessons learned arising from complaints to support continuous service improvement.

During Q1, LPPA strengthened its focus on complaint handling by delivering further training on best practice, complemented by a dedicated session delivered by The Pensions Ombudsman. This investment in learning and development helps ensure that complaints are managed consistently, fairly and in line with industry expectations, while reinforcing a culture of continuous improvement across the organisation.

Complaint performance remains stable and low relative to overall activity levels. During the reporting period, only **0.41%** of processes subject to service level agreements resulted in a complaint, demonstrating continued service quality across operational areas. Complaint volumes also remain low at **0.36** complaints per 1,000 members.

The Board is encouraged by this consistent performance and remains committed to using complaint insights to drive service enhancements, improve member outcomes and maintain high standards of customer service.

	Q4 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	3	4	5	5	0	0	0	2
General Service	1	3	3	1	2	0	0	1
No Value Recorded	0	1	0	0	0	0	0	1
Payroll	0	0	0	0	0	0	0	0
Regulatory	0	0	0	0	0	0	0	0
Totals	**4**	**8**	**8**	**6**	**2**	**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.	

Please note: that if the 'carried forward from previous quarter' figure does not match the corresponding 'carried forward' figure from the previous quarter, this is because the case is no longer active.
For further details on complaints, information is available through the client portal.

This page is intentionally left blank

LPP
Local Pensions Partnership
Administration

Brent Pension Fund

Data Reports – Q1 2026-27

Overview:

Due to further developments around Pensions Dashboard, the primary focus for Q1 is to provide an update on the approach to matching, alongside the current data quality status for Pensions Dashboard readiness.

The core recruitment activity for the Data Quality team is now complete, strengthening our dedicated capability to champion best practice, identify data risks and issues, support remedial intervention and promote preventative steps to maintain and enhance data quality standards.

The remaining roles are expected to conclude during Q2 2026/27. As the team becomes fully established, we will begin sharing further targeted data improvement areas in upcoming reports, including planned activity, key priorities and expected outcomes.

Data improvement / Degradation from Baseline:

Between Run A (28 March 2025, baseline: 87,445 DVFs) and Run C (end of June 2026, current: 46571 DVFs), total failures decreased by 47 %.

As outlined in our Q4 update, the failure rate between run B & run C has remained broadly consistent. This reflects recent team changes and competing business priorities, which have temporarily affected the pace of improvement. We expect progress to return to a positive trajectory over the next quarter.

Pensions Dashboard:

Following the updated guidance and further development of the Pensions Dashboard matching approach, we have reviewed the latest requirements and updated our approach to matching members. This

Figure 1: Total DVFs Per Run

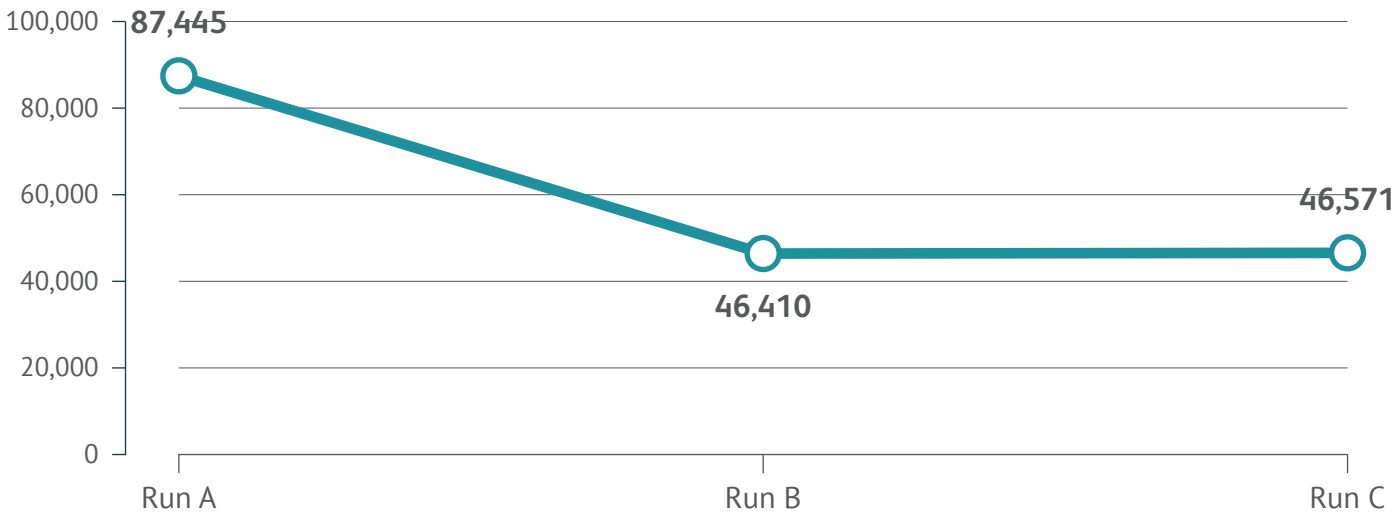


Fig. 2

Unique Identifiers			Demographic Identifiers			
Email*	Mobile*	NINO	Surname	Forename	DOB	Postcode
X	X	X	X	X	X	X

**N.B. email and/or mobile number are verified via the Government one login service using two-factor authentication as a prerequisite for this data being used for matching purposes.*

revised approach and policy remains aligned to the principles set out by PASA, with the aim of minimising the risk of an incorrect match while maximising the likelihood that members can find their pension first time through dashboard. Thie data is split into two core categories, Unique Identifiers and Demographic Identifiers as shown in Figure 2.

Under the updated approach, a **Definite Match**, previously referred to as 'Match Made', will be returned where the data provides a sufficiently high level of confidence that the dashboard user is the correct member.

This can be achieved through either:

- one unique member identifier (email, mobile number or NINO) plus two demographic identifiers (surname, forename, DOB or post code)

or

- through all four demographic identifiers (surname, forename, DOB or post code) where a unique identifier is not required.

This allows matching to be assessed across a broader set of reliable data items, rather than relying on a single fixed combination as was previously the case.

The approach also recognises **Possible Match** scenarios, where there is some verified correlation between a dashboard request and the member record, but not enough certainty to confirm identity without further review.

Examples of this include:

- one unique identifier (email, mobile number or NINO) plus one demographic identifier (surname, forename, DOB or post code)

or

- three of four demographic identifiers (surname, forename, DOB or post code) where one other demographic item may be incorrect, missing or out of date.

In these circumstances, pension value data would not be returned until the member has provided further information and the match has been confirmed.

Where the available data does not provide sufficient confidence to support either a Definite Match or a Possible Match, the outcome will be treated as **No Match**. This may occur where a unique identifier is present but the supporting demographic data does not align, or where only limited demographic indicators match and the remaining data casts doubt over the matching attempt.

The data readiness percentages which follow in this report, should therefore be read based on minimum available data required to support the relevant matching outcome, rather than as an expectation that all unique and demographic data items must be held for every member.

For example, where it is not currently a requirement for employers to provide and LPPA to hold an email address for a member, they may still meet the relevant matching criteria if other data held is sufficient to support a Definite Match or Possible Match under the agreed approach. This is important context for interpreting the readiness figures, as the focus is on whether the available data is sufficient for matching purposes, rather than whether every optional data item is present.

Considering this, the focus for the report remains on Surname, NINO, DOB, Forename and Postcode, supporting a consistent and proportionate approach

to assessing dashboard readiness as part of our wider data quality activity. Our matching approach will remain under review and evolve where appropriate.

- Surname, NINO, DOB DVFs decreased by 34 % (Fig. 3)
- Forename, Postcode DVFs decreased by 87 % (Fig. 4)
- Over 98 % of members meet Pensions Dashboard readiness criteria (data complete and correctly formatted)

Figure 3: Surname, NINO, DOB DVFs

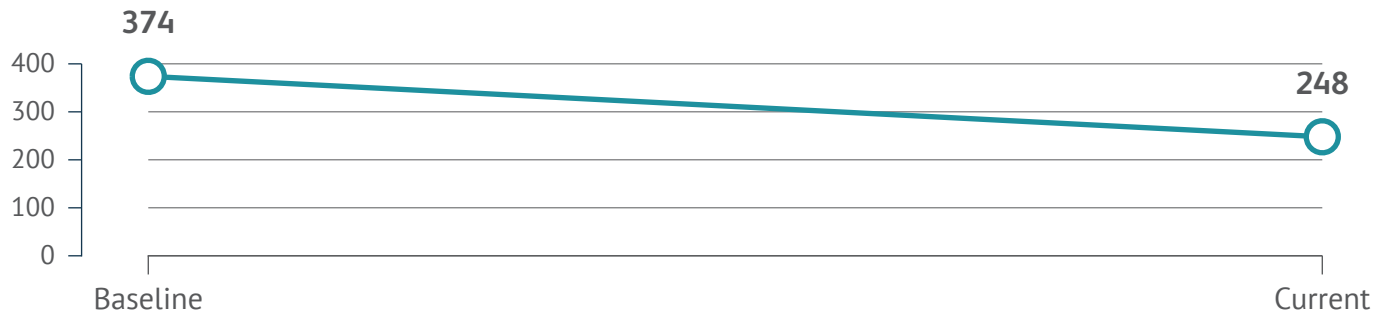


Figure 4: Forename, Postcode DVFs

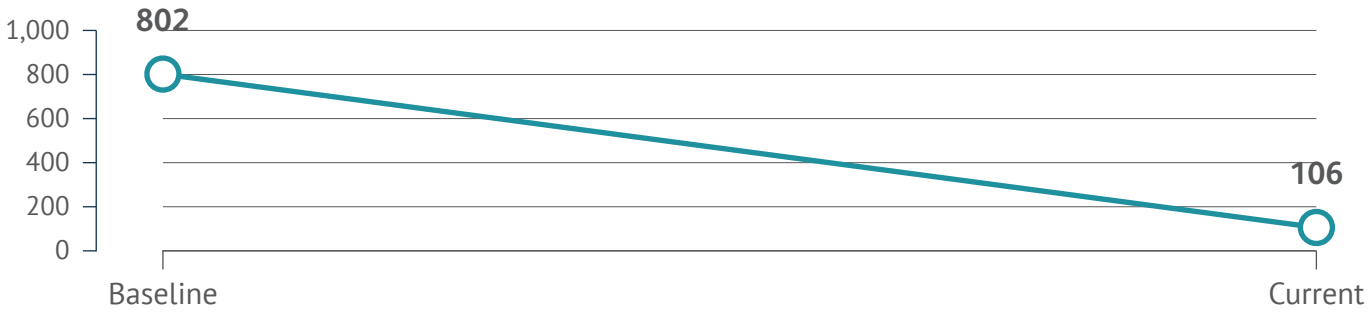
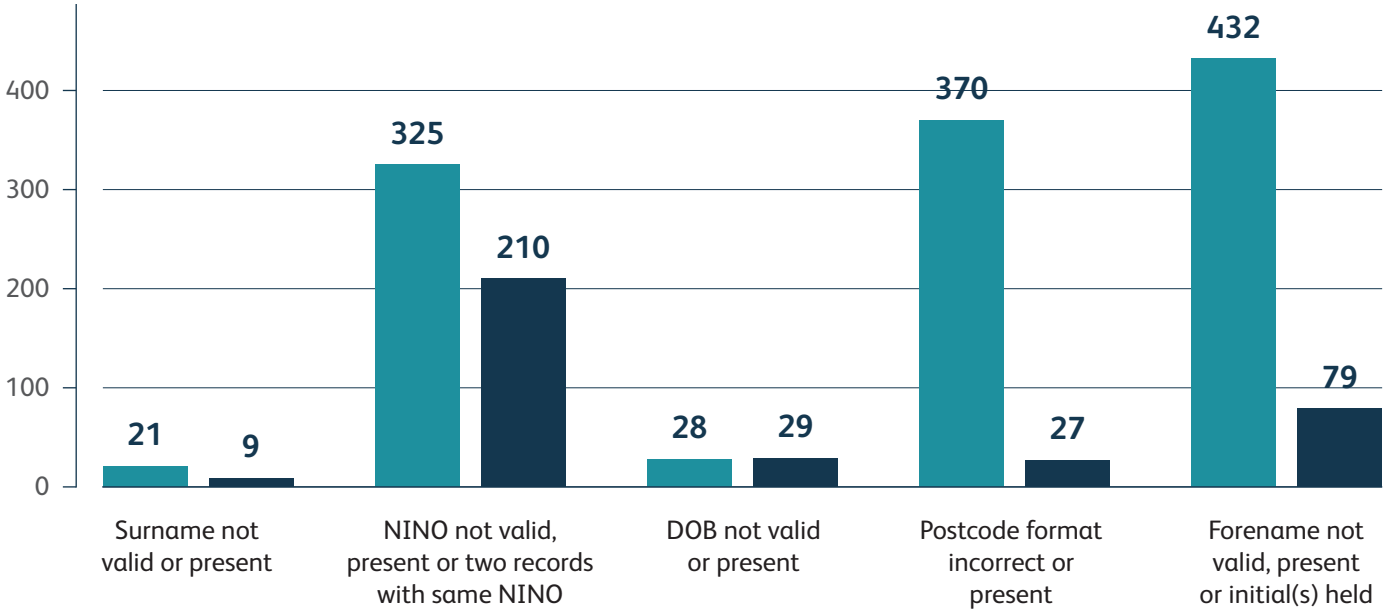


Figure 5: No. of Failures by Data Validation Check(s)



Detailed Breakdown

A summary of failures by Data Validation Check (DVC) shows notable improvements in several key areas, and overall readiness continues to progress positively.

DVC ID	Description	Baseline no. failures	Current no. failures	Baseline vs Current	Data Summary
10004 10005 10006 10007	Surname not valid or present	21	9	-12	57% reduction from baseline and volumes are low
10001 10002 10003 10329	NINO not valid, present or two records with the same NINO	325	210	-115	35% reduction from and volumes are low
10017 10018 10019 10020 10021 10022 10023 10024 10025 10026	DOB not valid or present	28	29	1	4% increase from baseline and volumes are low
10068 10069 10070	Postcode format incorrect or present	370	27	-343	93% reduction from and volumes are low
10008 10009 10010 10011 10327	Forename not valid, present or initial(s) held	432	79	-353	82% reduction from baseline and volumes are medium

Tracing Exercise:

We are currently progressing the deferred member address tracing exercise for members who are proximate to retirement. The scope of this activity has been shared through the tracing work order proposal, and we remain on track to complete the exercise with Target, our appointed provider, by the end of Q2 2026/27.

This activity is expected to further strengthen the quality and accuracy of the data we hold for deferred members, supporting the ongoing delivery of our data quality and readiness objectives.

The outcomes from this exercise will be shared separately from the quarterly report once the activity has concluded.

Brent	**Pension Board** 5 November 2026
	Report from the Corporate Director, Finance and Resources

Brent Pension Fund Administration Strategy

Wards Affected:	N/A
Key or Non-Key Decision:	N/A
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	One Appendix 1: Revised Brent Pension Fund Administration Strategy
Background Papers:	N/A
Contact Officer(s): (Name, Title, Contact Details)	Minesh Patel, Corporate Director, Finance and Resources Email: minesh.patel@brent.gov.uk Tel: 020 8937 4043 Amanda Healy, Deputy Director of Finance Email: amanda.healy@brent.gov.uk Tel: 020 8937 5912 Sawan Shah, Head of Finance Email: Sawan.Shah@brent.gov.uk Tel: 020 8937 1955 John Smith, Pensions Manager Email: john.smth@brent.gov.uk Tel: 020 8937 1985

1.0 Purpose of the Report

1.1 This report presents the revised Pensions Administration Strategy for the Brent Pension Fund.

2.0 Recommendation(s)

2.1 The board is recommended to note the overall report, the revised strategy and that consultation with employers will be undertaken to obtain feedback.

3.0 Background

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 Detail

3.2.1 The Pensions Administration Strategy (PAS) is a statement that outlines the policies and performance standards towards providing a high quality, effective and efficient pensions administration service. The aim of the strategy is to ensure that both the Fund and its employers are fully aware of their responsibilities under the Scheme and to set acceptable levels of performance.

3.2.2 Delivery of such an administration service is not the responsibility of one person or one organisation but rather the joint working of several different stakeholders who are responsible for delivering the pensions administration service to meet the diverse needs of the membership. Therefore, it is important that it is developed in consultation with employers within the Fund to promote good working relationships, improve efficiency and ensure agreed standards in quality.

3.2.3 Brent's Pensions Administration Strategy was last updated in 2023. Therefore, it is an opportune time to update the statement which has considered any relevant changes within the LGPS as well as provide further clarification on employer responsibilities. The ultimate aim of this strategy is to educate employers to provide accurate and timely data to the Fund which will improve the service provided to scheme members. The administering authority will seek, at the earliest opportunity to work closely with employers in identifying areas of poor performance and provide the necessary training and development to put in place appropriate processes to improve the level of service in the future.

3.2.4 In the event of continued poor performance and a lack of sufficient evidence of measures being taken to achieve improvement by an employer, the Fund will seek to recover any additional costs arising and in some cases charge for other services (for example failure to pay over monthly contributions or failure to notify the Fund of key information such as starters and leavers). Charging is a last resort and the Fund reserves the right to levy a charge(s) on a scheme employer whose performance repeatedly falls short of expectations. In addition, it is The Pensions Regulators' expectation that actions such as this are taken for non-compliance of legal obligations.

4.0 Revised Pensions Administration Strategy

4.1 The revised PAS is attached in Appendix 1. Since the last update of the Brent's Pensions Administration Strategy was in 2023, the document has been generally

updated throughout and refreshed to improve readability. The following significant revisions to the strategy have been made:

- New sections on data protection, data retention and, training and engagement.
- Updates to the Service Level Agreement to clarify existing employer responsibilities in relation to accounting reports, monthly contribution returns and TUPE transfers.
- An update has been made to Section 4 Staff Charging Schedule and Section 6 Fees. Given the last update to this strategy was in October 2023, the staffing charges have been reviewed and updated to reflect inflation as well as updated costing measures.
- Updated the regulations to reflect recent amendments to the Local Government Pension Scheme Regulations 2013 incorporating the now mandatory requirement to have a pensions administration strategy.
- Updates to the employer guide to reflect practice.

4.2 It is envisaged that the revised strategy will be consulted with employers of the Brent Pension Fund, following approval from the Board. The draft strategy will be sent to employers for feedback.

5.0 Financial Implications

5.1 Not applicable.

6.0 **Legal Implications**

6.1 Not applicable.

7.0 Equality Implications

7.1 Not applicable.

8.0 Consultation with Ward Members and Stakeholders

8.1 Not applicable.

9.0 Human Resources

9.1 Not applicable.

Report sign off:

Minesh Patel

Corporate Director, Finance and Resources

This page is intentionally left blank

London Borough of Brent

Pension Administration Strategy (PAS) 2026

Contents

1. **Introduction**

2. **PAS Policy Statement**

   2.1 Pension Administration Strategy Statement
   2.2 Legislative Context
   2.3 Aims
   2.4 Objectives
   2.5 Documents which make up the Strategy
   2.6 Data Protection
   2.7 Document Retention
   2.8 Training and Engagement

3. Service Level Agreement

   3.1 Employer Functions
   3.2 Actuarial Work
   3.3 Administrating Authority Functions
   3.4 Employer Responsibilities
   3.5 Notes on Employer Responsibilities

4. Staff Charging Schedule

5. **Pensions Administration Strategy – Charging**

   5.1 Why we need to charge
   5.2 Circumstances on when we would charge
   5.3 Monitoring Following the Imposition of a Levy on an Employer

6. Fees

Annex1

Appendix 1 – Regulation Extract
Appendix 2 – Employers Guide

London Borough of Brent Pension Administration Strategy (PAS)

1. Introduction

This Pension Administration Strategy has been updated to reflect changes to the Local Government Pension Scheme (LGPS) Regulations and guidance issued by The Pensions Regulator. It applies to all employers, academies and maintained schools participating in the London Borough of Brent Pension Fund.

The Strategy defines the roles and responsibilities of the Administering Authority and scheme employers and sets out the performance and service standards expected of both parties. It aims to promote effective collaboration, ensuring that accurate data is submitted on time and member-related events are reported within the required timescales. The Fund will work proactively with employers and provide support where needed.

The Strategy will be reviewed at least every three years, or sooner following material changes to legislation, guidance, processes or procedures. Amendments will be subject to employer consultation and approval by the London Borough of Brent. Employers may propose improvements at any time.

2. Pension Administration Strategy Policy Statement

2.1 Pensions Administration Strategy Statement

This statement defines the aims and objectives of the Pensions Administration Strategy and provides a summary of its key elements.

2.2 Legislative context

- Local Government Pension Scheme Regulations 1995 (as amended)
- Local Government Pension Scheme Regulations 1997 (as amended)
- Local Government Pension Scheme (Benefits, Membership and Contributions)
- Regulations 2007 (as amended)
- Local Government Pension Scheme (Administration) Regulations 2008 (as amended)
- Local Government Pension Scheme (Transitional Provisions) Regulations 2008 (as amended)
- Local Government Pension Scheme Regulations 2013 (as amended)
- Local Government Pension Scheme (Transitional Provisions and savings) Regulations 2014.

Regulation 59(1) of the Local Government Pension Scheme (LGPS) Regulations 2013 requires administering authorities to prepare and publish a Pension Administration Strategy. The Strategy is an important tool in supporting the delivery of a high-quality service for scheme members, employers, and other stakeholders. It sets out the standards, responsibilities, and performance expectations for both the Fund and participating employers.

In addition, Regulation 59(2)(e) of the Local Government Pension Scheme Regulations 2013 allows the Fund to recover additional costs from a Scheme Employer where those costs are considered to be a direct result of the employer's poor performance. Where this applies, the Fund will provide written notice to the Scheme Employer explaining:

- why it believes the additional costs should be recovered;

- the amount being charged; and
- how the additional cost has been calculated.

2.3 Aims

In developing this Strategy, the Fund aims to:

- Clearly define the respective roles and responsibilities of the Fund and Scheme employers in administering the Local Government Pension Scheme (LGPS).
- Ensure that the services provided by the Fund are delivered consistently, fairly, and transparently.
- Support employers in fulfilling their responsibilities by facilitating the timely and accurate provision of the data required to administer the Scheme effectively.

2.4 Objectives

The Pensions Administration Strategy aims to:

- Deliver an efficient, high-quality and cost-effective service to scheme employers and members.
- Ensure benefits are paid accurately and on time, and that the correct contributions are collected from the correct members and employers.
- Support employers in understanding and fulfilling their responsibilities under the Local Government Pension Scheme (LGPS) Regulations.
- Maintain accurate records and ensure information and data are communicated securely, promptly and accurately.
- Establish clear roles and responsibilities between the Administering Authority and LPPA, enabling both parties to work together to provide a seamless service.
- Continuously review performance and improve the service provided.

The Pension Administration Strategy will support the achievement of these objectives by introducing a Service Level Agreement (SLA) between the Fund and scheme employers. This will strengthen the flow of information between employers and the Brent Pension Fund, as the Administering Authority, helping to ensure that all parties meet their obligations. In turn, this will minimise costs, improve the quality of pension administration, and ensure that scheme members receive accurate and timely information and payment of their benefits.

Effective and efficient administration of the Pension Fund relies on all parties understanding and fulfilling their respective responsibilities as set out in this Strategy. By working collaboratively and meeting agreed standards, the Fund, employers and scheme members will all benefit.
Some of the key benefits of effective pension administration include:

- Accurate and up-to-date member records.
- Timely calculation and payment of benefits.
- Compliance with statutory and regulatory requirements.
- Improved quality and consistency of data provided by employers.
- Greater efficiency in administrative processes.
- Clear accountability and understanding of roles and responsibilities.
- Improved governance and risk management.
- Enhanced member experience through timely and accurate communications.
- Better value for money for employers, members, and the Fund.

This list is not exhaustive and the benefits are not presented in any particular order of importance.

Benefits of Effective Pension Administration

For the Administering Authority

Effective pension administration helps the Administering Authority to:

- Meet its statutory responsibilities under the LGPS Regulations.
- Reduce costs and make better use of available resources.
- Deliver a more efficient and responsive service to employers and scheme members.
- Strengthen communication and collaboration with employers and members.
- Monitor and measure performance more effectively.
- Maintain accurate and complete data, supporting timely and reliable actuarial valuations and Fund monitoring.
- Make better-informed decisions relating to governance, policy, funding and investment matters.

For Employing Authorities

Effective pension administration enables employers to:

- Better understand the Pension Fund and its impact on their organisation.
- Reduce administration costs and improve efficiency.
- Benefit from clear and timely communication with the Administering Authority.
- Enhance employee satisfaction through the provision of high-quality pension services.
- Make more informed budgeting and workforce planning decisions.
- Meet their responsibilities under the LGPS Regulations.

For Scheme Members

Effective pension administration provides members with:

- Accurate and up-to-date pension records.
- Earlier access to Annual Benefit Statements and other key information.
- Faster responses to pension enquiries and requests.
- Quicker access to pension benefits when they become payable.
- Clear, consistent and accessible communications.
- A better understanding of the LGPS and the value of their pension benefits.
- Overall, effective administration delivers a more efficient, accurate and member-focused pension service, benefiting the Fund, employers and scheme members alike.

2.5 Documents that Support this Strategy

This Strategy is supported by the following documents:

- **Pensions Administration Strategy – Service Level Agreement**

This document sets out the respective roles, responsibilities and service standards of the Fund and participating employers.

- **Pensions Administration Strategy – Employer Guide**

This guide provides employers with the processes and procedures they should follow to meet their responsibilities under the Local Government Pension Scheme (LGPS) Regulations.

2.6 Data Protection

The main legislation governing personal data is the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018.

Under regulation 80 of the LGPS Regulations 2013, Scheme employers must provide the Fund with specified member data each year. This includes:

- name;
- gender;
- date of birth;
- National Insurance number;
- pensionable pay;
- employer and employee pension contributions; and
- details of any additional pension contributions or additional voluntary contributions.

Full details are set out in the Fund's Memorandum of Understanding.

Data must be transferred securely to the Fund through Civica Master Data Management (MDM) Platform for UPM and PensionPoint for LPP as explained on the Fund's employer website.

2.7 Data Retention

Pension-related data must be retained for 75 years. Separate guidance explains the Fund's expectations concerning employers' retention of personal data that may be required to administer the Scheme.

Further information about how the Fund collects, uses, manages and shares personal data is available in its privacy notice.

2.8 Training and engagement

Effective scheme management depends on both employers and the Fund ensuring that staff have the appropriate LGPS knowledge and skills. Employer lead officers and primary contacts are responsible for ensuring that they and relevant colleagues understand current LGPS regulations, administrative procedures and statutory responsibilities.

The Local Pension Partnership Administrators (LPPA) provides employers with a comprehensive training programme including:

- Absence and ill-heath
- Employer responsibilities
- Monthly data returns
- Employers' Guide to scheme leavers
- Understanding pay elements

Details of upcoming training and workshops, including booking instructions, are published on the LPPA website: Employer Training - Local Pensions Partnership Administration

3. Service Level Agreement

Pensions Administration Strategy - Service level agreement

3.1 Employer Functions

The following functions are designated as employer responsibilities and therefore do not form part of the Administering Authority's responsibilities. The Fund may provide these services on a recharge basis, with staffing costs charged at the daily or hourly rates set out in Annex 1.

Task	Description
Redundancy and Severance	Calculation and payment of redundancy and/or severance payments
IAS19 / FRS 17/ FRS 102 Reports	Provision of data required for accounting calculations
Cessation and interim valuation data	Provision of data required for interim and/or cessation valuations
Miscellaneous non-LGPS	Any requests for advice or additional work that fall outside the statutory responsibilities of an administering authority under the LGPS Regulations.
Admission Agreements	Setting up and amendment of admission agreements
3rd Party Activity	Additional charges will apply where the services of a third party, such as a lawyer or actuary, are required. These costs will be borne by the employer.

3.2 Actuarial Functions

The following functions have been designated actuarial functions that employers will require input from both the LPPA and the Fund's Actuary Hymans Robertson.

As above, there are no changes to these functions because of the revised strategy. Where these functions are required, support will be provided by LPPA and/or Hymans Robertson.

As noted above, the revised strategy does not result in any changes to these functions.

Task	Description
Legal work & non-standard actuarial work	Any work in relation to this will require input from both LPPA, the Fund's Actuary and/or the Fund's legal advisors.
Cessation valuations	Any work in relation to this will require input from both LPPA and the Fund's Actuary

Employer actuarial valuations	Any work in relation to this will require input from both LPPA and the Fund's Actuary
Academy conversion	Any work in relation to this will require input from both LPPA and the Fund's Actuary
Valuation of unfunded liabilities	Any work in relation to this will require input from both LPPA and the Fund's Actuary

3.3 Administrating Authority Functions

The following functions have been designated administrating authority functions since they relate directly to the core purpose of administering the scheme.

The table also shows the timescales within which we aim to complete each task, measured from the date all required information is received, together with the corresponding performance target.

Key Performance Indicators (KPIs)

Case Type/Task	Timescale (working days)	Target (% within timescale)
Admissions	10	95%
Transfers In/Aggregation	10	95%
Transfer Out	10	95%
Estimates employee	10	95%
Retirements	5	95%
Deferred Benefits	15	95%
Refunds	5	95%
Deaths	5	95%
Correspondence	10	95%
Other queries to employer	10	95%

3.4 Employer Responsibilities

Employers will be responsible for the following functions/tasks to be performed/supplied in the manner and timescale set out below.

An employer guide can be found at Annex 2.

Payments of monies due	• Monthly contributions – paid in full and on time, no later than the 22nd of the following month. • Single payments of contributions – paid in full and on time, no later than the 22nd of the following month. AVC contributions – paid in full to the AVC provider and on time, no later than the 22nd of the following month.
Submission of monthly return	Monthly returns must be submitted. If you are unable to submit a return by the 10th day of the following month, you must notify LPPA and Brent Pensions as soon as possible, explaining the reason for the delay and providing an estimated timescale for submission.
Submission of monthly contributions return	The completed schedule of contributions paid and the contributions due must be received by the Fund no later than the 22nd of the following month.
Monthly errors Examples of monthly errors • A missing joiner • A missing leaver • A missing change of hours • A missing notification of absence • Return from absence • Missing additional contributions • Significantly higher or lower pensionable remuneration compared with the previous year, with no explanation for the variance.	Respond to errors within 10 working days of notification. Where a response cannot be provided within ten working days, notify LPPA of the expected timescale and inform Brent Pensions of the delay.

Response to other queries raised (e.g. by the LPPA Pensions Services or Brent Pensions teams) There are times when LPPA may need to confirm with you that a member's record is correct before issuing them with a benefit calculation. It is these types of queries that we are referring to	10 working days from notification by LPPA or Brent Pensions If unable to respond in 2 weeks, then inform LPPA of the likely timeframe that you can respond in and advise Brent Pensions of the delay
On-line access **Employer LPPA portal "MBM"**	Use of online Forms for relevant tasks
Submission of joiners/leavers	Notification of joiners within 1 month of joining the scheme Notification of leavers within 1 month of leaving the scheme Notification of retirement within 1 month prior to the last day of service
Notification of other changes during employment	Relevant changes e.g. change of hours, absence notification online within 1 month of the event
TUPE transfers	If you let or re-let a contract to a contractor, you **must** notify the Administering Authority at the outset of the outsourcing process. As a scheme employer, you must also arrange an LGPS admission agreement, a genuinely equivalent or a better pension scheme covering all transferring employees who are eligible to participate in the LGPS.
Correct admission of members into the Fund	You must ensure that you are correctly admitting members into the "Fund"
Up to date discretions policies in place	Discretionary policies to be in place and up to date
Customer Relationship Management contacts	LPPA and Brent Pensions to be notified of contact change or new contact within 1 month via the employers contact form

3.5 Notes on Employer Responsibilities

3.5.1 **Employer Representative**

Each employer must nominate an individual to act as their main contact and employer representative for Brent Pension Fund. Any change to this nominated person must be communicated to Brent Pension Fund immediately.

3.5.2 **Regulatory Compliance and Member Notifications**

Employers must ensure compliance with the Occupational Pension Schemes (Disclosure of Information) Regulations. To support this, member notifications must be provided within the required timescales. For example, when a member retires before age 65, the leaver notification must be submitted to Brent Pension Fund no later than one month after the retirement date.

3.5.3 **Monthly Data Returns**

Employers are required to submit a monthly data return to LPPA. Returns should be reconciled against both employee and employer pension contributions paid during the financial year to ensure accuracy and completeness.

3.5.4 **Contributions and Regulatory Reporting**

Under the Pensions Act, Brent Pension Fund may be required to report employers to The Pensions Regulator where pension contributions are not paid in accordance with the relevant regulatory requirements and Code of Practice. You must also submit a contribution return at the same time.

3.5.5 **Skills, Knowledge and Data Quality**

Employers should ensure that staff responsible for pension administration have the appropriate skills and knowledge to effectively carry out their responsibilities. Maintaining high-quality member records and providing accurate, timely information are essential to supporting efficient scheme administration and regulatory compliance.

3.5.6 **Communication and Employer Support**

Brent Pension Fund, working in partnership with LPPA, will keep employers informed of legislative, regulatory and administrative developments through communications such as emails, newsletters, training sessions, forums and workshops. This support will be provided when new regulations are introduced or under consideration.

4. Staff Charging Schedule

The Fund's staffing charges for work over and above the responsibilities of the administering authority from 1 November 2026.

VAT is charged on all applicable items.

Staffing level	Charge per day excluding VAT	Charge per hour excluding VAT
Admin Staff	£514.00	£71.00
Team Leader	£890.00	£123.00
Specialist	£952.00	£132.00
Manager	£1,316.00	£182.00
Senior Manager	£1,920.00	£266.00
Director	£2,263.00	£314.00

5. Pensions Administration Strategy - Charging

5.1 Why we need to charge

Most employers provide accurate scheme data on time and process member pension events, such as joiners and leavers, within the required timescales. However, a small number of employers do not consistently meet these requirements.

The Pensions Regulator expects all employers to comply with their legal responsibilities. To support this, the Fund must have a mechanism in place to address instances of non-compliance. As a result, the Fund has introduced a levy framework for employers who persistently fail to meet their obligations.

5.2 Circumstances in which we would charge

The Fund does not intend to impose levies for every minor error or isolated delay in the provision of scheme data or the processing of member events. Our aim is to work collaboratively with employers and the pension administrator to ensure that legal duties are met, and high standards of administration are maintained.

The Service Level Agreement (SLA) sets out the timescales for key administration activities. The Fund recognises that there may be occasions when these timescales cannot be met due to exceptional circumstances. In such cases, employers are expected to take reasonable steps to resolve any issues as quickly as possible, and a levy would not normally be considered.

However, where an employer repeatedly fails to meet its responsibilities, does not respond to requests to address concerns, or is unwilling to work with the Fund to improve performance, the Fund may consider applying a levy. Before doing so, the Fund will seek to engage with the employer, understand any challenges they face, and provide appropriate support to help them return to compliance.

5.3 Monitoring Following the Imposition of a Levy on an Employer

If a levy is imposed, the Fund will continue to work with the employer to help them meet their legal and administrative responsibilities.

The employer's performance will be monitored and reviewed. Where a sustained improvement is demonstrated and compliance is achieved and maintained, the Fund may, at its discretion, consider refunding all or part of the levy.

6. Fees

As a last resort and after trying to assist the employer with support or training, the “Fund” reserves to right to levy a fee on an employer whose performance consistently falls short of the standards set out in this document.

Activities	Fees excluding VAT
Late payment of monthly contributions - ccontributions must be received by the statutory deadline of the 22nd day of the calendar month following deduction where payment is made electronically, or by the 19th day where payment is made by cheque.	£80 plus interest calculated on a daily basis
Monthly Contributions – non provision of the correct schedule of payments in stipulated format and accompanying the respective contribution payment within stated timelines	£80 per occasion
Change Notification – failure to notify administrators of a change to a member's working hours, leave of absence with permission (maternity, paternity, career break) or leave of absence without permission (strike, absent without permission) – within 1 month of the change of circumstances	£80 per occasion
Month End Data – failure to provide month end data by 10th of the month following payroll	£80 per occasion
Month End Data Queries – failure to respond to the administrators requests for information to resolve data queries within the prescribed timescale	£80 initial fee then £40 for every month the information remains outstanding
New Starter - failure to notify the administrator of a new starter within 1 month of joining the scheme	£80 initial fee then £40 for every month the information remains outstanding
Leaver – failure to notify the administrator of any leaver within 1 month of leaving the scheme	£80 initial fee then £40 for every month the information remains outstanding
Retirees – failure to notify the administrators when a scheme member is due to retire within 1 month before the retirement date	£80 initial fee then £40 for every month the information remains outstanding
Late payment of pension benefits - any costs arising from an employer's poor performance will be recharged to the employer concerned.	Recovered in accordance with regulation 70 and 69(1)(d) of the LGPS regulations 2013
Change of employer contact details - The "Fund" not notified of contact change or new contact within 1 month of alteration	£80 per occasion

Appendix 1 - Regulation Extract

LOCAL GOVERNMENT PENSION SCHEME REGULATIONS 2013

The Regulations in relation to the Pension Administration Strategy are contained in the Local Government Pension Scheme Regulations 2013, and are set out below:

Pension administration strategy

59. -(1) An administering authority must prepare a written statement of the authority's policies in relation to such of the matters mentioned in paragraph (2)("its pension administration strategy").

(2) The matters are-

(a) procedures for liaison and communication with Scheme employers in relation to which it is the administering authority ("its Scheme employers");

(b) the establishment of levels of performance which the administering authority and its Scheme employers are expected to achieve in carrying out their Scheme functions by-

(i) the setting of performance targets,

(ii) the making of agreements about levels of performance and associated matters, or

(iii) such other means as the administering authority considers appropriate;

(c) procedures which aim to secure that the administering authority and its Scheme employers comply with statutory requirements in respect of those functions and with any agreement about levels of performance;

(d) procedures for improving the communication by the administering authority and its Scheme employers to each other of information relating to those functions;

(e) the circumstances in which the administering authority may consider giving written notice to any of its Scheme employers under regulation 70 (additional costs arising from Scheme employer's level of performance) on account of that employer's unsatisfactory performance in carrying out its Scheme functions when measured against levels of performance established under sub-paragraph (b);

(3) An administering authority must review and, if appropriate, revise its pension administration strategy—

(a) at least once in each valuation period, and

(b) as soon as reasonably practical after any material change in its policies in relation to any of the matters contained in the strategy.

(4) In preparing or reviewing and revising its pension administration strategy, an administering authority must consult its Scheme employers and such other persons as it considers appropriate.

(5) An administering authority must publish-

(a) its pension administration strategy; and

(b) where revisions are made to it, the strategy as revised.

(6) Where an administering authority publishes its pension administration strategy, or that strategy as revised, it must send a copy of it to each of its Scheme employers as soon as is reasonably practicable.

(6A) In preparing, revising and publishing its pension administration strategy, an administering authority must act in accordance with guidance issued by the Secretary of State from time to time.

(7) An administering authority and its Scheme employers must have regard to the pension administration strategy when carrying out their functions under these Regulations.

(8) In this regulation references to the functions of an **administering authority** include, where applicable, its functions as a **Scheme employer**.

Payment by Scheme employers to administering authorities

69. —(1) Every Scheme employer must pay to the appropriate administering authority on or before such dates falling at intervals of not more than 12 months as the appropriate administering authority may determine-

(a) all amounts received from time to time from employees under regulations 9 to 14 and 16(contributions);

(b) any charge payable under regulation 68 (employer's further payments) of which it has been notified by the administering authority during the interval;

(c) a contribution towards the cost of the administration of the fund; and

(d) any amount specified in a notice given in accordance with regulation 70 (additional costs arising from Scheme employer's level of performance).

(2) But—
(a) a Scheme employer must pay the amounts mentioned in paragraph (1)(a) within the prescribed period referred to in section 49(8) of the Pensions Act 1995(41); and

(b) paragraph (1)(c) does not apply where the cost of the administration of the fund is paid out of the fund under regulation 4(5) of the Local Government Pensions Scheme (Management and Investment of Funds) Regulations 2009 (management of pension fund)(42).

(3) Every payment under paragraph (1)(a) must be accompanied by a statement showing-
(a) the total pensionable pay received by members during the period covered by the statement whilst regulations 9 (contributions) applied (including the assumed pensionable pay members were treated as receiving during that period),

(b) the total employee contributions deducted from the pensionable pay referred to in sub-paragraph (a),

(c) the total pensionable pay received by members during the period covered by the statement whilst regulation 10 applied (including the assumed pensionable pay members were treated as receiving during that period),

(d) the total employee contributions deducted from pensionable pay referred to in sub-paragraph (c),

(e) the total employer contributions in respect of the pensionable pay referred to in sub-paragraphs (a) and (c),

(f) the total additional pension contributions paid by members under regulation 16 (additional pension contributions) during the period covered by the statement, and

(g) the total additional pension contributions paid by the employer under regulation 16 (additional pension contributions) during the period covered by the statement.

(4) An administering authority may direct that the information mentioned in paragraph (3) shall be given to the authority in such form, and at such intervals (not exceeding 12 months) as it specifies in the direction.

(5) If an amount payable under paragraph (1)(c) or (d) cannot be settled by agreement, it must be determined by the Secretary of State.

Additional costs arising from Scheme employer's level of performance

70. (1) This regulation applies where, in the opinion of an administering authority, it has incurred additional costs which should be recovered from a Scheme employer because of that employer's level of performance in carrying out its functions under these Regulations.

(2) The administering authority may give written notice to the Scheme employer stating-
(a) the administering authority's reasons for forming the opinion mentioned in paragraph (1);

(b) the amount the authority has determined the Scheme employer should pay under regulation 69(1)(d) (payments by Scheme employers to administering authorities) in respect of those costs and the basis on which the specified amount is calculated; and

(c) where the administering authority has prepared a pension administration strategy under regulation 59, the provisions of the strategy which are relevant to the decision to give the notice and to the matters in sub-paragraphs (a) or (b).

Background

(A) The Administering Authority is an administering authority. It administers and maintains the Fund in accordance with the Regulations.

(B) The Employing Authority is a Scheme Employer, an Admitted Body, a Designating Body or other body entitled to participate in the LGPS.

(C) In accordance with Regulation 59 of the Administration Regulations, the Administering Authority has prepared the Pension Administration Strategy Statement setting out amongst other things the Service Level Agreement.

(D) In preparing the Pension Administration Strategy Statement, the Administering Authority must consult the employing authorities in the Fund the Pensions Board, and such other persons it considers appropriate.

When the Administering Authority has published the Pension Administration Strategy Statement and sent a copy of it to each of the employing authorities in the Fund (including the Employer).

.

(E) The Administering Authority will keep the Pension Administration Strategy Statement (including the Service Level Agreement) under review and will make such revisions as are appropriate following any material change in its policies in relation to any of the matters contained in the Pension Administration Strategy Statement.

(F) The Administering Authority and the Employer have agreed to enter into this Agreement to document their agreement to comply with and be bound by the terms of the Service Level Agreement.

Now it is agreed as follows:

1. Interpretation

1.1 The following expressions have the following meanings:

"1995 Regulations"	The Local Government Pension Scheme Regulations 1995
"1997 Regulations"	Local Government Pension Scheme Regulations 1997
"2007 Benefit Regulations"	The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007
"2008 Administration Regulations"	The Local Government Pension Scheme (Administration) Regulations 2008
"Regulations"	The Local Government Pension Scheme Regulations 2013
"Core Scheme Functions"	The functions identified in the Service Level Agreement as being core Scheme functions
"Fund"	The Pension Fund
"Pension Administration Strategy Statement"	The Administering Authority's statement prepared in accordance with Regulation 59 of the Administration Regulations as revised from time to time in accordance with

	that Regulation
"Regulations"	The Local Government Pension Scheme Regulations 2013 in force now or as amended and in force at any future date and the Local Government Pension Scheme (Transitional Protection) Regulations 2014 and previous regulations as they still have effect in part.
"Scheme"	The Local Government Pension Scheme established by the Regulations made by the Secretary of State under sections 7 and 12 of the Superannuation Act 1972
"Service Level Agreement"	The section of the Pensions Administration Strategy Statement setting out the levels of performance which the Administering Authority and its employing authorities are expected to achieve in carrying out their Scheme functions including performance targets. The Service Level agreement may be revised from time to time as part of the Pensions Administration Strategy Statement. A copy of the Service Level Agreement current as at the date of this Agreement is included in the documentation
"Transitional Regulations"	The Local Government Pension Scheme (Transitional Provisions) Regulations 1997, 2008 & 2014

2. The Service Level Agreement

2.1 Unless the context requires otherwise, expressions used in this Agreement have the same meaning as in the Regulations.

2.2 References in this Agreement to any enactment, legislation, or statutory provision include any amendment, re-enactment, or subordinate legislation made under it.

2.3 With effect from the date of this Agreement, the Administering Authority and the Employer agree to use their best endeavours to comply with and be bound by the terms of the Service Level

2.4 If, in the opinion of the Administering Authority, the Employer has failed to comply with this Service Level Agreement, it may recharge the Employer for any additional costs incurred as a result.

2.5 In determining whether to recharge costs under clause 2.4, the Administering Authority shall consider any failure on its part to comply with this Service Level Agreement and the extent to which that failure contributed to the costs incurred.

2.6 Nothing in clause 2.4 shall affect the Administering Authority's power under Regulation 70 of the Regulations to recover from the Employer any additional costs incurred as a consequence of the Employer's performance in carrying out its functions under the Regulations or this Service Level Agreement.

2.7 The Employer acknowledges that the Service Level Agreement may be revised from time to time by the Administering Authority in accordance with Regulation 59 of the Regulations and that the Employer will comply with and be bound by the terms of the revised Service Level Agreement.

3. Other Charges

3.1 The Employer acknowledges that the contribution it is required to pay towards the cost of the administration of the Fund is to cover the cost of meeting the Core Scheme Functions.

3.2 Where the Employer requests that the Administering Authority provides services beyond these functions the Administering Authority reserves the right to charge the Employer for the provision of such services. Non-core services include by way of example and without limitation: the provision of accounting reports, bulk redundancy calculations, bulk information requests, member presentations, site visits and the payment of compensatory added year's benefits. Such services will be provided on terms agreed at the time with the Administering Authority and the Employer.

4. Notices

Any notices under this Agreement shall be in writing and shall be served by sending the same by first class post, fax, facsimile or by hand or leaving the same at the headquarter address of the Employer or the headquarter address of the Administering Authority.

5. Waiver

Failure or neglect by the Administering Authority to enforce at any time any of the provisions of this Agreement shall not be construed nor shall be deemed to be a waiver of the Administering Authority's rights nor in any way affect the validity of the whole or any part of this Agreement nor prejudice the Administering Authority's rights to take subsequent action.

6. More than one Counterpart

This Agreement may be executed in more than one counterpart, which together constitute one agreement. When each signatory to this Agreement has executed at least one part of it, it will be as effective as if all the signatories to it had executed all of the counterparts. Each counterpart Agreement will be treated as an original.

7. Laws

This Agreement will be governed by and interpreted in accordance with the laws of England and Wales.

Any rights that a third party may have under the Contracts (Rights of Third Parties) Act 1999 are excluded.

Appendix 2 – Employer Guide

Employer Guide

What the Fund and LPPA need from you

To administer your employees' pensions accurately and efficiently, the Fund and LPPA need complete, accurate and up-to-date information.

Clean and accurate data

You must notify us of any changes affecting your employees' pension records in your monthly contribution returns, including
:

- joining the Scheme;
- changes to working hours or weeks worked each year;
- authorised unpaid leave, including maternity, paternity or adoption leave;
- unauthorised absences, which are recorded as breaks in service because members cannot repay pension contributions for these periods;
- periods of strike action;
- reductions in pay; and
- leaving the Scheme, including opting out and leaving employment, apart from deaths, leavers over 55 and ill-health retirements which require Online Leaver Forms.

You can notify us of these changes by completing the relevant online form.

Accurate monthly returns are essential. They enable us to identify and resolve missing information promptly, support an accurate valuation of the Fund and help to keep employer contribution rates as low as possible.

Brief Summary of Employer Actions

Joining the Scheme

This information is submitted on the monthly return.

Change of Hours

This information is submitted on the monthly return**.**

Leavers forms required

- Death in service
- Leavers aged over 55
- Ill-health retirements

Leavers forms are **not** required

- Dismissal
- TUPE / academy conversion / MAT transfer
- Resignation under 55
- Opt-outs under 55

Sick Leave

Where a member receives no pay because of sick leave, you must notify LPPA of their Assumed Pensionable Pay (APP), calculated under Regulation 21 of the LGPS Regulations.

Unauthorised Absence

Unauthorised leave should be recorded on the monthly return. The period will not count towards the calculation of the member's pension benefits, and they will not be able to pay retrospective contributions in respect of it.

Unpaid leave (Excluding maternity/paternity/adoption leave)

Any period of ordinary unpaid leave (or leave on reduced pay) that lasts less than 15 days does not need to be notified to LPPA, although the member must have contributions for that period deducted from his pay on his return, and employer contributions must also be paid.

If the ordinary unpaid leave (or leave on reduced pay) lasts 15 days or more at calendar length, then the LPPA must be informed using the monthly return

A strike period must be treated differently to ordinary unpaid leave, but it is not classified as unauthorised absence and it should be recorded on the monthly return.

The LPPA do not need to be informed if a member has a period of leave to enable them to perform jury service, but the contributions for that period must be paid by both employer and employee and must be based upon the pay that the member would have received if not performing jury service.

Unpaid leave (maternity/paternity/adoption leave

A member on parental leave must continue to pay contributions on the pensionable pay they receive, including any statutory pay. When the member moves to nil pay, the employer must record assumed pensionable pay in accordance with Regulation 21.

Employer contributions continue to be paid during a period of unpaid maternity, paternity and parental leave based on the Assumed Pensionable Pay

Leaving the scheme

It is essential that the LPPA receives accurate, timely information regarding a member's pay when they cease to contribute to the pension scheme and an online leaver form is required (i.e. death in service, leavers over 55 and ill-health). When a member is dismissed on the grounds of permanent ill-heath, the appropriate ill-Health retirement certificate and a narrative provided by an independent registered medical practitioner (IRMP) and counter-signed on behalf of the employer must be provided.

A member who opts-out of the scheme with less than three months' membership must have their pension contributions refunded to them and will be treated as never having been in the scheme. The information must be reported on the monthly return.

If a member leaves your employment with less than three months membership, their contributions will be refunded to them. The details should be recorded on the monthly return.

Monthly Contribution returns

Each month a schedule of contributions paid must be completed with details of:

- Total pensionable remuneration against which contributions calculated
- The total employees' contributions
- The total employer's contributions
- Any cash payments that may be due from the employer
- The payment method and date.

The completed schedule of contributions paid and the contributions due must be received by the Fund within 22 days of the end of the month, or within 19 days for cheques, within which they were deducted from the employees' pay.

At the end of each month, a full submission of contributions must be submitted by each employer.

Please note that late submission of returns may delay the issue of annual benefit statements to your employees and could affect the accuracy of the Fund's valuation, potentially resulting in an increase in your employer contribution rate.

Using online Forms

To fully co-operate with the terms of the Pension Administration Strategy, online Forms must be used where necessary. To enable you to do this, a member of staff must be nominated to be your "Site Administrator" who will be able to/responsible for:

- Set up new users and determine their access levels
- Reset usernames and password
- Unlock locked accounts
- Disable user accounts
- Keeping your organisation's contact details up to date.

In this way, you can retain control over who has access to the site and is able to input the information required. The Site Administrator will also be our first contact for any news on updates to the website.

Nothing in this guide can override the information given in the Employer's Guide, the provisions of the Pension Regulations, or related legislation. The guide is for general use and cannot cover every personal circumstance, nor does it cover specific protected rights that apply to a very limited number of employees. In the event of any dispute concerning a member's pension benefits, the appropriate legislation will prevail as this guide does not confer any contractual or statutory rights and is provided for information purposes only. The Fund accepts no liability for any loss, damage or inconvenience arising from any error or inaccuracy in this guide.

Online Forms

Any Online Forms must be completed and the details immediately forwarded to the LPPA to enter onto the relevant LPPA systems. Any errors or inconsistencies in the data can be quickly identified and can be remedied.

This page is intentionally left blank

Brent	**Pension Board** 5 November 2026
	Report from the Corporate Director, Finance and Resources

LGPS Update Report

Wards Affected:	All wards
Key or Non-Key Decision:	N/A
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:	Three Appendix 1 - LGPC Bulletin – July 2026 Appendix 2 - LGPC Bulletin – August 2026 Appendix 3 - LGPC Bulletin – September 2026
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	Minesh Patel, Corporate Director, Finance and Resources Email: minesh.patel@brent.gov.uk Tel: 020 8937 4043 Amanda Healy, Deputy Director of Finance Email: amanda.healy@brent.gov.uk Tel: 020 8937 5912 Sawan Shah, Head of Finance Email: Sawan.Shah@brent.gov.uk Tel: 020 8937 1955 John Smith, Pensions Manager Email: john.smth@brent.gov.uk Tel: 020 8937 1985

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

2025 Valuation

3.2.1 Average LGPS funding levels increased from 107% in 2022 to 122% in 2025, while average employer contribution rates fell from 21.1% to 16.5% of payroll. The Board welcomed funds sharing improved funding positions with employers while protecting long-term scheme sustainability.

Scheme Advisory Board (SAB)

3.2.2 The LGPS Scheme Advisory Board has published a new statement, Understanding the LGPS: statutory purpose, pension assets and governance. It explains the LGPS's statutory purpose, governance arrangements and the duties applying to the management of pension fund assets.

3.2.3 The Board has also announced its autumn programme of events, covering LGPS governance, independent governance reviews and support for pension board members and councillors.

3.2.4 The Board has co-sponsored a new report, Making Pensions Exciting: closing the diversity pension gap in the LGPS. Based on research with the City of Westminster Pension Fund, it explores members' experiences and factors affecting pension outcomes, providing evidence to support future improvements to the Scheme

Normal Minimum Pension Age (NMPA)

3.2.5 HMRC has consulted on draft legislation covering the increase in the NMPA from 55 to 57 from 6 April 2028.

3.2.6 The draft provisions would protect certain payments to members aged 55 or 56 where entitlement arose before 6 April 2028, but payment is made on or after that date. This includes scheme pensions, pension commencement lump sums and trivial commutation lump sums.

3.2.7 The provisions apply where the member does not otherwise have a protected pension age.

Department for Work and Pensions (DWP) - Value for Money Framework consultation

3.2.8 Under LGPS regulations, in-house AVC arrangements are established by the administering authority, not individual employers. The draft regulations may therefore inadvertently bring LGPS AVCs within the VFM Framework. The LGA has asked for the exemption to be clarified.

Transfer proposals

3.2.9 DWP has proposed changes to the Conditions for Transfers Regulations 2021 to reduce unnecessary delays while maintaining protection against pension scams.

3.2.10 Key proposals include:

- removing the overseas investments amber flag
- introducing a red flag where there is no genuine employment link with a receiving occupational pension scheme
- allowing transfers to proceed where the receiving scheme is considered reputable
- requiring MoneyHelper guidance only once within a 12-month period.

3.2.11 The existing incentives flag and wider red and amber flag framework would remain.

Pensions Dashboard / Money and Pension Service (MaPS)

3.2.12 On 8 July 2026, MaPS confirmed that 85% of pension schemes are connected to the dashboard's ecosystem, with the remainder due by 31 October 2026. The MoneyHelper Pensions Dashboard is expected to launch in 2027/28.

3.2.13 The Pensions Dashboards Programme (PDP) confirmed in its August 2026 update that the MoneyHelper Pensions Dashboard (MHPD) has successfully passed its beta service standard assessment.

Government Actuary's Department (GAD)

3.2.14 The second batch of updated GAD factors (2026-02) was released in July 2026, covering;

- non-club transfers in
- early retirement
- late retirement
- trivial commutation

- inverse commutation (England and Wales only)
- added pension
- AVCs to added pensions
- AVCs to transfer credits (England and Wales only).

3.2.15 The third batch (2026-03) of GAD factors was issued in September and include updated factors for annual allowance scheme pays offsets and additional survivor benefit contributions (ASBCs).

The Pension Regulator (TPR)

3.2.16 TPR has reminded LGPS administering authorities of its McCloud and 2025/26 annual benefit statement requirements, particularly the need to report breaches.

3.2.17 The regulator has warned that connecting to pensions dashboards is only the first step. Schemes must have effective processes to resolve possible matches and should implement and test these now, rather than waiting until dashboards are publicly available.

3.2.18 TPR's new Enforcement approach sets out how it will protect members, improve compliance and strengthen the pensions system. Enforcement will be prioritised according to impact, scale and complexity, with lower-risk cases more likely to be addressed through guidance or compliance activity.

HMRC

3.2.19 HMRC's July 2026 newsletter covers remedy-related tax changes, transitional tax-free amount certificates (TTFACs) and trivial commutation death benefits. GAD has also released version 3.0 of the McCloud interest calculator.

3.2.20 In August HMRC confirmed that the £30,000 trivial commutation lump sum death benefit (TCLSDB) limit applies to the combined value of the original payment and any subsequent McCloud top-up. It does not apply separately to each payment, even if the survivor dies before receiving the top-up.

3.2.21 For example, if the original TCLSDB was £25,000 and a £6,000 McCloud top-up is due, only £5,000 of the top-up can be treated as a TCLSDB.

3.2.22 The LGA expects very few LGPS cases to exceed the limit. Authorities identifying such a case should contact the LGA for guidance.

Inheritance tax on pensions

3.2.23 New information-sharing requirements will apply to deaths from 6 April 2027, supporting the extension of inheritance tax to unused pension funds and death benefits.

3.2.24 Scheme administrators will need to provide prescribed information to personal representatives and beneficiaries, including details of the deceased's pension benefits and, in some circumstances, facilitate payment of IHT.

3.2.25 HMRC has dropped the proposal requiring schemes to report all death-in-service grants and plans further regulations and guidance later in 2026.

3.2.26 The changes will not affect spouses and children may have some protection from Inheritance Tax under existing provisions.

4.0 Stakeholder and ward member consultation and engagement

4.1 This is not applicable to this report.

5.0 Financial Considerations

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

6.0 Legal Considerations

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

7.0 Equality, Diversity & Inclusion (EDI) Considerations

7.1 There are none directly arising from this report.

8.0 Climate Change and Environmental Considerations

8.1 There are none directly arising from this report.

9.0 Human Resources/Property Considerations

9.1 There are none directly arising from this report.

10.0 Communication Considerations

10.1 None that are applicable to this report.

Report sign off:

Minesh Patel
Corporate Director, Finance and Resources

This page is intentionally left blank

LGPC Bulletin 281 – July 2026

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

- updated GAD factors – second batch released
- TPR's expectations on McCloud and annual benefit statements
- McCloud interest calculator and user guide: version 3.0
- final information sharing regulations laid in respect of IHT on pensions.

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

Index

LGPS England & Wales 3

MHCLG issues guidance on Local Government Reorganisation 3

Updates to guides and factsheets 3

Timeline regulations updated 4

SF3 form and guidance notes for 2025/26 5

LGPS Scotland 5

Retirement planning guide – version 1.7 5

Other news and updates 6

Updated GAD factors – second batch released 6

AI and Pensions event – 10 September 2026 7

PASA publishes updated strategy 7

Communications Working Group minutes published 8

McCloud remedy 8

TPR's expectations on McCloud and annual benefit statements 8

Public service pensions remedy newsletter: July 2026 8

McCloud interest calculator and user guide: version 3.0 9

Pensions dashboards **10**
MaPS latest progress update 10
PDP blog on evaluating the dashboard connection process 10
Training **10**
Training Focus Group 10
2026 training programme 10
Fundamentals training open for booking 11
Survey prize draw winner 12
LGPS England & Wales Scheme Advisory Board (SAB) **13**
2025 Actuarial Valuations – Board Summary published 13
New investment working groups 13
Pensions Administration Strategy working group 14
Engagement events 15
Board's annual assembly – registration now open 15
Code of Transparency system closing 16
Advertising LGPS senior officer and independent person roles 16
HMRC **17**
Pensions schemes newsletter 183 17
Final information sharing regulations laid in respect of IHT on pensions 18
DWP **20**
Proposals to amend the Conditions for Transfers Regulations 2021 20
TPO **20**
Annual report and accounts for 2025/26 20
TPO determinations for monetary obligations 20
July 2026 Update 20
TPR **21**
Annual report and accounts for 2025/26 21
TPR publishes new strategy, corporate plan and regulatory roadmap 21
DWP publishes growth goals for TPR 21
Wider landscape **22**

DWP publishes updated pension reform roadmap following Pension Schemes Act 2026 22
Value for Money framework – consultation 22
Pension access rules for terminally ill members: House of Lords debate 22
Legislation 23
Statutory Instruments 23
Directions 23
Useful links 23
LGPS pensions section 23
Raising a query 23
Team contacts 23
Further information 25
Copyright 25
Disclaimer 25

LGPS England & Wales

MHCLG issues guidance on Local Government Reorganisation

MHCLG has published guidance for LGPS funds affected by local government reorganisation. The guidance sets out the considerations that must be taken into account when selecting a new administering authority (AA). While the choice of a new AA is a local decision, any change will require Secretary of State approval. The guidance highlights factors that should be considered, including governance capability, operational capacity, cyber security, service continuity for members and employers, and the potential for future fund mergers.

The guidance also confirms that MHCLG is open to proposals for Single Purpose Pension Authorities (SPPAs), where councils can demonstrate governance or service delivery benefits.

To support timely implementation, the department has set deadlines for submitting proposals and will engage with affected authorities from summer 2026.

Updates to guides and factsheets

We have recently published new versions of the following documents:

- Employee brief scheme guide (version 2.7)

- Member guide to AVCs (version 2.7)
- Introductory leaflet for councillors in Wales (version 2.3).

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

The brief scheme guide has been amended for 2026/27 contribution tables and the access and fairness changes. Other minor changes have also been made.

Very minor changes have been made to the Member guide to AVCs. These include an update to the Pension Wise contact number and the additional pension contribution (APC) limit.

The introductory leaflet for councillors in Wales has been updated to reflect changes affecting councillors and mayors in England. In particular, it now includes information about the right of these members to aggregate previous benefits as a councillor in Wales. For more information, see the aggregation section in Bulletin 277. We have also made other changes to improve clarity.

The documents are published in Word so administering authorities can add contact information and any other specific details. Additional steps may be needed if these documents are converted to PDF for publication, to ensure they comply with the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018 – for more information see Bulletin 190. For example, any tables will need tagging correctly.

You can find more information online about:

- how to create accessible PDFs
- creating accessible PDFs in Adobe Acrobat.

You may need to take extra steps to tag tables correctly.

Action for administering authorities
Update local versions of the documents.

Timeline regulations updated

We have published the LGPS (Pooling, Management and Investment of Funds) Regulations 2026 on www.lgpsregs.org.

In addition, the current LGPS Regulations 2013 on www.lgpsregs.org have been updated to include amendments made by:

- the LGPS (Amendment) (Governance) Regulations 2026
- the LGPS (Pooling, Management and Investment of Funds) Regulations 2026
- a correction slip for the LGPS (Miscellaneous Amendments) (Member Benefits) Regulations 2026.

Following user feedback sessions, tracked versions of the regulations have not been published.

SF3 form and guidance notes for 2025/26

On 3 July 2026, MHCLG published the form and guidance notes for the LGPS funds account return for 2025/26. The return is known as SF3.

Administering authorities must submit the completed return by Friday 11 September 2026.

MHCLG uses the information to benchmark LGPS administration and fund management. The information is also used to compile the national accounts and show the role of the LGPS in the economy.

Action for administering authorities
Submit the SF3 return by 11 September 2026.

LGPS Scotland

Retirement planning guide – version 1.7

Steven Moseley emailed administering authorities on 22 July 2026 to let them know that we have published version 1.7 of the retirement planning guide.

Version 1.7 shows the new early retirement factors. The new version, along with a tracked changes version, is available on the Administrator guides and documents page of www.scotlgpsregs.org.

Action for administering authorities
Update local copies of the retirement planning guide.

Other news and updates

Updated GAD factors – second batch released

On 13 July 2026, Rachel Abbey emailed administering authorities in England and Wales with a letter from MHCLG confirming that the second batch of new Government Actuary's Department (GAD) factors (2026-02) has now been released. Annette Greenslade from SPPA emailed administering authorities in Scotland with the corresponding factors on 21 July 2026.

The second batch includes updated factors for:

- non-Club transfers in
- early retirement
- late retirement
- trivial commutation
- inverse commutation (England and Wales only)
- added pension
- AVCs to added pensions
- AVCs to transfer credits (England and Wales only).

An updated transitional table (v3.0) has been published alongside the second batch of factors. This sets out the implementation instructions and the transitional arrangements that apply to the new factors.

Administering authorities may wish to contact members who have received a quote based on the old factors and are still deciding how to proceed, where the final calculation will be carried out using the new factors. Providing updated figures will help the member make an informed decision.

Where a member has already made a decision before updated figures could be provided, and the final figures will be materially lower than those previously quoted, administering authorities may wish to explain the reason for the change and ask the member to confirm whether they still wish to proceed.

Administering authorities also need to revisit existing ARC and APC arrangements paid by regular contributions that were calculated using the old factors. Where these arrangements continue beyond 31 March 2027, the contributions must be recalculated from 1 April 2027 using the new factors.

We have updated the APC calculators on the member websites with the new factors.

The factors still to be updated for the May 2026 SCAPE rate change are Club transfer factors, annual allowance scheme pays factors and additional survivor benefit contribution (ASBC) factors.

In Bulletin 279, we confirmed that we expect the new Club factors to come into force on 1 October 2026. The scheme pays factors are currently scheduled for batch 4 and are expected in November 2026. However, GAD is considering bringing them forward to batch 3 so that they are available before the 2025/26 pension savings statement deadline of 6 October 2026. It is not yet clear when updated ASBC factors will be available. We are checking this with GAD and will provide a further update when available.

Until the new factors are issued, Club transfers in and scheme pays offset calculations should continue to use existing factors. For Club transfers out, please refer to the transitional table. There is no need to pause these calculations, and we do not expect the new factors to have backdated effect.

The second batch of factors and the latest version of the transitional table can be accessed on the:

- Actuarial guidance page of www.lgpsregs.org (LGPS England and Wales)
- Actuarial guidance page of www.scotlgpsregs.org (LGPS Scotland).

Action for administering authorities
Ensure that your processes and calculations are in line with the second batch of factors and the new version of the transitional table.

AI and Pensions event – 10 September 2026

Burges Salmon and Quietroom are co-hosting a free event on how AI is being used in pensions. The event will look at who is using AI, what is working in practice and what may come next. It will take place at Burges Salmon's London office on 10 September 2026, from 2pm to 5.30pm.

For more information and to register, read the online event invitation.

PASA publishes updated strategy

On 13 July 2026, the Pensions Administration Standards Association (PASA) published its updated strategy for 2026 to 2030, 'Shaping the Future of Pensions Administration'.

The strategy sets out PASA's direction for the next five years. For more information, read the PASA press release.

Communications Working Group minutes published

We have published the minutes from the Communications Working Group meeting held on 25 June 2026. The Group discussed a range of topics, including:

- LGPS promotion project
- pensions dashboards
- access and fairness
- Pensions Awareness Week 2026
- SCAPE rate change.

The minutes are available on the:

- Communications Working Group page of www.lgpsregs.org
- Communications Working Group page of www.scotlgpsregs.org.

McCloud remedy

TPR's expectations on McCloud and annual benefit statements

TPR has written to LGPS contacts about McCloud and annual benefit statements for 2025/26.

TPR has reminded administering authorities of its expectations, particularly in relation to reporting breaches.

Public service pensions remedy newsletter: July 2026

HMRC published its public service pensions remedy newsletter: July 2026. The newsletter provides stakeholders with the latest news on the public service pensions remedy.

The newsletter summarises the changes made by The Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) Regulations 2026. We covered the main provisions that are relevant to the LGPS in Bulletin 280.

It also confirms that the guidance on transitional tax-free amount certificates (TTFACs) in pension schemes newsletter 158 remains unchanged and there are no plans to amend the legislation or procedures.

HMRC acknowledges concerns that TTFAC calculations may be incorrect if a member's McCloud remedy choice has not yet been offered or implemented. The choice applies to members of the unfunded public service pension schemes who are affected by the remedy. Administrators should therefore carefully validate each

member's position and should not issue a TTFAC where there is uncertainty about the underlying data.

The newsletter also covers when an extra amount is paid as a trivial commutation lump sum death benefit (TCLSDB) as a result of the McCloud remedy. This is included because the original legislation did not explicitly authorise the top-up payment to be made to the personal representatives where the survivor had died. However, the newsletter suggests that the £30,000 limit should be assessed against the combined value of the original TCLSDB and the extra amount. This is not our understanding, and we are currently seeking clarification from HMRC.

McCloud interest calculator and user guide: version 3.0

GAD has issued version 3.0 of the McCloud interest calculator and the accompanying user guide.

The main change is the inclusion of interest for Part 4 tax losses on direct compensation. This follows changes introduced by the LGPS (Miscellaneous Amendments) (Member Benefits) Regulations 2026 in England and Wales. Further information on the 2026 regulations is available in Bulletin 276.

The updated documents also include a new ‘no macro unlocked’ version of the calculator. This was introduced to allow administrators to hide certain sheets for printing.

Version 3.0 can also be used by administering authorities in Scotland. However, authorities should note that equivalent regulatory changes to provide for interest on Part 4 tax losses have not yet been made in Scotland. Proposed amendments were included in the consultation on the draft LGPS (Scotland) (Amendment) Regulations 2025, which closed on 25 November 2025. Bulletin 273 provided an update on that consultation.

The updated calculator and user guide are available on the:

- Actuarial guidance page of www.lgpsregs.org (England and Wales)
- Actuarial guidance page of www.scotlgpsregs.org (Scotland).

To access the documents, select ‘McCloud remedy’.

Action for administering authorities
Start using version 3.0 of the interest calculator.

Pensions dashboards

MaPS latest progress update

On 8 July 2026, the Money and Pensions Service (MaPS) published its latest update on the progress of pensions dashboards.

The update confirms that the MoneyHelper Pensions Dashboard is expected to launch during the 2027/28 tax year. It also reports that around 85 per cent of personal and workplace pension schemes, together with State Pensions, are now connected to the pensions dashboards ecosystem.

The remaining pension providers and schemes are expected to connect by the statutory deadline of 31 October 2026.

PDP blog on evaluating the dashboard connection process

On 2 July 2026, the Pensions Dashboards Programme (PDP) published a blog on evaluating the pensions dashboards connection process.

Earlier this year, the Money and Pensions Service (MaPS) commissioned independent evaluators Ecorys to examine how the connection process has worked in practice. This blog post sets out the rationale behind the report and the insights gained from it.

Training

Training Focus Group

The minutes of the Training Focus Group held on 14 July 2026 accompany this bulletin. Topics discussed include:

- staffing update
- updates on the Award in Pensions Essentials (APE) qualification
- updates on the Certificate in LGPS Administration
- future training ideas.

The next meeting is provisionally scheduled for 14 January 2027.

2026 training programme

Our 2026 training programme brings 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 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 our courses and their content is available on the Training and Development pages of www.lgpsregs.org.

Aggregation – England and Wales

- 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 (1 place remaining)

Insight – England and Wales

- Insight course – Bournemouth 7 - 10 September 2026 (1 place remaining)
- Insight course – Online 19 - 23 October 2026

Employer role – England and Wales

- Employer Role training – Online 19 August 2026
- Employer Role training – Online 24 September 2026 (1 place remaining)
- Employer Role training – Online 27 October 2026
- Employer Role training – Online 26 November 2026

If you have 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.

Fundamentals training open for booking

Fundamentals is our three-day training course aimed at councillors and others who attend pension committees and local pension boards. Past delegates include representatives of trade unions and employers, and officers who support committees and boards.

This training course provides an overview of the LGPS. It covers current issues relating to the administration, investments and governance of the scheme. All sessions are delivered by experts in their field.

Attending all three days of the training course will support delegates to gain the knowledge and skills required by legislation.

Course dates and locations
The course consists of one day of training each month for three months and participants can choose to attend a combination of options to complete days one, two and three of the training.

We are pleased to announce that bookings are now open and can be made using the LGA events website or the individual event links below:

Fundamentals Day 1 training - London 7 October 2026
Fundamentals Day 1 training - Online 21 and 28 October 2026

Fundamentals Day 2 training - London 5 November 2026
Fundamentals Day 2 training - Online 20 and 27 November 2026

Fundamentals Day 3 training - London 3 December 2026
Fundamentals Day 3 training - Online 9 and 16 December 2026

Please review the course programme for further details – note the timings apply to the in-person London sessions only.

We are running the training in-person in London and online.

Each online session will be run over two days. 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. The online sessions will be delivered using Zoom.

Please be aware that places are limited and fill quickly every year, so we strongly encourage early booking to avoid disappointment.

Survey prize draw winner

All training feedback surveys now include an optional prize draw entry. Participants who choose to provide their name are entered into a prize draw to win a £100 gift card. Providing your details is entirely your choice, anonymous feedback is still welcome and valued as always.

Prize draws will take place four times a year. The more training events you attend and feedback surveys you complete, the greater your chances of winning; simply opt in each time you submit feedback.

We are delighted to announce the latest winner of our prize draw from recent feedback surveys: Marika Gooch from Norfolk Pension Fund. Congratulations Marika!

Thank you to everyone who continues to provide feedback. Your insights play a vital role in helping us improve and shape future training sessions and events.

LGPS England & Wales Scheme Advisory Board (SAB)

2025 Actuarial Valuations – Board Summary published

The Board has published a report summarising the results of the recently completed 2025 local fund valuation exercise.

The report compares the 2025 valuation results with the 2022 results. It also looks at the assumptions used, investment strategies and the gender pensions gap.

Barnett Waddingham kindly prepared the report on a 'no fee' basis.

Alongside the report, the Board published a news article. The article highlights the significant interest in the 2025 valuation results, partly driven by an expected improvement in funding position and ongoing discussions about public sector finances. Average funding levels increased from 107% in 2022 to 122% in 2025 (using local funding bases), while average employer contribution rates fell from 21.1% of payroll to 16.5% over the same period.

The Board welcomed the decisions taken by funds to share the benefits of improved funding positions with participating employers, while noting the importance of balancing current affordability with the need to protect the long-term sustainability of the Scheme.

New investment working groups

At its meeting on 20 July 2026, the Board agreed to establish a series of working groups to support the development of guidance and common principles in key areas. This will sit alongside the new statutory guidance on Investment Strategy Statements (ISS), pooling and governance.

The initial working groups will focus on:

- fiduciary oversight of pools

- common principles or guidelines for reporting publicly and to partner funds
- building capacity for local investment, including engagement with strategic authorities and due diligence on potential projects
- implementation of funds' responsible investment strategies by pools.

Officers interested in joining a working group are invited to complete this form by 14 August 2026. To support balanced representation, officers should indicate one working group of interest.

The Board's Secretariat will contact respondents to arrange initial meetings shortly after the closing date.

For queries, please contact sabsecretariat@local.gov.uk.

Action for administering authorities
Please complete the form by 14 August 2026 if you are interested in joining any of the groups.

Pensions Administration Strategy working group

At the CMBDA meeting on 6 July 2026, and subsequently approved by the Board at its meeting on 20 July 2026, the Secretariat agreed to establish a new working group, supported by LGPC technical colleagues, to develop statutory guidance for Pension Administration Strategies (PAS).

This work follows recent amendments to Regulation 59 which make a PAS mandatory for all administering authorities, require authorities to review their strategy at least once during each valuation period, and require authorities to have regard to guidance issued by the Secretary of State when preparing, revising and publishing their PAS.

The working group will help develop the statutory guidance to support compliance with the revised requirements and promote greater consistency in pension administration across the LGPS. It will work closely with MHCLG, the Pensions Regulator and other key stakeholders to ensure the guidance reflects both regulatory expectations and operational realities.

We particularly welcome expressions of interest from administering authorities that have recently reviewed, updated or implemented a PAS, as well as funds operating under different governance and administration models. We are keen to establish a diverse group that reflects the breadth of the LGPS and can provide practical insight into the opportunities and challenges of developing and maintaining an effective PAS.

If you are interested in joining this working group, please complete this form **by 12 August 2026**.

Further information on timescales, membership and the proposed scope of the group's work will be shared in due course.

Action for administering authorities
Please register your interest by 12 August 2026 if you would like to join the working group.

Engagement events

The Board has launched its autumn programme of engagement events to support collaboration, knowledge sharing and discussion across the LGPS.

Supporting the Board's Communications Strategy, the programme brings together a range of events for different audiences across the LGPS, providing opportunities to explore current issues, share experiences and hear about key developments.

The autumn programme includes:

- **7 September 2026** – inaugural local pension board forum
- **15 September 2026** – new councillor welcome event
- **1 October 2026** – independent governance review event for officers
- **22 October 2026** – annual assembly for pension committee and local pension board chairs.

To see the full programme, access agendas and registration details, or express an interest in speaking at any of the events, visit the Events page of the Board website.

Board's annual assembly – registration now open

Registration is now open for the Board's second annual assembly, following the advance notice in Bulletin 280.

The event is exclusively for pension committee chairs and local pension board chairs. It will be hosted by the Board's Chair, Cllr Roger Phillips OBE, and will take place on Thursday 22 October 2026, from 10.30am to 4pm, at Bevin Hall, Local Government Association, Smith Square, Westminster, London.

The event is free to attend and will be held in person only.

The theme for this year's event is: 'Leading Together: Shaping the Future of the LGPS'. Attendees will have an opportunity to:

- receive updates on key LGPS developments
- hear from fellow chairs about current challenges and emerging issues
- network with peers and share insights and experiences.

Invitations have been sent by email to committee and board chairs. Officers are asked to bring the event to the attention of their chairs and ask them to complete the registration form if they would like to attend.

Action for administering authorities
Inform your board and committee chairs and ask them to complete the form if they would like to attend the annual assembly.

Code of Transparency system closing

This is a final reminder that the Byhiras data system supporting the LGPS Code of Transparency will close at **5pm on Friday 28 August 2026**.

Once the system closes, access to all data will be permanently removed and the data securely destroyed. Users should therefore download any information they need before the closure date and contact **info@byhiras.com** as soon as possible if they experience any issues.

Administering authorities should also discuss future cost transparency reporting arrangements with their asset managers. Future reporting is expected to be facilitated through pooling companies, including via the new Cost Transparency and Benchmarking Services framework.

The Board thanks Byhiras for its pivotal work in supporting the implementation of the LGPS Code of Transparency over the last seven years, and for helping to embed standardised investment cost reporting across the LGPS.

Action for administering authorities
Download your data from the Byhiras system before it closes at 5pm on 28 August 2026. Discuss future cost reporting arrangements with your asset managers.

Advertising LGPS senior officer and independent person roles

When advertising for the new statutory LGPS senior officer and independent person roles, the Board has been asked to recommend that you use the hashtag #lgpsjobs in social media posts (eg on LinkedIn).

These are often entirely new roles that have been created and LGPS officers preparing advertisements may find it helpful to be able to review and track job

descriptions, requirements and salary levels that other funds are offering for similar roles.

If you would like to advertise one of these roles on the Jobs page of www.lgpsregs.org, please follow the instructions at the bottom of that page.

Action for administering authorities
Please use the hashtag #lgpsjobs when advertising LGPS senior officer and independent person roles on social media.

HMRC

Pensions schemes newsletter 183

On 30 July 2026, HMRC published pension schemes newsletter 183. The newsletter includes articles about:

Contacting HMRC
HMRC has replaced its email service with a new interactive guidance and enquiry tool. Emails sent to pension.schemes@hmrc.gov.uk will no longer receive a direct response.

Pension Schemes Online closure
The service will close from April 2027. HMRC is urging scheme administrators to migrate any open schemes to the Managing Pension Schemes service by 31 December 2026 to avoid disruption.

Inheritance tax on pensions
New regulations have been laid setting out the information pension scheme administrators and personal representatives must exchange following a member's death to support the introduction of inheritance tax on unused pension funds and death benefits from 6 April 2027. See the next article for more information.

HMRC plans to introduce further regulations later in 2026 to make sure the new reporting requirements also apply to sub-schemes and that estates containing notional pension property can continue to qualify as excepted estates, where the relevant conditions are met.

HMRC has also confirmed that it will publish another technical note later this summer. This will provide more detail on the new inheritance tax on pensions process, including examples and answers to common questions raised by the pensions industry.

Final information sharing regulations laid in respect of IHT on pensions

On 15 July 2026, HMRC laid the Registered Pension Schemes (Provision of Information) (Miscellaneous Amendments) Regulations 2026 before Parliament.

The regulations come into force on 6 April 2027 and apply to deaths on or after then. They amend the Registered Pension Schemes (Provision of Information) Regulations 2006 and introduce new disclosure requirements for scheme administrators. The requirements support the inheritance tax changes that apply to pensions for deaths after 5 April 2027.

HMRC consulted on the draft regulations between 18 May 2026 and 11 June 2026. We covered the consultation in Bulletin 279.

HMRC has made amendments to the final regulations after considering consultation responses. For example, HMRC has not proceeded with the proposal for scheme administrators to report all death in service death grants to HMRC for members who die after 5 April 2027.

Amendment to regulation 8 of the 2006 Regulations (Death: provision of information by scheme administrator to personal representatives)

Regulation 5 of the 2026 Regulations amends regulation 8 of the 2006 Regulations. Regulation 8 sets out the information that schemes must provide to personal representatives after a member dies. The amendment ensures it only applies where the scheme administrator has paid a lump sum death benefit that expends some of the deceased member's lump sum and death benefit allowance (LSDBA). The amended regulation also changes the information that must be provided automatically.

The scheme administrator must automatically provide the following information within three months of making the final death grant payment:

- the name of the scheme
- the name and address of the scheme administrator
- each relevant reference number, if any, in relation to the deceased member
- the amount of the relevant lump sum death benefit paid.

'Relevant reference number' means the number given by HMRC in respect of various protections, such as fixed protection 2016.

Regulation 5 also amends the information that the scheme administrator must provide under regulation 8 if requested by the personal representatives.

New regulations 10C to 10M (disclosure requirements to support inheritance tax changes)

Regulation 7 inserts new regulations 10C to 10M into the 2006 Regulations.

Other than regulations 10D, 10F and 10H, the new regulations are relevant for administering authorities.

Regulation 10C requires the scheme administrator to provide information to the personal representatives, if requested, about the deceased member's notional pension property. We expect personal representatives to request this information in most cases.

The other relevant regulations set out further disclosure requirements:

- Regulation 10E applies where the personal representatives are required to file an inheritance tax account and request further information.
- Regulations 10G and 10I apply where the personal representatives, including prospective personal representatives, give a withholding notice. Regulation 10G sets out the information that must be given to the personal representatives. Regulation 10I sets out the information that must be given to beneficiaries where the scheme administrator accepts the withholding notice as valid.
- Regulations 10J and 10K apply where the scheme administrator pays inheritance tax following a payment notice given by a beneficiary. Regulation 10J sets out the information that must be provided to the beneficiary who gave the notice. Regulation 10K sets out the information that must be provided to the personal representatives.
- Regulations 10L and 10M apply where the scheme administrator pays inheritance tax following a payment notice given by the personal representatives. Regulation 10L sets out the information that must be provided to the personal representative who gave the notice. Regulation 10M sets out the information that must be provided to beneficiaries whose benefits will be reduced because of the payment notice.

We will provide further information about the inheritance tax changes over the coming months.

DWP

Proposals to amend the Conditions for Transfers Regulations 2021

The Department for Work and Pensions (DWP) published a consultation on 9 June 2026 proposing targeted amendments to the Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021. The consultation closed on 21 July 2026 and applies to England, Scotland and Wales. See Bulletin 280 for more information about the consultation.

You can find our response on the:

- Non-scheme consultations page of www.lgpsregs.org, and
- Non-scheme consultations page of www.scotlgpsregs.org.

TPO

Annual report and accounts for 2025/26

On 9 July 2026, TPO published its annual report and accounts for 2025/26, alongside an accompanying press release.

The report looks at what TPO achieved over the previous year and includes performance data and summaries of investigations it carried out during the year.

TPO determinations for monetary obligations

Section 121 of the Pension Schemes Act 2026 came into force on 29 June 2026.

The section corrects an issue identified in a Court of Appeal case in 2023. The case ruled that TPO is not a ‘competent court’ for the purposes of enforcing a dispute about a monetary obligation under section 91(6) of the Pensions Act 1995.

We covered the case in Bulletins 244 and 245.

Section 121 allows a monetary obligation to be enforced where TPO has made a determination about the amount of the monetary obligation in question.

July 2026 Update

TPO has published its July 2026 update, which includes:

- **Annual stakeholder forum:** TPO is hosting its annual stakeholder forum on Wednesday 16 September 2026. The free, in-person event will take place at TPO's office in Canary Wharf, London.

- **Determination on the administrator's duty of care when providing benefit information:** This determination considers a case in which an administrator incorrectly told a member that his wife would be entitled to a spouse's pension, when no automatic entitlement existed.

TPR

Annual report and accounts for 2025/26

TPR published its Annual Report and Accounts 2025/26 on 30 June 2026, alongside an accompanying press release.

The report sets out TPR's progress in protecting members' money, enhancing the pensions system and supporting growth and innovation in members' interests.

TPR publishes new strategy, corporate plan and regulatory roadmap

On 14 July 2026, The TPR published three documents setting out its priorities for the next five years and the year ahead:

- corporate strategy for 2026 to 2031, which sets out the outcomes that will guide TPR's work and prioritisation over the next five years
- corporate plan for 2026 to 2027, which explains the areas TPR will focus on over the next year and how it will measure performance
- pensions reform roadmap, which gives the pensions industry visibility of when TPR, the DWP and the Financial Conduct Authority (FCA) will engage on pensions reform through consultations, regulation and guidance.

For more information, see TPR's press release.

DWP publishes growth goals for TPR

The DWP has published growth goals for TPR for 2026 to 2027. The goals focus on:

- reforming the workplace pensions sector to boost growth and improve retirement outcomes for savers
- unlocking pension scheme surplus and capital to benefit savers, employers and the economy
- supporting productive investment to help grow the economy and increase returns for savers
- promoting the responsible and safe use of artificial intelligence (AI) in pensions to improve saver outcomes.

Read the 'Regulation Action Plan: Growth Goals' for more information.

Wider landscape

DWP publishes updated pension reform roadmap following Pension Schemes Act 2026

On 13 July 2026, the DWP published an updated version of its pensions reform roadmap, setting out the timetable for implementing many of the provisions in the Pension Schemes Act 2026.

For more information, see the accompanying press release.

Value for Money framework – consultation

On 13 July 2026, the DWP and the Financial Conduct Authority launched a joint consultation on draft regulations and rules to implement the value for money framework for workplace defined contribution pension schemes. The consultation runs until 1 September 2026.

The framework is intended to improve the way defined contribution pension schemes assess and demonstrate value for members. It would require schemes to disclose and assess standardised information on quality of service, investment performance, and costs and charges.

The consultation confirms that in-house AVC arrangements are expected to be exempt from the new requirements. This is because these arrangements usually involve active member choice and can have complex links with the main pension scheme.

Pension access rules for terminally ill members: House of Lords debate

On 30 June 2026, the House of Lords debated pension access rules for terminally ill members. The debate included access to serious ill health lump sums.

The Financial Secretary to the Treasury, Lord Livermore, recognised that the current rules are designed to provide flexibility. He also acknowledged that, because the rules are permissive, members may face different barriers to accessing their pension savings depending on the scheme they belong to.

Lord Livermore confirmed that the Government wants to ensure a fair and compassionate approach to pension access in cases of terminal illness. The Government will consider the issue in further detail.

It is not clear whether this review will include the serious ill health rules in the LGPS. At present, whether a serious ill health lump sum is permitted depends on the regulations under which the member left active membership.

Legislation

Statutory Instruments

Registered Pension Schemes (Provision of Information) (Miscellaneous Amendments) Regulations 2026

Directions

Public Service Pensions (Exercise of Powers, Compensation and Information) (Amendment) Directions 2026 (not relevant for the LGPS)

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.

Team contacts

Clair Alcock (Head of Pensions)
Telephone: 07464 532613
Email: clair.alcock@local.gov.uk

Lorraine Bennett (Principal Pensions Adviser – LGPC Secretariat)
Telephone: 07766 252847
Email: lorraine.bennett@local.gov.uk

Jayne Wiberg (Lead Pensions Adviser – LGPC Secretariat)
Telephone: 07979 715825
Email: jayne.wiberg@local.gov.uk

Rachel Abbey (Lead Pensions Adviser – LGPC Secretariat)
Telephone: 07827 307003
Email: rachel.abbey@local.gov.uk

Steven Moseley (Lead Pensions Adviser – LGPC Secretariat)
Telephone: 07780 227059
Email: steven.moseley@local.gov.uk

William Girvan (Lead Pensions Adviser – LGPC Secretariat)
Telephone: 07860 686146
Email: william.girvan@local.gov.uk

Lisa Clarkson (Senior Training and Development Adviser – LGPC Secretariat)
Telephone: 07464 532596
Email: lisa.clarkson@local.gov.uk

Toni Durrant (Training and Development Adviser – LGPC Secretariat)
Telephone: 07385 224553
Email: toni.durrant@local.gov.uk

Jennifer Rice (Training and Development Adviser – LGPC Secretariat)
Telephone: 07884 312232
Email: jennifer.rice@local.gov.uk

Holly De-Buriatte (Programme Support Officer – LGPC Secretariat)
Telephone: 0207 664 3056
Email: holly.de-buriatte@local.gov.uk

Faiza Israth (Programme Support Officer – LGPC Secretariat)
Telephone:
Email: Faiza.Israth@local.gov.uk

Jeremy Hughes (Senior Pensions Secretary – LGPS Scheme Advisory Board England & Wales (SAB))

Telephone: 07960 513946
Email: jeremy.hughes@local.gov.uk

Ona Ehimuan (Pensions Secretary (Governance and Digital) – LGPS SAB)
Telephone: 07501 088144
Email: ona.ehimuan@local.gov.uk

Becky Clough (Board Support and Policy Officer – LGPS SAB)
Telephone: 07795 410793
Email: becky.clough@local.gov.uk

Sarah Tingey (Research and Data Analyst – LGPS SAB)
Telephone: 07548 952802
Email: sarah.tingey@local.gov.uk

Sophia Chivandire (Pensions Policy and Support Officer – LGPS SAB)
Telephone: 0207 664 3085
Email: Sophia.chivandire@local.gov.uk

Further information

Copyright

Copyright remains with Local Government Association (LGA). This bulletin may be reproduced without the prior permission of LGA provided it is not used for commercial gain, the source is acknowledged and, if regulations are reproduced, the Crown Copyright Policy Guidance issued by HMSO is adhered to.

Disclaimer

The information contained in this bulletin has been prepared by the LGPC Secretariat, a part of the Local Government Association (LGA). It represents the views of the Secretariat and should not be treated as a complete and authoritative statement of the law. Readers may wish, or will need, to take their own legal advice on the interpretation of any piece of legislation. No responsibility whatsoever will be assumed by the LGA for any direct or consequential loss, financial or otherwise, damage or inconvenience, or any other obligation or liability incurred by readers relying on information contained in this bulletin.

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.

This page is intentionally left blank

LGPC Bulletin 282 – August 2026

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

- Pensions Awareness Week – new resources available
- TCLSDBs and McCloud top-up payments
- TPR emphasises action on pensions dashboard possible matches

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

Index

LGPS Scotland 3

GAD factor spreadsheet 2026-02: correction to table 612 3

Other news and updates 3

Pensions Awareness Week – new resources available 3

McCloud remedy 4

TCLSDBs and McCloud top-up payments 4

Pensions dashboards 5

MoneyHelper Pensions Dashboard (MHPD) passes beta assessment 5

PASA guidance on pensions dashboard member enquiries 5

PDP blog on importance of maintaining connection 5

PDP publishes guidance on interim manual reporting 6

TPR emphasises action on pensions dashboard possible matches 6

Training 7

2026 training programme 7

Fundamentals training open for booking 8

LGPS England & Wales Scheme Advisory Board (SAB) 9

Board statement on the purpose and governance of the LGPS 9
Board Annual Assembly 9
Board events and speaker expression of interest form 10
Board statement on the latest correspondence over investment in conflict areas 10
Local Pension Board Forum 11
SAB Independence Governance Review Workshop 11
Welcome event for councillors with LGPS responsibilities 12
HMRC 12
Consultation on NMPA transitional provisions 12
HMRC publishes second technical note on inheritance tax and pensions 13
Pension schemes newsletter 184 14
DWP 14
Value for Money Framework consultation 14
Wider landscape 15
Digital resilience is a priority for pension schemes 15
CDC schemes extended to multi-employer arrangements 15
GAD 2024-based population projections 16
Useful links 16
LGPS pensions section 16
Raising a query 16
Team contacts 17
Further information 18
Copyright 18
Disclaimer 18

LGPS Scotland

GAD factor spreadsheet 2026-02: correction to table 612

On 25 August 2026, Annette Greenslade of the Scottish Public Pensions Agency (SPPA) emailed administering authorities with a corrected version of the GAD factor spreadsheet 2026-02.

The correction affects table 612 and follows a query raised by a software supplier.

The GAD guidance states that a scheme pays offset for an election made after 31 March 2015 must be adjusted if the member retires before normal pension age. Except in cases of ill health retirement, administering authorities should use the relevant early retirement factor.

For convenience, GAD provides the factors used to adjust these offsets separately in table 612. These factors should be the same as the early retirement factors in table 401.

However, the factors previously shown in table 612 for retirements 11, 12 and 13 years before normal pension age did not match the corresponding factors in table 401. The corrected version of spreadsheet 2026-02 resolves these discrepancies.

The corrected spreadsheet is available on the actuarial guidance page of www.scotlgpsregs.org.

Other news and updates

Pensions Awareness Week – new resources available

Pensions Awareness Week starts on 14 September 2026. We have updated the template member presentations we produced with the Communications Working Group for 2026.

We have published presentations on two topics – an LGPS overview and retirement planning. Separate versions are available for LGPS Scotland and LGPS England and Wales, including Welsh language versions.

The updates to the presentations include:

- examples in the presentations based on the new factors used to calculate early and late retirements
- annual changes to contribution bands and APC limits

- changes to reflect other recent regulation amendments, such as the removal of the upper age limit for death grants (England and Wales).

We would like to thank members of the Communications Working Group and Clywd Pension Fund for generously giving their time to develop these resources.

You can access the presentations on the administrator websites:

- Administrator Guides and Documents (England and Wales)
- Administrator Guides and Documents (Scotland).

Action for administering authorities
We encourage you to use these resources when planning and delivering events for Scheme members during Pensions Awareness Week 2026.

McCloud remedy

TCLSDBs and McCloud top-up payments

HMRC has confirmed how the £30,000 limit for a trivial commutation lump sum death benefit (TCLSDB) applies when a further payment is due following a review under the McCloud remedy.

The £30,000 limit applies to the combined value of:

- the original TCLSDB
- any subsequent McCloud top-up relating to that payment.

The limit does not apply separately to each payment. This is the case even if the survivor dies before receiving the top-up.

For example, an administering authority paid an original TCLSDB of £25,000 and later identifies that a McCloud top-up of £6,000 is due. Only £5,000 of the top-up can be treated as a TCLSDB because the combined payments would otherwise exceed the £30,000 limit. The remaining £1,000 cannot be treated as a TCLSDB.

In Bulletin 281, we explained that we had asked HMRC to clarify this point. We did so because the position in HMRC's 'Public service pensions remedy newsletter: July 2026' appeared to conflict with our understanding of advice previously provided by HMRC.

We will update the McCloud administrator guide in due course to reflect HMRC's clarification.

We expect very few LGPS cases to involve combined payments of more than £30,000. If an administering authority identifies such a case, it should email the relevant details to: query.lgps@local.gov.uk. We will liaise with MHCLG, or SPPA for Scottish cases, to establish how the authority should deal with the amount above the limit.

Action for administering authorities
Update your processes to reflect HMRC's clarification.

Pensions dashboards

MoneyHelper Pensions Dashboard (MHPD) passes beta assessment

In its August 2026 update, the Pensions Dashboards Programme (PDP) confirmed that the MHPD has successfully passed its beta service standard assessment.

A service standard assessment is an independent government review that examines a government digital service as a whole, including how well it meets user needs, its accessibility and security, and whether it can be operated reliably and sustainably.

PASA guidance on pensions dashboard member enquiries

On 10 August 2026, the Pensions Administration Standards Association (PASA) published interim guidance to help schemes, administrators and providers respond to member questions about pensions dashboards. The guidance includes suggested responses to common questions on topics such as dashboard availability, the information that will be displayed, data security and tracing lost pensions.

PASA emphasises the importance of clear and consistent member communications ahead of the launch of pensions dashboards and encourages members to keep their personal details up to date to support successful matching.

PDP blog on importance of maintaining connection

On 19 August 2026, PDP published a blog covering the importance of maintaining connection to the ecosystem.

PDP reminds pension providers and schemes that connecting to the pensions dashboards ecosystem is only the first step. Once connected, there are ongoing responsibilities to maintain the connection. The blog explains what each organisation needs to do to remain connected, meet their obligations and ensure a reliable experience for dashboard users.

Providers and schemes connecting through a third party remain legally responsible for meeting their dashboards obligations, including maintaining high-quality member data to support successful matching and value display.

For organisations that connect directly, ongoing responsibilities include managing connection and user account details, reporting technical changes, maintaining security through annual IT health checks or penetration testing, and notifying PDP of planned or unplanned downtime.

The PDP emphasises that clear ownership of post-connection responsibilities is essential to ensuring compliance and delivering a reliable dashboards experience for members.

PDP publishes guidance on interim manual reporting

In its response to the reporting standards implementation consultation, PDP confirmed its intention to require manual reporting for any directly connected organisations (DCOs) that have not yet been able to implement daily reporting via application programming interface (API).

DCOs are organisations which connect directly to the central digital architecture, rather than using an intermediary third-party connection provider. This includes integrated service providers.

PDP has published guidance for these organisations. The guidance confirms that manual reporting will begin in October 2026, covering data from 1 September 2026 onwards. Reports must be submitted monthly and within five working days of the end of the month.

You can read the full guidance on the PDP's website.

TPR emphasises action on pensions dashboard possible matches

During its pensions dashboards webinar on 8 July 2026, the Pensions Regulator (TPR) highlighted that connection to the dashboards ecosystem is only the beginning of a scheme's dashboards obligations. Once connected, schemes must be able to find members, return pension information and comply with all requirements relating to the handling of possible matches.

TPR expressed concern that some schemes and administrators have not yet established processes to resolve possible matches during user testing. Where a dashboard user contacts a scheme after receiving a possible match notification, the scheme must act promptly to investigate and determine whether the match can be confirmed or rejected.

TPR expects trustees and scheme managers to take immediate action to implement effective procedures for resolving possible matches, test those procedures during the user testing phase, and use the results to refine their matching criteria. They also emphasised the importance of maintaining high-quality member data to support accurate matching and reduce the number of possible matches generated.

TPR's message is clear: schemes should not wait until dashboards are publicly available. Processes for resolving possible matches should be operating now and tested thoroughly to ensure compliance with dashboards legislation and regulatory expectations.

Action for administering authorities
Make sure you can find members, return pension information and comply with all requirements relating to the handling of possible matches.

Training

2026 training programme

Our 2026 training programme brings 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 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 our courses and their content is available on the Training and Development pages of www.lgpsregs.org.

Aggregation – England and Wales

- 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 (1 place remaining)

Insight – England and Wales

- Insight course – Online 2 - 6 November 2026 (1 place remaining)

Employer role – England and Wales

- Employer Role training – Online 24 September 2026 (1 place remaining)
- Employer Role training – Online 27 October 2026
- Employer Role training – Online 26 November 2026

If you have 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.

Fundamentals training open for booking

Fundamentals is our three-day training course aimed at councillors and others who attend pension committees and local pension boards. Past delegates include representatives of trade unions and employers, and officers who support committees and boards.

This training course provides an overview of the LGPS. It covers current issues relating to the administration, investments and governance of the scheme. All sessions are delivered by experts in their field.

Attending all three days of the training course will support delegates to gain the knowledge and skills required by legislation.

Course dates and locations
The course consists of one day of training each month for three months and participants can choose to attend a combination of options to complete days one, two and three of the training.

We are pleased to announce that bookings are now open and can be made using the LGA events website or the individual event links below:

Fundamentals Day 1 training - London 7 October 2026
Fundamentals Day 1 training - Online 21 and 28 October 2026

Fundamentals Day 2 training - London 5 November 2026
Fundamentals Day 2 training - Online 20 and 27 November 2026

Fundamentals Day 3 training - London 3 December 2026
Fundamentals Day 3 training - Online 9 and 16 December 2026

Please review the course programme for further details – note the timings apply to the in-person London sessions only.

We are running the training in-person in London and online.

Each online session will be run over two days. 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. The online sessions will be delivered using Zoom.

Please be aware that places are limited and fill quickly every year, so we strongly encourage early booking to avoid disappointment.

LGPS England & Wales Scheme Advisory Board (SAB)

Board statement on the purpose and governance of the LGPS

The LGPS Scheme Advisory Board has published a new statement, Understanding the LGPS: statutory purpose, pension assets and governance. The statement explains the purpose of the LGPS, the role of administering authorities and asset pool companies under the new statutory framework, and the duties that apply when managing pension fund assets. It also highlights the scale of the scheme, the role of the Board, and why the LGPS should be understood as a funded occupational pension scheme established to pay pensions to members. The statement is intended to support informed discussion about the scheme and provide a clear overview of how LGPS governance and investment decision-making operates in practice.

Board Annual Assembly

Registration for the second Board Annual Assembly is now open.

Hosted by the Board's Chair, Cllr Roger Phillips OBE, the event is exclusively for pension committee and local pension board chairs.

It will take place on Thursday 22 October 2026 from 10.30am to 4.00pm at Bevin Hall, Local Government Association, 18 Smith Square, Westminster, London. The event is free to attend and will be held in person only.

This year's theme, **'Leading Together: Shaping the Future of the LGPS'**, will provide an opportunity to:

- receive updates on key LGPS developments from the SAB Chair and the LGA pensions team
- discuss current issues facing the Scheme
- network with peers and share insights and experiences.

The Minister for Local Government, Devolution and Growth, Jim McMahon MP, has been invited to provide an update.

Invitations have been emailed directly to chairs. We encourage fund officers to draw the event to the attention of their committee and board chairs and ask them to complete this registration form if they would like to attend.

Action for administering authorities
Share the registration form with your pension board and committee chairs and encourage them to attend the SAB Annual Assembly taking place on 22 October 2026.

Board events and speaker expression of interest form

As part of its Communications Strategy, the Board is pleased to launch their autumn programme of engagement events. The programme is designed to support collaboration, knowledge sharing and discussion across the LGPS.

The programme includes events aimed at a range of audiences, providing opportunities to explore current issues, share experiences and hear about developments affecting the Scheme.

Details of our autumn programme can be found on the Events page of www.lgpsboard.org.

The Board is keen to ensure that speakers at their events reflect the diversity of all those who participate in, or are involved in managing, the Scheme. If you are interested in speaking at a future event, please complete this expression of interest form and the SAB Secretariat will contact you.

Action for administering authorities
Please visit the Events page of the Board website to find details of their autumn programme, including expressing an interest in speaking at future events.

Board statement on the latest correspondence over investment in conflict areas

On 18 August 2026, the Board published a statement from its Chair, Cllr Roger Phillips OBE, and vice-Chair, George Georgiou, on the latest correspondence received by funds from the Palestine Solidarity Campaign (PSC) over investment in conflict areas.

The statement also highlights a letter the Board Chair received from UK Lawyers for Israel in June 2026, which disputes the PSC's position.

The Board has written to the new Local Government Minister, Jim McMahon OBE MP, seeking an urgent meeting on this issue.

Local Pension Board Forum

The Board has arranged the **Inaugural Local Pension Board Forum**, which will be hosted by Board Chair, Cllr Roger Phillips OBE.

The forum will give local pension board chairs and vice-chairs an opportunity to share best practice, exchange learning, build networks and discuss current issues affecting local pension boards and the wider LGPS governance landscape.

- **date:** 7 September 2026
- **time:** 11.00am to 12.00pm
- **Location:** online (Microsoft Teams)
- **registration:** fill in the registration form.

Further information, including the agenda, will be shared with registered attendees before the event.

Action for administering authorities
Please flag this event with your pension board and encourage them to complete the registration form if interested.

SAB Independence Governance Review Workshop

The Board Secretariat will host a SAB Independence Governance Review Workshop in October.

This workshop is designed for senior LGPS officers and governance officers who are responsible for planning or supporting their fund's independent governance review. It will provide an opportunity to explore the statutory guidance, share approaches and discuss key considerations to help funds prepare for and respond to their independent governance reviews.

- **date:** 1 October 2026
- **time:** 1.00pm to 3.00pm
- **location:** In-person only, Local Government Association Offices, 18 Smith Square, Westminster, London, SW1P 3HZ
- **registration:** fill in the registration form

Further information, including the agenda, will be shared with registered attendees before the event. Places are limited and we ask that **one officer** per fund signs up.

Action for administering authorities
Please complete the registration form to attend the SAB Independent Governance Review workshop if interested.

Welcome event for councillors with LGPS responsibilities

The Board has arranged a welcome event for councillors with LGPS responsibilities, hosted by Scheme Advisory Board Chair, Cllr Roger Phillips OBE.

This event is designed for councillors who are new to the role and the session will introduce the LGPS, the role of the Scheme Advisory Board and the wider governance framework within which funds operate. It will also offer councillors the opportunity to gain an understanding of the key issues currently affecting the Scheme and hear from those working across the LGPS.

- **date:** 15 September 2026
- **time:** 5.00pm to 6.00pm
- **Location:** online (Microsoft Teams)
- **registration:** fill in the registration form

The Board is asking fund officers to flag this where relevant with their pension committees. Further information, including the agenda, will be shared with registered attendees before the event.

Action for administering authorities
Please flag this event with your pension committee and encourage them to complete the registration form if interested.

HMRC

Consultation on NMPA transitional provisions

On 6 August 2026, HMRC launched a technical consultation on draft legislation about the increase in normal minimum pension age (NMPA) from age 55 to 57 from 6 April 2028.

The consultation concerns the draft Taxation of Pension Schemes (Transitional Provisions) (Amendment) Order 2026. The draft regulations are intended to ensure that specified payments made on or after 6 April 2028 to members aged 55 or 56 on

5 April 2028 remain authorised payments for tax purposes, provided the member became entitled to those payments before 6 April 2028.

The provisions will be relevant where a member does not otherwise qualify for a protected pension age.

HMRC previously covered the policy intention in Pension schemes newsletter 180, which we reported on in Bulletin 278.

For LGPS members, the draft regulations provide protection where a member aged 55 or 56 on 5 April 2028:

- becomes entitled to a scheme pension before 6 April 2028, but the first instalment is paid on or after that date (article 43A)
- becomes entitled to a pension commencement lump sum before 6 April 2028, but the whole lump sum is paid on or after that date (article 43B)
- becomes entitled to a pension commencement excess lump sum before 6 April 2028, but the whole lump sum is paid on or after that date (article 43C)
- becomes entitled to a trivial commutation lump sum (TCLS) before 6 April 2028, but the whole lump sum is paid on or after that date (article 43D)
- became entitled to a TCLS before 6 April 2028 and then becomes entitled to a further TCLS on or after 6 April 2028, within the relevant 12-month TCLS window (article 43D).

The date a member becomes entitled to a payment is defined in the Finance Act 2004. This may be later than the payable date under the LGPS Regulations.

The protection will work by treating the member as having reached age 57 immediately before the relevant payment is made.

The consultation closes on 28 September 2026.

HMRC publishes second technical note on inheritance tax and pensions

On 27 August 2026, HMRC published Inheritance Tax on Pensions: Technical Note 2, providing further detail on the Government's proposed changes to the inheritance tax treatment of pension benefits. The publication builds on the information set out in Technical Note 1 and provides additional information ahead of the planned implementation of the new rules in April 2027.

The technical note provides further information about:

- notional pension property (unused pension funds and pension death benefits) and how it will be treated for Inheritance Tax purposes

- information sharing requirements
- withholding notices and operation of the process
- pensions direct payment scheme notices and operation of the process
- clearance

HMRC states that it will continue to publish secondary legislation, guidance and supporting materials before the new rules come into force in April 2027.

Pension schemes newsletter 184

On 27 August 2026, HMRC published pension schemes newsletter 184. Articles of interest include:

- normal minimum pension age – see earlier article
- lower earner's pension payment – the article emphasises that HMRC will contact eligible individuals directly, see bulletin 280 for more information
- pension saving statements (PSS) – reiterates the requirement to tell HMRC about PSSs via event reports.

DWP

Value for Money Framework consultation

On 13 July 2026, the Department for Work and Pensions (DWP) published its consultation on the proposed Value for Money (VFM) Framework, which will apply to pension schemes regulated by the Financial Conduct Authority (FCA) and The Pensions Regulator (TPR). The consultation closes on 15 September 2026.

The consultation seeks views on the detailed design of the VFM Framework. The main defined benefit element of the LGPS is outside the scope of the VFM Framework. However, its in-house Additional Voluntary Contribution (AVC) arrangements provide money purchase benefits and could potentially be caught by the requirements.

We have responded to the consultation expressing concerns about the drafting of the proposed exemption for in-house AVC arrangements. Although paragraph 59 of the consultation document indicates that in-house AVC arrangements are intended to be excluded from the VFM framework, the draft regulations appear to exempt only AVC arrangements established by an employer.

Under regulation 17(2) of the LGPS Regulations 2013 and regulation 17(2) of the LGPS (Scotland) Regulations 2018, in-house AVC arrangements are established by the administering authority, rather than by individual Scheme employers. As

currently drafted, regulation 4(2) of the proposed Occupational Pension Schemes (Value for Money) Regulations 2027 may therefore not exempt LGPS in-house AVC arrangements as intended.

This creates a risk that LGPS in-house AVC arrangements could inadvertently fall within the scope of the VFM Framework. We do not believe this reflects the intended policy outcome and have asked for the regulations to be clarified accordingly.

The consultation and our response are available on the:

- Non-schemes consultation page of www.lgpsregs.org
- Non-schemes consultation page of www.scotlgpsregs.org.

Wider landscape

Digital resilience is a priority for pension schemes

A recent blog from the Government Actuary's Department (GAD) highlighted the growing importance of digital resilience for pension schemes.

As schemes become more reliant on interconnected technology and third-party providers, risks such as cyber-attacks, system outages, data breaches and human error can all pose significant risks to scheme operations and member data.

The blog emphasises that digital resilience is about more than cybersecurity. It also includes an organisation's ability to prepare for, respond to and recover from technology-related disruptions.

GAD encourages pension schemes to strengthen governance, understand their dependencies on third-party providers and regularly test their response and recovery arrangements to help protect members and maintain service continuity.

CDC schemes extended to multi-employer arrangements

On 31 July 2026, the Occupational Pension Schemes (Collective Money Purchase Schemes) (Extension to Unconnected Multiple Employer Schemes and Miscellaneous Provisions) Regulations 2025, officially came into force.

The regulations extend the collective money purchase framework to schemes used by multiple unconnected employers. The regulations establish the authorisation, supervision and governance requirements that such schemes must meet and make a number of consequential amendments to existing pensions legislation. While the

changes do not directly affect the LGPS, they represent a significant step in the development of the UK's collective defined contribution (CDC) market.

GAD 2024-based population projections

On 21 August 2026, GAD published a technical bulletin on the Office for National Statistics (ONS) 2024-based population projections.

The projections suggest that the UK population will peak at 72.5 million by 2054, with growth mainly driven by net migration. They also show a continuing ageing trend, with the number of people aged 85 and over expected to double by 2049.

Compared with the previous projections, assumptions for fertility and migration have been reduced, while life expectancy assumptions remain broadly unchanged from the 2022-based projections.

GAD uses the projections to support pension valuations, National Insurance Fund reviews and wider long-term fiscal planning.

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.

Team contacts

Clair Alcock (Head of Pensions)
Telephone: 07464 532613
Email: clair.alcock@local.gov.uk

Lorraine Bennett (Principal Pensions Adviser – LGPC Secretariat)
Telephone: 07766 252847
Email: lorraine.bennett@local.gov.uk

Jayne Wiberg (Lead Pensions Adviser – LGPC Secretariat)
Telephone: 020 7664 3173
Email: jayne.wiberg@local.gov.uk

Rachel Abbey (Lead Pensions Adviser – LGPC Secretariat)
Telephone: 0207 664 3172
Email: rachel.abbey@local.gov.uk

Steven Moseley (Lead Pensions Adviser – LGPC Secretariat)
Telephone: 0207 664 3240
Email: steven.moseley@local.gov.uk

William Girvan (Lead Pensions Adviser – LGPC Secretariat)
Telephone: 020 7664 3238
Email: william.girvan@local.gov.uk

Lisa Clarkson (Senior Training and Development Adviser – LGPC Secretariat)
Telephone: 07464 532596
Email: lisa.clarkson@local.gov.uk

Toni Durrant (Training and Development Adviser – LGPC Secretariat)
Telephone: 07385 224553
Email: toni.durrant@local.gov.uk

Jennifer Rice (Training and Development Adviser – LGPC Secretariat)
Telephone: 07884 312232
Email: jennifer.rice@local.gov.uk

Holly De-Buriatte (Programme Support Officer – LGPC Secretariat)
Telephone: 0207 664 3056
Email: holly.de-buriatte@local.gov.uk

Claire McDines (Training and Development Adviser – LGPC Secretariat)
Email: Claire.McDines@local.gov.uk

Jeremy Hughes (Senior Pensions Secretary – LGPS Scheme Advisory Board England & Wales (SAB))
Telephone: 07960 513946
Email: jeremy.hughes@local.gov.uk

Ona Ehimuan (Pensions Secretary (Governance and Digital) – LGPS SAB)
Telephone: 07501 088144
Email: ona.ehimuan@local.gov.uk

Becky Clough (Board Support and Policy Officer – LGPS SAB)
Telephone: 07795 410793
Email: becky.clough@local.gov.uk

Sarah Tingey (Research and Data Analyst – LGPS SAB)
Telephone: 07548 952802
Email: sarah.tingey@local.gov.uk

Sophia Chivandire (Pensions Policy and Support Officer – LGPS SAB)
Telephone: 0207 664 3085
Email: Sophia.chivandire@local.gov.uk

Further information

Copyright

Copyright remains with Local Government Association (LGA). This bulletin may be reproduced without the prior permission of LGA provided it is not used for commercial gain, the source is acknowledged and, if regulations are reproduced, the Crown Copyright Policy Guidance issued by HMSO is adhered to.

Disclaimer

The information contained in this bulletin has been prepared by the LGPC Secretariat, a part of the Local Government Association (LGA). It represents the views of the Secretariat and should not be treated as a complete and authoritative statement of the law. Readers may wish, or will need, to take their own legal advice on the interpretation of any piece of legislation. No responsibility whatsoever will be

assumed by the LGA for any direct or consequential loss, financial or otherwise, damage or inconvenience, or any other obligation or liability incurred by readers relying on information contained in this bulletin.

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.

This page is intentionally left blank

LGPC Bulletin 283 – September 2026

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

- New website for LGPS administrators and employers (England and Wales)
- Pension dashboards: Relevant members – update from TPR
- LGR review (England)
- SCAPE rate review – batch 3 of GAD factors

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

Index

LGPS England & Wales 3

New website for LGPS administrators and employers 3

Government reshuffle July 2026 3

TCLSDBs and survivor equalisation 4

Review of Local Government Reorganisation launched 4

Other news and updates 5

Team news 5

Updated GAD factors – third batch released 5

PASA Public Sector Working Group 6

LGPC minutes published 6

McCloud remedy 7

Independent review of the McCloud remedy in the NHS Pension Scheme 7

Pensions dashboards 7

Relevant members – update from TPR 7

PASA publishes toolkit on post-use member behaviour 8

PDP blog on the dashboard testing process 8

Training 8

2026 training programme 8
Fundamentals training open for booking 9
LGPS Governance Conference 2027 10
LGPS England & Wales Scheme Advisory Board (SAB) 11
Board statement on LGR review 11
Board publishes new report on the diversity pension gap 12
SAB Local Pension Board forum 12
Welcome event for new councillors with LGPS responsibilities 12
Board's Annual Assembly 22 October 2026 13
New Board webpage on investment in conflict areas 13
Speaker expression of interest form - reminder 13
HMRC 14
Pension schemes newsletter 185 14
LGA's response to the consultation on NMPA transitional provisions 14
HMRC event 22 reporting – pension savings statements 14
TPO 15
New TPO column: from the Ombudsman's desk 15
TPO promotes its member guidance 15
TPR 15
TPR enforcement approach published 15
Wider landscape 16
DWP consultation on small pot consolidation 16
WPC call for evidence on pension adequacy 16
Useful links 17
LGPS pensions section 17
Raising a query 17
Team contacts 17
Further information 19
Copyright 19
Disclaimer 19

LGPS England & Wales

New website for LGPS administrators and employers

We have launched a new website for LGPS administrators and employers in England and Wales. The URL of the website remains the same: www.lgpsregs.org, but we have made changes to the design and structure of the site.

You will see significant changes to the training and qualifications, employer guidance and administrator guidance pages. There will also be changes to the way you submit technical queries to us, update your fund's contact details and notify us of jobs you want to advertise on the site. To help you navigate the new site, we have produced a short guide to the new website for LGPS employers and administrators.

Anyone can subscribe to receive email updates when the website is updated. This will replace the current bulletin notifications based on the limited number of email addresses stored in our contacts system. The main pages of the site include a 'Get email updates button' for this purpose.

This bulletin will be added to the new website in the coming days.

If you have feedback about the new site, you can use the 'I have feedback' button at the foot of each page on the site.

Action for administering authorities
Share details of the new website and guide with your colleagues, Scheme employers and other stakeholders.

A new website for LGPS administrators and employers in Scotland will follow in the coming weeks.

Government reshuffle July 2026

The recent Government reshuffle following the change in Prime Minister has resulted in the following:

- Angela Rayner MP has been appointed Secretary of State for Housing, Communities and Local Government, succeeding Steve Reed MP
- Jim McMahon MP has been appointed Minister of State for Local Government and Homelessness, with responsibility for the LGPS (England and Wales), succeeding Alison McGovern MP
- Pat McFadden MP remains Secretary of State for Work and Pensions

- Torsten Bell MP continues to serve as Parliamentary Under-Secretary of State, Minister for Pensions
- John Healey MP has been appointed Chancellor of the Exchequer, succeeding Rachel Reeves MP.

TCLSDBs and survivor equalisation

In Bulletin 276, we stated that administering authorities do not need to take account of any trivial commutation lump sum death benefit (TCLSDB) paid previously when assessing the maximum amount that can be paid as a TCLSDB.

We have since been made aware that this is incorrect. Any TCLSDB paid previously must be included when determining whether the total value of TCLSDB payments remains within the £30,000 limit.

For example, an administering authority pays an initial TCLSDB of £15,000 and later identifies that a survivor equalisation top-up of £16,000 is due. In this case, only £15,000 of the top-up can be paid as a TCLSDB, as the combined value of the payments cannot exceed the £30,000 limit. The remaining £1,000 cannot be treated as a TCLSDB.

We expect very few LGPS cases to involve combined TCLSDB payments exceeding £30,000. However, where an administering authority identifies such a case, it should email the relevant details to query.lgps@local.gov.uk. We will liaise with MHCLG to determine how the amount above the limit should be treated.

Action for administering authorities
Update your processes to reflect this clarification.

Review of Local Government Reorganisation launched

On 7 September 2026, the Government launched a review of Local Government Reorganisation (LGR). The review covers decisions on Essex, Hampshire, Norfolk and Suffolk, and plans for 14 other areas. You can read more about the timeline and areas affected on the Gov.uk page Local government reorganisation: Policy and programme updates. See also the article in this bulletin covering the SAB statement on the LGR review.

Action for administering authorities
Any administering authority affected by the review that has already communicated with members about LGR may wish to review and updated those communications.

Other news and updates

Team news

We are pleased to welcome two new members to the LGA pensions team.

Claire McDines has joined as a Lead Training and Development Adviser. Claire previously worked as an Associate Consultant in Hymans Robertson's LGPS governance, administration and projects team.

Diana Brake has joined as a Programme Support Officer. Diana already worked for the LGA and has recently transferred to the pensions team.

These appointments fill existing vacancies within the team and do not represent the creation of new posts.

Updated GAD factors – third batch released

On 7 September 2026, Steven Moseley emailed administering authorities in England and Wales with a letter from MHCLG confirming that the third batch of updated Government Actuary's Department (GAD) factors, issued as workbook 2026-03, has been released. Annette Greenslade from the Scottish Public Pensions Agency (SPPA) emailed the corresponding factors to administering authorities in Scotland on 7 September 2026.

The third batch concludes the 2026 review of the LGPS factors. The review was required following the change to the SCAPE discount rate on 19 May 2026. The revised factors have been issued in a series of releases. We covered:

- the SCAPE discount rate change in Bulletin 279
- the first batch of updated factors in Bulletin 280, and
- the second batch in Bulletin 281.

The third batch includes updated factors for annual allowance scheme pays offsets and additional survivor benefit contributions (ASBCs).

The Cabinet Office has separately issued updated Club factors, which come into effect from 1 October 2026. The Club factors are published in a separate worksheet on the GAD website and are not included in workbook 2026-03.

Version 4.0 of the transitional table contains the implementation instructions and transitional arrangements for the new factors, including the Club factors.

You can access the third batch of factors and the latest version of the transitional table on the:

- Actuarial guidance (England and Wales) page of www.lgpsregs.org
- Actuarial guidance (Scotland) page of www.scotlgpsregs.org.

Action for administering authorities
Review the updated factors and version 4.0 of the transitional table and ensure that your processes, systems and calculations are updated accordingly.

Identify any ongoing ASBC arrangements that will continue beyond 31 March 2027 and ensure that contributions payable from 1 April 2027 are recalculated using the new factors.

PASA Public Sector Working Group

The Pensions Administration Standards Association (PASA) has launched a Public Sector Working Group (PSWG), bringing together expertise from across the public sector pensions community.

Head of Pensions at the LGA, Clair Alcock, chairs the group and Lorraine Bennett, Principal Pensions Advisor in the LGA Pensions Team, is also a member.
Jo Darbyshire OBE, Chief Executive Officer at LPPA, is the Board sponsor.

The working group will focus on data and digital, member experience, governance, resilience, procurement, regulatory change and communications.

You can read more about the PSWG and its members on the PASA website.

LGPC minutes published

The draft minutes from the Local Government Pension Committee (LGPC) meeting held on 20 July 2026 are available on the:

- LGPC minutes (England and Wales) page of www.lgpsregs.org
- LGPC minutes (Scotland) page of www.scotlgpsregs.org.

At the meeting, the committee discussed:

- the administrative impact of recent Scheme changes
- legal advice on topics affecting administrators
- Scheme Advisory Board workstreams
- an update from LGPS Northern Ireland
- the latest on events delivered by the LGPC training team.

The minutes will be agreed at the next meeting on 23 November 2026.

McCloud remedy

Independent review of the McCloud remedy in the NHS Pension Scheme

The Government has published a report on the independent review of the NHS Business Services Authority's (NHSBSA) delivery of the McCloud remedy for the NHS Pension Scheme.

The review was commissioned in response to missed delivery milestones and concerns regarding implementation of the McCloud remedy for NHS Pension Scheme members. The report identifies areas requiring continued attention. Some of these will also be relevant to LGPS administering authorities and include:

- staff culture towards problems
- documentation of decisions
- well-defined governance structure and escalation routes
- board member expertise and understanding of programme delivery risks
- key person risk
- recruitment challenges
- software system development.

Pensions dashboards

Relevant members – update from TPR

TPR has provided an update following the recent clarification of a 'relevant member' in its dashboards guidance. It has been made aware of industry concerns about updating systems to exclude active or deferred benefits, where a member has taken one benefit but continues to hold others under the scheme.

TPR has confirmed that administering authorities may be able to provide dashboard information for such members where they are satisfied that the processing is supported by a legitimate interests assessment (LIA) under data protection legislation. TPR has signposted the Information Commissioner's Office (ICO) LIA template as a possible framework for undertaking this assessment.

Given the potential implications across the LGPS, we have commissioned legal advice on the data protection and dashboards aspects of this issue. Subject to the outcome of that advice, we intend to undertake a scheme-wide assessment of the position and provide further guidance to administering authorities.

At this stage, individual administering authorities may wish to hold off on commissioning their own legal advice or carrying out separate legitimate interests assessments. We will share further information once the legal advice has been received and a sector-wide approach has been considered.

PASA publishes toolkit on post-use member behaviour

On 1 September 2026, PASA published a new Post-Use Member Behaviour Toolkit.

Developed in collaboration with the Pensions Regulator (TPR), the toolkit is designed to help administrators and scheme managers understand how member behaviours may change once pensions dashboards become widely available. You can read more about the purpose of the toolkit in the PASA press release.

The toolkit complements PASA's existing Compliance Monitoring Guidance, which focuses on the monitoring requirements set out in the pensions dashboards regulations. In contrast, this new guidance concentrates on the operational and behavioural impacts that dashboards may have on schemes and administrators.

The toolkit also outlines a range of reporting measures that administering authorities may wish to monitor and indicates whether the relevant management information is likely to be available through existing reporting processes.

Action for administering authorities
Review the content of the new toolkit and consider whether any new reports may need to be developed to report on post-use member behaviour.

PDP blog on the dashboard testing process

The Pensions Dashboard Programme (PDP) has published a blog called Refining the MoneyHelper Pensions Dashboards consumer testing process. The blog covers:

- what PDP has learned from early dashboard testing
- the introduction of a more streamlined approach to testing from 1 September
- how to sign up to test the dashboard as an industry expert or invite members to take part in testing.

Training

2026 training programme

Our 2026 training programme brings 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 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 you require and your preferred format - online or in person. We will maintain a waiting list and consider running additional sessions if demand is sufficiently high.

More information on all 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 – London 2 December 2026

Employer Role – England and Wales

- Employer Role training – Online 27 October 2026 (1 place remaining)
- Employer Role training – Online 26 November 2026

If you have 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.

Fundamentals training open for booking

Fundamentals is our three-day training course aimed at councillors and others who attend pension committee and local pension board meetings. Past delegates include representatives of trade unions and employers, and officers who support committees and boards.

This training course provides an overview of the LGPS. It covers current issues relating to the administration, investments and governance of the scheme. All sessions are delivered by experts in their field.

Attending all three days of the course will support delegates to gain the knowledge and skills required by legislation.

Course dates and locations
The course consists of one day of training each month for three months. Participants can choose to attend a combination of options to complete days one, two and three of the training.

We are running the training in person in London and online. You can book through the LGA events website or use the individual event links below:

Fundamentals Day 1 training - London 7 October 2026 – bookings now closed
Fundamentals Day 1 training - Online 21 and 28 October 2026

Fundamentals Day 2 training - London 5 November 2026
Fundamentals Day 2 training - Online 20 and 27 November 2026

Fundamentals Day 3 training - London 3 December 2026
Fundamentals Day 3 training - Online 9 and 16 December 2026.

Please review the course programme for further details – note the timings apply to the in-person sessions only.

Each **online** session will be run over two days. 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 one half day. The online sessions will be delivered using Zoom.

Please be aware that places are limited and fill quickly every year, so we strongly encourage early booking to avoid disappointment.

LGPS Governance Conference 2027

The LGPS Governance Conference is the leading event for everyone involved in LGPS governance. Whether you are an officer, pension committee member, local pension board representative, trade union or employer representative, this conference brings together LGPS professionals for two days of insightful discussions, expert analysis and valuable networking.

The 2027 conference will be held in Harrogate on Thursday 28 and Friday 29 January 2027. Delegates can attend in person or online.

The conference promises an insightful and comprehensive programme, including:

- **Smarter communication for better member engagement:** Explore the latest research into levels of financial awareness and how this can be translated into real-world delivery
- **Pensions dashboards:** Get up to speed on dashboard readiness
- **Investment governance: from strategy to implementation:** This panel session examines how pools work with their officers and shareholders

- **MHCLG update:** Receive a direct update from MHCLG covering regulatory changes, consultations and national strategy
- **Delivering the pension administration strategy:** Explore how LGPS funds successfully deliver their pension administration strategies
- **The new golden triangle:** Hear reflections from a pension committee chair, an independent person, and an LGPS senior officer
- **Investment outlook:** An expert view on economic and market trends
- **Roger and out:** A fireside chat with Councillor Roger Phillips, reflecting on the last ten years of the LGPS and what the future might look like.

You can view the full programme. Please note that spaces are limited and sell out quickly each year. To secure your place, book now to attend the LGPS Governance Conference 2027.

Don't miss out on this opportunity to enhance your knowledge, network with peers and stay ahead in LGPS governance.

LGPS England & Wales Scheme Advisory Board (SAB)

Board statement on LGR review

Following the Government's review of the Local Government Reorganisation (LGR) plans, MHCLG has confirmed that the deadlines set out in its guidance for funds considering changes to their administering authority no longer apply.

The MHCLG letter to administering authorities also confirms that any change to the administering authority should be considered on hold.

Although the timetable has been paused, the underlying considerations set out in the earlier guidance remain relevant. See SAB's statement of 10 August for more information about the guidance and consideration as to where the pensions function could sit.

The Board will continue to seek clarity from Government on the implications of the wider LGR review, press for updated LGPS guidance once the revised timetable is known, and support funds in considering their longer-term governance and administrative arrangements.

Board publishes new report on the diversity pension gap

The Board co-sponsored a new report, Making pensions exciting: closing the diversity pension gap in the LGPS, which looks at the complex factors that can influence pension outcomes. The report, developed by Investors for Purpose:

- explores research undertaken with City of Westminster Pension Fund
- provides an understanding of members' experiences, and
- presents valuable evidence to inform future discussion and recommendations on how the Scheme can continue to evolve and improve.

The Board thanks Investors for Purpose, the City of Westminster Pension Fund and Hymans Robertson for their contributions to this report.

SAB Local Pension Board forum

On 7 September 2026, Board Chair, Councillor Roger Phillips OBE hosted the first local pension board chairs' forum, attended by chairs from 36 administering authorities.

The forum provided a valuable opportunity for chairs to share experiences and discuss the opportunities and challenges within their roles. Through discussion and live polling, attendees identified governance reform, pooling, recruitment and retention and regulatory change as key issues. Encouragingly, 60 per cent of attendees reported that their authority felt fairly prepared for the forthcoming governance changes.

Feedback was overwhelmingly positive, with strong support for making the forum a regular feature of the Board's engagement programme. The Board's Secretariat thanks attendees for their openness and contributions. It will arrange future opportunities for local pension board chairs to connect.

Welcome event for new councillors with LGPS responsibilities

On 15 September 2026, the Board held a virtual welcome event for new councillors with LGPS responsibilities. Hosted by Board Chair, Councillor Roger Phillips OBE, the event was attended by 58 councillors from 27 funds. Attendees also heard from Clair Alcock, Board Secretary, on the Board's role and priorities for the coming year.

Polling during the event highlighted the learning curve faced by those new to the LGPS, with attendees reporting varying levels of confidence in their understanding of the Scheme. Governance and pooling were identified as the topics where councillors had needed the most support, alongside investment, fiduciary duty, and developing a broader understanding of the LGPS and their responsibilities within it.

Board's Annual Assembly 22 October 2026

The Board's second Annual Assembly will take place on Thursday 22 October 2026 from 10:30am to 4:00pm at the Local Government Association offices in Smith Square.

The event is exclusively for pension committee and local pension board chairs and will be held in person only. This year's theme is 'Leading together: Shaping the future of the LGPS'.

Places are limited and registration will close shortly before the event.

Action for administering authorities

Please share this information with Pension Board and Committee chairs and encourage them to complete the registration form if they would like to attend.

New Board webpage on investment in conflict areas

Due to the ongoing political sensitivity around responsible investment and investment in conflict zones, the Board has published a new Investment in conflict zones webpage. The page brings together all the Board's work in this area including Board statements, correspondence with various Local Government Ministers and legal opinions commissioned by the Board. It also includes links to the earlier work done on Boycotts, Divestments and Sanctions.

Speaker expression of interest form - reminder

As reported in Bulletin 282, the Board has launched a speaker expression of interest form to support its programme of events and broaden the range of voices, experience and perspectives represented across the Scheme.

The form will help the Board's Secretariat identify people from different roles and backgrounds who may be well-placed to contribute to future events, including those who may not usually put themselves forward as speakers. Registering an interest does not commit you to a particular event; it simply allows the Secretariat to contact you when a suitable opportunity arises. Officers at all levels and in all roles are encouraged to complete the form.

Action for administering authorities

Please fill out the speaker expression of interest form if you are interested in speaking at future Board events.

HMRC

Pension schemes newsletter 185

HMRC published pension schemes newsletter 185 on 24 September 2026. The newsletter includes articles on:

- plans to simplify the taxation of certain lump sum death benefits that exceed the lump sum and death benefit allowance
- closure of the Pension schemes online service.

LGA's response to the consultation on NMPA transitional provisions

We have submitted a response to HMRC's consultation on the draft Taxation of Pension Schemes (Transitional Provisions) (Amendment) Order 2026. We covered the consultation, which closed on 28 September 2026, in Bulletin 282.

The draft regulations are intended to ensure that specified payments made on or after 6 April 2028 to members who are aged 55 or 56 on 5 April 2028 remain authorised payments for tax purposes, provided the member became entitled to those payments before 6 April 2028.

The consultation documents, including our response, are available on the:

- Non-Scheme consultations page (England and Wales) of www.lgpsregs.org, and
- Non-Scheme consultations page (Scotland) of www.scotlgpsregs.org.

HMRC event 22 reporting – pension savings statements

We have been made aware that some administering authorities may have been reporting event 22 in the wrong tax year on their HMRC Event Report.

Reportable event 22 arises where a scheme administrator is required to issue a standard pension savings statement automatically to a scheme member. This event should be reported in the HMRC Event Report for the tax year in which the statement is issued, rather than the tax year in which the member exceeds the annual allowance.

In some cases, administering authorities had instead reported event 22 for the tax year in which the annual allowance was exceeded. This results in the event being reported one year earlier than required.

Additionally, there was an error in pension schemes newsletter 184, which stated that scheme administrators should report event 22 "in the same tax year that they

give the statement to the member". We raised this issue with HMRC and sought clarification on both the reporting requirement and the action administering authorities should take where event 22 had been reported incorrectly.

HMRC agreed that newsletter 184 contained an error and has since corrected it. We have asked HMRC how to rectify early reporting of event 22 and are awaiting a response.

TPO

New TPO column: from the Ombudsman's desk

The Pensions Ombudsman (TPO) has started a new column sharing insights from recent decisions and complaints. The first instalment of the TPO column considers how the Teachers' Pension Scheme (TPS) handled a refund application in case – CAS-96095-S3W4. TPO praises the prompt action and proactive and transparent communication demonstrated by the administrator.

TPO promotes its member guidance

As part of Pensions Awareness Week 2026, TPO promoted its range of member-focused guidance. The TPO member guidance covers:

- how to complain about a pension problem
- common pension complaint topics
- who can complain to TPO
- what TPO can and cannot do.

TPR

TPR enforcement approach published

On 8 September 2026, TPR published its Enforcement approach. The enforcement approach aims to:

- protect members from harm
- raise compliance and standards
- support a pension system that works in the best interest of members
- help create a strong, transparent and resilient pensions ecosystem that delivers secure benefits to members and contributes to economic growth.

TPR will prioritise enforcement activity by assessing three key factors: impact, scale and complexity, and assess the level of significance for each:

- high impact or scale cases will be prioritised
- high complexity cases will be pursued where they could deliver meaningful results for schemes, members and the wider system
- low scale and impact cases are less likely to result in formal enforcement action, but could be addressed through other regulatory responses such as communications, guidance or compliance-led enforcement.

Wider landscape

DWP consultation on small pot consolidation

On 15 September 2026, the Department for Work and Pensions (DWP) launched a consultation on small pot consolidation. The consultation sets out proposals for the implementation of automatic consolidation of deferred small pots through the establishment of consolidator schemes. The main aim is to tackle the increasing number of small pots across the pension system.

The consultation proposes that a deferred small pot would initially be eligible for consolidation if it:

- is held in a defined contribution, charge-capped default arrangement created since automatic enrolment was introduced on 1 October 2012
- has a value of £1,000 or less
- has received no contributions for at least 12 months.

The proposals will not apply to members' main LGPS benefits because the LGPS is a defined benefit scheme. We also expect LGPS in-house AVCs to fall outside the proposed scope because schemes that provide money purchase benefits only through AVCs are excluded from the charge-cap regime. Administering authorities should be aware of the proposals in the event of member queries.

The consultation will close on 17 November 2026.

WPC call for evidence on pension adequacy

The Work and Pensions Committee (WPC) has launched a call for evidence on pensions adequacy. The inquiry will consider whether minimum automatic-enrolment contributions should increase and, if so, how the cost should be divided between employees and employers. It will also consider whether there is a case for reducing or removing the lower earnings limit and/or the earnings trigger for automatic enrolment.

Any increase in the minimum automatic-enrolment contribution rates would not directly affect LGPS contribution rates. Changes to the earnings trigger could, however, affect LGPS employers' automatic-enrolment duties.

The WPC will accept submissions until 4.00pm on 26 October 2026.

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.

Team contacts

Clair Alcock (Head of Pensions)
Telephone: 07464 532613
Email: clair.alcock@local.gov.uk

Lorraine Bennett (Principal Pensions Adviser – LGPC Secretariat)
Telephone: 07766 252847
Email: lorraine.bennett@local.gov.uk

Jayne Wiberg (Lead Pensions Adviser – LGPC Secretariat)
Telephone: 07979 715825
Email: jayne.wiberg@local.gov.uk

Rachel Abbey (Lead Pensions Adviser – LGPC Secretariat)
Telephone: 0207 664 3172
Email: rachel.abbey@local.gov.uk

Steven Moseley (Lead Pensions Adviser – LGPC Secretariat)
Telephone: 0207 664 3240
Email: steven.moseley@local.gov.uk

William Girvan (Lead Pensions Adviser – LGPC Secretariat)
Telephone: 020 7664 3238
Email: william.girvan@local.gov.uk

Lisa Clarkson (Senior Training and Development Adviser – LGPC Secretariat)
Telephone: 07464 532596
Email: lisa.clarkson@local.gov.uk

Toni Durrant (Training and Development Adviser – LGPC Secretariat)
Telephone: 07385 224553
Email: toni.durrant@local.gov.uk

Jennifer Rice (Training and Development Adviser – LGPC Secretariat)
Telephone: 07884 312232
Email: jennifer.rice@local.gov.uk

Claire McDines (Training and Development Adviser – LGPC Secretariat)
Telephone: 0207 187 7312
Email: Claire.McDines@local.gov.uk

Holly De-Buriatte (Programme Support Officer – LGPC Secretariat)
Telephone: 0207 664 3056
Email: holly.de-buriatte@local.gov.uk

Diana Brake (Programme Support Officer – LGPC Secretariat)
Telephone: 0203 838 4876
Email: diana.brake@local.gov.uk

Jeremy Hughes (Senior Pensions Secretary – LGPS Scheme Advisory Board England & Wales (SAB))
Telephone: 07960 513946
Email: jeremy.hughes@local.gov.uk

Ona Ehimuan (Pensions Secretary (Governance and Digital) – LGPS SAB)
Telephone: 07501 088144
Email: ona.ehimuan@local.gov.uk

Becky Clough (Board Support and Policy Officer – LGPS SAB)
Telephone: 07795 410793
Email: becky.clough@local.gov.uk

Sarah Tingey (Research and Data Analyst – LGPS SAB)
Telephone: 07548 952802
Email: sarah.tingey@local.gov.uk

Sophia Chivandire (Pensions Policy and Support Officer – LGPS SAB)
Telephone: 0207 664 3085
Email: Sophia.chivandire@local.gov.uk

Further information

Copyright

Copyright remains with Local Government Association (LGA). This bulletin may be reproduced without the prior permission of LGA provided it is not used for commercial gain, the source is acknowledged and, if regulations are reproduced, the Crown Copyright Policy Guidance issued by HMSO is adhered to.

Disclaimer

The information contained in this bulletin has been prepared by the LGPC Secretariat, a part of the Local Government Association (LGA). It represents the views of the Secretariat and should not be treated as a complete and authoritative statement of the law. Readers may wish, or will need, to take their own legal advice on the interpretation of any piece of legislation. No responsibility whatsoever will be assumed by the LGA for any direct or consequential loss, financial or otherwise, damage or inconvenience, or any other obligation or liability incurred by readers relying on information contained in this bulletin.

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.

This page is intentionally left blank

Brent	**Pension Board** 5 November 2026
	Report from the Corporate Director of Finance and Resources

Training Update - Members' Learning and Development

Wards Affected:	N/A
Key or Non-Key Decision:	N/A
Open or Part/Fully Exempt:	Open
List of Appendices:	Four: Appendix 1: Training Strategy Appendix 2: LGPS Online Learning Academy 3.0 What's New Appendix 3: LGPS Online Learning Academy How to user guide v3.1 Appendix 4: LGPS Online Learning Academy Learning Schedule
Background Papers:	None
Contact Officers:	Minesh Patel, Corporate Director, Finance and Resources Email: minesh.patel@brent.gov.uk Tel: 020 8937 4043 Amanda Healy, Deputy Director of Finance Email: amanda.healy@brent.gov.uk Tel: 020 8937 5912 Sawan Shah, Head of Finance Email: Sawan.Shah@brent.gov.uk Tel: 020 8937 1955 Manish Shah, Senior Finance Analyst Email: manish.shah@brent.gov.uk Tel: 020 8937 1444

1.0 Executive Summary

1.1 The purpose of this report is to inform members of the committee and provide an update on the provision of the LGPS online learning facility.

2.0 Recommendation(s)

2.1 The Pension Fund Sub-Committee is recommended to note the report and continue the learning programme as outlined in the training timetable.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

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

4.0 Background

4.0 Following the November 2024 "Fit for the Future" consultation, the Ministry of Housing, Communities and Local Government (MHCLG) issued final statutory guidance on LGPS Fund Governance on 29 June 2026. This guidance requires administering authorities to formalise and strengthen training, ensuring Committee and Board members maintain an appropriate level of individually assessed knowledge.

4.1 Preparing and maintaining a Training Strategy (Appendix 1) is now a formal requirement under Regulation 55A of the Local Government Pension Scheme Regulations.

4.2 The regulations state that committee and board members must:

- be conversant with the rules of the Scheme, and
- be conversant with any document recording policy relating to the administration of the Scheme which is for the time being adopted in relation to the Scheme;
- have knowledge and understanding of the law relating to pensions.

4.3 At the last meeting, the Committee approved an updated Training Strategy establishes a comprehensive framework to support these requirements.

4.4 Members of the Pension Fund Sub-Committee and Pension Board are required to acquire and maintain the appropriate level of expertise, knowledge and skills in the core areas, following the Fund’s Training Strategy, in order to remain members of the Pension Fund Sub-committee and Pension Board.

Training Needs Assessment

4.5 In accordance with the Fund's Training Strategy, all members of the Pension Sub-committee and Local Pension Board are required to develop and maintain their knowledge and understanding in nine core areas:

- pensions legislation and guidance
- pensions governance
- funding strategy and actuarial methods
- pensions administration and communications

- pensions financial strategy, management, accounting, reporting and audit standards
- investment objectives, strategic asset allocation, pooling, and pooling performance management
- risk management
- pension services procurement, contract management and relationship management
- key skills and behaviours

4.6 To meet these requirements all members are required complete an annual Training Needs Assessment. The assessment is designed to evaluate members' current knowledge and understanding across the key areas and consists of a self-assessment questionnaire.

4.7 The assessment enables the Fund to identify the key areas and gaps in which training is required and to develop a training programme that supports members in carrying out their respective roles and responsibilities effectively. The results will be used to inform the Fund's implementation of its training strategy and, together with the current priorities for the Fund, are used to ensure that training resources are focused on areas where further development is required.

4.8 Members were asked to complete the 2026 assessment by 11 October 2026. Any members who have not completed the assessment should do so.

LGPS Online Learning Academy (LOLA)

4.9 To support committee and board members in acquiring knowledge and skills, 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.

4.10 The course includes several training modules outlining the specific training areas each committee member needs to complete and covers all the key areas to successfully manage the running of the Fund (Appendix 2), including:

- Introduction to the LGPS and national level stakeholders
- Pension legislation and guidance
- Governance & Regulators and the role of Pension Committee and members
- LGPS administration, including policies and procedures, accounting and audit
- LGPS valuations, funding strategy and LGPS employers
- Investment Strategy, pooling, responsible investment, and performance monitoring
- Risk Management

4.11 All current Pension Board members are enrolled on the portal.

A user guide on how to access the LOLA portal (Appendix 3) is attached. To access the site, you simply type in your email address into the following link: https://aspire.hymanslearning.co.uk/learn

4.12 As well as delivering training support, The LOLA platform tracks user progress and maintains activity records alongside providing training support. The Fund requires that completion of modules should be accomplished at the pace of one module per calendar month beginning October 2026, in line with the schedule in Appendix 4. It is expected that all members will continue progressing through the learning programme to ensure alignment with the Fund's governance and training strategy.

4.13 Officers will bring a record of training undertaken on the platform by members of the committee and board to each meeting.

5.0 Stakeholder and ward member consultation and engagement

5.1 This is not applicable for this report.

6.0 Financial Considerations

6.1 All direct costs and associated reasonable expenses will be met by the Fund.

7.0 Legal Considerations

7.1 There are no legal considerations arising directly from this report.

8.0 Equality, Diversity & Inclusion (EDI) Considerations

8.1 There are none arising directly from this report.

9.0 Climate Change and Environmental Considerations

9.1 There are none arising directly from this report.

10.0 Human Resources/Property Considerations (if appropriate)

10.1 There are none arising directly from this report.

11.0 Communication Considerations

11.1 There are none arising directly from this report.

Report sign off:

Minesh Patel
Corporate Director of Finance and Resources

Brent Pension Fund

Training Strategy

July 2026

Contents

Introduction 3
Scope 3
Objectives 3
Knowledge and skills requirements 4
Approach 5
Risk Management 8
Reporting and Compliance 8
Budget and costs 9
Effective date 9
Review 9

Introduction

This document sets out the training strategy of the Brent Pension Fund (the "Fund"). It is intended to support Members of the Pension Committee, the Pension Board and Officers in developing and maintaining the knowledge and understanding required to fulfil their respective roles.

Effective governance and decision-making relies on those involved having an appropriate level of knowledge and skills, enabling them to properly exercise their responsibilities and to challenge advice where appropriate.

This Strategy has been prepared in accordance with the Local Government Pension Scheme Regulations 2013 (as amended), including the requirement for administering authorities to maintain a training strategy, together with the statutory guidance on LGPS fund governance, and the CIPFA Code of Practice on LGPS Knowledge and Skills (2021).

Scope

This Strategy applies to all individuals ('relevant persons') with responsibilities relating to the Fund, including:

- Pension Sub-committee members
- Pension Board members
- The Independent Person/adviser
- The Senior LGPS Officer
- Officers with delegated authority for pension functions
- Other officers involved in the management and administration of the Fund

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

- Provide clear, structured and accessible learning that equips individuals with the competence required to make informed and effective decisions.

Knowledge and skills requirements

To achieve these objectives, the Fund adopts and will aim for full compliance with the CIPFA Knowledge and Skills Framework (KSF). Attention will also be given to any guidance issued by the Scheme Advisory board (SAB), the Pensions Regulator and the Secretary of State.

Statutory guidance on Fund Governance and CIPFA Knowledge and Skills Framework

The statutory guidance, introduced in 2026 and the CIPFA framework, that was introduced in 2010 and updated in 2021, covers nine core technical areas where appropriate knowledge and skills should be achieved and maintained they are:

- **pensions legislation and guidance -** A knowledge of the framework of legislation and guidance and the way in which it affects the management and operational aspects of the Local Government Pension Scheme.
- **pensions governance -** Understanding the requirements of the current and evolving governance framework for the LGPS as well as wider pensions industry frameworks that apply and impact the governance of the LGPS.
- **funding strategy and actuarial methods -** To understand the work of the Actuary and the way in which actuarial information impacts both the finances of the Scheme and the Scheme Employers.
- **pensions administration and communications -** To understand the complex nature of administering scheme benefits and contributions and the industry wide requirements of disclosure and data quality, to ensure decisions made are in compliance with the regulations.
- **pensions financial strategy, management, accounting, reporting and audit standards -** To understand the way LGPS pension funds are resourced, budgeted, and accounted for and the role internal and external auditors play in assuring the administering authority complies with statutory requirements.
- **investment objectives, strategic asset allocation, pooling, and pooling performance management -** To gain an understanding of investment risks (including emerging risks), asset allocation and its impact on investment performance, investment pooling arrangements.

- **risk management -** developing the strategies, processes, and reporting procedures necessary to identify, evaluate, monitor, and manage risks.
- **pension services procurement, contract management and relationship management -** An understanding of procurement requirements, including the availability of LGPS specific frameworks, to enable the appointment of third-party providers that facilitate efficient and effective pensions operations.
- **key skills and behaviours -** developing the necessary skills and behaviours, including the ability to influence, challenge and contribute to support effective governance and decision-making

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.

Approach

The Fund seeks to provide a structured but flexible approach to training, recognising that individuals will have different levels of experience and may have different learning needs.

Induction training

New Members of the Pension Committee and Pension Board will receive induction training 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. This will normally be delivered within three months of appointment or before attendance at their first meeting, whichever is sooner, ensuring that individuals are able to engage effectively from the outset of their role.

Individual Training Needs

The individuals to whom this policy applies will be required to complete an annual knowledge and skills evaluation which will identify the key areas and gaps in which training is required. Training on the identified areas will be provided as necessary alongside training in relation to new relevant areas not previously considered. The degree of knowledge and skills required should be appropriate to enable individuals to carry out their roles, responsibilities and duties.

Degree of knowledge and understanding required

In developing the annual training plan, consideration will be given as to the level of knowledge needed for each group of individuals. For example, Committee and Board members may require only an 'awareness' or 'general understanding' of some of the

areas, whereas Senior Officers/Managers may require 'detailed' or 'expert' knowledge of the same topic.

All relevant persons must:

1. be conversant with:
    a. the rules of the LGPS, and
    b. any document recording policy about the funding, investment, administration, communications, or governance which is for the time being adopted in relation to the scheme.
2. have a knowledge and understanding of the law relating to pensions such other matters as may be prescribed in legislation and guidance.

The level of knowledge required for each individual will be in line with the CIPFA Framework:

For committee and board members:

- an awareness, ie recognition that the subject matter exists
- a general understanding, ie understanding the basics in relation to the subject matter
- a strong understanding, ie a good level of knowledge in relation to the subject matter (but not necessary at a detailed level).

For senior officers/managers:

- a strong understanding, ie a good level of knowledge in relation to the subject matter (but not necessary at a detailed level)
- a detailed level of knowledge in relation to the subject matter
- an expert level of knowledge in relation to the subject matter

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 general code of practice 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 generic, having to cater for all public service pension schemes, therefore they do not cater for the specific requirements of the LGPS such as Scheme regulations, the Fund's specific policies and the more general pension's legislation. Therefore, this toolkit is used as part of the Fund's wider training plan.

Members must complete all modules of the toolkit within 2 months of appointment.

Ongoing Training

Ongoing training will be provided throughout the year and will, where possible, be aligned with the Fund's business plan and upcoming decision-making requirements. This may include training sessions linked to specific agenda items, as well as more general sessions covering key aspects of funding, investment, governance and administration. In general, joint training activities for both pension committee and board members is preferred.

A range of delivery methods will be used to support learning including but not restricted to:

- In-house training provided by Officers or external trainers;
- Training as part of a formal meeting;
- External training events (such as those run by the Local Government Association or advisors);
- Circulation of reading material such as LGA bulletins and Scheme Advisory Board updates;
- Shared training with other Funds or investment pool (London CIV);
- The Pension Regulator's e-learning toolkit;
- Hymans Robertson LGPS Online Learning Academy (LOLA) E-learning Portal;
- Attending seminars and conferences such as those organised by the LGA, CIPFA, Local Authority Pension Fund Forum, Pensions UK etc.;
- Regular updates from officers and/or advisers.

Members are also encouraged to supplement formal training by reviewing papers, guidance and industry updates as part of their ongoing development.

Flexibility

When considering training for members of the Pension Fund Sub-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.

Substitute Members

Substitute members of the Committee should have sufficient knowledge and skills to fulfil the role effectively and be provided with access to training as required.

Risk Management

The effective delivery of this Training Strategy may be affected by:

- Frequent changes in membership of the Committee or Board reducing knowledge and understanding
- Poor individual attendance / a lack of engagement at training
- Resources not being available
- Poor standards of training
- Substitute members not having the same level of knowledge and skills
- Inappropriate training plans

These risks will be monitored within the scope of the training strategy to be reported to the Senior LGPS Officer or s.151 officer where appropriate. Where engagement with training is limited, this will be raised with the individual concerned and, where appropriate, with the relevant Chair. Further action may be taken where appropriate.

Reporting and Compliance

The Fund is required by regulation to monitor and report on the training of Officers and Committee and Board members. The Fund will:

- Maintain individual training records;
- Record total training hours, knowledge areas covered and meeting attendance;
- Report training activity regularly to the Committee and Board;
- Publish training records in the Fund's annual report;
- Take action where poor attendance is identified.

Members **must** notify officers of any training they have completed independently so that the training log can be kept up to date; for online training courses, copies of training logs should be downloaded and sent to officers as evidence of completed training.

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 09 July 2026.

Review

This strategy will be reviewed every 3 years, and if necessary, more frequently to ensure it remains accurate and relevant.

This page is intentionally left blank

HYMANS ROBERTSON

LOLA 3.0: What's new?

Exploring the differences between the current and forthcoming versions

April 2026

Michael Burton & Claire McDines

For and on behalf of Hymans Robertson LLP



Contents

LOLA 3.0: What's new?	Page
What is LOLA?	3
Why change?	3
What has changed?	4
New module	4
What is covered?	4
How is this different?	4
What next?	8

What is LOLA?

The LGPS Online Learning Academy, or LOLA, is an online platform designed to support funds provide training to Pension Committee and Local Pension Board members both when they take up their role and an ongoing basis.

As it stands, LOLA provides a video on-demand service. This allows learners to engage with the material at a time which suits them. It can be used for both individual or group learning, so learners can be asked to go through the material in their own time, or officers can take a group through a module – for example, just before the start of a formal meeting.

Interaction with the system is recorded, with monthly reports sent to officers demonstrating how learners have progressed with their training. This allows funds to maintain individual training records for their Board and Committee members, providing evidence that training is being provided and helping to inform learning plans for the future.

The LOLA platform is made up of several parts. The first is the core learning material. This is aligned with the guidance produced by the Chartered Institute Public Finance and Accountancy (CIPFA) and takes into account guidance produced by other relevant bodies, such as The Pensions Regulator (TPR). Additionally, LOLA includes videos on current issues, a series of short videos discussing emerging challenges and opportunities, and LOLA Live, training sessions exclusively available to LOLA licence holders.

Why change?

Since the current version of LOLA was launched, we have been regularly considering feedback from users and seeking to make improvements to the platform. As mandatory knowledge and understanding requirements are set to take effect following the Pension Schemes Act 2026, we want to ensure LOLA is as engaging as possible to encourage participation in training. Instead of purely providing video content for the core material, we are using various formats to present information to better support a wider range of learning styles.

As part of the wider changes to the LGPS in England and Wales, new training requirements have been introduced. For Scottish funds, these are considered best practice. New guidance is also being produced by the Scheme Advisory Board, which is structured differently to the CIPFA guidance we therefore think it is important to reflect this in a revised version of LOLA.

Below, you will find details on the changes we have made.

What has changed?

New module	What is covered?	How is this different?
Introduction	• An introduction to the learning plan • What is the LGPS • National level stakeholders	Broadly similar
Pension legislation and guidance	• General pensions framework • Key legislation • Sources and value of guidance • Mandatory polices	• This module no longer covers the role of the pension committee and board, now part of the pension governance module • Provides information about guidance supporting legislation • Detail about mandatory policies included
Pension governance	• LGPS governance structure • Role of Pension Committee and the Local Pension Board • Role of the LGPS Senior Officer • Knowledge and understanding requirements	• Material on pension legislation now covered by module 1 • Details of changes introduced by the Government for the English & Welsh funds – eg LGPS Senior Officer

	• Conflicts of interest • The internal dispute resolution procedure • TPR, the General Code of Practice and breaches of law • The role of the Responsible Authority and GAD • Business planning • McCloud	• Increased detail on General Code of Practice • Increased detail on TPR • Discussion of impact of McCloud • This module no longer covers risk management, now covered by the risk management module.
Funding strategy and actuarial methods	• Introduction to the funding strategy and the role of the actuary • Risks affecting the valuation • Financial Strategy Statement • Types of participating employer • Employers joining and leaving the fund • Actuarial valuation process • Technical aspects of the actuarial valuation ○ Assumptions ○ Cash flows	This module is broadly similar in content but has been updated to reflect current trends, for example funds tend to be in a surplus position rather than a deficit.

	○ Investment returns	
Pension administration and communications	• Role of the administrator • Benefits offered by the LGPS • Member data • The member journey – joining, contributing, leaving, retiring and death • Pension transfers • Pension tax • Administration policies and procedures	Increased detail on data requirements and data protection Introduction of the member journey including more technical detail on each stage.
Pension financial strategy, management, accounting, reporting and audit standards	• Annual report and accounts • Requirement for financial controls • Financial disclosures • Knowledge and understanding disclosure requirements	This module is broadly similar but has been updated to reflect the additional information to be included in the annual report and accounts.
Investment objectives, strategic asset allocation, pooling and pooling performance management	• Introduction to investment strategy • Investment pooling	• Updates on roles and responsibilities regarding pools, including requirement to pool all assets

	○ Background ○ Roles and responsibilities • Responsible investment • Performance monitoring • Risk v return • Investment structures and characteristics • MiFID II	• Updated to reflect the changed numbers of pools • Increased detail on Myners' principles • Increased detail on MiFID II • Increased detail on asset type characteristics
Risk management	• Risk management policy • Types and causes of risk • Risk management process • Recording risk • Outsourcing	This is a new module which consolidates the core risk management material from other modules in LOLA 2.0. It contains increased detail on outsourcing
Pension services procurement, contract management and relationship management	• The procurement cycle • Relevant legislation	• Contains additional information on the LGPS frameworks

- The LGPS National Framework
- Procurement risk

What next?

As part of the transition to the new version of LOLA, we will not carry forward learning records for users unless this has been specifically requested. Information about use of the current version of LOLA will be available upon request.

If, based on the information about the changes we have provided, you would like individual member records to reflect they have completed one or more modules please let us know. However, whilst we appreciate people who have recently completed a module in the current version of LOLA may prefer not to repeat it, we do recommend all users complete the core learning plan.

Hymans Robertson LLP (HR) 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 (HR) is not qualified to provide such advice, which should be sought independently.

This page is intentionally left blank

LGPS Online Learning Academy

How to Guide

Hymans Robertson LLP® is a limited liability partnership registered in England and Wales with registered number OC310282. Authorised and regulated by the Financial Conduct Authority and licensed by the Institute and Faculty of Actuaries for a range of investment business activities.

Introduction

The aim of this guide is to help you navigate your way through your learning plan, it covers:

- How to sign on
- Menu options
- Home Page
- Courses and Learning Plan
- Changing a password
- Resetting a user's end of knowledge check
- Mobile App
- How to get help

Signing in

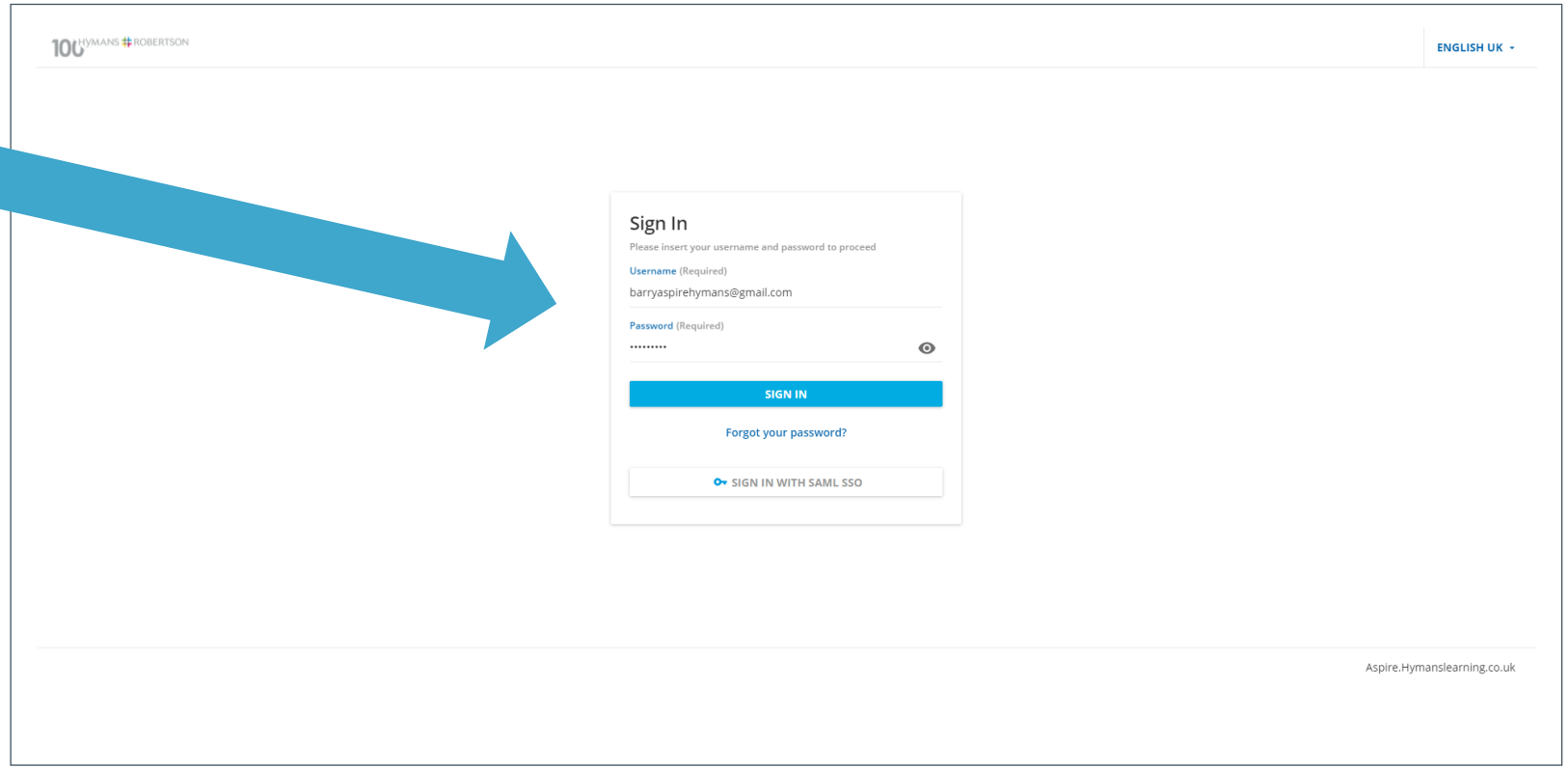
Website

https://aspire.hymanslearning.co.uk

Please note this may need to be listed by your IT department as a “safe site” to allow access.
Please use Google Chrome or Microsoft Edge as your internet browser.

Type in your username and password and select “sign in”

Username (your email address) and password will be provided to you by email.



The log in timeout is 1 hour.

This means if you are logged on but not actively working you will need to log back on with username and password after 1 hour.

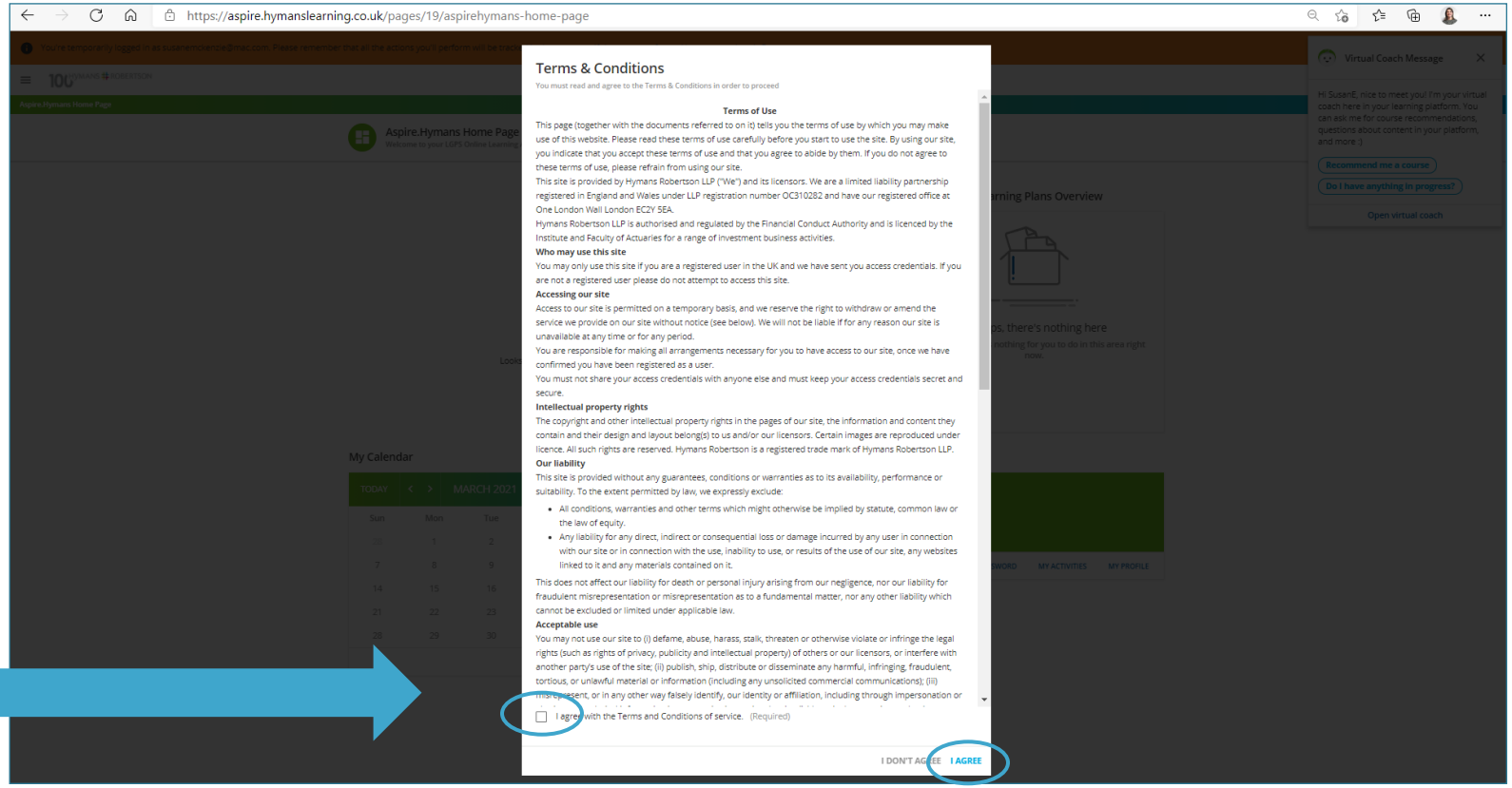
HYMANS ROBERTSON

Signing in

Accepting Terms and Conditions

On your first visit to the learning academy, you will be asked to accept the Terms and Conditions

Tick the box and then click on “I Agree” to accept Terms and Conditions to start your learning.



HYMANS ROBERTSON

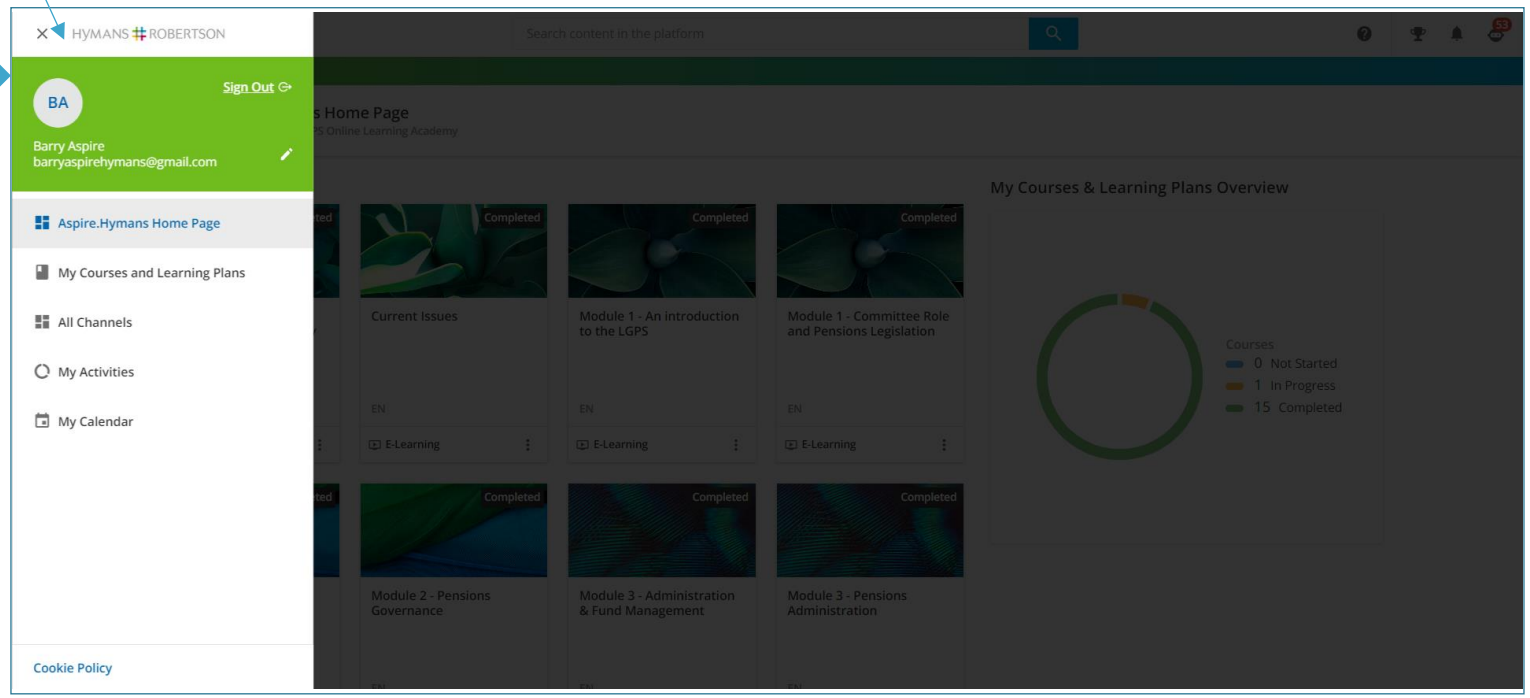
Menu Options

Click here



From the user menu, you can access:

1. Home Page
2. My Courses and Learning Plan – this shows the learning plan and associated courses you are enrolled in (see slide 7)
3. My activities
4. My calendar

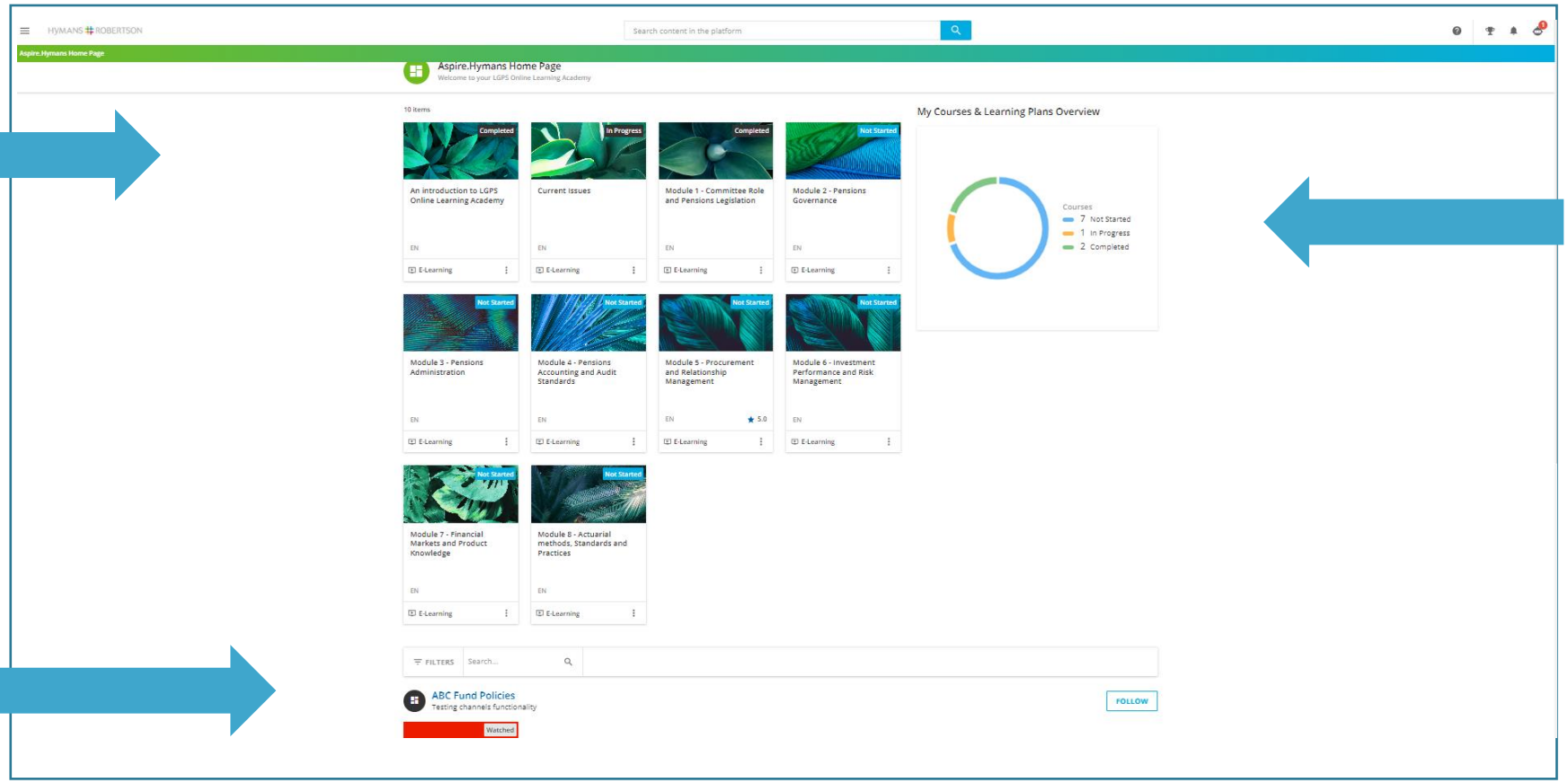


Home Page

This is the first page you will see when you have signed in. This is the “Home Page”

Access your learning modules

Access your Fund Policies – please note these are uploaded at the Fund’s discretion



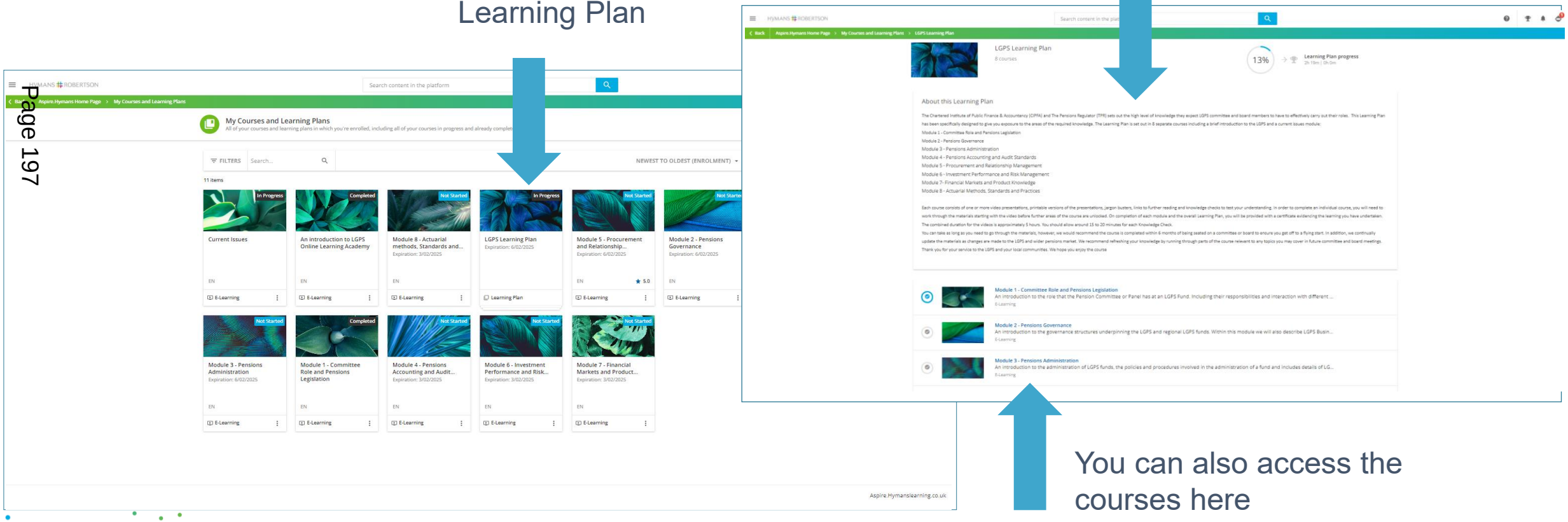
Track your progress at a glance

My Courses and Learning Plan

From the Menu Options (see slide 5) you can click on “My Courses and Learning Plan”

Click on the Learning Plan

You can view the Learning Plan Summary and what to expect in the course content



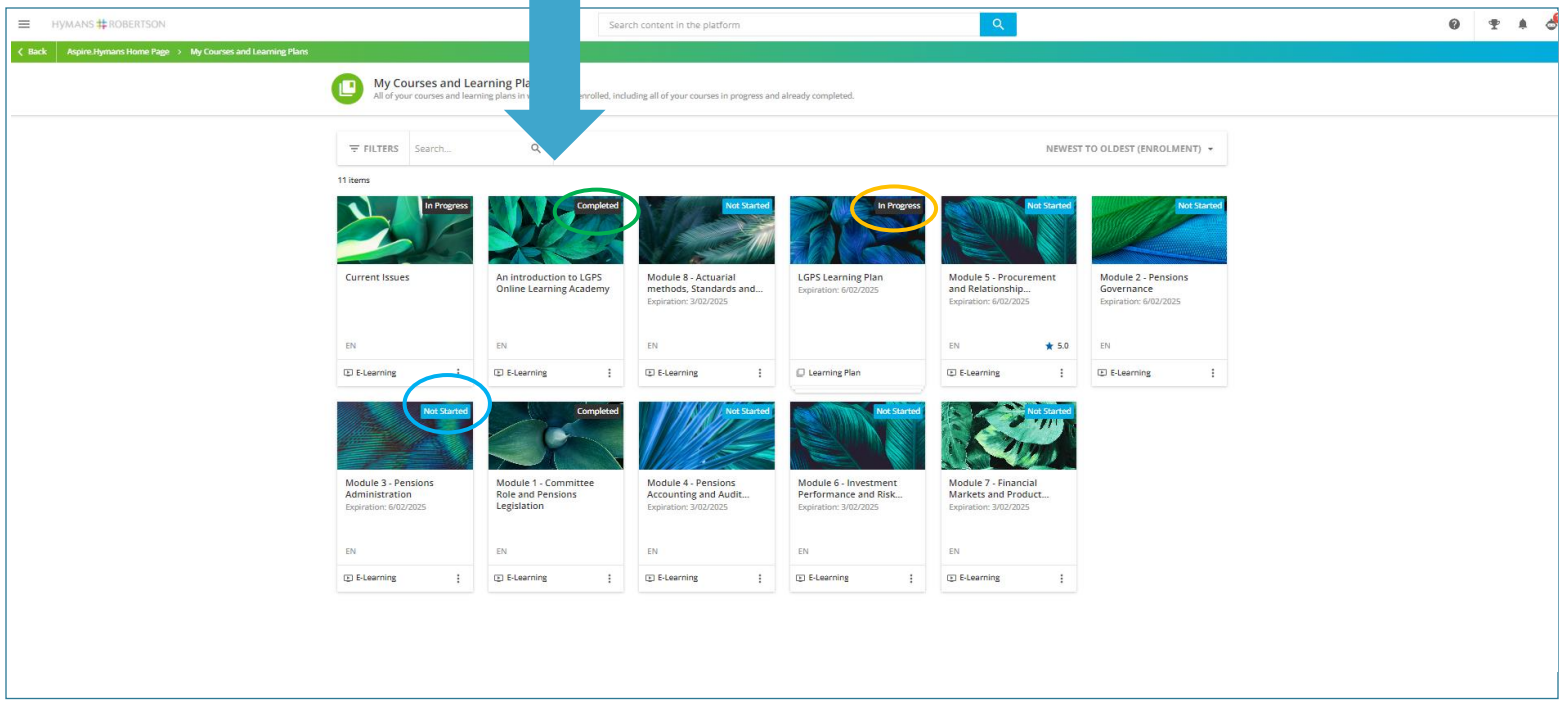
You can also access the courses here

HYMANS ROBERTSON

My Courses and Learning Plan

Click on Introduction to LGPS Learning Academy to begin your learning

View your learning plan and associated modules you are enrolled in



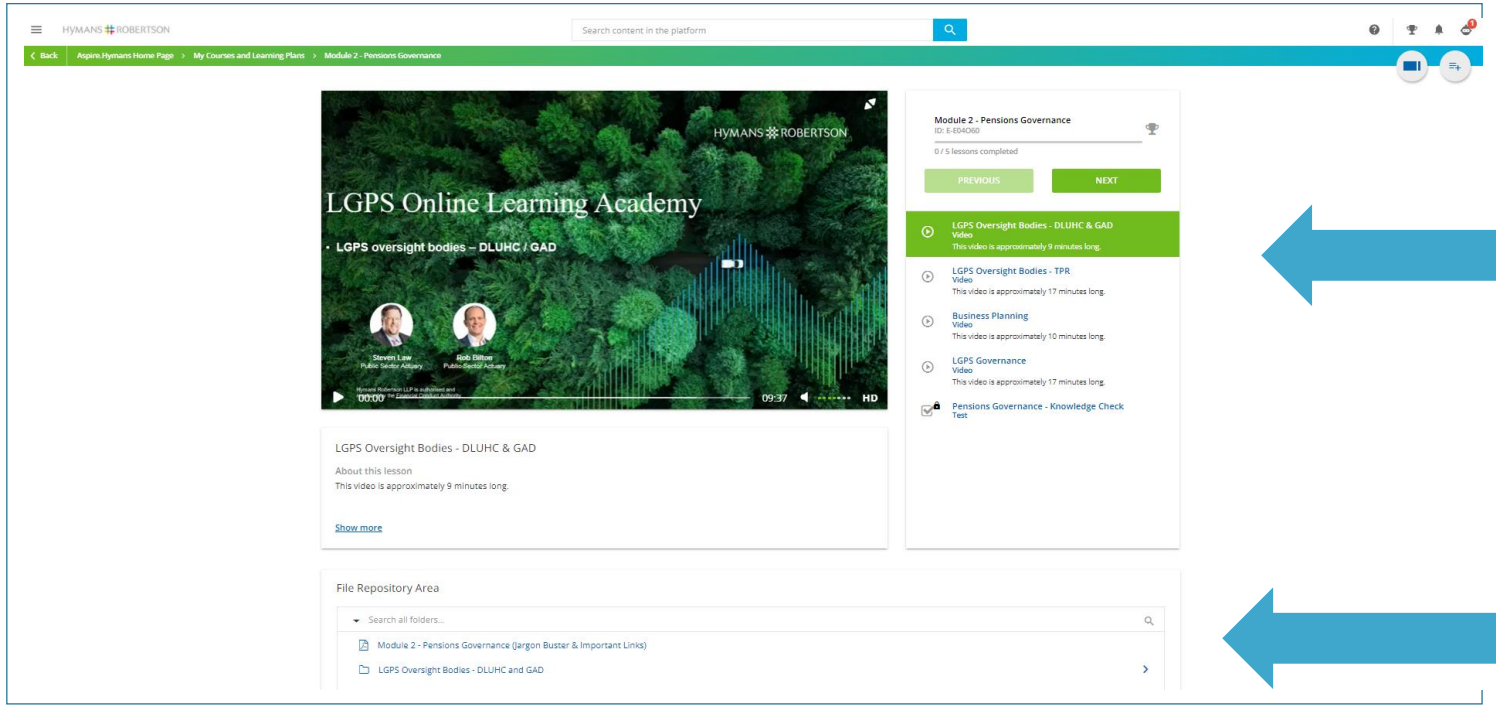
Track your progress at a glance :

- Not Started
- In Progress
- Completed

This version of the Learning Platform contains Modules 1-8 which make up the Learning Plan and an Introduction and Current issues Module.

My Courses and Learning Plan

How to Navigate



Click on each video to progress your learning

The Knowledge check is locked until all the videos have been watched.

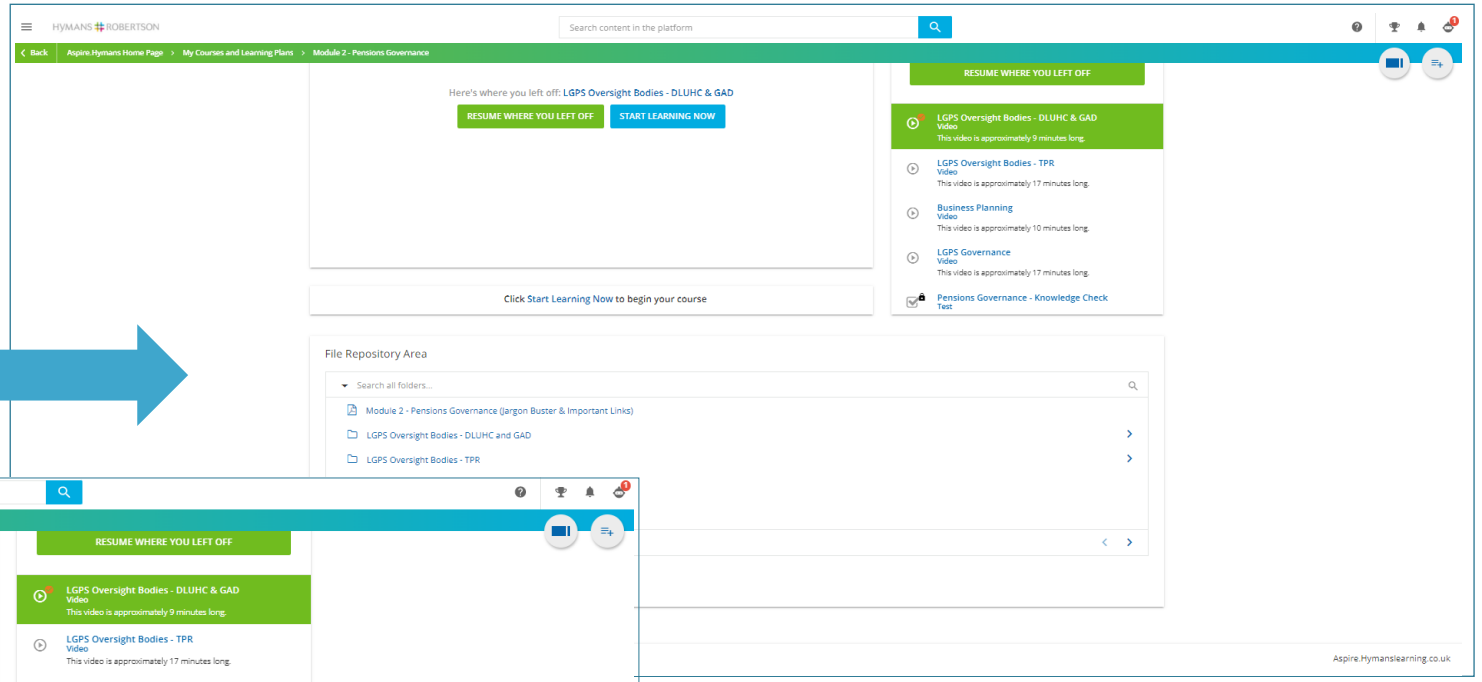
The relevant accessible slides and printable versions for each video are saved in the File Repository Area below the video

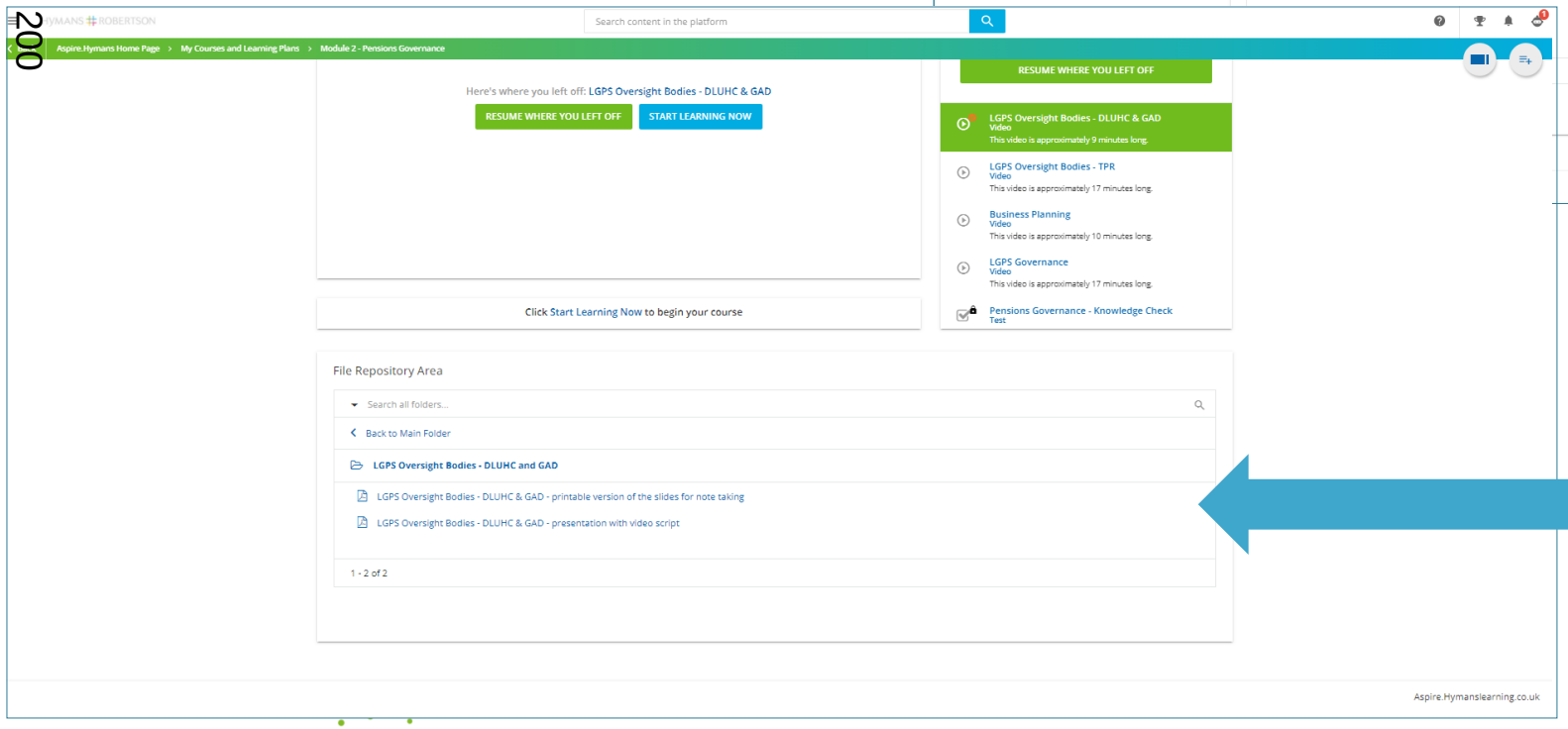
Please note, there may be several pages of learning material so you may have to click through to find the correct one

My Courses and Learning Plan

Accessibility and Printable pack

In the file repository area, there are folders with the same name as the videos





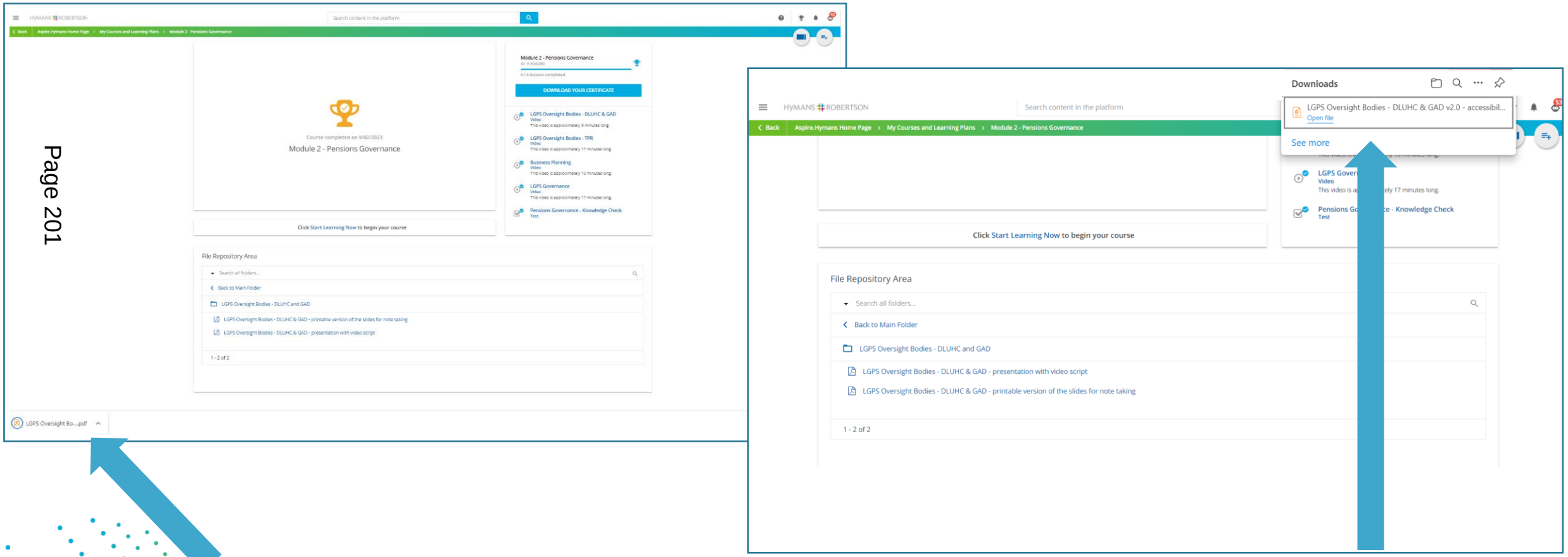
Clicking into the relevant folder will bring up a printable version and presentation with video script

HYMANS ROBERTSON

My Courses and Learning Plan

Accessibility and Printable pack

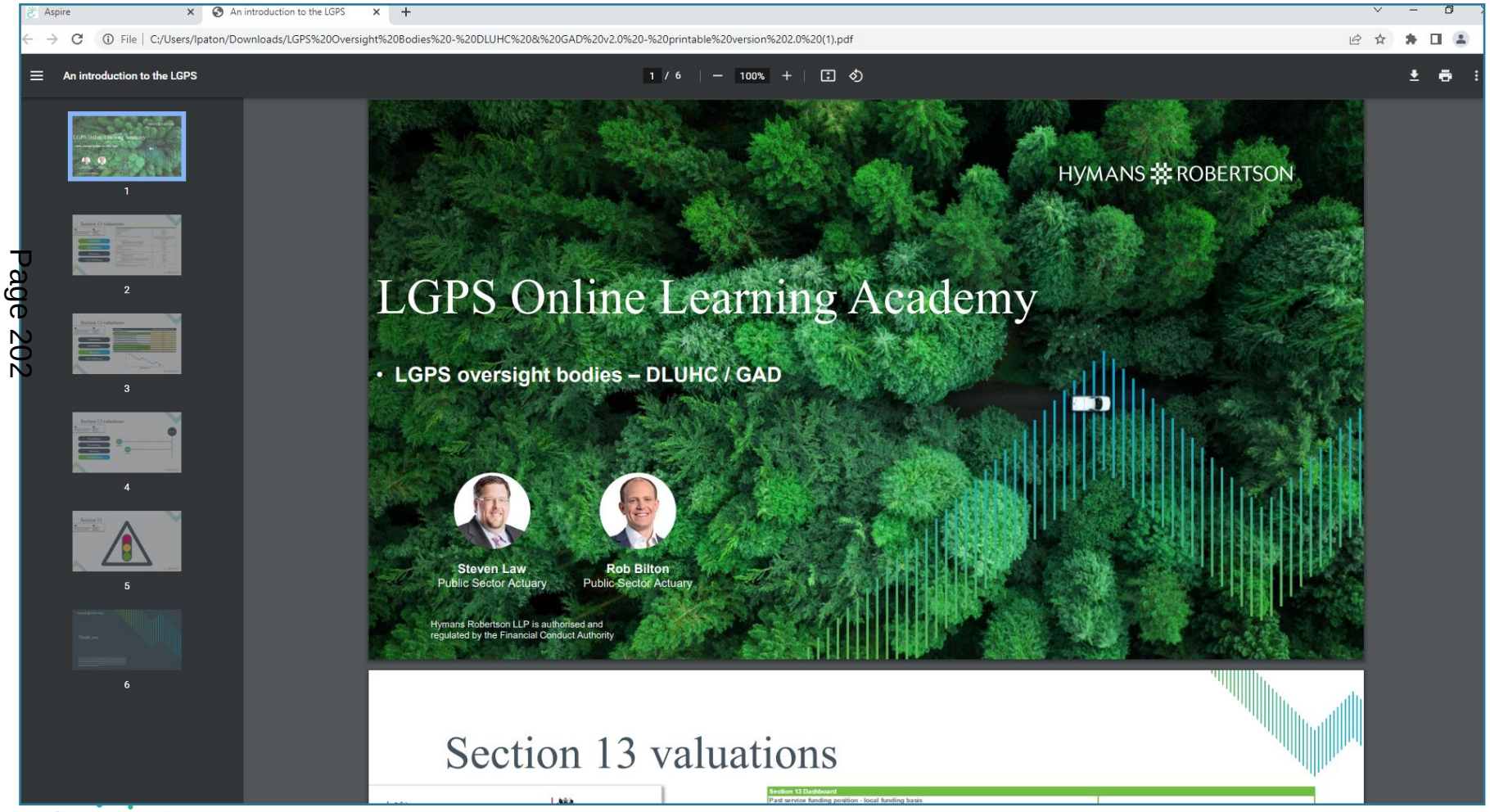
Once you select the additional training material you want to view, it will download and you can open it by selecting the downloaded slide. This will open in a new page



Depending on your browser it will either download in the bottom left corner or the top right

My Courses and Learning Plan

Accessibility and Printable pack

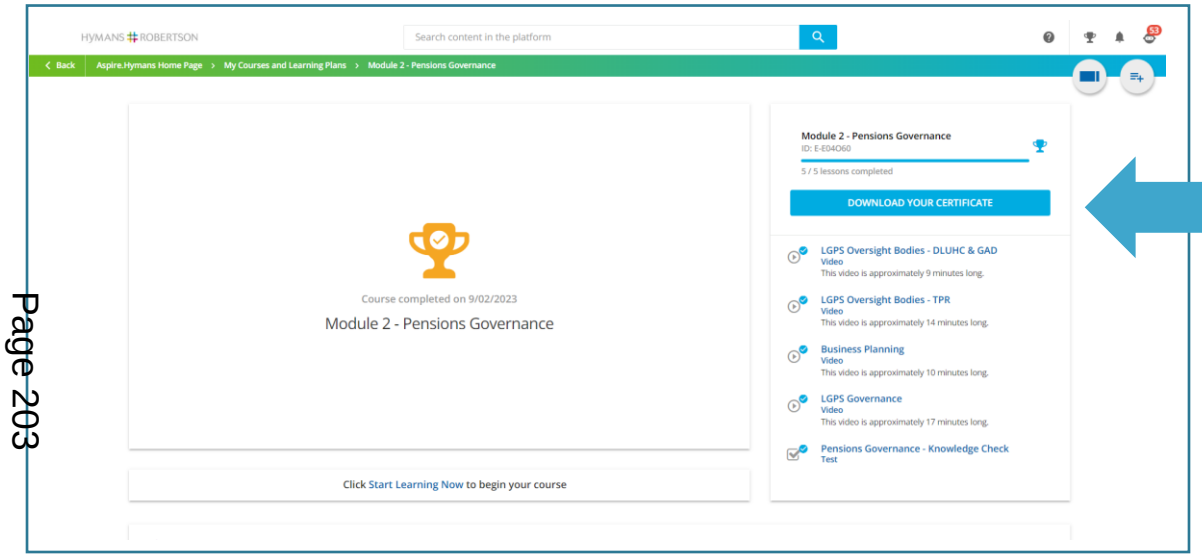


Clicking on the downloaded slide pack will open the additional training in a new browser window and it can be viewed and/or printed.

Please note, this training is not mandatory to complete the training module.

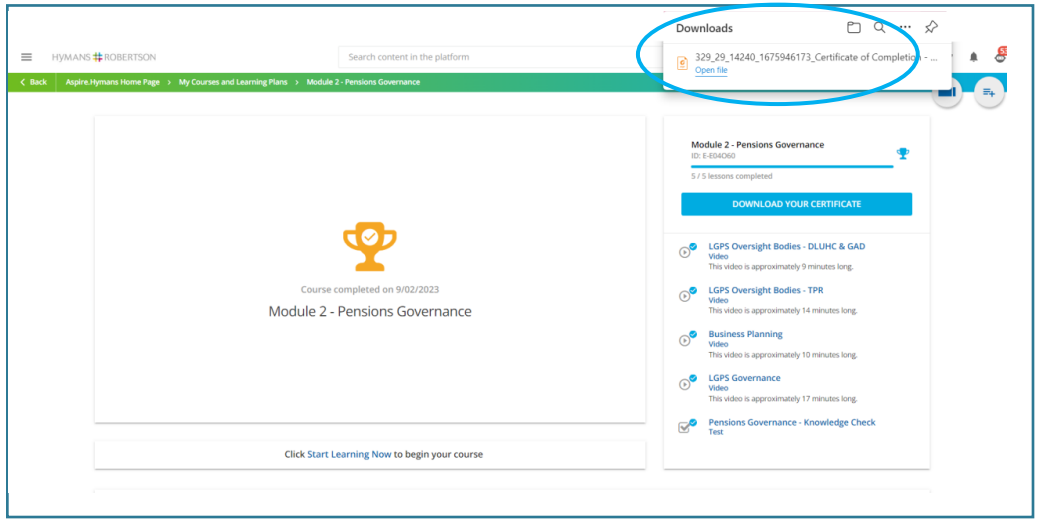
My courses and Learning Plan

Module 1 – Progressing through your course



Complete your learning module and knowledge check

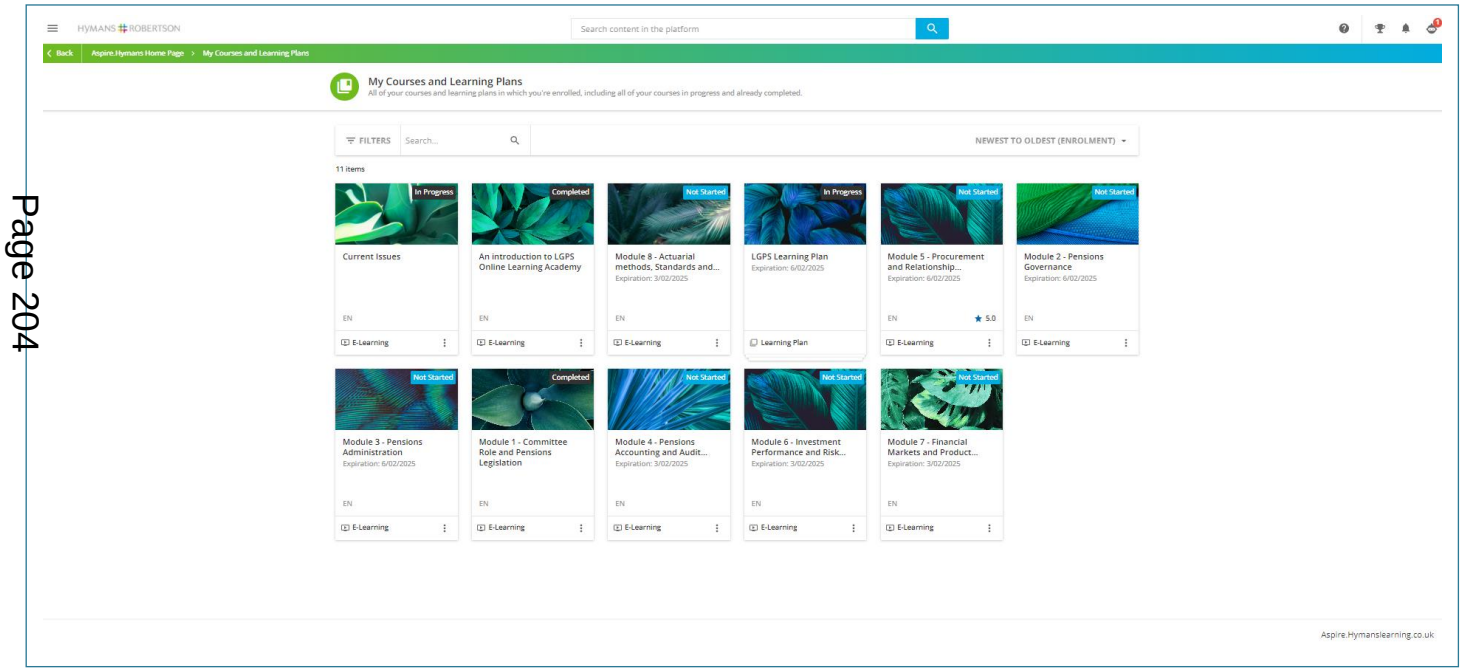
Download your certificate and save it for own records





My courses and Learning Plan

Modules 1 to 8



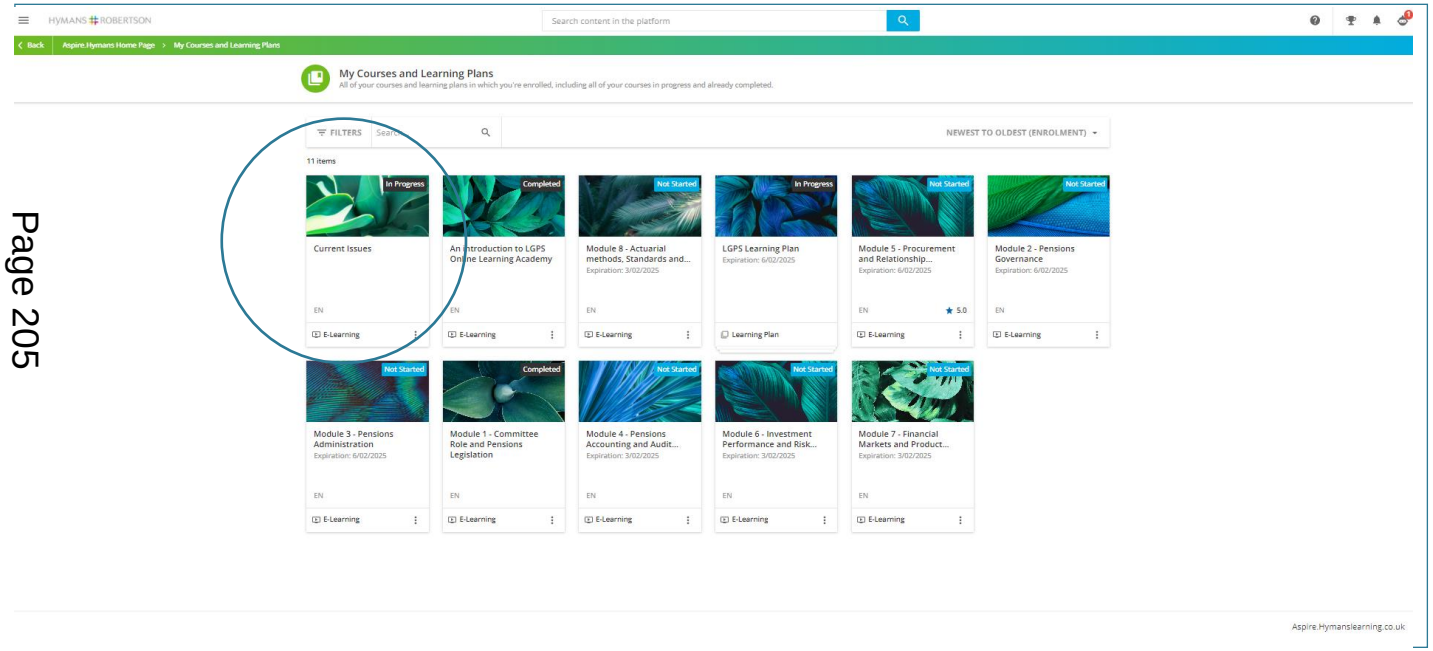
Continue on your learning journey through the remaining modules, in any order.

Download your certificates and save them for own records as before.

On completion of the Module 1-8 modules you will be able to download a certificate for the LGPS Learning Plan

My courses and Learning Plan

Current Isuses

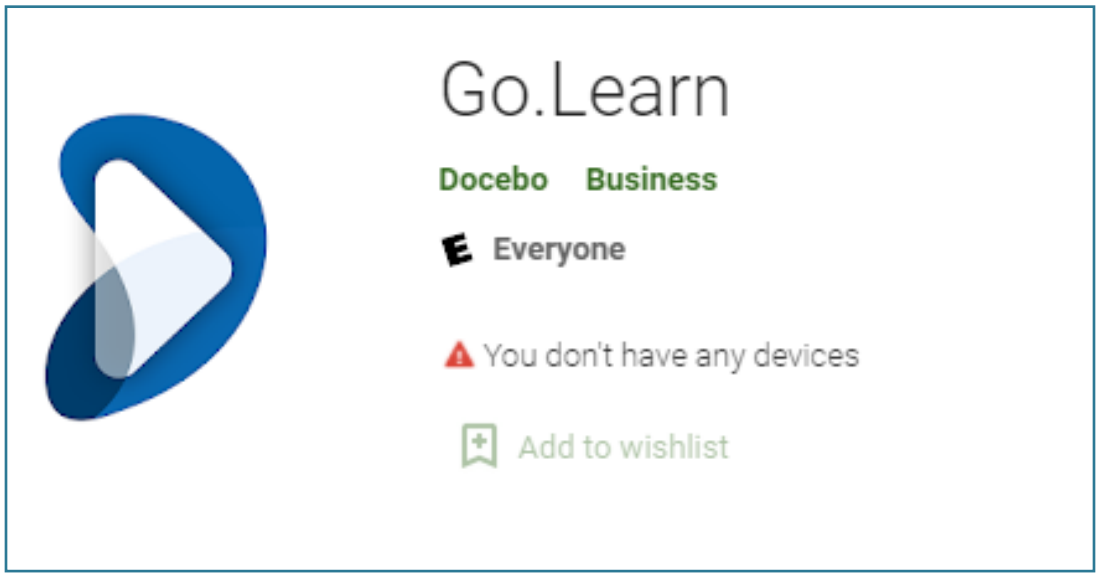


Current Issues will be refreshed regularly with hot topics for LGPS.

This module is not part of the mandatory learning required under the CIPFA Knowledge and Skills Framework and is designed purely to keep you up to date with LGPS news. On that basis there is no Knowledge Check.

Mobile App

- Go.Learn lets you to access your platform directly from your mobile devices.
- Through the app, you can easily complete your training material.
- The Go.Learn mobile app is available for both iOS (including iPads) and Android devices*.
- You can download the app by searching for “Go.Learn” in the Apple Store or in Google Play Store.



*For those using Android devices, remember that you need to have access to Google Play Store to be able to download and access the app.

Mobile App

Steps to take to access mobile learning :

- Download the app
- The URL is https://aspire.hymanslearning.co.uk
- **Username** is your email address
- **Password** is provided on your Welcome Email (or your chosen password if you have already logged in online)
  - you will be asked to change your password on first login (if the app is your first login attempt)
  - you will also be asked to accept T&Cs at first login (if the app is your first login attempt)
- Once you change your password this will be your new password for both online and mobile app learning

Need help?

Please contact: Aspire.Hymans@hymans.co.uk

- Please email the Aspire.Hymans mailbox for any questions
- Please note this may need to be listed by your IT department as a “safe email” to avoid correspondence being sent to your “Junk” folder
- We will aim to get back to you within 48 hours

Thank you

This Powerpoint presentation contains confidential information belonging to Hymans Robertson LLP (HR). HR are the owner or the licensee of all intellectual property rights in the Powerpoint presentation. All such rights are reserved. The material and charts included herewith are provided as background information for illustration purposes only. This Powerpoint presentation is not a definitive analysis of the subjects covered and should not be regarded as a substitute for specific advice in relation to the matters addressed. It is not advice and should not be relied upon. This Powerpoint presentation should not be released or otherwise disclosed to any third party without prior consent from HR. HR accept no liability for errors or omissions or reliance upon any statement or opinion herein.

This page is intentionally left blank

Appendix 4 – LOLA Learning Schedule

Title of Module	Module Content	Date to be completed
Introduction	• An introduction to the learning plan • What is the LGPS • National level stakeholders	Oct-26
Module 1 – Pension legislation and guidance	• General pensions framework • Key legislation • Sources and value of guidance • Mandatory polices	Oct-26
Module 2 - Pension governance	• LGPS governance structure • Role of Pension Committee and the Local Pension Board • Role of the LGPS Senior Officer • Knowledge and understanding requirements • Conflicts of interest • The internal dispute resolution procedure • TPR, the General Code of Practice and breaches of law • The role of the Responsible Authority and GAD • Business planning • McCloud	Nov-26
Module 3 - Funding strategy and actuarial methods	• Introduction to the funding strategy and the role of the actuary • Risks affecting the valuation • Financial Strategy Statement • Types of participating employer • Employers joining and leaving the fund • Actuarial valuation process • Technical aspects of the actuarial valuation ○ Assumptions ○ Cash flows ○ Investment returns	Dec-26
Module 4 - Pension administration and communications	• Role of the administrator • Benefits offered by the LGPS • Member data • The member journey – joining, contributing, leaving, retiring and death • Pension transfers • Pension tax • Administration policies and procedures	Jan-27
Module 5 - Pension financial strategy, management, accounting, reporting and audit standards	• Annual report and accounts • Requirement for financial controls • Financial disclosures • Knowledge and understanding disclosure requirements	Feb-27

Module 6 - Investment objectives, strategic asset allocation, pooling and pooling performance management	• Introduction to investment strategy • Investment pooling ○ Background ○ Roles and responsibilities • Responsible investment • Performance monitoring • Risk v return • Investment structures and characteristics • MiFID II	Mar-27
Module 7- Risk management	• Risk management policy • Types and causes of risk • Risk management process • Recording risk • Outsourcing	Apr-27
Module 8 - Pension services procurement, contract management and relationship management	• The procurement cycle • Relevant legislation • The LGPS National Framework • Procurement risk	May-27

Brent	**Pension Board** 5 November 2026
	Report from the Corporate Director, Finance and Resources

Brent Risk Register

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):	Minesh Patel, Corporate Director, Finance and Resources Email: minesh.patel@brent.gov.uk Tel: 020 8937 4043 Amanda Healy, Deputy Director of Finance Email: amanda.healy@brent.gov.uk Tel: 020 8937 5912 Sawan Shah, Head of Finance Email: Sawan.Shah@brent.gov.uk Tel: 020 8937 1955 John Smith, Pensions Manager Email: john.smth@brent.gov.uk Tel: 020 8937 1985 Manish Shah, Senior Finance Analyst Email: manish.shah@brent.gov.uk Tel: 020 8937 1444

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 3.2: Record keeping – comment added.
- Item 3.3: Loss of key staff – score amended and comment added.
- Item 3.5: Auto-enrolment/re-enrolment - comment added
- Item 3.6: Pensions Dashboard Programme – score amended and comment added
- Item 4.2: Annual benefit statements - comment updated.
- Item 4.3: Deferred annual benefit statements - comment updated.
- Item 5.1: Anti-Fraud Initiative – comment added
- Item 5.2: risk renamed to Pension Committee and Board Training and comment updated.
- Item 6.3: Impact of McCloud on long-term liabilities – score amended and comment added
- Item 6.5: Pension Plan Accounting – 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

This page is intentionally left blank

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-26	Budget agreed for 2026/27. Brent Council discuss LPP budget at regular contract monitoring meetings. Budget pack to be received from Q2 onwards.
1.2	Operational Disaster Recovery Plans Brent	Loss of or unable to access admin systems for: a) Pensions b) Payroll c) Pensioner payroll	**1**	**4**	**4**	Brent Council Business Continuity Procedures	Brent	Aug-26	Brent Council disaster recovery plan in place. Departmental business continuity plan covering key contacts, loss of premises, staff, IT, providers and equipment updated.
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
2.21		Sending sensitive data by email ensuring it will be sent to the right recipient and encrypted, or using a secure transmission system	2	4	8	Brent GDPR Policies	Brent	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 2025, 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.

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	2	3	6	TPR Data Scores, Data cleanse project Regular data cleanses and projects (e.g. McCloud) Monthly contribution returns drive more accurate data.	Brent	Oct-26	Data quaty 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. As of October 2026, the fund is conducting a over 54 deferred benefit data cleanse should improve data.
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	3	9	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-26	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. This risk has been mitigated by formal training and cross training. 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. This risk has been mitigated by cross-training and formal training.

3.4	Impact of Future Pandemics	Increase in staff who are unwell leading to: a) Delays in administrative processing and increase in backlog cases b) Member benefits being delayed c) Increase in complaints d) Difficulties in meeting key deadlines such as year-end Delays in implementing the agreed investment strategy due to volatile financial markets.	**1**	**2**	**2**	Brent Council Business Continuity Procedures LPP Business Continuity Procedures Hymans Robertson Business Continuity Plan (as Fund Actuary and Investment Advisors) Resilience and flexibility developed during the Covid-19 pandemic.	Brent	Oct-25	Situation is being monitored on an ongoing basis. Staff to observe Government and NHS guidance. Increased use of flexible and remote working technologies are now in place to enable staff to operate in an efficient and effective manner. The Pensions Administration and Finance team are able to work from home and in offices.
3.5	Auto Enrolment / Re-Enrolment	Failure to process auto enrolment / re-enrolment on time leads to: a) Member complaints b) Members unable to opt-out or in c) Delayed administration d) Possible action by the regulator to improve or be fined	**2**	**2**	**4**	Auto Enrolment Procedures Planning meetings to manage re-enrolment. Communications prepared in anticipation of re-enrolment.	Brent	Oct-26	Auto enrolment checked monthly for: a) Enrolment b) Opt outs c) Opt Ins d) Auto Enrol Renewal, as part of Brent procedures for pensions and payroll e) Re-enrolment triennially 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. Brent's re-enrolment date is now set to 1st November. Brent has successfully certified its re-enrolment to TPR. Maintained schools must engage with Administering Authority early in 2027 to avoid issues with their payroll providers.
3.6	Pensions Dashboard programme	Pensions dashboards are a government programme to enable individuals to access their pensions information online, in one place. Risk of being unable to connect before the staging deadline of October 2025.	**2**	**3**	**6**	LPP Pensions Dashboard Project Regular progress update meetings Monthly contract management meetings	LPP	Oct-26	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. The project is underway and the latest update is as follows: 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). 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. The LPP successfully connected to the pension dashboard ecosystem in December 2025. All Brent providers, including Brent's AVC schemes connected to the ecosystem by 31 October 2026.

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	2	4	8	Plan Calendar	Brent	Jul-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 consultantion. The McCloud project is on track.
4.2	Annual Benefits Statements 2026/27	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-26	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. For the 2026 ABS excercise, Brent produced 95.7% active and 99.3% deferred McCloud compliant ABS in 2026. The overall figures were 96.8% active and 99.6 deferred ABS.
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	2	4	8	LLP Shared Service Agreement	Brent	Oct-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. The McCloud Project is on track. The 2026 ABS exercise was 95.7% active and 99.3% deferred benefit McCloud compliant.
4.3	Deferred Member Benefit Statements 2026/27	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-26	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. In 2026 Brent produced 99.6% of deferred ABS of which 99.3% were McCloud compliant.

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	Oct-26	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	Jul-26	Admission agreements are regularly reviewed by officers in finance and legal to resolve issues encountered in the admission agreement process and progress to completion. Following a hiatus, the Legal Team has identified a group of lawyers who are capable of drafting admission ageements.
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-though is expected to mitigate/resolve this issue.

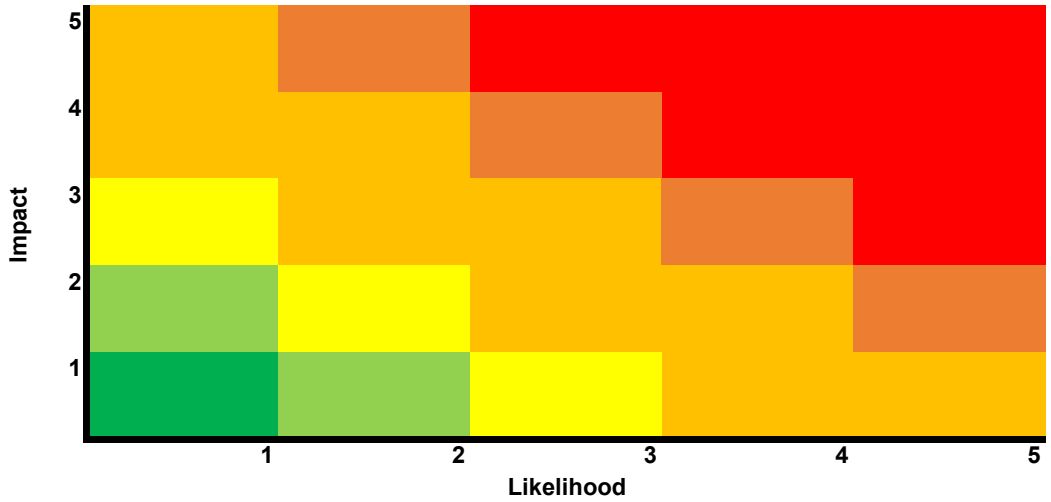
5	Risk Area Regulatory	Risk & Outline	Likelihood	Impact	Score	Control	Owner	Date of Review	Comment
5.1	Anti Fraud Initiatives Mortality Existence	Benefits paid to people not entitled to benefits from the LGPS	2	3	6	Brent Counter-fraud plan 2026/27 Annual life certificates for overseas pensioners Tell us once (TUO), Target mortality screening and NFI reports Life certificates issued if correspondence/pension payments returned.	Brent	Oct-26	Administration processes check for fraud Brent Anti-fraud plan 2026/27 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 Committee and 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	Oct-26	Regular training is provided via a training programme for Pension Committee and Board members All Pensions Committee and 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, with the package refreshed in 2026. Progress will be reported at each meeting. The new Board will start the training journey in 2026. New regulations 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. The committee approved the Fund's updated training strategy in July 2026. All members are required to log training completed and share with the Fund.
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 d) Scheme Manager e) Pensions Board f) Pensions Sub Committee g) 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	In preparing such a statement the Council must have regard to the extent to which the discretions are exercised to avoid a loss of confidence in the service provided. An updated Administering Authority discretions policy was approved at the March 2024 meeting of the Pension Fund Sub-committee, and a template Employing Authority discretions policy has also been prepared. Brent has approved a new employer's discretion policy. The discretions template encourages employers to carefully consider any discretions that generate pension costs. Brent's employer's discretions have been updated.
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	Breaches log to monitor all breaches and report material breaches to the regulator Breaches policy. The pensions team is liaising with IT services to obtaint additional technical assurance.

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 2026.
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.
6.2	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	Oct-26	The Fund has undergone an Investment Strategy Review in 2025 with the final results presented to the Pension Fund Sub-committee meeting in February 2026; whereby it was agreed to adopt a new long-term investment strategy with the view to the re-shaping of the Funds' investments, with a reducution in exposure to growth and income assets and uplift towards protection assets. Officers, with investment advisors and actuary (Hyman Robertson), fund managers and Pooling Partner (London CIV), 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. Geopolitical uncertainity has increased market volatility and risk. No change to the scoring as the risk is deemed to be cyclical in nature Geopolitical uncertainity still remains high with market volatility not abating at this present time. While we are keeping the current score unchanged, we continue to closely monitor the situation for any significant shifts.
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.	3	2	6	Triennial valuation/ Funding Strategy Statement. McCloud remedy solution in UPM	Brent	Oct-26	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. The risk is much smaller than anticipated.
6.4	Pension	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) Or not at all c) Refusal to pay	a) Pay out benefits 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 g) Delay benefits beginning paid h) Can lead to delays in accounting for pension contributions	**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			**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	Oct-26	The 2025/26 Pension Fund statement of accounts and Annual Report have been drafted, with the audit fieldwork complete. Clean audit opinion anticipated.
6.51			**1**	**5**	**5**	Triennial valuations	Brent	Jun-26	2025 Triennial valuation completed.
6.52			**1**	**5**	**5**	The Funding Strategy Statement	Brent	Jun-26	A report on the 2025 Triennial Review (including the Funding Strategy Statement) in included on the agenda. Next triennial valuation 2028.
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	Oct-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 2025 valuation. As of July 2026, the annual inflation rate for May 2026 remains above the Bank of England's 2% target rate at 2.8%. Inflation figures had been gradually falling, however, prices may spike later in 2026 should the geopolitical unrest esculates and elevated which adds to the uncertainty around global supply chains. We will review the score if inflationary pressure persists. Geopolitical conflicts in the Middle East and Ukraine continue increase volatility, forcing inflation and gilt yields above initial forecasts. While we are closely monitoring the situation for potential extreme spikes, current inflation levels remain manageable and within acceptable boundaries.

Risk Heat Map



This page is intentionally left blank

London Borough of Brent

Risk Strategy

Brent Risk Strategy August 2024

Contents

1. Introduction 3
2. Scope 3
3. Strategy objectives 3
4. Purpose of the strategy 4
5. Effective date 4
6. Review 4
7. Risk Management Philosophy 4
8. CIPFA and the Pensions Regulator's Requirements 5
9. Responsibility 7
10. The London Borough of Brent Pension Fund Risk Management Process 7
11. Reporting and monitoring 10
12. Key risks to the effective delivery of the strategy 10

1. Introduction

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

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

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

2. Scope

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

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

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

3. Strategy objectives

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

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

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

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

4. Purpose of the strategy

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

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

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

5. Effective date

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

6. Review

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

7. Risk Management Philosophy

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

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

Key principles

Risk management shall;

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

- continuously evolve and improve in the light of experience

In managing risk, the Administering Authority will:

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

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

8. CIPFA and the Pensions Regulator's Requirements

CIPFA Managing Risk Publication

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

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

The Pension Regulator's Single Code of Practice

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

> *249B Requirement for internal controls: public service pension schemes*
>
> *1) The scheme manager of a public service pension scheme must establish and operate internal controls which are adequate for the purpose of securing that the scheme is administered and managed:*
>
> > *(a) in accordance with the scheme rules, and*
> > *(b) in accordance with the requirements of the law.*
>
> *(2) Nothing in this section affects any other obligations of the scheme manager to establish or operate internal controls, whether imposed by or by virtue of any enactment, the scheme rules or otherwise.*

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

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

The risk assessment should begin by:

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

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

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

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

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

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

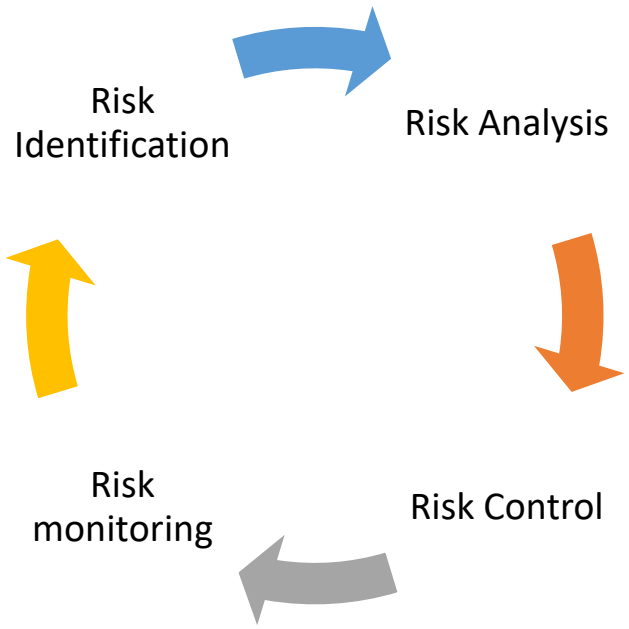
9. Responsibility

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

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

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

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



Risk identification (1)

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

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

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

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

Risk analysis (2)

The three main consequences of risk are;

- Financial impact
- Service impact
- Reputational impact

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

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

Likelihood Scoring Criteria

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

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.

HYMANS ROBERTSON

London Borough of Brent Pension Fund

Q2 2026 Investment Monitoring Report - Public

Kenneth Taylor, Senior Investment Consultant

Hymans Robertson LLP is a limited liability partnership registered in England and Wales with registered number OC310282. A list of members of Hymans Robertson LLP is available for inspection at One London Wall, London EC2Y 5EA, the firm's registered office. Authorised and regulated by the Financial Conduct Authority and licenced by the institute and Faculty of Actuaries for a range of investment business activities. Hymans Robertson is a registered trademark of Hymans Robertson LLP.

Certified B Corporation

Market Background

Market update

Q1 GDP data showed some resilience across major economies. Over Q2, the US expanded at 2.1% annualised, supported by strong Artificial Intelligence-related (AI) investment. UK GDP rose 0.6% quarter on quarter (q/q), potentially reflecting seasonal distortions. Japan expanded 0.5% q/q following growth in consumption and exports. The eurozone marked its first quarterly contraction (0.2%) since end-2022.

The US-Iran ceasefire helped cool energy- and fuel-price rises in June. US headline inflation fell to 3.5% year on year (y/y); UK and eurozone measures eased to 2.6% and 2.8%, respectively. Core inflation declined to 2.6% in the US and UK, and 2.4% in the eurozone, suggesting relatively contained underlying price pressures.

The European Central Bank hiked rates to 2.25% pa, its first increase since 2023. Despite subdued inflation, the Bank of Japan (BoJ) increased borrowing costs to 1.0% pa. The Federal Reserve and the Bank of England held rates at 3.50–3.75% pa and 3.75% pa, respectively. Markets expect one or two rate hikes in the US and one in the UK by year-end.

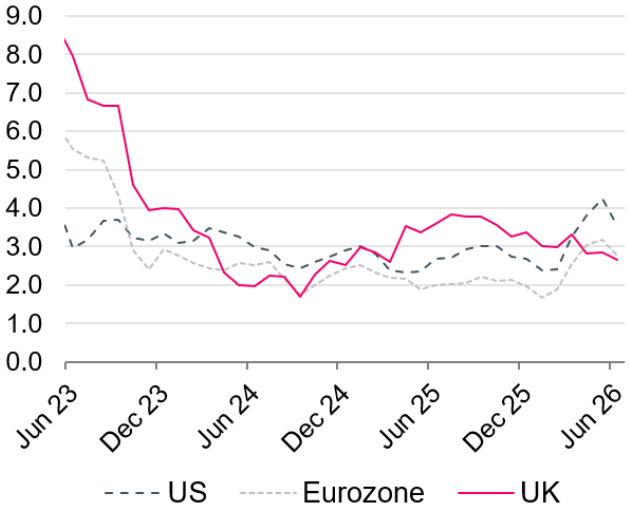
European sovereign bonds outperformed, as energy-driven concerns eased and the growth outlook weakened. Ten-year gilt yields fell 0.2% pa, to 4.8% pa. Gilt markets were largely unmoved following Prime Minister Starmer's resignation, given indication of Andy Burnham's commitment to the previous government's fiscal rules. German 10-year yields eased 0.1% pa, to 2.9% pa.

US 10-year yields rose 0.2% pa, to 4.5% pa, as previously hotter inflation and a resilient labour and growth backdrop spurred rate-hike bets. Japanese 10-year yields rose 0.3% pa, to 2.7% pa, amid expectations of further BoJ rate increases.

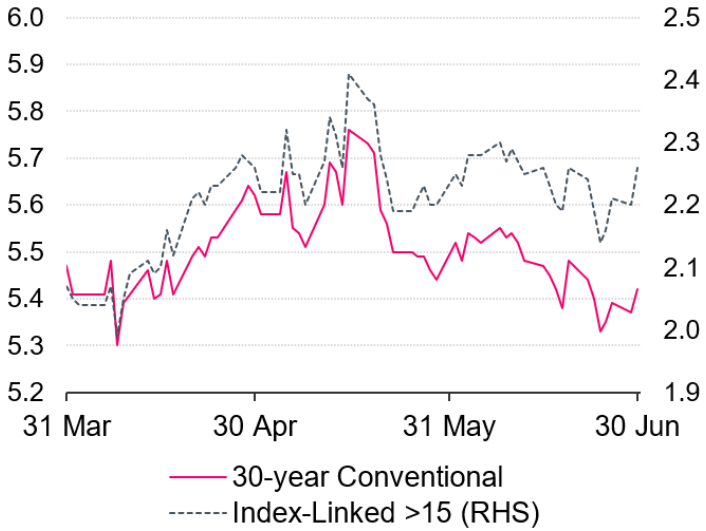
The Nominal Broad US Dollar Index fell 0.1%. The Dollar fell 0.6% against sterling but rose 2.2% versus the yen, reflecting the gap in real interest rates between the US and Japan.

Credit spreads narrowed further over Q2 following robust earnings and easing geopolitical tensions. They're now below the tight levels at the turn of the year across ratings and geographies.

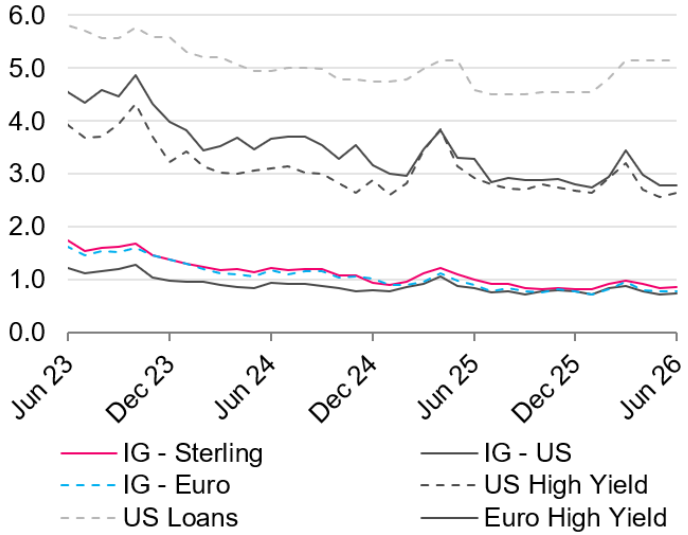
Annual CPI Inflation (% year on year)



Gilt yields chart (% p.a.)



Investment and speculative grade credit spreads (% p.a.)



Data source: LSEG Datastream, Barings, Bloomberg

Market Background

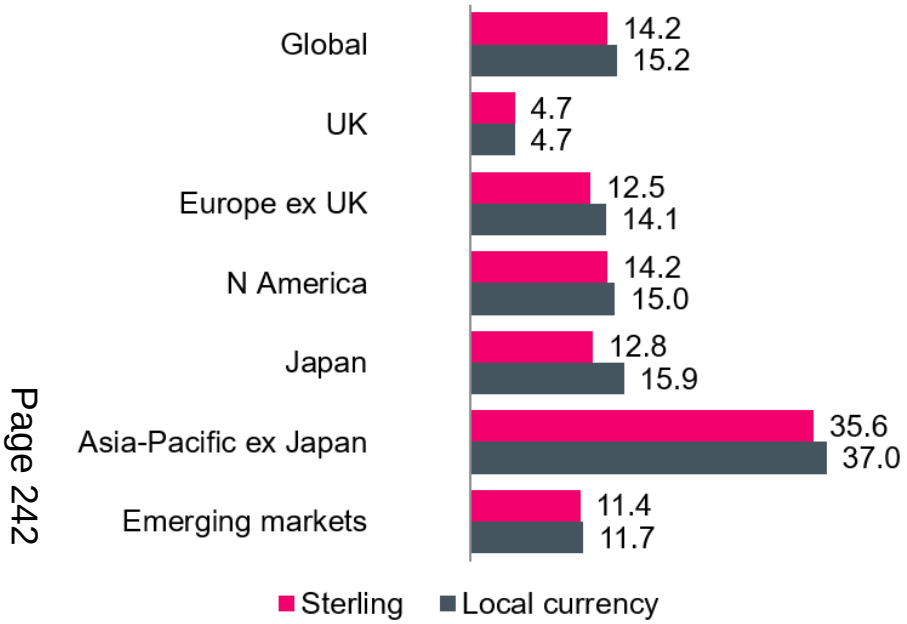
Historical returns for world markets



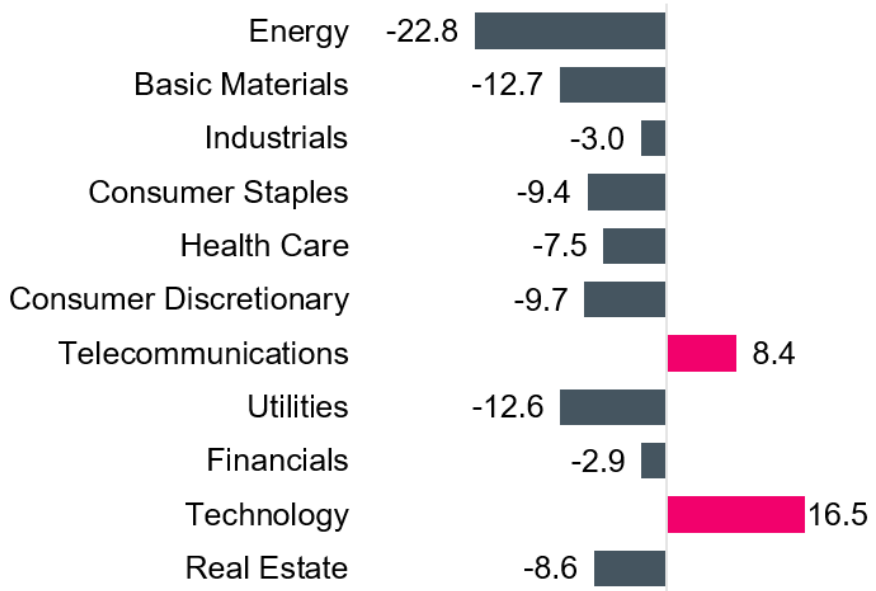
Data source: LSEG DataStream. Returns shown in Sterling terms. Indices shown (from left to right) are: FTSE All World, FTSE All Share, FTSE AW Developed Europe ex-UK, FTSE North America, FTSE Japan, FTSE AW Developed Asia Pacific ex-Japan, FTSE Emerging, FTSE Fixed Gilts All Stocks, FTSE Index-Linked Gilts All Maturities, iBoxx Corporates All Investment Grade All Maturities, Bloomberg Global Aggregate Treasuries Index, MSCI UK Monthly Property; UK SONIA.

Market Background

Regional equity returns [1]



Global equity sector returns [2]



Market commentary

Global equities returned 15.2% in Q2, supported by strong earnings growth, increased AI-related investment and easing geopolitical tensions. The Technology sector led performance, causing growth to outperform value. All sectors had positive returns, except energy, which fell 11.9% amid oil-price declines.

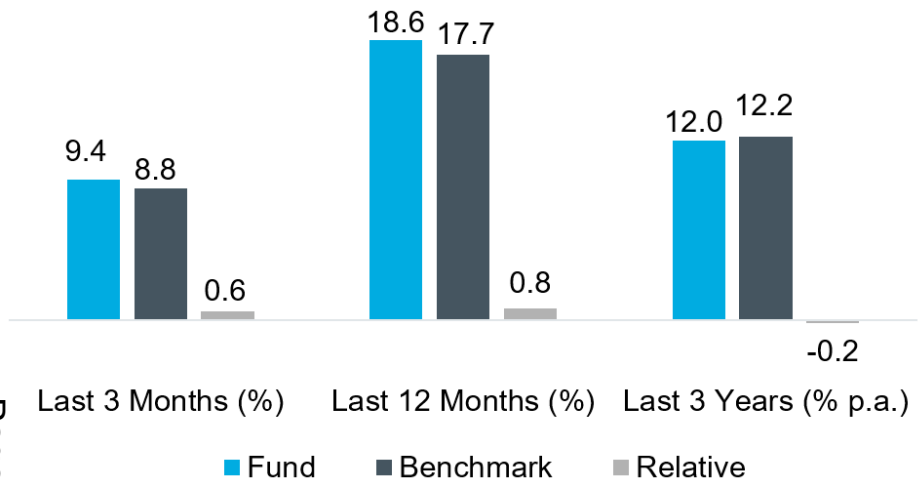
Exposure to AI drove regional performance, particularly in Developed Asia Pacific ex Japan. The region returned 37%, led by Korean memory-chip manufacturers. Accordingly, emerging-market indices that include Korea returned 24%, while those excluding it gained 12%. US equities underperformed, reflecting some sector rotation. US Technology stocks trailed their peers, as investors want proof of AI investment generating higher future earnings. Europe lagged on lower tech exposure, while energy-sector underperformance impacted the UK.

Brent crude oil fell 38.4% to pre-conflict levels of $72 per barrel. Gold declined 12.7%, as some investors sold it to manage liquidity. Much of gold's decline occurred in June, as US economic data reinforced a 'higher-for-longer' environment, reducing non-yielding assets' appeal.

The MSCI UK Property Total Return Index rose 1.2%. It was supported by income alone, as quarterly capital growth was negative for the first time in two years due to industrial-sector declines.

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

	Actual	Long-Term Target	Relative
Growth	60.8%	47.5%	13.3%
Income	17.6%	32.5%	-14.9%
Protection	18.4%	20.0%	-1.6%
Cash	3.2%	0.0%	3.2%

Key points to note:

- The Fund delivered a positive return in Q2 2026, with assets increasing from £1,483.2m to £1,621.4m over the quarter.
- Global equities were the main driver of returns over the quarter. The L&G Future World Global Equity Index Fund made the largest contribution to performance, while the LCIV Emerging Markets fund delivered the strongest returns. Infrastructure, property and private debt also generated modest positive returns, while the LCIV Ruffer Multi Asset fund was the only notable detractor.
- On a relative basis, the Fund outperformed its benchmark by 0.6% over the quarter, outperformed by 0.8% over 12 months, and underperformed by 0.2% p.a. over three years.
- The long-term strategic targets reflect the outcome of the latest strategy review, including new allocations to natural capital and private equity.
- The Fund continued to implement the agreed strategy during the quarter, with further details provided on page 8.

*Source: Northern Trust.*At the time of writing, the Fund's Q2 2026 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	Long-Term Target	+ / -
	Q1 26	Q2 26			
L&G Global Equity	180.8	207.8	12.8%	37.0%	10.5%
L&G Future World Global Equity Index Fund	446.7	514.2	31.7%		
Blackrock Acs World Low Crbn	41.5	47.9	3.0%		
L&G UK Equity	101.7	106.4	6.6%	5.0%	1.6%
LCIV Emerging Markets	83.6	108.3	6.7%	3.0%	3.7%
Capital Dynamics Private Equity	1.2	1.2	0.1%	2.5%	-2.4%
Private Equity (New Allocation)	0.0	0.0	0.0%		
Total Growth	**855.5**	**985.8**	**60.8%**	**47.50%**	**13.3%**
LCIV Baillie Gifford Multi Asset	2.2	0.0	0.0%	5.0%	1.3%
LCIV Ruffer Multi Asset	103.5	102.1	6.3%		
Alinda Infrastructure	15.0	14.5	0.9%	10.0%	-5.3%
Capital Dynamics Infrastructure	0.6	0.5	0.0%		
LCIV Infrastructure	60.7	61.8	3.8%		

Note: The long-term target allocations reflect the 2025/26 investment strategy review and include new allocations to natural capital and private equity. It is expected that these new allocations will be built up through investments with the London CIV.

The current overweight to growth and cash, and underweight to income assets, reflects the temporary positioning of the blended fund earmarked for future investment in income assets while private market allocations are built up. This is expected to unwind over time as capital is deployed and the allocations move towards their longer-term targets.

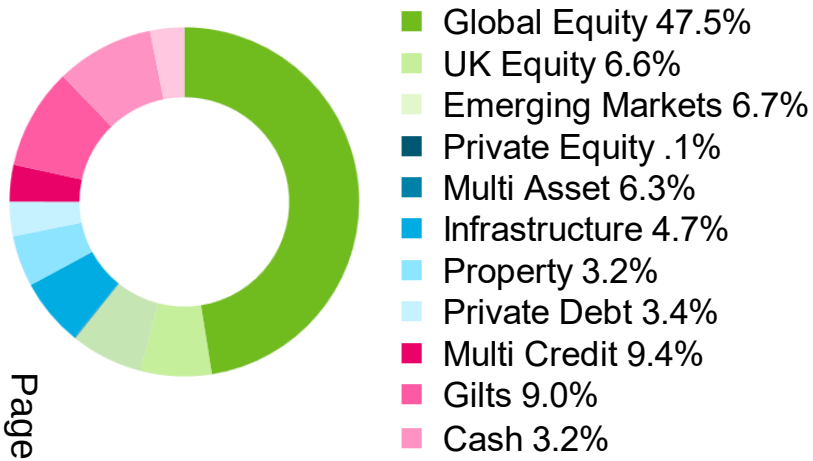
 Source: Northern Trust.

Asset allocation

	Valuation (£m)		Actual Proportion	Long-Term Target	+ / -
	Q1 26	Q2 26			
Fidelity UK Real Estate	14.8	14.8	0.9%	10.0%	-6.8%
UBS Triton Property	11.4	11.4	0.7%		
LCIV UK Housing Fund	21.3	25.5	1.6%		
LCIV Private Debt	44.7	44.6	2.7%	5.0%	-1.6%
LCIV Private Debt II	11.1	10.7	0.7%		
Natural Capital (New Allocation)	0.0	0.0	0.0%	2.5%	-2.5%
Total Income	**285.3**	**285.9**	**17.6%**	**32.5%**	**-14.9%**
LCIV MAC	144.2	151.9	9.4%	10.0%	-0.6%
BlackRock UK Gilts Over 15 yrs	143.3	146.6	9.0%	10.0%	-1.0%
Total Protection	**287.6**	**298.5**	**18.4%**	**20.0%**	**-1.6%**
Cash	54.8	51.2	3.2%	0.0%	3.2%
Total Scheme	**1,483.2**	**1,621.4**	**100.0%**	**100.0%**	**-**

7 *Source: Northern Trust.*

Asset class exposures*



Asset allocation commentary

The Fund's current target allocations are as follows:

Long-term: Growth – 47.5%; Income/Diversifiers – 32.5%; Protection – 20%

Strategy review

Strategic targets were updated following the strategy review to reflect agreed changes, including the introduction of 2.5% allocations to natural capital and private equity.

The remaining Baillie Gifford multi-asset holding was redeemed during the quarter and cash holdings reduced significantly. The Fund also made a further investment in the LCIV UK Housing Fund as implementation of the agreed strategy continued.

 *Source: Northern Trust. *Total may not round to 100% due to rounding.*

Manager performance

	Last 3 Months (%)			Last 12 Months (%)			Last 3 Years (% p.a.)		
	Fund	B'mark	+ / -	Fund	B'mark	+ / -	Fund	B'mark	+ / -
L&G Global Equity	14.9	15.0	**0.0**	28.3	28.4	**-0.1**	18.6	18.9	**-0.2**
L&G Future World Global Equity Index Fund	15.1	15.0	**0.1**	-	-	**-**	-	-	**-**
Blackrock Acs World Low Crbn	15.4	15.9	**-0.4**	23.7	23.3	**0.3**	17.6	17.2	**0.4**
L&G UK Equity	4.7	4.7	**0.0**	21.9	21.9	**0.0**	15.3	15.3	**0.0**
LCIV Emerging Markets	29.6	23.3	**5.2**	66.1	48.2	**12.1**	22.0	21.3	**0.6**
Growth									
LCIV Ruffer Multi Asset	-1.3	1.4	**-2.7**	4.7	5.9	**-1.1**	3.3	6.6	**-3.1**
Alinda Infrastructure	-3.1	1.6	**-4.6**	2.0	4.6	**-2.4**	8.2	4.7	**3.4**
Capital Dynamics Infrastructure	-9.0	1.6	**-10.4**	-8.2	4.6	**-12.3**	-6.7	4.7	**-10.9**
LCIV Infrastructure	2.2	1.6	**0.6**	6.0	4.6	**1.3**	7.3	4.7	**2.5**

 Source: Fund & Benchmark performance provided by Northern Trust and investment managers. Fund return is net of fees.

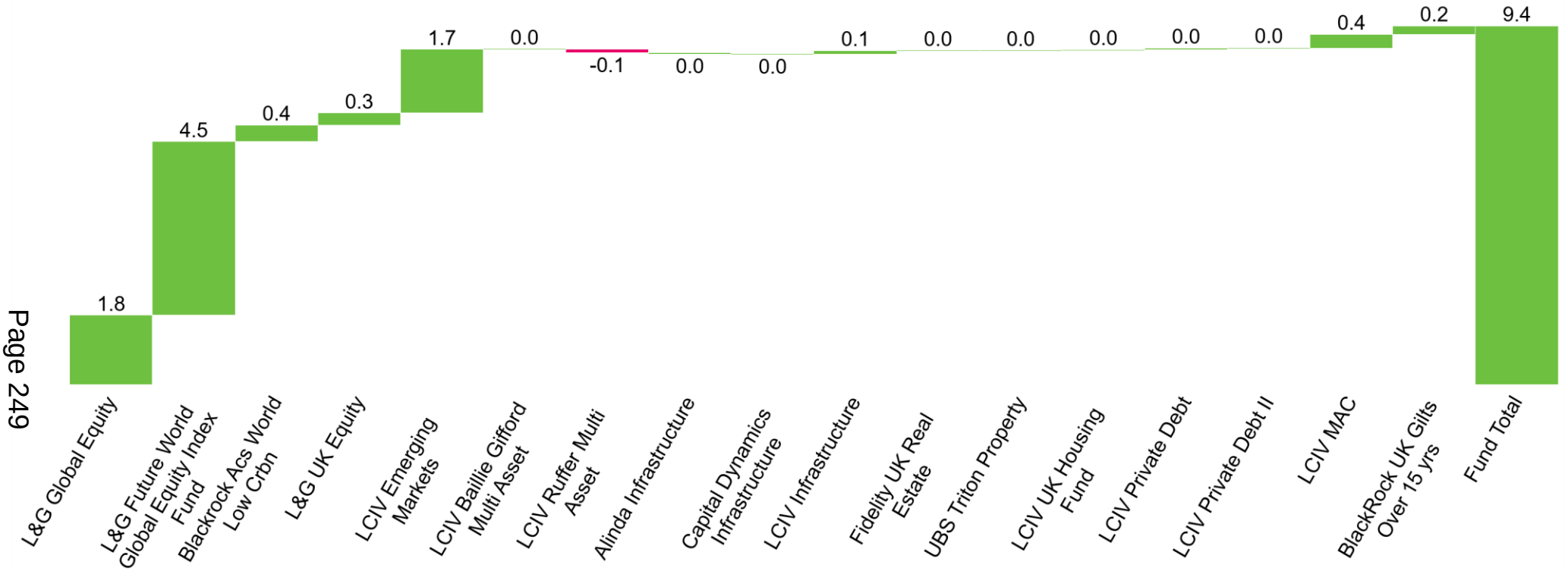
Manager performance

	Last 3 Months (%)			Last 12 Months (%)			Last 3 Years (% p.a.)		
	Fund	B'mark	+ / -	Fund	B'mark	+ / -	Fund	B'mark	+ / -
Fidelity UK Real Estate	0.5	0.5	**0.0**	-1.3	3.3	**-4.5**	2.5	3.3	**-0.8**
UBS Triton Property	0.6	0.5	**0.1**	3.6	3.3	**0.3**	2.6	3.3	**-0.7**
LCIV UK Housing Fund	1.2	1.5	**-0.2**	1.9	6.0	**-3.9**	-	-	**-**
LCIV Private Debt	1.4	1.5	**0.0**	4.8	6.0	**-1.1**	8.4	6.0	**2.3**
LCIV Private Debt II	0.0	1.5	**-1.4**	0.0	6.0	**-5.7**	-	-	**-**
Income									
LCIV MAC	3.7	1.4	**2.3**	7.2	6.0	**1.1**	9.0	6.8	**2.1**
BlackRock UK Gilts Over 15 yrs	2.3	2.3	**0.0**	1.0	1.3	**-0.3**	-0.8	-0.6	**-0.1**
Protection									
Total Scheme	9.4	8.8	**0.6**	18.6	17.7	**0.8**	12.0	12.2	**-0.2**

Note: Performance from Capital Dynamics' private equity allocation is not shown and has been excluded from the total performance calculations.

 Source: Fund & Benchmark performance provided by Northern Trust and investment managers. Fund return is net of fees.

Fund performance by manager



Strong returns from the Fund's equity investments were the main driver of performance over the quarter. The L&G Future World Global Equity Index Fund made the largest contribution, with further support from the LCIV Emerging Markets fund and the Fund's other equity holdings.

Elsewhere, returns from infrastructure, property and private debt were broadly positive, while the LCIV Ruffer Multi Asset fund was the only notable detractor.

Overall, gains across most asset classes resulted in a total scheme return of 9.4% over the three-month period.

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 quarterly performance shown on page 10 of this report.*

Current issues in LGPS – July 2026 edition

The long-awaited appearance of the Fit for the Future guidance dominated LGPS headlines late last month. On wider issues, we discuss the impact of AI and how to close the gender pensions gap. Plus, a briefing about the lesser-known SCAPE rate!

Please see excerpts below from our latest edition or download the full publication.

Guiding us into a fitter future - With the Fit for the Future reforms embedded within the Pension Schemes Act 2026, the government has now published statutory guidance to support implementation by LGPS funds in England and Wales.

Spotlight on valuations - Fresh valuation results have been published for the Teachers', Civil Service and NHS pension schemes, while Scottish LGPS funds are stepping up preparations for the 2026 valuation cycle.

No escape from the scape rate! - On 19 May 2026, HM Treasury announced a change in the SCAPE discount rate to CPI + 2.0% pa (an increase from CPI + 1.7% pa). Whilst the SCAPE rate is primarily used to carry out the valuations of unfunded public service pension schemes, it also affects the administration factors used by LGPS funds. The SCAPE rate also feeds into the LGPS cost control mechanisms.

Addressing the gender pensions gap - Closing the gender pensions gap in the LGPS requires action well before retirement with actions such as improving engagement and increasing financial confidence being critical. Our blog recommends reframing pensions within wider financial wellbeing, using data to identify at-risk groups, targeting key life events, tailoring communications by life stage and getting employers on board to help with communication. The result? Practical, personalised support to help improve decisions and reduce long-term inequality.

Spotlight on investments:

1. **AI – three areas to focus on** - The march of AI is daily news, with its potential to do good frequently weighed against concerns about the future. For asset owners, there are three contexts in which AI is relevant. The first is investment decision-making, the second is responsible investing and the last is longevity. Our latest thought piece explores each of these angles.
2. **Capital markets update** - Global markets fared well in the second quarter, buoyed by strong earnings growth, particularly among major technology companies. The FTSE All World Index rose 15.2%, and credit spreads tightened too. Our latest update reviews the big themes driving markets over Q2 and sets out our views for each asset class.
3. **SpaceX: to infinity and beyond control** - Our latest Sustainability Snippets delves into SpaceX's IPO. Listed on the Nasdaq stock exchange with a dual-class share structure, there are two headlines for investors: shareholder influence is limited, and it'll be entering the benchmark for some passive funds. We also explore The Pension Regulator's AI guidance and consider 'social risk'.

 Source: Hymans Robertson

Manager benchmarks and performance targets

Mandate	Date appointed	Benchmark description
L&G Global Equity	31/10/2010	FTSE All World Developed ex UK
L&G UK Equity	12/06/2012	FTSE All Share
L&G 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.
Arinda 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

13 *Source: Investment Managers.*

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.
- **Indirect –** Access an 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 of risk based on ‘ups and downs’ of stock/portfolio over a period of time.

Growth, Income and Protection

Principle Objectives

Pay member benefits. Build a resilient funding position.

Growth	Income	Protection
Assets that deliver a return in excess of the liabilities by generating real returns, typically through capital gains.	Assets that can provide contractual or secure returns in the form of income.	Assets that move in line with the liabilities and are used to hedge interest rate and inflation risks.
Equities, Private Equity	Property, Infrastructure, Private debt, High yielding bonds	Government bonds, Investment Grade corporate bonds Low risk absolute return bonds

Geometric vs arithmetic performance

Hymans Robertson is among the investment professionals that calculate relative performance using a geometric approach, as outlined below:

$$\frac{(1 + \text{Fund Performance})}{(1 + \text{Benchmark Performance})} - 1$$

Some industry practitioners use the simpler arithmetic approach, calculated as follows:

$$\text{Fund Performance} - \text{Benchmark Performance}$$

The geometric return is generally considered a better measure of investment performance when compared to the arithmetic return as it accounts for the impact of compounding and the volatility of returns over time.

The difference between the arithmetic mean return and the geometric mean return widens as the volatility increases.

Risk warning

This report is provided to the Pensions Committee 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.

The report should not be released or otherwise disclosed to any third party except as required by law or regulatory obligation or without our prior written consent. We accept no liability where the report is used by, or released or otherwise disclosed to, a third party unless we have expressly accepted such liability in writing. Where this is permitted, the report may only be released or otherwise disclosed in a complete form which fully discloses our advice and the basis on which it is given.

Please note the value of investments, and income from them, may fall as well as rise. This includes equities, government or corporate bonds, and property, whether held directly or in a pooled or collective investment vehicle. Further, investment in developing or emerging markets may be more volatile and less marketable than in mature markets. Exchange rates may also affect the value of an investment. As a result, an investor may not get back the amount originally invested. Past performance is not necessarily a guide to future performance.

In some cases, we have commercial business arrangements/agreements with clients within the financial sector where we provide services. These services are entirely separate from any advice that we may provide in recommending products to our advisory clients. Our recommendations are provided as a result of clients' needs and based upon our independent research. Where there is a perceived or potential conflict, alternative recommendations can be made available.

Hymans Robertson LLP has relied upon third party sources and all copyright and other rights are reserved by such third-party sources as follows: LSEG DataStream data: © LSEG DataStream; Fund Manager data: Fund Manager; Morgan Stanley Capital International data: © and database right Morgan Stanley Capital International and its licensors 2026. All rights reserved. MSCI has no liability to any person for any losses, damages, costs or expenses suffered as a result of any use or reliance on any of the information which may be attributed to it; Hymans Robertson data: © Hymans Robertson. Whilst every effort has been made to ensure the accuracy of such estimates or data - including third party data - we cannot accept responsibility for any loss arising from their use. © Hymans Robertson LLP 2026.

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

Brent Pension Fund

Pension Committee meeting

7th October 2026

London CIV
Working together to deliver sustainable prosperity for the communities that count on us all



Agenda

1. Fit For Future: Progress in meeting the deadline
2. Working together with Brent
3. Governance and Engagement: Present State
4. Responsible Investment update
5. Local Investment update
6. Appendix

Fit For Future: Progress in meeting the deadline

London CIV

Working **together** to deliver sustainable prosperity for the communities that count on us all

Progress with meeting the Government deadline

1. Final statutory guidance completing the legislative process of the Pensions Bill 2026 for the LGPS issued on 29th June 2026 by MHCLG. Deadline for compliance with the Bill and transferring all assets into the Pool management is 30th September 2026.

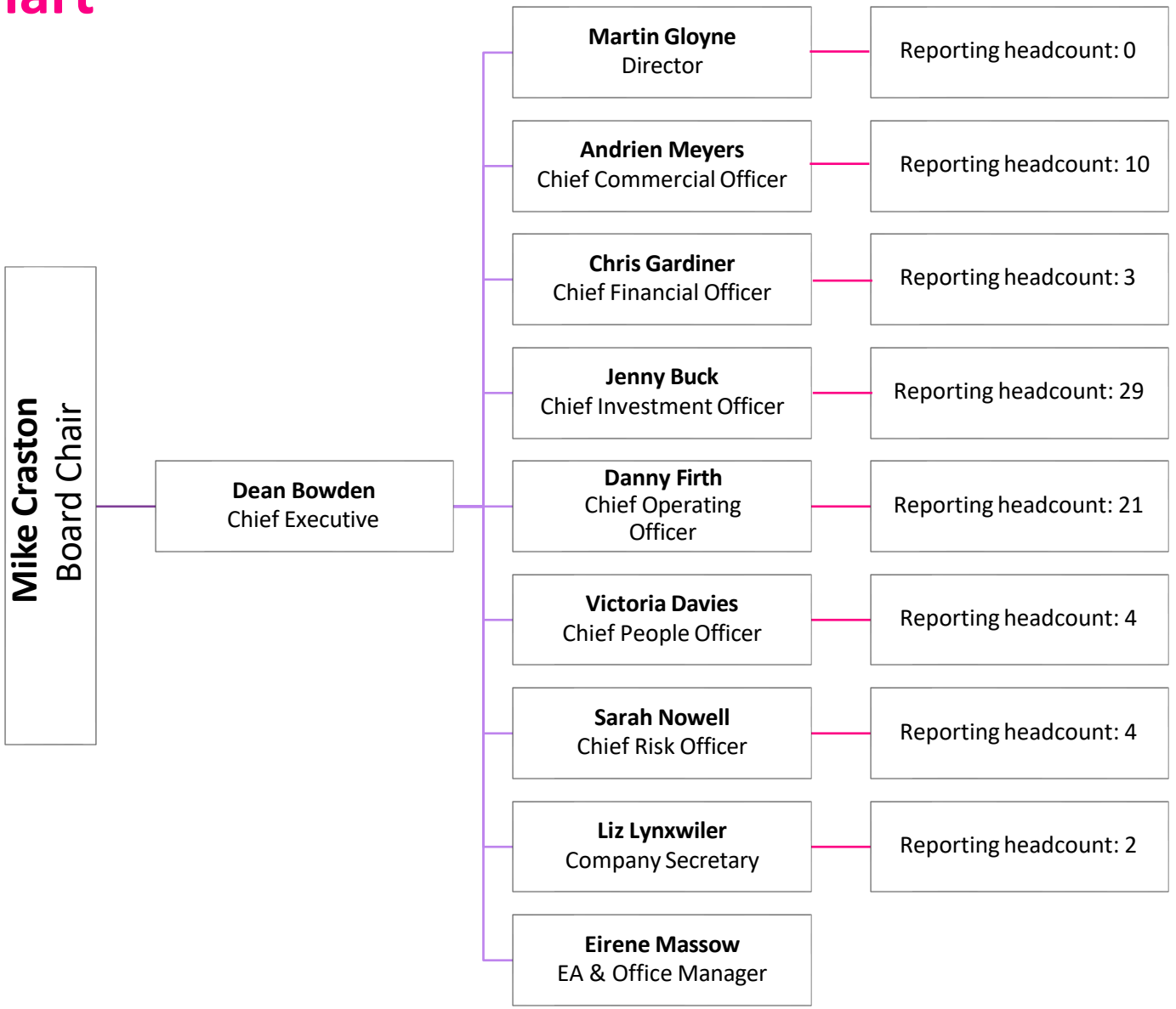
2. Investment Management Agreement (IMA) and Service Level Description (SLD; to include Dispute resolution) documents agreed with Officers as a collective to ensure a uniform approach. 26 IMA's now signed (as at 22nd September 2026) i.e. circa 93% of circa £65bn under pool management. Majority of remaining IMAs expected by end of September.

3.
- Alongside the IMA process, London CIV now supports all Partner Funds with their new Investment Strategy Statement (ISS) requirements, which were introduced under the LGPS Regulations 2026. Three Partner Funds in scope.
- SAA function has been up and running for almost a year; with two Partner Funds using the service.

4. Reporting to the June-September 2026 period will be provided for all IMAs signed by 31 August 2026.

Organisation Chart

September 2026



Working together with Brent

London CIV

Working **together** to deliver sustainable prosperity
for the communities that count on us all

Working together with Brent - Maintaining high levels of engagement and collaboration

1. Brent Pension Fund (BPF) signed the IMA on 11th June 2026.

2.
- London CIV provided an Implementation Plan (27th August 2026)
- Per the agreed Implementation Plan, London CIV has engaged with BPF Officers to implement trades on their behalf

3. London CIV has reviewed the Fund's 2026 Investment Strategy Statement (ISS) and provided advice in accordance with Regs 2026 (24th September 2026).

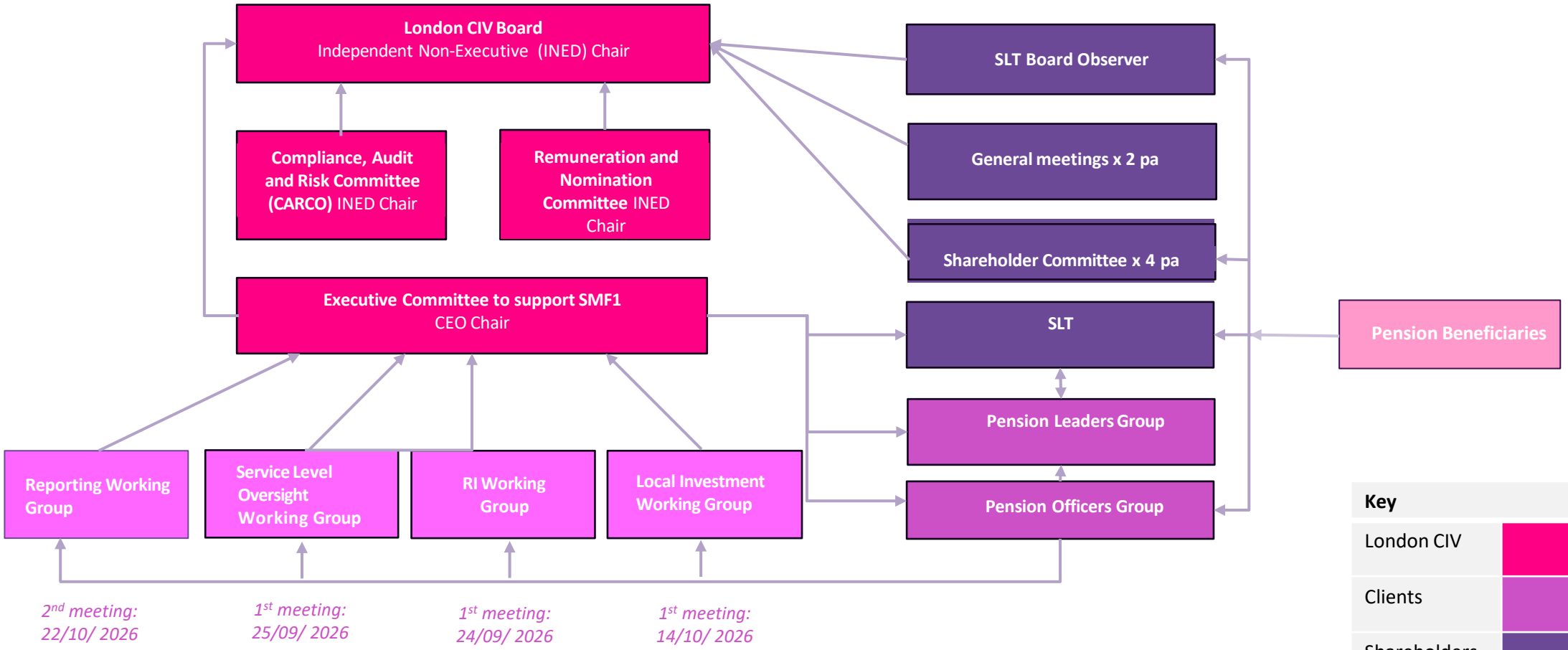
4. Reporting to the June-September 2026 period will be provided end of November 2026

Governance and Engagement: Present State

London CIV

Working **together** to deliver sustainable prosperity for the communities that count on us all

Partner Fund and Shareholder Touchpoints / Escalations



Governance and Engagement: Present State

- Pools to have appropriate governance model for an FCA regulated entity – LCIV Board and committees, and ExCo supporting SMF1.
- Shareholder engagement to be at appropriate level – 2 x GMs, 4 x Shareholder committees and Shareholder-representative non-executive directors (“NEDs“) and SLT Board Observer.
- Member input – Union representation as member of Shareholder Committee.
- SRO engagement and input essential – SLT, PLG, Pension Officer Group, and LCIV Working Groups (RI, Service Level Oversight, Reporting and Local), in addition to regular interactions.
- London CIV at all Pension Committee meetings.

Responsible Investment update

London CIV

Working **together** to deliver sustainable prosperity for the communities that count on us all

Responsible Investment update

- Administering authorities are responsible for setting their Responsible Investment Strategy.
- Guidance provides that RI strategies should not contain direction for divestment from individual countries, sectors and companies.
- Minister letter to SAB states that decisions on boycotts, divestment, and sanctions belong exclusively to UK foreign policy, not local authorities.
- In consultation with Partner Funds, the Exclusions Matrix was designed to meet the requirements of Government and Partner Funds.

Exclusions Matrix

Requirements

Guidance confirmed that Pools should work with Partner Funds to identify common approaches to RI. However, Government recognises that there are differing views and that Pools may provide a limited range of options.

LCIV exclusions Matrix

- Following the Government's recent announcement relating to defence and sanctions, several additional considerations have emerged which may have implications for aspects of the Matrix framework.
  We have sought further clarification from MHCLG to better understand any potential impact and have been advised that a response is expected within the coming weeks.
- The Working Group meeting will therefore provide an opportunity both to review the Matrix itself and to discuss the Government's announcement, any implications arising from it, and how best to progress the work in light of any further guidance received.
- Next steps, assuming approval, are to ascertain the demand for solutions to populate different cells of the Matrix.
- First product delivery likely to be a Pillar 3 version of the LCIV PEPPA and Core Global Equity Funds in Q1 2027.

	Pillar 1	Pillar 2	Pillar 3
Exclusions / Restrictions	**Controversial weapons** Includes incendiary weapons, cluster munitions, anti-personnel mines, biological and chemical weapons, blinding laser weapons and depleted uranium weapons (0% revenue exclusion)	**Restrictions from Pillar 1**	**Restrictions from Pillar 2**
	Non-conventional fossil fuel extraction 5% revenue exclusion	**Controversial areas** Includes adult entertainment, gambling, tobacco, and predatory lending (5% revenue exclusion threshold on each sector)	**Weapons** 5% revenue exclusion
		Companies breaching global norms and human rights standards	**Companies officially listed by the UN as breaching human rights / international law in conflict zones**

Local Investment update

London CIV

Working **together** to deliver sustainable prosperity
for the communities that count on us all

Local Requirements : What the Guidance Says

- Each administering authority (AA) is responsible for setting a target range to be invested locally. Allocation to include a target and range.

- Local means in or for the benefit of the region of the AA, or its pool.

- Local investment is not an asset class but may include investment in a range of assets classes including property, infrastructure, private equity and private debt. Investment in public investments are not likely to be considered local.

Plans should be captured in an AAs ISS and:

- Must take account of Local Growth Plans
- May indicate that they will accept lower returns for local investments than for the rest of their portfolio
- Should set out their preferences for the local area and region and sectors they wish the pool to target

- Local investments should have measurable beneficial impact and should be reported on annually.

Greatest Potential Sectors
Housing
Regeneration
Infrastructure
Clean Energy
Small and Medium Enterprise Finance
Natural Capital

Appendix

Our monitoring and oversight framework

- London CIV carries out regular monitoring and challenge of investment managers.
- Where concerns arise, London CIV can increase monitoring, challenge the manager more formally, require remedial action, or consider changes where appropriate.

Skill proposition: overall rating
Resourcing
Investment process
Responsible Investment & Engagement
Risk Management
Strategy execution
Business management

Value proposition: rating
Performance
Fees

Executive Investment Committee (EIC)

Purpose

- Support the ExCo in the management of investment activity as part of the Company's operational arrangements
- Monitor the Public and Private markets fund performance
- Monitor external investment manager performance.
- Monitor the implementation and performance against the Board-approved climate and stewardship items
- Monitor relevant investment risks

Responsibilities

- Investment Products and Services
- Investment Manager Performance and Monitoring
- Responsible Investment (RI) and Stewardship
- Investment Risk and Compliance

Quarterly Performance Report (QPR)

Please refer to the supplementary document ‘LCIV QPR_Updated as at 020626’

Risk Disclosures (i)

Equity risk
Investing in equity securities may offer a higher rate of return than those investing in short term and longer-term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might suddenly and substantially decrease in value as a result of changes in a company's financial position and overall market and economic.

Market risk
The market price of securities owned by a fund may go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, adverse changes to credit markets or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset classes may decline in value simultaneously.

Fixed Interest Securities
Fixed interest securities are particularly affected by trends in interest rates, inflation and market risk premium. If interest rates increase, capital values may fall and the amount of income paid may decrease and vice versa, such falls may be more pronounced in a low nominal interest rate environment. Inflation will erode the real value of capital. In addition, companies, particularly in emerging markets, may not be able to honour repayment on bonds they issue resulting in default. If perceived default risk or market risk increases, this may result in a larger risk premium.

Alternative assets
A Sub-fund may invest directly into alternative asset classes such as hedge funds and insurance-linked bonds or, through specific investment vehicles, into property, infrastructure, private (unlisted) companies and commodities. Returns from these investments are sensitive to various factors which may include interest and exchange rates, economic growth prospects and inflation, the occurrence of natural disasters, and the cost and availability of gearing (debt finance). Where a Sub-fund invests directly or indirectly in alternative asset classes there may be an increased risk of volatility in the price of that Sub-fund depending on the structure and investment policy of that Sub-fund.

Risk Disclosures (ii)

Inducements

In the provision of investment services to Partner Funds, London CIV may occasionally provide, accept or retain certain minor non-monetary benefits to or from third parties, including investment service providers who currently provide or may bid to provide investment services to London CIV. These may give rise to potential conflicts of interest where such minor non-monetary benefits could impair London CIV's obligations to act in the best interests of Partner Funds. Minor non-monetary benefits include business conferences offering hospitality, transport and accommodation, or day to day business meetings providing food and drinks.

To minimise the risk of conflicts, London CIV has adopted a Gifts and Entertainment Policy which is designed to ensure that any minor non-monetary benefits meet regulatory obligations, enhance the services provided and do not impair London CIV's ability to act in the best interests of Partner Funds. As such, the Gifts and Entertainment Policy set restrictions on the monetary values of minor non-monetary benefits to ensure that these are proportionate and reasonable.

London CIV may also host events such as conferences which may be sponsored by investment service providers. This sponsorship could create potential conflicts of interest, such as preferential treatment in the selection of investment managers or in the marketing of London CIV funds managed by conference sponsors. Arrangements have been put in place to ensure that such events are delivered for the sole benefit of Partner Funds and that no preferential treatment is given to any sponsor. Information about any such events and sponsorship is disclosed to Partner Funds during regular communications such as the London CIV's Monthly Business Updates and Newsletters.

Disclaimer

Other important information

London CIV Fourth Floor, 22 Lavington Steet, London, SE1 0NZ
Issued by London CIV Limited, which is authorised and regulated by the Financial Conduct Authority number 710618. London CIV is the trading name of London LGPS CIV Limited. This material is for limited distribution and is issued by London CIV and no other person should rely upon the information contained within it.

London LGPS CIV Limited offers the investment services of investment advice in relation to particular financial instruments, investment management of alternative investment funds, investment management of segregated client accounts, and ancillary services . Any other service provided is not regulated by the Financial Conduct Authority and therefore will not be subject to the protection and standards required for regulated services.
The information provided may include recommendations which are one-off communications limited to London CIV's products, services and strategies and are not intended to constitute, and should not be construed as a commitment, agreement, or duty by London CIV, to provide regular reviews of the client's portfolio or any other type of investment advice of ongoing nature as defined by MIFIDPRU 4.7. For ongoing investment advice, please consult your regular investment adviser.

This document is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution would be unlawful under the laws governing the offer of units in the collective investment undertakings. Any distribution, by whatever means, of this document and related material to persons who are not eligible under the relevant laws governing the offer of units in collective investment undertakings is strictly prohibited.
Any research or information in this document has been undertaken and may have been acted on by London CIV for its own purpose. The result of such research and information are being made available only incidentally. The data used may be derived from various sources, and assumed to be correct and reliable, but it has not been independently verified; its accuracy and completeness is not guaranteed, and no liability is assumed for any direct or consequential losses arising from its use.

No part of this material may be produced, reproduced, stored in retrieval system, published on any websites or transmitted in any form or by any means, electronic, mechanical, recording or otherwise, without the prior written consent of London CIV.

London LGPS CIV Limited is a private limited company, registered in England and Wales, registered number 9136445.

Thank-you



This page is intentionally left blank

TEMPLATE ONLY SLIDE

For illustrative purposes only

Quarterly Performance Report

Period ending December 2025

XX XXXXX 2026

London CIV | Working **together** to deliver sustainable prosperity for the communities that count on us all

www.londonciv.org.uk



TEMPLATE ONLY SLIDE

Contents

For illustrative purposes only

Executive Summary	**02**
Markets Update	**05**
Portfolio Statement and Asset Class Allocation	**11**
ISS Implementation Plan Update	**14**
Investment Performance	**16**
Portfolio Update	**19**
Responsible Investment	**28**
Appendices	30

Past performance is not a reliable indicator of future results. Returns are shown net of investment management fees



TEMPLATE ONLY SLIDE

For illustrative purposes only

Executive Summary

Executive Summary

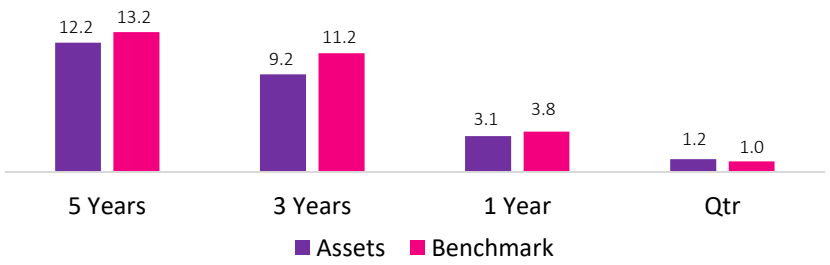
Investment Performance

Objective

3.4% ▼

The portfolio returned +3.4% to end December 2025 compared to the strategic asset allocation expected return of 6.7%

Performance

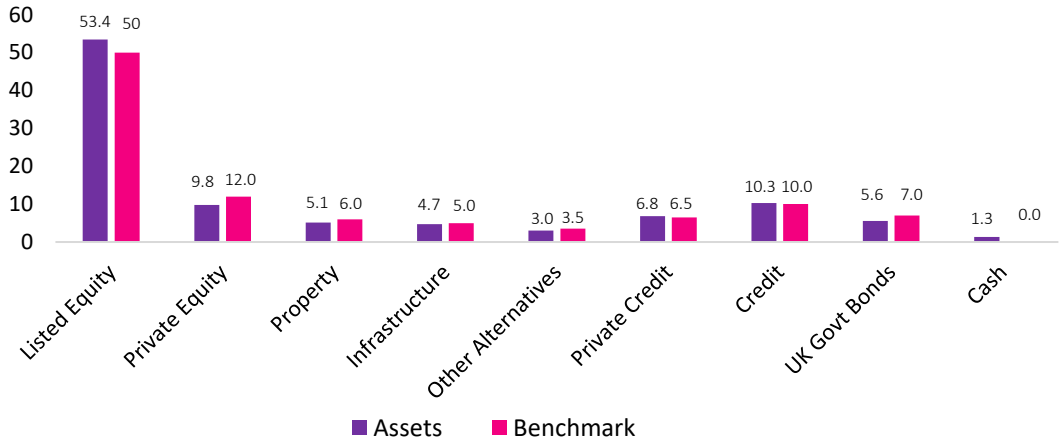


Over the quarter the Fund's absolute performance was positive (+1.2%), resulting in £36m gain, primarily driven by a rise in global equity markets, which saw the MSCI ACWI generate a return of 2.0% in sterling terms. The Fund's outperformance is due to the outperformance of the equity component of the fund, with the LCIV Global Alpha Growth and the Blackrock Global Equity outperforming their respective benchmarks.

Strategic Positioning

£1,170m ▲

Assets increased by £36m (3.2%) from **£1,134m** over the quarter



As at quarter end, the Fund is underweighted to Private Equity, which is compensated with an overweight to Listed Equity. Commitments to private debt, global private equity and infrastructure were made on 1 June. This should ensure the allocation to those asset classes gets closer to target over the medium term.

TEMPLATE ONLY SLIDE

Executive Summary *(continued)*

For illustrative purposes only

Over the quarter the key themes were continued strength in equities, a depreciation in the US $ and growing expectation of interest rate cuts in 2026. Geopolitics also continues to create "noise" but the TACO (Trump always chickens out) seems to be a theme that markets have bought into.

- Withina assets classes the common theme of the quarter and year is dispersion of returns. The market is distinguishing between styles, sectors and those investments that are perceived to have enduring revenue growth prospects.
- The LB of XXX portfolio had portfolio value of £1.17bn at the quarter end of which 53% is invested in global equities.
- The Scheme's Strategic Asset Allocation plan for the latest triennial valuation was agreed during the quarter and steps have already been taken to implement this with £15m being invested into UK gilts. This money came from the equity allocation.
- Over the last 3 and 5 years the portfolio has provide returns of 9.2% an 12.6% respectively which are higher than the return target of 6.7%. However, over the last 12 months the Scheme has only returned 3.4%. This can be attributed to the Equities book and also the under-performance of the private markets as a whole.
- London CIV's key activity over the quarter has been working on the RI Matrix solution with Partner Funds and engagement. Positive engagement has included Nestle's Plastic reduction and a major technology firm revising its client take on due diligence with respect to human rights. A "thought" piece on flooding has also been included which emphasises a shift in insurers about how are companies and insures able to demonstrate resilience and adaptation to flooding.
- Looking ahead, the key initiatives that will be worked upon are:
    - The continued implementation of the SAA Allocation plan;
    - A deep dive into the JP Morgan Infrastructure Fund; and
    - Working with you to fine tune your Local Allocation particular in the context of your existing exposure



TEMPLATE ONLY SLIDE

For illustrative purposes only

Markets Update

Markets Update
Macro

For illustrative purposes only

The final quarter of 2025 unfolded against a backdrop of persistent geopolitical strain and ongoing policy uncertainty.

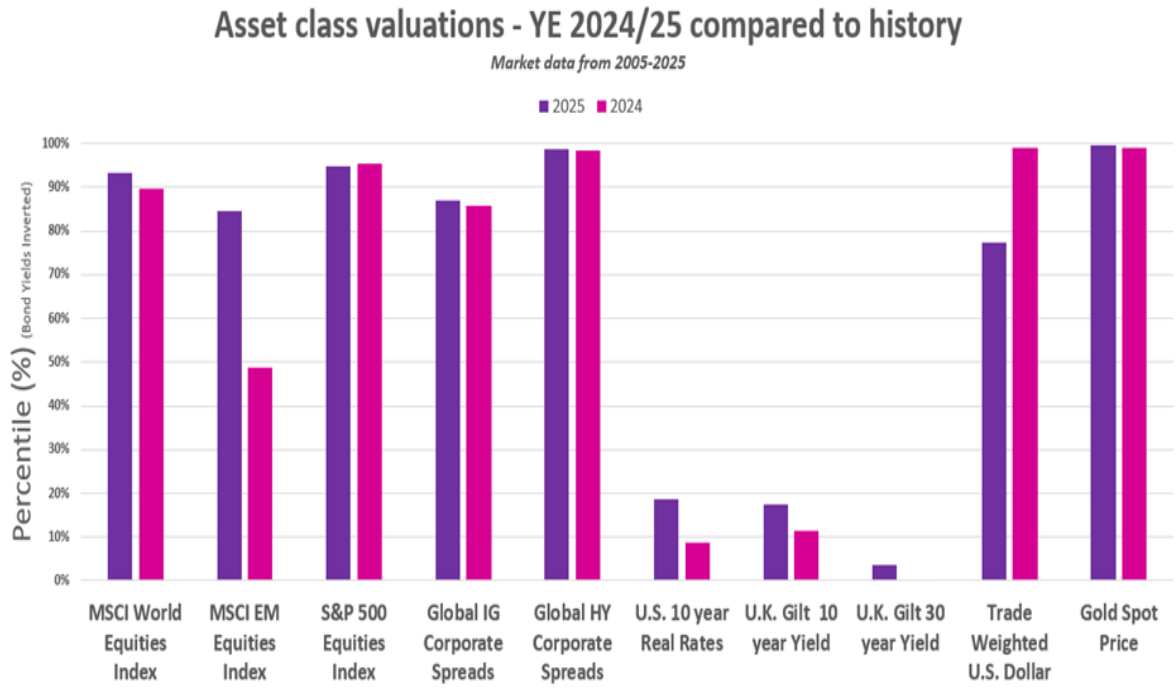
Hopes for diplomatic progress faded as the conflict in Ukraine remained unresolved and external tensions deepened, while developments in the Middle East added fresh concerns over broader regional instability.

These geopolitical pressures—combined with shifting global trade dynamics, evolving central bank policy, and mounting government debt and deficit worries—ranked among investors' leading anxieties throughout the year.

Yet despite this challenging environment, financial markets remained relatively composed compared with earlier periods, as investors grew increasingly accustomed to navigating these key risks.

As shown in the chart below market valuations for risk assets such as equities ended the year at elevated levels relative to history, with many risk-asset classes trading near the top of their valuation ranges over the past two decades.

By contrast, bond yields closed 2025 at comparatively high levels versus their long-term history, resulting in much lower valuations across fixed income rates markets.



Source: MSCI, S&P, Bloomberg. 31/12/2025.
Equities - Bloomberg Earnings Yield - a high percentile indicates a relatively low earning yield compared to history. Spreads - a high percentile indicates relatively low spreads compared to history. Yields/Rates - a low percentile indicates a relatively high yield compared to histord

TEMPLATE ONLY SLIDE

For illustrative purposes only

Markets Update *(continued)*
Macro

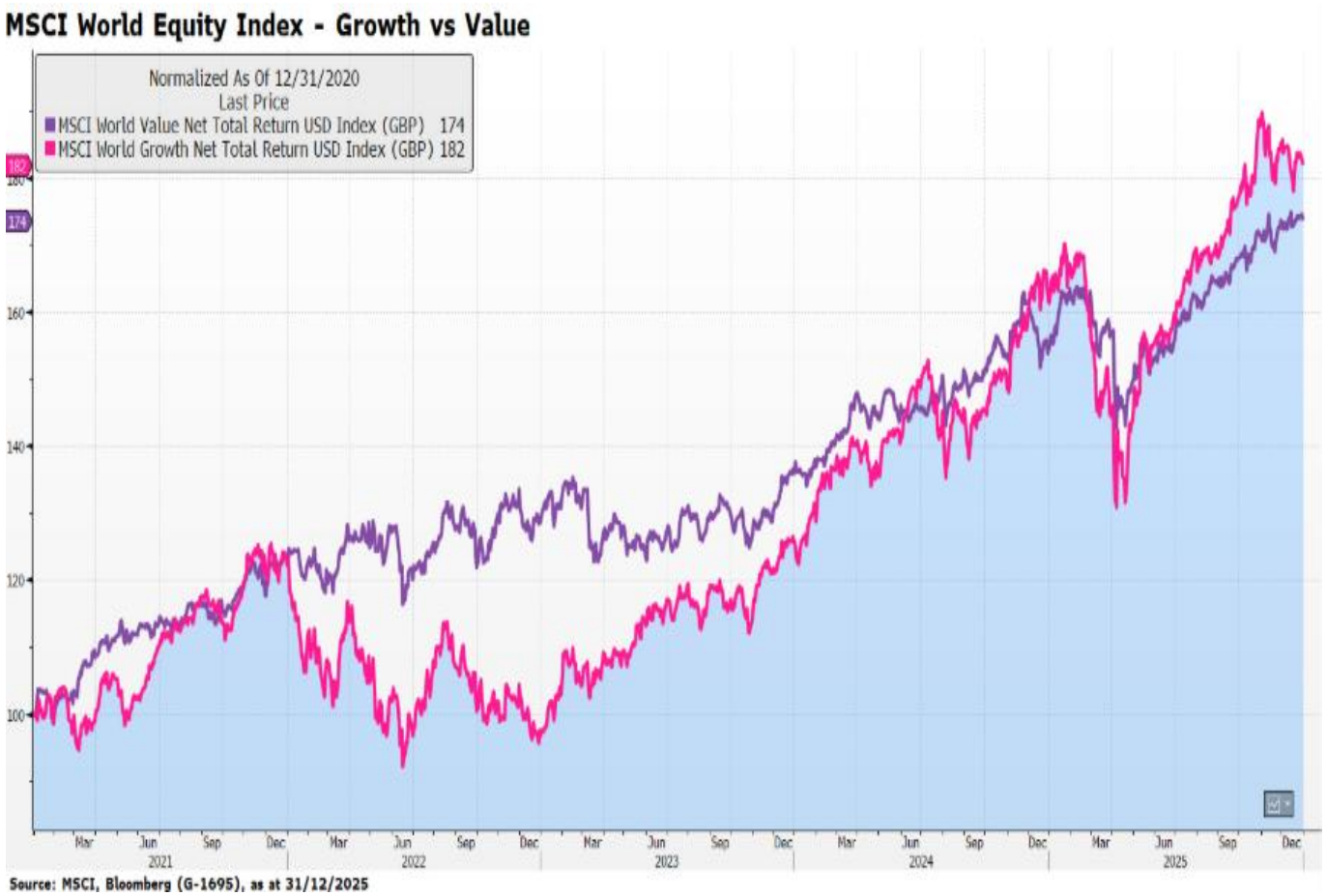
U.S. exceptionalism and market concentration remained prominent themes in Q4 2025. By year end, the ten largest U.S. companies accounted for roughly 39% of the S&P 500's market capitalisation, with a combined valuation exceeding $23 trillion.

For perspective, this figure is broadly equivalent to the total market value of all large cap equities across Canada, France, Germany, Japan, Switzerland, and the U.K. combined.

The rapid expansion of AI related investment remained a key driver of equity markets—and at times a source of volatility. Major technology firms continued to ramp up spending on advanced hardware, data centre capacity, and next generation AI models.

This sustained capex cycle supported equities with a growth tilt over recent years, with AI aligned companies outperforming.

Growth stocks rebounded strongly from April, outpacing value, though the gap has narrowed in Q4 2025. This can be seen in the chart opposite.



Source: MSCI, Bloomberg (G-1695), as at 31/12/2025

Markets Update *(continued)*
Macro

For illustrative purposes only

On the monetary policy front, nine of the G-10 Central Banks reduced their respective policy rates in 2025 (the exception being Japan – who raised rates twice to levels last seen in 1995).

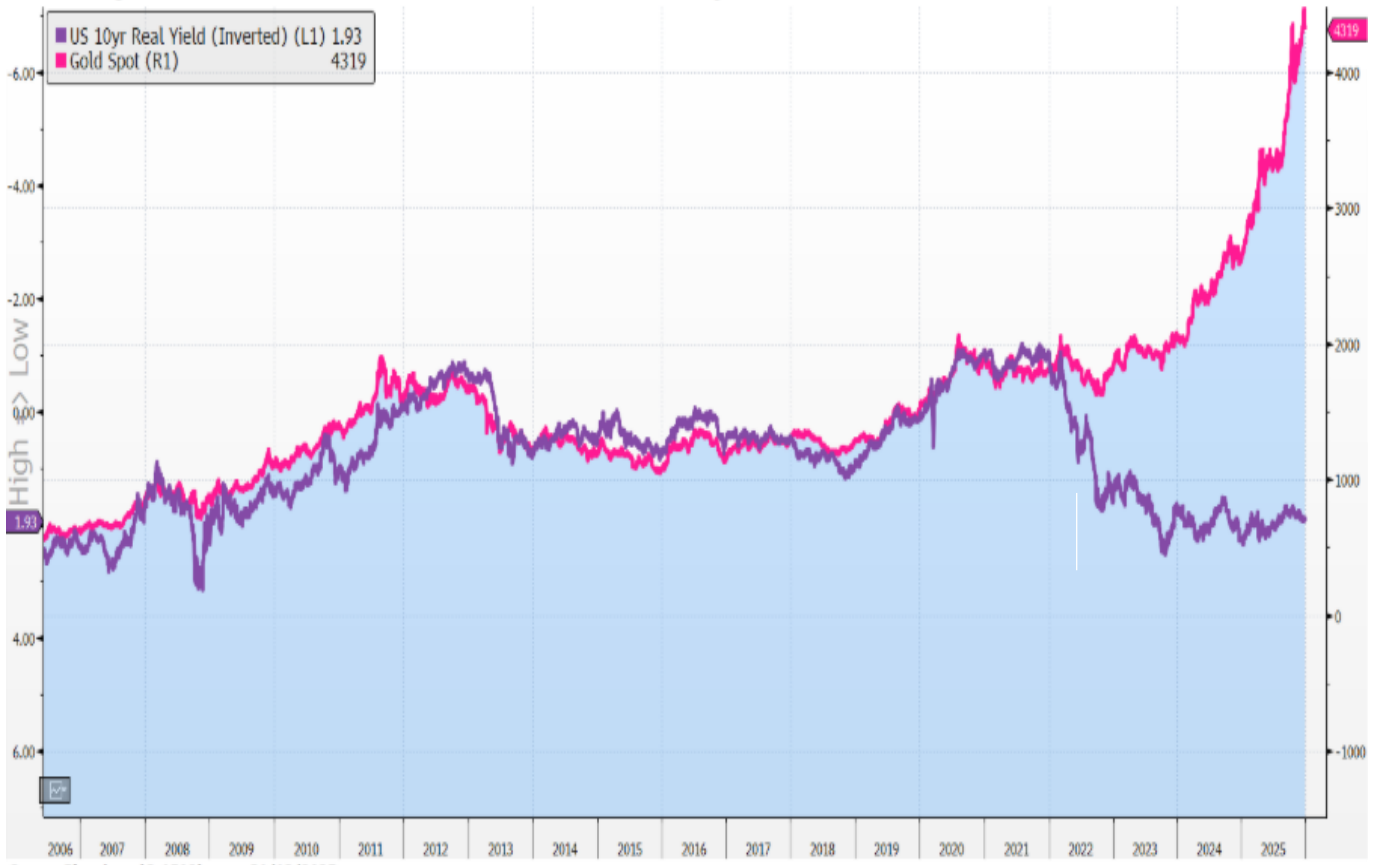
Fiscally speaking, taxation policies varied greatly from one nation to the next, however, the themes of trade, tariffs, government deficits and debt burdens were ubiquitous. Globally, total government debt surpassed $100 trillion mark for the first time.

Gold's rally despite higher U.S. real rates reflects a structural break from its traditional rate sensitivity, driven instead by fiscal and geopolitical stress.

Mounting concerns over unsustainable government debt, heavy central bank buying, and investor rotation away from sovereign bonds have strengthened demand for safe haven assets.

Combined with policy uncertainty, a softer dollar outlook, and expectations of future easing, have pushed gold to new records and persistently elevated levels. This divergence can be seen in the chart opposite.

U.S. 10-year Real Rates (inverted) and Gold have decoupled



Source: Bloomberg (G-1508), as at 31/12/2025

TEMPLATE ONLY SLIDE

Markets Update
Asset Class Update

For illustrative purposes only

Equity:

Equity markets finished 2025 on a firm footing, with Q4 returns underpinned by solid corporate earnings, easing inflation and growing confidence that policy rates may fall further in 2026. Market leadership, which had been narrowly concentrated earlier in the year, began to broaden late in the quarter, with improved performance across non-US regions and a wider range of sectors. The weakening of the US dollar provided additional support to overseas equity returns for UK-based investors, while relative valuations outside the US remained attractive. Overall, the quarter reinforced a constructive backdrop for global equities, albeit with valuations and geopolitical risks continuing to warrant close monitoring.
We have an appendix – do we want to reference that here

UK Government Bonds:

UK government bonds generated positive returns over the period as inflation continued to moderate and the Bank of England adopted a more accommodative policy stance. Falling policy rates and improved confidence around the inflation outlook supported gilt prices across much of the yield curve, despite ongoing concerns around fiscal sustainability and elevated public debt levels. Volatility remained higher at longer maturities, reflecting sensitivity to supply dynamics and changes in interest-rate expectations. Overall, gilts continued to play an important defensive role within portfolios, providing diversification benefits alongside stabilising returns as market conditions eased.

Credit:

Public credit markets delivered positive returns over the period, supported by stable economic conditions, easing inflation and expectations of further monetary policy easing in 2026. Credit spreads remained relatively tight, reflecting resilient corporate balance sheets and a continued low default environment, while higher starting yields contributed meaningfully to total returns. Performance was broadly supported across both investment grade and high yield segments, although valuations left less margin for error in riskier parts of the market. mature.

Private Equity:

Private equity markets showed signs of stabilisation during the period, with transaction activity improving as financing conditions became more supportive and valuation expectations began to converge. While deal volumes remained below longer-term averages, there was increased focus on high-quality assets and conservative underwriting, particularly in the small and mid-market. Exit activity gradually recovered through a combination of trade sales, secondary transactions and continuation vehicles, supporting a modest improvement in sentiment. Overall, the period reflected a gradual transition from recovery towards more normalised market conditions, although distributions remained an area of focus for investors.

Markets Update *(continued)*
Asset Class Update

For illustrative purposes only

Private Credit:

Private credit markets remained resilient over the period, supported by stable economic conditions, easing base rates and continued demand for bespoke financing solutions. Direct lending activity showed gradual improvement as M&A and refinancing volumes recovered, while tighter underwriting standards and conservative deal structures helped support credit quality. Returns continued to benefit from elevated all-in yields, although performance remained more mixed across sectors, with weaker conditions persisting in selected consumer-exposed areas. Overall, private credit continued to offer an attractive income profile and diversification benefits, while careful manager and asset selection remained important as the cycle matured.

Infrastructure:

Infrastructure assets continued to deliver stable, income-led returns, supported by inflation-linked revenues and largely defensive demand characteristics. Performance remained resilient across core sectors, reflecting regulated or contracted cashflows and limited sensitivity to the broader economic slowdown. Asset fundamentals were supported by long-term investment needs across energy transition, transport and utilities, although rising financing costs and construction pressures remained a consideration for new projects.

UK Property:

The UK property markets showed further signs of stabilisation, supported by easing inflation and improved visibility on interest rates. Performance continued to be driven mainly by income, with rental growth holding up in sectors with constrained supply. Market conditions remained uneven, reflecting a clear divergence between high-quality, well-located assets and weaker secondary stock facing structural and sustainability challenges. Transaction activity picked up modestly as pricing expectations aligned, although investors remained selective.

Other Alternatives:

XXX To be discussed in meeting



TEMPLATE ONLY SLIDE

For illustrative purposes only

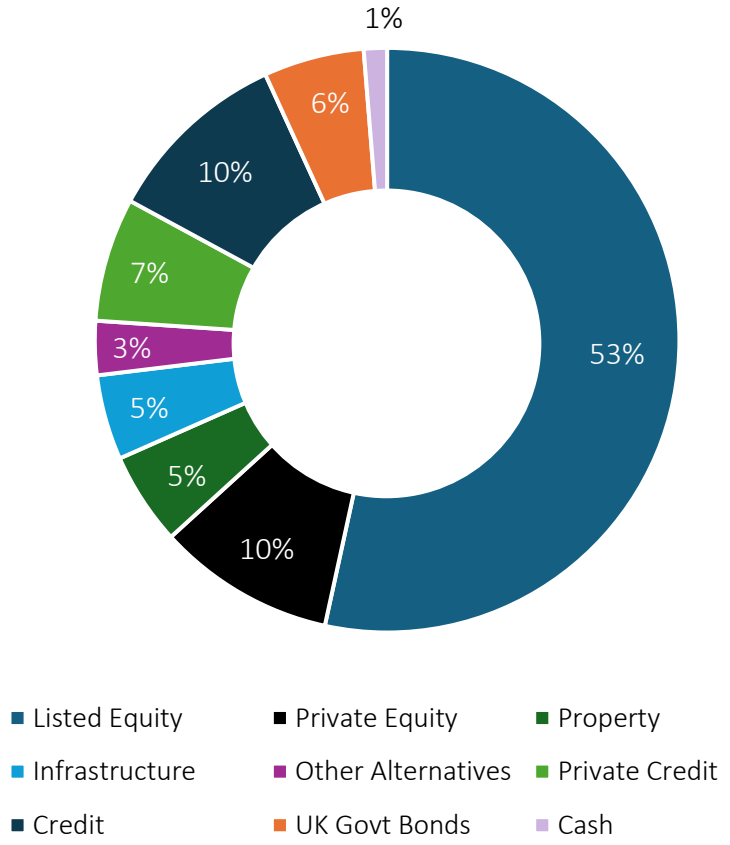
Portfolio Statement and Asset Class Allocation

TEMPLATE ONLY SLIDE

Portfolio Statement
Asset Class Allocation

For illustrative purposes only

Asset Class	As at 30.9.25 (£m)	As at 31.12.25 (£m)	As at 30.09.25 (%)	As at 31.12.25 (%)	Cashflow (£m)
Listed Equity	600	625	**53**	**53**	**+10**
Private Equity	120	115	**11**	**10**	**-**
Property	58	60	**5**	**5**	**-**
Infrastructure	56	55	**5**	**5**	**-**
Other Alternatives	32	35	**3**	**3**	**-**
Private Credit	78	80	**7**	**7**	**-**
Credit	115	120	**10**	**10**	**-**
UK Govt Bonds	65	65	**6**	**6**	**-**
Cash	10	15	**1**	**1**	**-**
Total	**1134**	**1170**	**100**	**100**	



Source: Northern Trust

See Appendix for a more detailed portfolio statement

TEMPLATE ONLY SLIDE

Portfolio Statement

Asset Class Weight vs Target Asset Allocation

For illustrative purposes only



Asset Class	Target ranges (%)	Actual (%)	Target (%)	Difference
Listed Equity	41 – 51	42	**45**	**-3**
Private Equity	4 – 6	6	**5**	**+1**
Property	4 – 6	3	**5**	**-2**
Infrastructure	9 – 12	11	**5**	**+6**
Other Alternatives	0 - 10	0	**10**	**0**
Private Credit	4 – 6	4	**0**	**+4**
Credit	11 –21	18	**16**	**+2**
UK Govt Bonds	6 – 16	12	**11**	**+1**
Cash	0 – 4	3	**2**	**+1**

Total Undrawn Commitment = £82m

See Appendix 4 for further Commitment details



TEMPLATE ONLY SLIDE

For illustrative purposes only

Update to Investment Strategy Statement (ISS) Implementation Plan

Proposed transactions are indicative and subject to change at the discretion of the portfolio manager, including in response to market conditions. Investments and strategies referenced involve risks, as outlined in the risk disclosures available on the client portal (here). Estimated transaction costs include, as relevant, both explicit costs (broker commissions, taxes and levies, custody and settlement charges, and transition manager fees) and implicit costs (bid-offer spreads, market impact, and FX conversion costs). Figures are estimates and actual costs may differ.

TEMPLATE ONLY SLIDE

Update to Investment Strategy Statement (ISS) Implementation Plan
As at 31 December 2025

For illustrative purposes only

Investment	Amount	Trade method	Target Implementation date
Sell Equities	-£15m	Transition	Q2 2026
Buy Gilts	+£15m	Cash	Q2 2026
Sell MAC	-£55m	Cash	Q2 2026
Buy MAC	+£55m	Cash	Q2 2026
Commitment to Private Credit	+£20m		Q3 2026, subject to markets
Commitment to Private Equity	+£10m		Q4 2026
Commitment to Infrastructure	+£30m		Q3 2026

- Since the last update the implementation plan has been agreed.
- The reduction in equities and the investment into into gilts was completed on 11 April.
- The multi asset credit transition is scheduled for Q2 2026. This should save annual fees of c. £80,000.
- Commitments to private credit, global private equity and infrastructure were made in Q2 2026. This should ensure the allocation to those asset classes gets closer to target over the medium term.
- Liquidity is currently provided through equities and bonds. Any drawdowns will be funded out of those allocations.
- RI Policy – LCIV are aware that xxx has preference for Pillar 3 products and are working to get these launched so that RI preferences can be more readily adopted.



TEMPLATE ONLY SLIDE

For illustrative purposes only

Investment Performance

TEMPLATE ONLY SLIDE

Investment Performance
By Asset Class

For illustrative purposes only

31/12/2025	AUM	Quarter			YTD			One Year			Three Years (p.a.)			Five Years (p.a.)		
Asset Class	£m	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel
Listed Equity	**625**	2.2	2.0	0.2	5.5	5.0	0.5	5.5	5.0	0.5	12.8	14.8	-2.0	14.0	18.0	-4.0
Private Equity	**115**	-0.5	2.4	-2.9	-1.3	6.0	-7.3	2.3	6.0	-3.8	18.2	16.0	2.2	22.0	17.1	4.9
Property	**60**	1.0	1.1	-0.1	2.5	2.8	-0.3	2.5	2.8	-0.3	9.0	7.5	1.5	12.2	8.0	4.2
Infrastructure	**55**	-2.0	1.6	-3.6	-5.0	2.5	-0.3	-5.0	2.5	-7.5	n/a	n/a	n/a	n/a	n/a	n/a
Other Alternatives	**35**	1.0	1.0	0.0	3.1	3.0	0.1	3.1	3.0	0.1	11.2	7.0	4.2	12.0	9.0	3.0
Private Credit	**80**	0.6	0.8	-0.2	1.5	2.0	-0.5	1.5	2.0	-0.5	6.4	4.5	1.9	8.4	7.2	1.2
Credit	**120**	0.7	0.9	-0.2	1.8	2.3	-0.5	1.8	2.3	-0.5	7.0	4.0	3.0	6.5	8.0	-1.5
UK Govt Bonds	**65**	0.6	0.5	0.1	1.5	1.3	0.3	1.5	1.3	0.3	3.8	4.0	-0.2	3.9	4.0	-0.1
Cash	**15**	0.7	0.9	-0.2	1.8	2.1	-0.4	1.8	2.1	-0.4	3.1	3.0	0.1	2.8	2.9	-0.1
Total Scheme	**1170**	1.2	1.0	0.2	3.4	3.8	-0.4	3.4	3.8	-0.4	9.2	11.2	-2.0	12.6	12.7	-0.1
Total Scheme inc. FX overlay	**1170**	1.4			3.0			3.0			8.0			10.6		

Source: Northern Trust

TEMPLATE ONLY SLIDE

Investment Performance
Commentary

For illustrative purposes only

The scheme returned 1.2% over the quarter, and 3.4% for the 12 months to end December 2025.

- The scheme's IMA objective is a return of 6.7%.
- Over the last 3 and 5 years this target has been achieved. However, over the last year the fund has not achieved this due to subdued returns from all asset classes In particular the portfolio's allocation to xx and xx under-performed their relative market benchmarks. This is commented further upon in the pages that follow.
- The FX overlay has been accretive over the last quarter but not over the longer term.

Source: Northern Trust



TEMPLATE ONLY SLIDE

For illustrative purposes only

Portfolio Update

TEMPLATE ONLY SLIDE

Portfolio Update
Listed Equities

For illustrative purposes only

Investment Strategy Summary

As reported previously the current strategy is to split the equity allocation between equity managers to be two thirds to passive managers and one third to active managers.

Portfolio Activity

As the beginning of the quarter, the team topped up the LCIV Global Alpha Growth mandate by £50m to bring overall equity exposure in line with the strategic asset allocation weights. LCIV Emerging markets had a distribution which has been re-invested back into the fund.

Investment Performance

- Performance was positive in absolute terms over the quarter. Total equities outperformed the benchmark by 0.2% in the three months to end of December. This was driven be strong performance by the LCIV Global Alpha Growth fund.
- The equities portfolio also outperformed over the last year with both the LCIV Global Alpha Growth fund and the LCIV Emerging market fund being accretive to performance.
- Over the longer-term performance has been weaker with total equities underperforming by 2.0% over three year and 4.0% over five years. This has been caused by poor performance of LCIV Emerging markets fund which has underperformed by 8% over five years.
- The under-performance of the LCIV Emerging Market fund has been addressed by the 100% sale out of the JP Morgan fund and the conversion of the fund to a multi-manager fund in December 2025.

31/12/2025	AUM	Quarter			YTD			One Year			Three Years (p.a.)			Five Years (p.a.)		
Fund	£m	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel
LCIV Global Alpha Growth	**190**	2.2	2.0	0.2	5.5	5.5	0.0	5.5	14.8	-2.0	12.8	14.8	-2.0	14.0	18.0	-4.0
LCIV Emerging Markets	**90**	2.8	3.5	-0.7	7.0	7.0	0.0	9.0	16.8	-7.8	9.0	16.8	-7.8	15.0	23.0	-8.0
Blackrock Global Equity	**345**	1.6	1.5	0.1	4.9	4.9	0.0	4.9	4.9	0.0	14.0	14.0	0.0	17.1	16.9	0.2
Total	**625**	2.2	2.0	0.2	5.5	5.0	0.5	5.5	5.0	0.5	12.8	14.8	-2.0	14.0	18.0	-4.0

Source: Northern Trust

TEMPLATE ONLY SLIDE

Portfolio Update
Private Equity

For illustrative purposes only

Investment Strategy Summary

The Private equity portfolio is currently outside of the SAA range. As reported last quarter, commitments have been made to two new venture funds, and we expect these to be funded during 2026. Also, outstanding commitments currently stand at £65m.

Portfolio Activity

There were two calls during the quarter where a further $10M was invested in Pantheon Asia fund and $5m into the Expedition Growth fund.

Investment Performance

- Performance was negative in the quarter and underperformed the benchmark by 1.5%. Over the one year there was underperformance of 3.8%, with the longer term numbers showing both strong absolute and relative performance.
- The performance in the quarter was driven by the OTA Offshore fund. This fund fell by over 15% due the write-down in one of its fund's investments. In November 2025 OTA wrote down the value of its holding in Park Energy, a Mexican gas pipeline operator. The investment team are meeting with the manager shortly to understand the causes and plans to protect and recover value.

31/12/2025	AUM	Quarter			YTD			One Year			Three Years (p.a.)			Five Years (p.a.)		
Fund	£m	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel
Pantheon Asia Fund V LP	**30**	-0.2	2.2	-2.4	4.2	4.2	0.0	7.0	6.8	0.2	7.7	6.2	1.5	11.2	8.0	3.2
Expedition Growth LP	**25**	3.1	1.0	2.1	4.6	4.6	0.0	4.0	3.8	0.2	6.0	6.0	0.0	n/a	n/a	n/a
OTA Offshore – 2003 US Fund	**15**	-15.2	2.0	-17.2	3.3	3.3	0.0	-8.0	8.0	-16.0	8.0	7.8	0.2	20.0	8.1	11.9
Summit EUR Growth EQ III	**20**	4.6	2.6	2.0	2.0	2.0	0.0	7.0	9.1	-2.1	12.0	8.1	3.9	n/a	n/a	n/a
Vespa Capital III	**25**	5.2	1.8	3,4	3.3	3.3	0.0	8.2	4.0	4.2	7.8	6.5	1.3	7.0	6.5	0.5
Total	**115**	-0.5	2.4	-2.9	-1.3	6.0	-7.3	2.3	6.0	-3.8	18.2	16.0	2.2	22.0	17.1	4.9

Source: Northern Trust

Portfolio Update
Property

For illustrative purposes only

UK Property Market

The UK property market in 2025 is exhibiting early signs of recovery following a period of repricing and subdued transaction activity. A stabilising macroeconomic environment, easing inflationary pressures and expectations of gradual interest-rate cuts are supporting improved investor sentiment. While capital deployment remains selective, pricing clarity is improving, particularly for prime assets.

Occupational fundamentals are underpinned by structural supply shortages, supporting resilient demand across living, logistics and high-quality office sectors. Rental growth has moderated but remains positive, aligned with income growth and constrained new supply. For long-term institutional investors, UK property continues to offer defensible income and medium-term recovery potential.

Portfolio Activity

None.

Investment Performance

Property underperformed the benchmark by 0.1% over the quarter and 0.3% over the one year. Over the longer term the portfolio continues to show outperformance, 1.5% over three years and 4.2% over five years.

The Fidelity UK real estate fund fell by 1% during the quarter due to a write down on it's shopping centre exposure which continues to suffer from lower footfall and the failure of a tenant in one of its centres. Long term performance of both the Fidelity and Hermes has been positive with strong outperformance.

31/12/2025	AUM	Quarter			YTD			One Year			Three Years (p.a.)			Five Years (p.a.)		
Fund	£m	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel
Fidelity UK Real Estate Fund	**35**	-1.0	0.8	-1.8	2.0	2.0	0.0	4.8	5.1	-0.3	9.0	6.0	3.0	n/a	n/a	n/a
Hermes Property Unit Trust	**25**	0.5	0.8	-0.3	1.5	1.5	0.0	7.5	8.0	-0.5	8.0	7.8	0.2	20.0	8.1	11.9
Total	**60**	1.0	1.1	-0.1	2.5	2.8	-0.3	2.5	2.8	-0.3	9.0	7.5	1.5	12.2	8.0	4.2

Source: Northern Trust

TEMPLATE ONLY SLIDE

Portfolio Update
Infrastructure

For illustrative purposes only

Infrastructure Opportunities

Infrastructure continues to present attractive medium-term opportunities for investors. Falling interest rates have improved valuations and financing conditions, while many assets benefit from inflation-linked or regulated revenues, supporting stable cash flows. Structural growth themes, including electrification, energy security, digital infrastructure and data-centre expansion, are driving increased capital expenditure and earnings visibility across the sector.

Opportunities remain particularly strong in regulated utilities, transport assets and digital networks, where demand is supported by long-term contracts and essential service provision. With valuations having stabilised following recent market adjustments, infrastructure offers the potential for resilient returns, income generation and diversification within the Fund's long-term portfolio.

Portfolio Activity

- None, although £22m was called down from commitments
- This leaves outstanding commitments at £38m

Investment Performance

Performance has continued to struggle this quarter with the strategy underperforming by 3.6%, and 7.5% over the one year. The underperformance has come from the JP Morgan Infrastructure fund and it's investment in the Tata Infrastructure fund.

The Tata fund underperformed due to a combination of sector rotation away from cyclical capex-linked stocks and high exposure to mid and small cap infrastructure names.

31/12/2025	AUM	Quarter			YTD			One Year			Three Years (p.a.)			Five Years (p.a.)		
Fund	£m	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel
JP Morgan Infra Invest Fund	**55**	-2.0	1.6	-3.6	-5.0	2.5	-0.3	-5.0	2.5	-7.5	n/a	n/a	n/a	n/a	n/a	n/a
Total	**55**	-2.0	1.6	-3.6	-5.0	2.5	-0.3	-5.0	2.5	-7.5	n/a	n/a	n/a	n/a	n/a	n/a

Source: Northern Trust

TEMPLATE ONLY SLIDE

Portfolio Update
Other Alternatives

For illustrative purposes only

Investment Strategy Summary

As reported previously the current strategy is still behind allocation. The team are continuing to seek opportunities and have a number of interesting potential investments that are currently being investigated.

Portfolio Activity

- Commitments were made in the quarter to Quinbrook Low Carbon Power LP fund.
- LCIV is developing its own Local product and over the quarter has looked at various investment opportunities. It is planning to launch a solution before the end of the year

Investment Performance

- Performance over the quarter and the one year has been in line with the benchmark.
- Over the longer term the asset class continues to show strong outperformance coming from both the Quinbrook Low Carbon power fund and the LCIV Nature Based Solutions fund. The Quinbrook Low Carbon fund has outperformed strongly over the longer term as it is positioned in assets that directly address UK grid constraints – including battery storage, grid-stability assets and flexible power solutions – rather than relying solely on subsidy-backed renewables. These assets have benefited from growing demand for system stability and flexibility as renewable penetration increases.

31/12/2025	AUM	Quarter			YTD			One Year			Three Years (p.a.)			Five Years (p.a.)		
Fund	£m	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel
Quinbrook Low Carbon Fund	**15**	1.0	1.0	0.0	2.0	2.0	0.0	4.9	5.0	-0.1	12.8	6.0	6.8	9.0	7.0	2.0
LCIV NBS Fund	**20**	1.0	0.8	0.2	1.5	1.5	0.0	1.5	1.0	0.5	9.0	8.0	1.0	15.0	12.0	3.0
Total	**35**	1.0	1.0	0.0	3.1	3.0	0.1	3.1	3.0	0.1	11.2	7.0	4.2	12.0	9.0	3.0

Source: Northern Trust

TEMPLATE ONLY SLIDE

Portfolio Update
Private Credit

For illustrative purposes only

Investment Strategy Summary

- Private credit has grown rapidly in recent years, with a significant share of lending directed toward private equity-backed software and business services companies. The accelerating pace of artificial intelligence adoption is introducing a new and potentially disruptive risk to these borrowers, particularly where business models rely on legacy software pricing, billable hours or perceived revenue stickiness.
- Recent market commentary has highlighted rising stress indicators, including increased use of payment-in-kind structures, valuation uncertainty and growing dispersion across portfolios. While default rates remain contained, LCIV are concerned that a rapid AI-driven disruption could .lead to materially higher defaults in a tail-risk scenario, with private credit more exposed than public markets. LCIV is also questioning how this may affect the private equity market.
- All that said, LCIV does see difference to the GFC where short term deposits were used to fund longer term loans. Further, much of the current distress appears to have arisen in “evergreen” funds where structures have offered too “aggressive” liquidity solutions.

Portfolio Activity

Against this backdrop, we are slowing deployment particularly into seeded funds. This slowdown allows time for greater clarity on borrower fundamentals, valuation adjustments and underwriting discipline as the implications of AI disruption become clearer.

Investment Performance

- Performance has remained muted over the last quarter and year with absolute returns of 0.6% and 1.5% respectively. This is behind our long term return expectation for the asset class and reflects in part the current market dislocation as described in the previous paragraphs, but also the depreciation of the US$ over the quarter as most private credit funds are $ denominated.
- Over the last three and five years there has been positive absolute returns of 6.4% and 8.4% giving outperformance of 1.9% and 1.2% compared to what demonstrating the managers ability to pick good companies whilst avoiding defaults.

31/12/2025	AUM	Quarter			YTD			One Year			Three Years (p.a.)			Five Years (p.a.)		
Fund	£m	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel
CIV Credit Partners Euro Direct	**80**	0.6	0.8	-0.2	1.5	2.0	-0.5	1.5	2.0	-0.5	6.4	4.5	1.9	8.4	7.2	1.2
Total	**80**	0.6	0.8	-0.2	1.5	2.0	-0.5	1.5	2.0	-0.5	6.4	4.5	1.9	8.4	7.2	1.2

Source: Northern Trust

TEMPLATE ONLY SLIDE

Portfolio Update
Credit

For illustrative purposes only

Investment Strategy Summary

The credit portfolio is currently outside of the SAA range. We have begun detailed manager selection analysis with plans to add a new credit portfolio in the second half of the year.

Portfolio Activity

In line with SAA implementation plan, £0m was invested into this asset class over the quarter:

- £30m invested into the BNYM Return Bond portfolio; and
- £20m into the existing Fidelity product.

Investment Performance

- Performance in the quarter was positive in absolute terms but underperformed the benchmark by 0.2%. This was caused by the Fidelity mandate which suffered underperformance due to its underweight to emerging market credit.
- Over the one year both funds underperformed, but both show outperformance over the three-year period.

31/12/2025	AUM	Quarter			YTD			One Year			Three Years (p.a.)			Five Years (p.a.)		
Fund	£m	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel
BNY Mellon RTN Bond HDG	**65**	0.9	0.8	0.1	0.5	0.5	0.0	1.8	2.4	-0.6	7.0	4.2	2.8	9.0	8.0	1.0
Fidelity Instil LIQ Global Multi Asset Cred HGD	**55**	0.5	0.8	-0.3	0.5	0.5	0.0	2.0	2.3	-0.3	9.0	3.9	5.1	5.0	8.1	-3.1
Total	**120**	0.7	0.9	-0.2	1.8	2.3	-0.5	1.8	2.3	-0.5	7.0	4.0	3.0	6.5	8.0	-1.5

Source: Northern Trust

TEMPLATE ONLY SLIDE

Portfolio Update
UK Govt Bonds

For illustrative purposes only

Investment Strategy Summary

Gilts rallied in Q4 2025 as UK inflation eased and markets priced further Bank of England rate cuts. Falling yields supported positive total returns, particularly at the front end. The rally occurred despite ongoing quantitative tightening, with BoE gilt sales proceeding smoothly and fiscal credibility reinforced by a stable Autumn Budget.

Portfolio Activity

There were no changes to the portfolio during the quarter

Investment Performance

- The Blackrock Life Over 15 Years fund is a passive long-dated UK government bonds, aiming to track the performance of gilts with maturities over 15 years.
- Performance in the quarter was influenced primarily by interest-rate movements and asset allocation positioning. Long-duration fixed income assets were sensitive to changes in yield expectations, while diversified growth assets benefited from improved market conditions.

31/12/2025	AUM	Quarter			YTD			One Year			Three Years (p.a.)			Five Years (p.a.)		
Fund	£m	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel
Blackrock Life LTD Aquila Life Over 15 Yr	**65**	0.6	0.5	0.1	1.5	1.3	0.3	1.5	1.3	0.3	3.8	4.0	-0.2	3.9	4.0	-0.1
Total	**65**	0.6	0.5	0.1	1.5	1.3	0.3	1.5	1.3	0.3	3.8	4.0	-0.2	3.9	4.0	-0.1

Source: Northern Trust



TEMPLATE ONLY SLIDE

For illustrative purposes only

Responsible Investment

TEMPLATE ONLY SLIDE

Responsible Investment

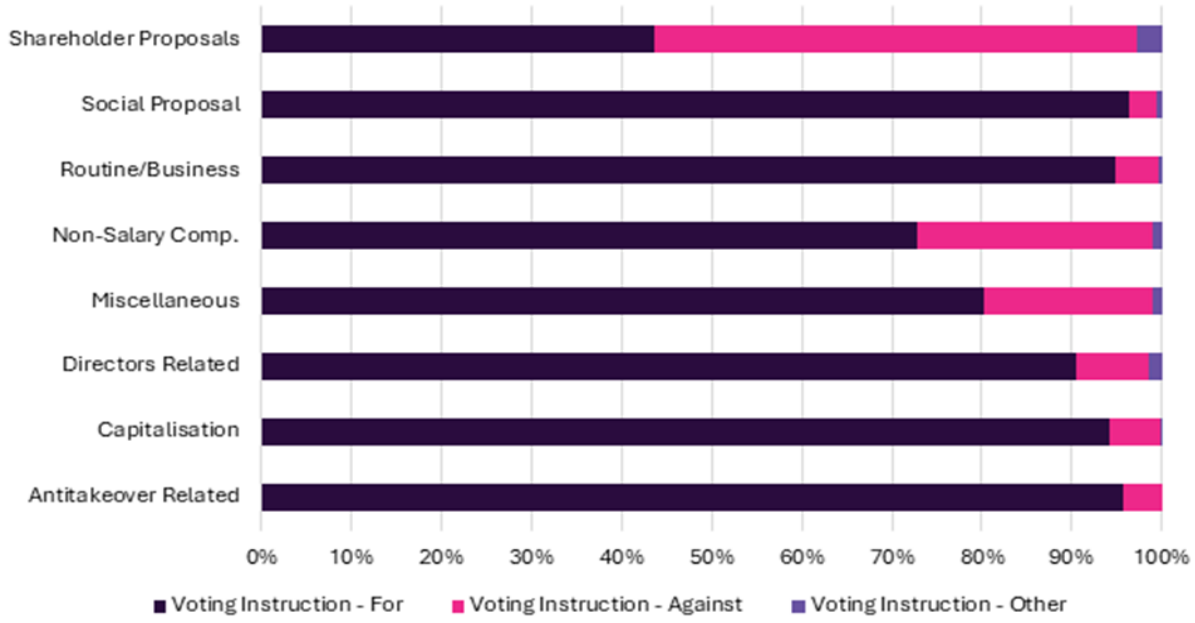
For illustrative purposes only

COP25 – Key Takeaways

- Expectation of future action: COP25 reinforced expectations that countries would submit more ambitious climate targets at subsequent COPs, recognising the growing gap between current policies and global temperature goal.
- Carbon markets unresolved: Negotiations on international carbon markets (Paris Agreement Article 6) did not reach agreement and were deferred to a later COP.
- Focus on loss and damage: Increased attention was given to climate-related loss and damage, though without major new funding commitments.

Voting

- Voting remains a core stewardship tool. In 2025, investment managers and EOS voted on 23,312 proposals, representing 98.9% voting execution.
- Votes against management numbered 2,113, with director elections and non-salary remuneration accounting for the highest levels of dissent.



Other Activity

- RI Matrix – this is currently being finalised as we are waiting on some legal clarifications.
- Please see Appendix where a thought piece on Flood Risk is included.

Source: LCIV



TEMPLATE ONLY SLIDE

For illustrative purposes only

Appendices

TEMPLATE ONLY SLIDE

Appendix 1:
Full Valuation Statement as at end December 2025

For illustrative purposes only

31/12/2025				
Asset Class	**Fund**	**30/09/2025 (£m)**	**31/12/2025 (£m)**	**Change**
Listed Equity	LCIV Global Alpha Growth	174	190	16
	LCIV Emerging Markets	85	90	5
	Blackrock Global Equity	340	345	5
Private Equity	Pantheon Asia Fund V LP	30	30	0
	Expedition Growth LP	25	25	0
	OTA Offshore – 2003 US Fund	15	15	0
	Summit EUR Growth EQ III SCSP	24	20	-4
	Vespa Capital III	25	25	0
Property	Fidelity UK Real Estate Fund	33	35	2
	Hermes Property Unit Trust	24	25	1
Infrastructure	JP Morgan Infrastructure	50	55	5
Other Alternatives	Quinbrook Low Carbon	15	15	0
	LCIV Nature Based Solutions	20	20	0
Private Credit	CVC Credit Partners European Direct III	75	80	5
Credit	BNY Mellon RTN Bond HDG	63	65	2
	Fidelity Instil LIQ Global Multi Asseet Cred HGD	55	55	0
UK Govt Bonds	Blackrock Life Ltd Aquila Life Over 15 Yr	67	65	-2
Cash	JP Morgan Money Market Fund	14	15	1
Total		1,134	1,170	36

Source: Northern Trust

TEMPLATE ONLY SLIDE

Appendix 2:
Full Investment Performance in GBP

For illustrative purposes only

31/12/2025	AUM	Quarter			YTD			One Year			Three Years (p.a.)			Five Years (p.a.)		
Asset Class	£m	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel
LCIV Global Alpha Growth	**190**	2.2	2.0	0.2	5.5	5.0	0.5	5.5	5.0	0.5	12.8	14.8	-2.0	14.0	18.0	-4.0
LCIV Emerging Markets	**90**	2.8	3.5	-0.7	-1.3	6.0	-7.3	9.0	7.0	2.0	9.0	16.8	-7.8	15.0	23.0	-8.0
Blackrock Global Equity	**345**	1.6	1.5	0.1	2.5	2.8	-0.3	4.9	4.9	0.0	14.0	14.0	0.0	17.1	16.9	0.2
Pantheon Asia Fund V LP	**30**	-0.2	2.2	-2.4	-5.0	2.5	-0.3	7.0	6.8	0.2	7.7	6.2	1.5	11.2	8.0	3.2
Expedition Growth LP	**25**	3.1	1.0	2.1	3.1	3.0	0.1	4.0	3.8	0.2	6.0	6.0	0.0	n/a	n/a	n/a
OTA Offshore – 2003 US Fund	**15**	-15.2	2.0	-17.2	1.5	2.0	-0.5	-8.0	8.0	-16.0	8.0	7.8	0.2	20.0	8.1	11.9
Summit EUR Growth EQ III SCSP	**20**	4.6	2.6	2.0	1.8	2.3	-0.5	7.0	9.1	-2.1	12.0	8.1	3.9	n/a	n/a	n/a
Vespa Capital III	**25**	5.2	1.8	3.4	1.5	1.3	0.3	8.2	4.0	4.2	7.8	6.5	1.3	7.0	6.5	0.5
Fidelity UK Real Estate Fund	**35**	-1.0	0.8	-1.8	1.8	2.1	-0.4	4.8	5.1	-0.3	9.0	6.0	3.0	n/a	n/a	n/a
Hermes Property Unit Trust	**25**	0.5	0.8	-0.3	5.5	5.0	0.5	7.5	8.0	-0.5	8.0	7.8	0.2	20.0	8.1	11.9
JP Morgan Infrastructure	**55**	-2.0	1.6	-3.6	-1.3	6.0	-7.3	-5.0	2.5	-7.5	n/a	n/a	n/a	n/a	n/a	n/a
Quinbrook Low Carbon	**15**	1.0	1.0	0.0	2.5	2.8	-0.3	4.9	5.0	-0.1	12.8	6.0	6.8	9.0	7.0	2.0
LCIV Nature Based Solutions	**20**	1.0	0.8	0.2	5.5	5.0	0.5	1.5	1.0	0.5	9.0	1.0	1.0	15.0	12.0	3.0
CVC Credit Partners European Direct III	**80**	0.6	0.8	-0.2	-1.3	6.0	-7.3	1.5	2.0	-0.5	6.4	1.9	1.9	8.4	7.2	1.2
BNY Mellon RTN Bond HDG	**65**	0.9	0.8	0.1	2.5	2.8	-0.3	1.8	2.4	-0.6	7.0	2.8	2.8	9.0	8.0	1.0
Fidelity Instil LIQ Global Multi Asseet Cred HGD	**55**	0.5	0.8	-0.3	5.5	5.0	0.5	2.0	2.3	-0.3	9.0	5.1	5.1	5.0	8.1	-3.1
Blackrock Life Ltd Aquila Life Over 15 Yr	**65**	0.6	0.5	0.1	-1.3	6.0	-7.3	1.5	1.3	0.3	3.8	-0.2	-0.2	3.9	4.0	-0.1
JP Morgan Money Market Fund																

Source: Northern Trust

TEMPLATE ONLY SLIDE

Appendix 3: Benchmarks

For illustrative purposes only

31/12/2025		
Asset Class	**Fund**	**Benchmark**
Listed Equity	LCIV Global Alpha Growth	MSCI ACWI
	LCIV Emerging Markets	MSCI Emerging Markets
	Blackrock Global Equity	MSCI World
Private Equity	Pantheon Asia Fund V LP	Absolute Return 8%
	Expedition Growth LP	Absolute Return 8%
	OTA Offshore – 2003 US Fund	Absolute Return 8%
	Summit EUR Growth EQ III SCSP	Absolute Return 8%
	Vespa Capital III	Absolute Return 8%
Property	Fidelity UK Real Estate Fund	UK IPD
	Hermes Property Unit Trust	UK IPD
Infrastructure	JP Morgan Infrastructure	CPI +4%
Other Alternatives	Quinbrook Low Carbon	Absolute Return 6%
	LCIV Nature Based Solutions	Absolute Return 6%
Private Credit	CVC Credit Partners European Direct III	Absolute Return 8%
Credit	BNY Mellon RTN Bond HDG	Barclays Global AGG HDG TO GBP
	Fidelity Instil LIQ Global Multi Asseet Cred HGD	Barclays Global Credit HDG TO GBP
UK Govt Bonds	Blackrock Life Ltd Aquila Life Over 15 Yr	iBoxx 15+ Years
Cash	JP Morgan Money Market Fund	SONIA

Source: Northern Trust

TEMPLATE ONLY SLIDE

Appendix 4:
Outstanding commitments as at end December 2025

For illustrative purposes only

31/12/2025			
Asset Class	**Fund**	**Commitment paid to date (£m)**	**Outstanding commitments (£m)**
Private Equity	Pantheon Asia Fund V LP	25	15
	Expedition Growth LP	18	22
	OTA Offshore – 2003 US Fund	12	13
	Summit EUR Growth EQ III SCSP	22	3
	Vespa Capital III	27	13
Infrastructure	JP Morgan Infrastructure	50	0
Other Alternatives	Quinbrook Low Carbon	12	3
	LCIV Nature Based Solutions	12	13
Private Credit	CVC Credit Partners European Direct III	80	0
Total		**258**	**82**

Please note that some Private Market data may be lagged

Source: Northern Trust

Unrestricted Document

TEMPLATE ONLY SLIDE

Appendix 5:
Transactions over the 3 months to end December 2025

For illustrative purposes only

31/12/2025

Asset Class	Fund	Action	Date	Value (m)
Listed Equity	LCIV Emerging Markets	BUY	03/10/2025	£20
Private Equity	Summit EUR Growth EQ III SCSP	BUY	28/11/2025	$10
	Vespa Capital III	BUY	28/11/2025	$15
Credit	BNY Mellon RTN Bond HDG	SELL	12/12/2025	£15

Source: Northern Trust

Thank-you

Disclaimer

For illustrative purposes only

Important information

_____

London CIV Fourth Floor, 22 Lavington Steet, London, SE1 0NZ

Issued by London CIV Limited, which is authorised and regulated by the Financial Conduct Authority number 710618. London CIV is the trading name of London LGPS CIV Limited. This material is for limited distribution and is issued by London CIV and no other person should rely upon the information contained within it.

This document is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution would be unlawful under the laws governing the offer of units in the collective investment undertakings. Any distribution, by whatever means, of this document and related material to persons who are not eligible under the relevant laws governing the offer of units in collective investment undertakings is strictly prohibited.

Any research or information in this document has been undertaken and may have been acted on by London CIV for its own purpose. The result of such research and information are being made available only incidentally. The data used may be derived from various sources, and assumed to be correct and reliable, but it has not been independently verified; its accuracy and completeness is not guaranteed, and no liability is assumed for any direct or consequential losses arising from its use. The views expressed do not constitute investment or any other advice and are subject to change and no assurances are made as to their accuracy.

Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and you may not get back the amount you invested. Changes in the rates of exchange between currencies may cause the value of investments to diminish or increase. Fluctuation may be particularly marked in the case of a higher volatility fund and the value of an investment may fall suddenly and substantially. Level and basis of taxation may change from time to time.

Subject to the express requirements of any other agreement, we will not provide notice of any changes to our personnel, structure, policies, process, objectives or, without limitation, any other matter contained in this document.

No part of this material may be produced, reproduced, stored in retrieval system, published on any websites or transmitted in any form or by any means, electronic, mechanical, recording or otherwise, without the prior written consent of London CIV.

London LGPS CIV Limited. Is a private limited company, registered in England and Wales, registered number 9136445.

	Brent Pension Fund Sub-Committee 7 October 2026
	Report from the Corporate Director, Finance and Resources

Brent Pension Fund: Annual Report and Accounts 2025-26

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt:	Open
List of Appendices:	Two: Appendix 1: Draft Brent Pension Fund Annual Report 2025/26 Appendix 2: Audit Findings Report
Background Papers:	None
Contact Officers:	Minesh Patel, Corporate Director, Finance and Resources 020 8937 4043 minesh.patel@brent.gov.uk Amanda Healy, Deputy Director of Finance 020 8937 5912 amanda.healy@brent.gov.uk Sawan Shah, Head of Finance 020 8937 1955 sawan.shah@brent.gov.uk Manish Shah, Senior Finance Analyst 020 8937 1444 manish.shah@brent.gov.uk

1.0 Executive Summary

1.1 This report provides an update on the Pension Fund Annual Report and Accounts for the year ended 31 March 2026.

2.0 Recommendation(s)

2.1 The Committee is recommended to note the draft Brent Pension Fund Annual Report 2025/26.

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.

Statement of Accounts

3.3 Included in the Brent Pension Fund Annual Report 2025/26 attached in Appendix 1 are the latest version of the Pension Fund Annual Accounts for the year ended 31 March 2026.

3.4 At the time of writing, the audit fieldwork is complete in line with timelines as set out in the audit plan, with the auditors, Grant Thornton, now working on the review of the annual report.

3.5 The audit findings report from Grant Thornton, attached in Appendix 2, provided positive feedback as the auditors identified no adjustments to the financial statements, that have resulted in an adjustment to the Pension Funds reported financial position. Grant Thornton intends to give an unmodified opinion on the Pension Fund accounts.

3.6 The responsibility for approving the statement of accounts resides with the Audit and Standards Committee which noted the audit findings report on 23rd September 2026. The sign-off of the Pension Fund accounts is dependent on progress on the Council's audit, which is the process of being finalised.

3.7 The accounts have been prepared to meet the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code) governing the preparation of the 2025/26 financial statements for Local Government Pension Scheme funds. The accounts aim to give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2026 and the amount and disposition of the Fund's assets and liabilities as at 31 March 2026.

3.8 The main items to note are as follows:

- During 2025/26, the value of the Pension Fund's investments increased to £1,482.4m (2024/25 £1,310.3m). Further detail on investment performance is available in the regular monitoring reports.
- Total contributions received from employers and employees were £69.6m for the year, an increase on the previous year's £73.2m.
- Total benefits paid to scheme beneficiaries, in the form of pensions or other benefits, were £61.6m, an increase on the previous year's £59.9m.

- As in 2025/26, the pension fund is in a positive cash-flow position because its contributions exceed its outgoings to members.

Pension Fund Annual Report

3.9 The draft Pension Fund annual report has been sent to Grant Thornton for review. Regulations require the annual report to be published on or before 1st December. The Fund will publish the report on completion of the audit process and before the required deadline.

3.10 The Annual Report for 2025/26 has been updated to reflect the latest guidance from Ministry of Housing, Communities and Local Government (MHCLG), which sets out the required structure and content for Local Government Pension Scheme (LGPS) Annual Reports. The report is divided into several sections:

- **Overall Fund management** - which explains the management arrangements for the Fund and the Fund's approach to risk management.
- **Governance & Training** – details the Fund's governance structure and how the Fund has complied with its Governance Compliance Statement
- **Financial Performance** – which considers financial performance excluding investments focused on income, expenditure, and cash flows.
- **Investments & Funding** - which details the Fund's investment strategy, arrangements, and performance.
- **Scheme Administration** - which sets out how the scheme is administered including a summary of some key administration statistics
- **Actuarial report** - which provides an update on the Fund's Funding Position including a statement from the Fund Actuary.

3.11 Also included are the Investment Strategy Statement, Pensions Administration Strategy, Funding Strategy Statement and Communications Policy Statement which have been approved by the Committee at previous meetings.

4.0 Stakeholder and ward member consultation and engagement

4.1 Not applicable.

5.0 Financial Considerations

5.1 Not applicable.

6.0 Legal Considerations

6.1 Not applicable.

7.0 Equity, Diversity & Inclusion (EDI) Considerations

7.1 Not applicable.

8.0 Climate Change and Environmental Considerations

8.1 Not applicable.

9.0 Human Resources/Property Considerations

9.1 Not applicable.

10.0 Communication Considerations

10.1 Not applicable.

Report sign off:

Minesh Patel
Corporate Director of Finance and Resources

Brent Pension Fund Annual Report & Accounts 2025/26

Pensions Regulator Scheme Number: 10272080

Brent Council



Contents

Report from Chair of the Pension	**Page 3**
1. Scheme Management and Advisors	**Page 5**
2. Risk Management and Performance	**Page 7**
3. Governance and Training	**Page 13**
4. Financial Performance	**Page 21**
5. Fund Account, Net Assets and Notes	**Page 25**
6. Investments and Funding	**Page 61**
7. Administration	**Page 75**
8. Actuarial Reports and Funds	**Page 82**
9. Audit Opinion	**Page 87**
10. Additional Information	**Page 88**
Appendix 1 – Key Performance Indicators	**Page 101**

DRAFT

Chairman's Forward

It is my pleasure to present the Annual Report and Accounts of the Brent Pension Fund for 2025/26.

The Fund has 6,579 contributors, 7,790 pensioners and 8,389 deferred pensioners.

The scheme is administered locally and is a valuable part of the pay and reward package for employees working in Brent Council or working for other employers in the Borough participating in the scheme.

During 2025/26, the value of the Pension Fund's investments increased to £1,481.9m (2024/25 £1,310.3m). The primary driver of the Fund's positive performance was its overweight exposure to equities, supplemented by its allocation to diversified assets. The Fund's returns were dragged down by its underweight positions in infrastructure and private debt, even though both asset classes delivered positive performance.

Total contributions received from employers and employees was £69.6m for the year, a decrease on the previous years of £73.2m, however the current figure is in line with the total contributions received in 2023/24. Total benefits paid to scheme beneficiaries, in the form of pensions or other benefits, were £61.6m, an increase on the previous year's £59.9m.

During the 2025/26 financial year, the Pension Fund continued to maintain a positive cash-flow position, as total contributions exceeded member outgoings. This net inflow enabled the Fund to allocate a portion of these contributions toward investments, thereby expanding the asset base dedicated to funding future liabilities. Moving forward, however, employer contribution rates are projected to decrease following in the following year.

The Brent Pension Fund is revalued every three years by an independent actuary. The Pension Fund had its most recent triennial review in 2025. This is a detailed appraisal that uses economic and demographic assumptions in order to estimate future liabilities and set employer contribution rates.

The 2025 actuarial valuation revealed that the Fund achieved a 113% funding level as of 31 March 2025, marking a 26% improvement from the prior valuation on 31 March 2022. Consequently, based on comprehensive modelling, future return expectations, and extensive stakeholder consultation, the long-term contribution rates for open employers will decrease from 30.5% of pensionable pay in 2025/26 to 23.0% for 2026/27 and subsequent years.

In conclusion, I would like to extend my thanks and appreciation to all members of the Pension Fund Sub-Committee and officers for their continued input to the strong governance and management arrangements of the Fund.

Cllr Robert Johnson

DRAFT

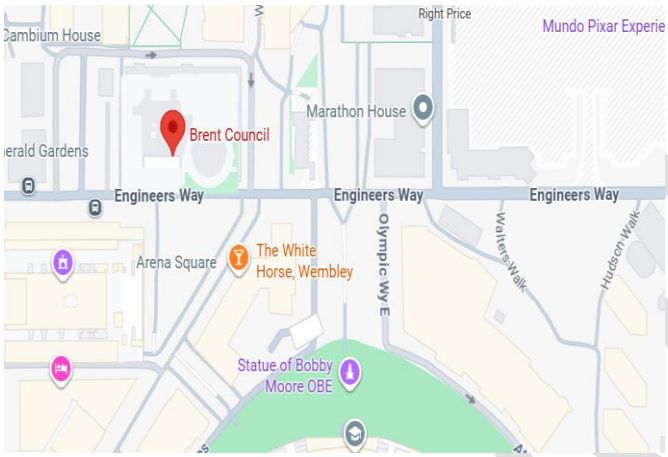
1. Scheme Management & Advisors



Scheme Management and Advisors 2025/26

Administering Authority:

Brent Council
Civic Centre
Engineers Way
Wembley
HA9 0FJ
☎ 0208 937 1234
Brent Council



Brent Pension Fund Officers:

Minesh Patel, Corporate Director, Finance and Resources
Amanda Healy, Deputy Director of Finance
Sawan Shah, Head of Finance
Manish Shah, Senior Finance Analyst
John Smith, Pensions Manager

Investment Advisor: Hymans Robertson LLP

Custodian: Northern Trust

Auditor: Grant Thornton LLP

Pooling Partner: London CIV

Performance Measurement: Northern Trust

Actuary: Hymans Robertson LLP

Investment Managers:

Alinda Capital Partners

Blackrock Investment Management

Capital Dynamics

Fidelity UK Real Estate

Legal & General Investment Management

London CIV

UBS Triton Property

Legal Advisers: In house

Banker: NatWest Bank

Scheme Administrator: LPPA

AVC Providers: Prudential

Prudential

Utmost (legacy, formerly Equitable Life)

Clerical Medical (legacy)

DRAFT

2. Risk Management



Identifying, Managing and Reviewing Risks:

The Pension Fund has a dedicated Risk Management Policy, supported by a comprehensive risk register. The policy is reviewed at least every three years, while the risk register is reviewed and updated prior to each Pension Board meeting.

The processes for identifying and managing risks are integrated into the governance structure of the Fund.

Officers operate within the financial procedures and control environment which are regularly audited by internal and external audit, with overall oversight of risk management falling to the Pension Board.

The Pension Fund is exposed to risks inherent in its activities. Risk management policies and procedures are in place to identify, assess, monitor and manage these risks effectively.

The Fund's primary risk is that its assets will fall short of its liabilities (i.e. promised benefits payable to members) over time. Therefore, the aim of is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio.

The Fund looks to achieve this through asset diversification to reduce exposure to market risk (price, currency, interest rate risk and credit risks) to an acceptable level.

In addition, the Fund manages its liquidity risk to ensure there are sufficient funds to meet the Fund's forecast cash flows.

The Pension Fund manages investment risks through its overall pension fund risk management framework.

Responsibility for overseeing the Fund's risk management strategy rests with the Pension Fund Sub-Committee.

Policies are reviewed regularly to reflect changes in activity and in market conditions.

The risk management process involves:

• Review of the Funds key policies and procedures.

• Regular review of the Funds Risk Register.

• Review of quarterly investment and manager performance.

• Training.

The Fund's annual accounts (see note 17) also make detailed reference to managing specific risks relating to the Fund's assets, liabilities and investments.

DRAFT

The Brent Pension Fund Risk Register is a key tool for managing risk and it incorporates an assessment of the likelihood and impact of risks together with control and mitigation measures. It ensures that key risks are identified and that mitigating actions are taken to control them.

How Risks Are Identified, Managed and Reviewed

Risks are "RAG" rated using a "traffic light system" and are monitored on a regular basis. The controls and mitigations are documented and further actions identified and implemented where necessary. This is reviewed and reported at Pension Board meeting and can be found on the Brent Pensions Board website.

The Funding Strategy Statement summarises the key risks within each objective area and sets out mitigating actions in place to manage them.

The actuary reports on these risks at each triennial valuation or more frequently as and when required. The key risks identified within the Pension Fund Risk Register are:

- Investment
- Funding
- Covenant
- Governance
- Administration
- Geopolitical

The Risk Management Programme in place ensures that key risks are identified and mitigating actions are taken to control them Risks. Appendix C of the Funding Strategy Statement summarises the key risks in each objective area and the mitigating actions being taken to manage them.

Cyber Risk

The Council has published its comprehensive Cyber Security Strategy, which establishes rigorous operational protocols and safeguards to defend critical infrastructure and sensitive data against evolving internet-based threats. By prioritising disaster recovery frameworks, the implementation of multi-factor authentication, and mandatory workforce training, the strategy ensures staff are fully equipped to identify vulnerabilities and uphold standards of data confidentiality

The Pension Fund has adopted the Council's data security procedures to maintain effective controls and actively monitors cyber risks as part of its overall risk register. The Fund's external administrators, the Local Pensions Partnership Administrators (LPPA)

DRAFT

also implements cyber security controls, including network firewalls and daily remote backups to prevent the loss or corruption of sensitive data.

The Council's Cyber Security Strategy for 2022-2026 can be found here: https://democracy.brent.gov.uk/documents/s134188/Appendix%20A%20

Third Party Risks

The payment of contributions is robustly monitored in accordance with the Pensions Administration Strategy to ensure compliance and accuracy. Scheme employers must submit an electronic return that verifies the underlying contribution calculations for both employees and employers while ensuring full alignment with the corresponding pension payments.

The Council has also outsourced the following functions of the Fund:

• Custodianship of assets.

• Pensions administration in coordination with the Brent pensions administration team who monitors and manages the Fund's contractor for pension administration services, Local Pensions Partnership Administration (LPPA).

• The Pension Payroll

As these functions are outsourced, the Council is exposed to Third Party Risk. A range of investment managers are used to diversify risk.

Custodianship risk is mitigated by AAF 01/06 and ISAE3402 assurance and any weaknesses in controls are reviewed and reported as necessary to the Pension Fund Sub-Committee.

During the 2023/24 financial year, Internal Audit reviewed the Pension Fund's procedures for monitoring the pensions administration contract and managing the collection of pension contributions. The primary objective was to provide formal assurance of the effectiveness of the controls governing the contributions management process. The scope of the review covered roles and responsibilities, service level agreement (SLA) monitoring, employer and employee contribution data, contribution receipts, and ongoing monitoring and reporting arrangements.

The audit identified no critical high or low risk issues with only one medium risk item being reported. Internal audit identified several areas of good practice. Any risks identified were agreed between internal audit and management and actions are taken to ensure that the recommendations are implemented and the controls are operating effectively.

The next internal audit of the Brent Pension Fund is set to take place in 2026/27 as part of the 3-Year Rolling Plan.

The Pension Fund has formalised its operational expectations through its publication of the Pension Administration Strategy (PAS), which helps to mitigate administrative risks by establishing clear quality and performance standards for scheme employers. The strategy sets out the respective roles and responsibilities of both the Administering Authority and participating employers. It establishes a collaborative environment that ensures the timely submission of accurate data and the prompt notification of member events within prescribed service level agreements. The Fund reserves the right to impose financial penalties where employers consistently fail to meet these required service standards including deadlines for the payment of contributions and the submission of data returns (see Annex 1 of the Pensions Administration Strategy).

The Pension Fund also maintains its Members Communications Strategy, which is designed to ensure that all key stakeholders are kept informed of developments within the Fund and through the appropriate medium. The aim being to ensure an effective communication process is in place to help maintain the efficient and effective running of the Scheme and deliver better stakeholder and customer outcomes

Other Investment Risk

Brent Pension Fund maintains a rigorous framework for monitoring investment risk. Risk assessments are conducted at both the market level and the individual fund manager level. Fund managers implement diverse risk-management strategies, including disciplined valuation processes to prevent overpaying for assets, and regular oversight by dedicated risk and investment committees that review and challenge investment decisions and underlying assumptions. Fund managers actively navigate the complexities of asset mispricing, which can be exacerbated by heightened market competition and the investor demand for yield.

The Pension Fund employs an Investment Advisor, Hymans Robertson, to assist and advise the Pensions Sub Committee. Investment performance is reviewed by the committee each quarter.

The Pension Fund evaluates its fund managers on a quarterly basis as part of its regular performance monitoring. The assessment analyses both net returns and the specific attribution factors explaining how those results were generated. Performance is benchmarked against expected outcomes under prevailing market conditions to identify and manage guard investment or style drift. The fund also considers tactical adjustments by managers in changing market environments.

Pension Fund Officers ensure that all tasks are undertaken in compliance with best practice as detailed and the principles set out in the Investment Strategy Statement. This helps to mitigate any governance risk, such as acting outside the Fund's statutory powers (ultra vires).

Pension Fund Officers document meetings with fund managers, and report back to the Pension Fund Sub-Committee on a quarterly basis.

The key risks and controls in place to mitigate investment risks are included in the Funding Strategy Statement.

DRAFT

3. Governance & Training



Pension Fund Sub-Committee Membership as at 31 March 2026

Chair:	Cllr R Johnson
Other Members:	Cllr D Kennelly (Vice Chair)
	Cllr I Ahmadi Moghaddam
	Cllr S Choudry
	Cllr S Crabb
	Cllr S Kansagra
	Cllr A Molloy
Employee representatives: (non-voting)	Elizabeth Bankole (Unison)

Information on the voting rights and record of attendances at meetings for each member of the Pension Fund Sub-Committee can also be found on the committee web page on the Brent Democracy Portal:

Pension Fund Sub-Committee
https://democracy.brent.gov.uk/mgAttendanceSummary.aspx?RPID=155

DRAFT

Governance Structure

The London Borough of Brent Council has delegated responsibility for pension matters to the Pension Fund Sub-Committee. The Committee is comprised of seven elected representatives of the council – six from the administration and one opposition party representative. An employer representative of the Trade Unions is appointed but has no voting rights.

Pension Fund Sub-Committee

The Pension Fund Sub-Committee is responsible for the strategic management of the assets of the Fund and the administration of benefits. The Pension Fund Sub-Committee meets quarterly to:

- Ensure compliance with legislation and best practice
- Determine policy for the investment, funding and administration of the Fund
- Monitor performance across all aspects of the service
- Consider issues arising and make decisions to secure efficient and effective performance and service delivery
- Appoint and monitor advisers
- Ensure that arrangements are in place for consultation with stakeholders as necessary.
- To consider the annual statement of pension fund accounts and actuarial valuation.

Pension Board The below table summarises the Board attendance during the 2024/25 municipal year:

Attendee	22 July	6 November	23 March
David Ewart	✓	✓	✓
Cllr S Kabir	✓	✓	
Cllr T Smith	✓	✓	✓
Bola George	✓	✓	
Chris Bala	✓	✓	✓
Robert Wheeler		✓	

Governance Compliance Statement

This statement shows how Brent Council as the Administering Authority of the Brent Pension Fund complies with guidance on the governance of the Local Government Pension Scheme (LGPS) issued by the Secretary of State for Communities and Local

DRAFT

Government in accordance with the Local Government Pension Scheme (Administration) Regulations 2013.

Ref.	Principles	Compliance and comments
A	**Structure**	
a.	That the management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council.	Full compliance. Brent Council's constitution sets out the terms of reference for the Pension Fund Sub-Committee.
b.	That representatives of participating LGPS employers, admission bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	Full compliance.
c.	That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	No formal secondary committees or panels have been established.
d.	That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	No formal secondary committees or panels have been established.
B	**Representation**	
a.	That all key stakeholders have the opportunity to be represented within the main or secondary committee structure. These include: i) employing authorities (including non-scheme employers, e.g. admission bodies) ii) scheme members (including deferred and pensioner scheme members) iii) where appropriate, independent professional observers, and iv) expert advisers (ad-hoc basis only).	Full compliance. The Pension Fund Sub-Committee includes a representative of the other employers in the Fund and contributor members. The Fund's investment adviser attends Pension Fund Sub-Committee meetings. Independent professional observers are not regarded as appropriate.
b.	That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers, meetings, and training and are given full opportunity to contribute to the decision-making process, with or without voting rights.	Full compliance. Equal access is provided to all members of the Pension Fund Sub-Committee.
C	**Selection and role of lay members**	
a.	That committee or panel members are made fully aware of the status, role and function they	Full compliance.

Ref.	Principles	Compliance and comments
	are required to perform on either a main or secondary committee.	
D	**Voting**	
a.	That the individual administering authorities on voting rights are clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.	Full compliance. All representatives on the Pension Fund Sub-Committee have full voting rights, but the Sub-Committee works by consensus without votes being required.
E	**Training/facility time/expenses**	
a.	That in relation to the way in which the administering authority takes statutory and related decisions, there is a clear policy on training, facility time and reimbursement of expenses for members involved in the decision-making process.	Full compliance. Full training and facilities are made available to all members of the Pension Fund Sub-Committee.
b.	That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.	Full compliance.
c.	That the administering authority considers adopting annual training plans for committee members and maintains a log of all such training undertaken.	Full compliance. A training plan has been prepared for the Pension Fund Sub-Committee and training logs are maintained for all such training undertaken.
F	**Meetings (frequency/quorum)**	
a.	That an administering authority's main committee or committees meet at least quarterly.	Full compliance. The Pension Fund Sub-Committee meets regularly throughout the year. Additional meetings can be arranged to fit its business needs.
b.	That an administering authority's secondary committee or panel meets at least twice a year and is synchronised with the dates when the main committee sits.	No formal secondary committees or panels have been established.
c.	That an administering authority that does not include lay members in its formal governance arrangements must provide a forum outside of those arrangements to represent the interests of key stakeholders.	Full compliance. The Pension Fund Sub-Committee includes lay members. Employers' forums are arranged for employers.
G	**Access**	
a.	That, subject to any rules in the Council's constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and	Full compliance. Equal access is provided to all members of the Pension Fund Sub-Committee.

Ref.	Principles	Compliance and comments
	advice that are due to be considered at meetings of the main committee.	
H	**Scope**	
a.	That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	Full compliance. The Pension Fund Sub-Committee deals with fund administration issues as well as fund investment.
I	**Publicity**	
	That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in how the scheme is governed can say they want to be part of those arrangements.	Full compliance. The Council's Governance Policy Statement is published in the Pension Fund's Annual Report and on its website.

Member Training

Members of the Pension Fund Sub-Committee and Pension Board are required to have the appropriate level of knowledge and understanding for their roles. This aims to ensure that members possess the necessary knowledge and skills to effectively fulfil their roles in providing effective oversight of the Brent Pension Fund.

Members of the Pension Fund Sub-Committee and Brent officers have opportunities to attend training courses and seminars on pension fund matters, when necessary and appropriate. The cost of attending is charged to the Pension Fund. Training is delivered in advance of all committee meetings and to ensure that the sessions are effective, topics are usually arranged in line with agenda items.

Training provided during 2025/26 included:

Committee training

- Actuarial Valuation: Introduction
- Valuation Assumption Setting
- Current Funding Environment
- Investment risk from conflict regions
- Risk-return profiles of assets
- Investment Strategy Review Implementation

LGPS Online Learning Academy (LOLA)

- Module 1: Committee Role and Pensions Legislation
- Module 2: Pensions Governance
- Module 3: Pensions Administration

- Module 4: Pensions Accounting and Audit Standards
- Module 5: Procurement and Relationship Management
- Module 6: Investment Performance and Risk Management
- Module 7: Financial Markets and Product Knowledge
- Module 8: Actuarial methods, Standards and Practices

Accountability and Transparency

Pension Fund Sub-Committee agendas, reports and minutes are published on the Brent Council website at; **Brent Council**.

Conflict of Interests

A conflict of interest is defined as a financial or other interest which is likely to prejudice a person's exercise of functions as a member of the Pension Board and Sub-Committee. It does not include a financial or other interest arising merely by virtue of that person being a member of the Scheme.

There is a standing agenda item at each Pension Fund Sub-Committee and Board meeting for members to declare any personal or prejudicial interests.

On appointment and following any subsequent declaration of potential conflict by a member, the Administering Authority shall ensure that any potential conflict is effectively managed in line with both the internal procedures of the Conflicts of Interest policy and the requirements of the Code.

Summary of Freedom of Information requests

The Fund promotes a strong sense of accountability and transparency across the organisation, especially with its beneficiaries. Operating under public sector regulations dictates that the Pension Fund must respond to requests under the Freedom of Information (FoI) Act 2000. The Fund received and responded to 29 such requests in 2025-26.

Governance Overview – London CIV

London LGPS CIV Limited is an FCA authorised and regulated company limited by shares, in which all 32 London LGPS Funds are shareholders. In addition to London CIV's Articles of Association, there is a Shareholder Agreement in place which outlines the matters reserved to shareholders. These matters include items such as the approval of the budget, objectives, and the business plan. London CIV hosts several meetings throughout the year to provide touchpoints where such matters may be discussed, including two General Meetings, four Shareholder Committees and four Sustainability Working Groups.

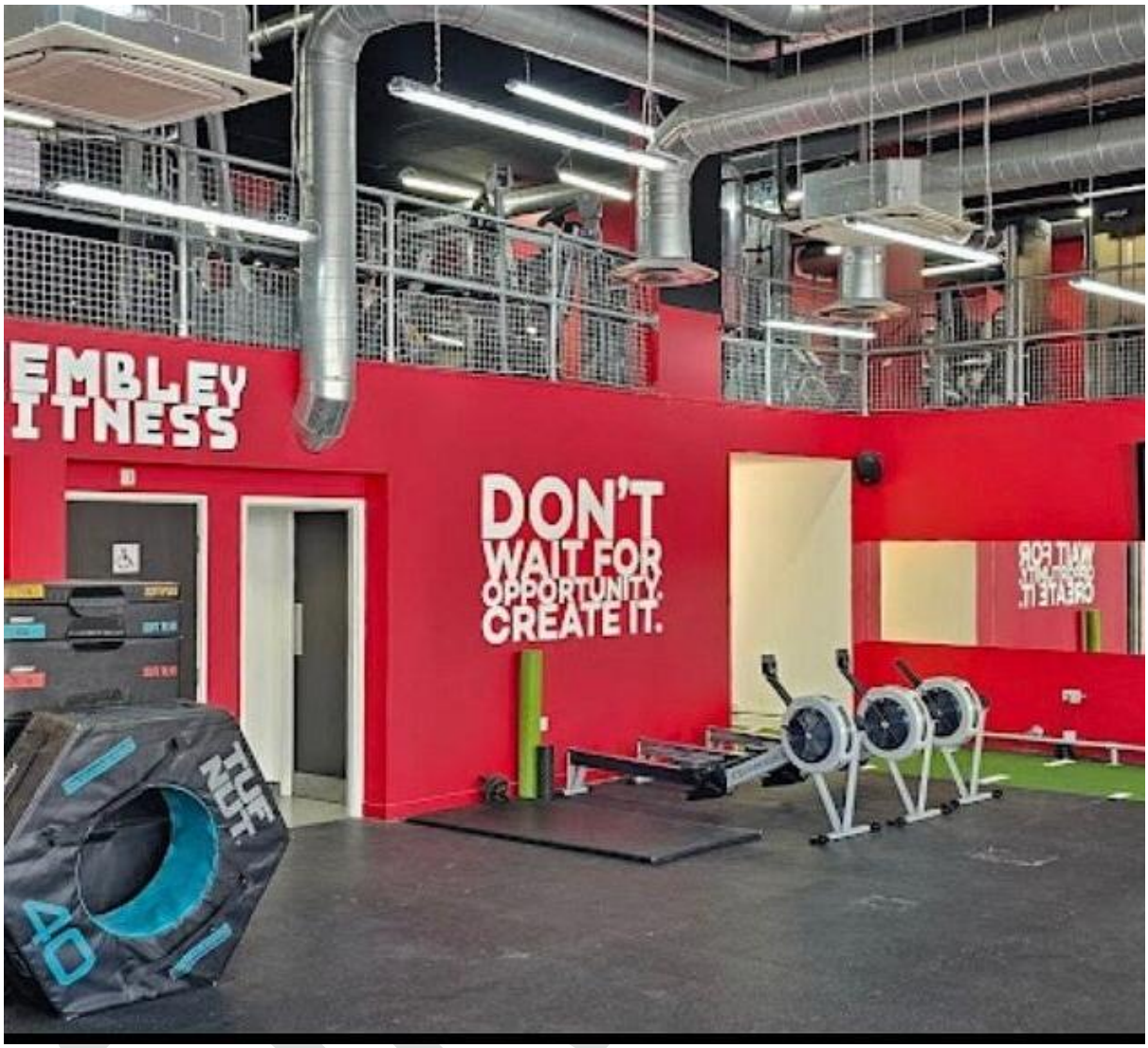
London CIV also publishes an Annual Report, which captures all major developments throughout the year. A copy of the report for 2025/26 may be accessed here: https://londonciv.org.uk/block/download/6863/file

Oversight from the Brent Pension Fund of the work undertaken by LCIV is further exercised through:

- Regular relationship meetings to discuss current workstreams and priorities.
- Regular attendance at monthly Business Updates through which officers can ask questions and raise queries.
- Attendance at the annual LCIV conference providing a more detailed, up to date breakdown of the pools operations and performance.
- Review of LCIV Fund performance by Sub-committee and Board.
- Participation in relevant seed Investor groups and working groups when new Funds or policies are being designed to help shape the idea, raise questions and challenge where necessary.
- An in-depth due diligence process is undertaken by the Funds investment advisors for any new Funds of interest presented by the LCIV.

DRAFT

4. Financial Performance



Financial Summary

Income and expenditure of the fund over the past five years is shown below. This shows that a net increase in the Fund's market value of £452m over the five-year period. During 2025/26, the Fund's value increased by £169.6m.

Financial Summary	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Contributions receivable	(70.9)	(73.8)	(76.7)	(80.0)	(78.7)
Benefits payable	52.7	55.6	59.8	69.2	74.5
Net (additions)/withdrawals from dealings with members	**(18.2)**	**(18.2)**	**(16.9)**	**(10.8)**	**(4.2)**
Management expenses	4.3	4.1	4.2	5.1	4.2
Net of investment income and taxes on income	(1.1)	1.8	(11.1)	(15.4)	(20.3)
Change in market value	(88.1)	25.8	(117.1)	(30.6)	(149.3)
Net (increase)/decrease in Fund Value	**(103.1)**	**13.5**	**(140.9)**	**(51.6)**	**(169.6)**

Movements in the Fund's income and expenditure primarily reflect changes in membership and demographics. Contribution income varies with active member numbers, pay levels, employer rates, and transfers, while benefit costs are driven by retirements, pensioner longevity and pension increases. A comprehensive summary of the Fund's member composition can be found in Note 1 of the main Statement of Accounts.

Analysis of Dealings with Scheme Members

As shown in the table below, net contribution from members has been positive over the past six years. Employer contributions show a modest increase relative to the previous year. Transfers out have increased compared to last year, reflecting more members electing to remove their benefits from the scheme.

Analysis of Dealings with Scheme Members	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Contributions receivable					
Members	(9.7)	(10.6)	(11.1)	(12.0)	(12.5)
Employers	(54.4)	(56.9)	(57.8)	(61.2)	(57.1)
Transfers In	(6.8)	(6.3)	(7.8)	(6.8)	(9.1)
Total	**(70.9)**	**(73.8)**	**(76.7)**	**(80)**	**(78.7)**
Benefits payable					
Pensions	39.7	41.4	45.2	49.3	50.5
Lump sum retirement and death benefits	7.2	6.4	6.8	10.6	11.1
Transfers Out	5.7	7.6	7.7	9.1	12.6
Refunds to members leaving service	0.2	0.2	0.1	0.2	0.3
Total	**52.7**	**55.6**	**59.8**	**69.2**	**74.5**
Net Dealings with Members	**(19.2)**	**(18.2)**	**(16.9)**	**(10.8)**	**(4.2)**

DRAFT

Analysis of Management Expenses

The costs of managing the Pension Fund are split into three areas: Administration expenses, Oversight and Governance costs and Investment management expenses.

Analysis of Management Expenses	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Administration costs	1.6	1.4	1.6	2.4	1.6
Oversight and Governance costs	0.2	0.2	0.2	0.4	0.4
Investment management costs					
Management fees	2.4	2.4	2.4	2.3	2.2
Custody fees	0.1	0.1	0.0	0.0	0.0
Total	**4.3**	**4.1**	**4.2**	**5.1**	**4.2**

Analysis of non-investment assets and liabilities

Compared to the prior year, the Fund saw an increase in non-current assets. Sundry debtors decreased from £3.8m to £1.1m, and sundry creditors stayed unchanged.

The main driver for the decrease in debtors is that the Fund received £1.7m from employers to cover voluntary-redundancy costs and £1m for enhanced pension costs in the period to 31 March 2025. When an employer offers voluntary redundancy, the pension scheme meets the extra pension or early-retirement costs up front. The employer reimburses the Fund for those additional costs.

Contribution Rates

Members of the LGPS pay a contribution rate dependant on the salary band they fall in to. The contribution rate employees pay depends on their salary. The bands and contribution rates for 2025/26 are set out in the table below.

Annual Pensionable Pay	Rate	50/50 Gross Contribution
Up to £17,800	5.5%	2.75%
£17,801 to £28,000	5.8%	2.90%
£28,001 to £45,600	6.5%	3.25%
£45,601 to £57,700	6.8%	3.40%
£57,701 to £81,000	8.5%	4.25%
£81,001 to £114,800	9.9%	4.95%
£114,801 to £135,300	10.5%	5.25%
£135,301 to £203,000	11.4%	5.70%
£203,001 or more	12.5%	6.25%

Individual employers' rates vary depending on the demographic and actuarial factors particular to each employer. The most commonly applied employer contribution rate within the Brent Pension Fund was 30.5% in 2025/26.

Regulations state that contributions must be paid to the Fund by the 22nd day of the month following deduction. The Fund reserves to right to levy interest on an employer for the late payment of contributions. In 2025/26, this power was not exercised.

Counter Fraud initiatives

Brent Council and the Brent Pension Fund have a statutory obligation to protect the public funds it administers. As part of this responsibility, the Council participates in the National Fraud Initiative, a government-led data matching scheme that helps identify fraud by detecting inconsistencies across public records. This initiative assists in identifying issues such as overpayments by flagging cases where pension recipients may have passed away, relocated overseas, or are receiving duplicate benefits. Identifying such inconsistencies allows the Fund to investigate and take corrective action before losses occur.

To further reduce the risk of overpayments, the Council provides information on the Tell Us Once service, which allows residents to report a death just once, ensuring relevant departments are notified promptly.

Overpayments and Write-offs

The Fund monitors and actively manages the recovery of pension overpayments, which can arise from late notification of a member's death or a change in circumstances. Where an overpayment is identified, prompt action is taken to stop further payments and to initiate recovery. Recoveries are pursued by LPPA, who balance the duty to safeguard scheme assets with the need to act reasonably and sensitively in individual cases. The recovery threshold is set at £500.

DRAFT

5. Fund Account, Net Assets and Notes



Brent Pension Fund Accounts

Pension Fund Accounts as at 31 March 2026

2024/25 £m		Notes	2025/26 £m
	Dealings with members, employers and others directly involved in the fund		
(73.2)	Contributions	7	(69.6)
(6.8)	Transfers in from other pension funds	8	(9.1)
(80.0)			**(78.7)**
59.9	Benefits	9	61.6
9.3	Payments to and on account of leavers	10	12.9
69.2			**74.5**
(10.8)	**Net (additions)/withdrawals from dealings with members**		**(4.2)**
5.1	Management expenses	11	4.2
(5.7)	**Net (additions)/withdrawals including management expenses**		**(0.0)**
	Returns on investments		
(15.4)	Investment income	12	**(20.2)**
0.1	Taxes on income	13	**(0.1)**
(30.6)	(Profits) and losses on disposal of investments and changes in the market value of investments	14	**(149.3)**
(45.9)	**Net return on investments**		**(169.6)**
(51.6)	**Net (increase)/decrease in the net assets available for benefits during the year**		**(169.6)**
(1,261.2)	**Opening net assets of the scheme**		**(1,312.8)**
(1,312.8)	**Closing net assets of the scheme**		**(1,482.4)**

DRAFT

Net Assets Statement of the Pension Fund as at 31 March 2026

	Notes	31 March 2025 £m	31 March 2026 £m
Investment assets	14	1,310.3	1,481.9
Total net investments		**1,310.3**	**1,481.9**
Current assets	20	5.1	3.1
Current liabilities	21	(2.6)	(2.6)
Net assets of the fund available to fund benefits at the end of the reporting period		**1,312.8**	**1,482.4**

The net asset statement includes all assets and liabilities of the Fund as at 31 March 2026 but excludes long-term liabilities to pay pensions and benefits in future years. The actuarial present value of promised retirement benefits is disclosed in Note 19.

DRAFT

Notes to the Brent Pension Fund accounts

1. Description of Fund

The Brent Pension Fund (the 'Fund') is part of the Local Government Pension Scheme (LGPS) and is administered by Brent Council. The following description of the Fund is a summary only.

a) General

The Fund is a contributory defined benefit pension scheme administered by Brent Council to provide pensions and other benefits for pensionable employees of Brent Council and a range of other scheduled and admitted bodies.

b) Membership

Membership of the LGPS is voluntary and employees are free to choose whether to join the scheme, remain in the scheme or make their own personal arrangements outside the scheme.

Organisations participating in the Brent Pension Fund include:

- Scheduled bodies whose staff are automatically entitled to be members of the Fund
- Admitted bodies which are other organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

There were 43 employer organisations with active members within the Brent Pension Fund at 31 March 2026, listed below:

Scheduled bodies

London Borough of Brent	North West London Jewish Day School (Academy)
Alperton Community School	Oakington Manor Primary School
ARK Academy	Our Lady of Grace RC Infants School
ARK Elvin Academy	Our Lady of Grace RC Juniors School
Ark Franklin Primary School	Preston Manor High School
Braintcroft Primary School	Queens Park Community School
Byron Court	St Andrew & St Francis (Acad)
Claremont High School Academy	St Claudine's Catholic School for Girls
Compass Learning Partnership	St Gregory's RC High School
Crest Academy	St Margarets Clitheroe School

DRAFT

Furness Primary School (Academy)	St Mary's RC Academy
Gladstone Park Primary School	Sudbury Primary School
Harris Lowe Acad. Willsden BR	The Village School
Harris Primary Academy (South Kenton)	Wembley High Technology College
Kingsbury High School	Woodfield School Academy
Manor School	Michaela Community School Academy
	Roundwood School and Community Centre

Admitted bodies

Alliance in Partnership (Gladstone Park Primary)

Atalian Servest AMK

Barnardos

Veolia (Ground Maintenance)

Continental Landscapes Limited

Local Employment Access Project (LEAP)

O'Hara Bros Surfacing

Prospects Services (BR)

Taylor Shaw

Veolia

Brent Pension Fund	**31-Mar-25**	**31-Mar-26**
Number of employers with active members	44	43
Number of employees in scheme		
Brent Council	4,630	4,508
Other employers	2,100	2,071
Total	**6,730**	**6,579**

DRAFT

Number of pensioners		
Brent Council	6,753	6,785
Other employers	932	1,005
Total	**7,685**	**7,790**
Deferred pensioners		
Brent Council	6,951	6,861
Other employers	1,428	1,528
Total	**8,379**	**8,389**
Total members in pension scheme	**22,794**	**22,758**

c) Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the Fund in accordance with the LGPS (Benefits, Membership and Contributions) Regulations 2013 and range from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2026. Employee contributions are matched by employers' contributions which are set based on triennial actuarial funding valuations. The last such valuation was at 31 March 2025. During 2025/26, the most commonly applied employer contribution rate within the Brent Pension Fund was 30.5% of pensionable pay.

d) Benefits

Since April 2014, the scheme is a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate 1/49th. Accrued pension is updated annually in line with the Consumer Price index.

For a summary of the scheme before April 2014 and details of a range of other benefits provided under the scheme including early retirement, disability pensions and death benefits please refer to the LGPS website: www.lgpsmember.org

2. Basis of preparation

The Statement of Accounts summarises the Fund's transactions for the 2025/26 financial year and its position at year-end as at 31 March 2026. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 issued by the

Chartered Institute of Public Finance and Accountancy (CIPFA) which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The accounts have been prepared on a going concern basis. The accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits. The accounts do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year. The actuarial present value of promised retirement benefits, valued on an International Accounting Standard (IAS) 19 basis, is disclosed at Note 19 of these accounts.

3. Summary of significant accounting policies

Fund Account – revenue recognition

a) Contribution income

Normal contributions are accounted for on an accruals basis as follows:

• Employee contribution rates are set in accordance with LGPS regulations and are accounted for in the payroll period to which they relate.

• Employer contribution rates are set at the percentage rate recommended by the Fund actuary and are accounted for in the payroll period to which they relate.

Employers' augmentation contributions and pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classified as a current financial asset. Amounts not due until future years are classified as long-term financial assets.

b) Transfers to and from other schemes

Transfer values represent the amounts received and paid during the year for members who have either joined or left the Fund during the financial year and are calculated in accordance with the Local Government Pension Scheme Regulations (see Notes 8 and 10).

Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged.

Transfers in from members wishing to use the proceeds of their additional voluntary contributions (see section o below) to purchase scheme benefits are accounted for on a receipts basis and are included in Transfers In (see Note 8).

Bulk (group) transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement.

c) Investment income

i) Interest income

Interest income is recognised in the Fund Account as it accrues, using the effective interest

DRAFT

rate of the financial instrument as at the date of acquisition or origination. Income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of the instrument and its amount at maturity calculated on an effective interest rate basis.

ii) Dividend income

Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as a current financial asset.

iii) Distributions from pooled funds

Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as a current financial asset.

iv) Movement in the net market value of investments

Changes in the net market value of investments are recognised as income and comprise all realised and unrealised profits/losses during the year.

Fund Account – expense items

d) Benefits payable

Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the Net Assets Statement as current liabilities.

e) Taxation

The Fund is a registered public service scheme under section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a Fund expense as it arises.

f) Management expenses

The fund discloses its management expenses in line with the CIPFA guidance accounting for local government pensions scheme management expenses, as shown below. All items of expenditure are charged to the fund on an accrual basis as follows:

i) Administrative expenses

All staff costs for the pensions administrative team are directly charged to the fund. Council recharges for management, accommodation, and other overhead costs are

DRAFT

accounted for as administrative expenses.

ii) Oversight and governance

Costs associated with governance and oversight are separately identified, apportioned, and charged as expenses to the fund.

iii) Investment management expenses

Investment fees are directly charged to the fund as management expenses and are not included in reported investment returns. If fees are netted off returns by investment managers, these expenses are adjusted to reflect their impact on the investment value. Fees charged by external investment managers and custodians are based on the market value of managed investments, increasing, or decreasing with the changes in value. Estimated fees based on market value are included if fee notes are not received by year-end. Costs of the council's in-house fund management team and officer team spent on investment management are charged to the fund.

Net Assets Statement

g) Financial assets

Financial assets are included in the Net Assets Statement on a fair value basis as at the reporting date. A financial asset is recognised in the Net Assets Statement on the date the Fund becomes party to the contractual acquisition of the asset. From this date, any gains or losses arising from changes in the fair value of the asset are recognised by the Fund.

The values of investments as shown in the Net Assets Statement have been determined as follows:

i) Market-quoted investments

The value of an investment for which there is a readily available market price is determined by the bid market price ruling on the final day of the accounting period.

ii) Fixed interest securities

Fixed interest securities are recorded at net market value based on their current yields.

iii) Unquoted investments

The fair value of investments for which market quotations are not readily available is determined as follows:

- Valuations of delisted securities are based on the last sale price prior to delisting, or where subject to liquidation, the amount the Fund expects to receive on wind-up, less estimated realisation costs.
- Securities subject to takeover offer – the value of the consideration offered under the offer, less estimated realisation costs.
- Directly held investments include investments in limited partnerships, shares in unlisted companies, trusts and bonds. Other unquoted securities typically include pooled investments in property, infrastructure, debt securities and private equity. The valuation

of these pools or directly held securities is undertaken by the investment manager or responsible entity and advised as a unit or security price. The valuation standards followed in these valuations adhere to industry guidelines or to standards set by the constituent documents of the pool or the management agreement.

- Investments in unquoted property and infrastructure pooled funds are valued at the net asset value or a single price advised by the fund manager.
- Investments in private equity/infrastructure funds and unquoted listed partnerships are valued based on the Fund's share of the net assets in the private equity/infrastructure fund or limited partnership using the latest financial statements published by the respective fund managers.

iv) Limited partnerships

Fair value is based on the net asset value ascertained from periodic valuations provided by those controlling the partnership.

v) Pooled investment vehicles

Pooled investment vehicles are valued at closing bid price if both bid and offer prices are published; or if single priced, at the closing single price. In the case of pooled investment vehicles that are accumulation funds, change in market value also includes income which is reinvested in the Fund, net of applicable withholding tax.

h) Contingent Assets

Admitted body employers in the Brent Pension Fund hold bonds to guard against the possibility of being unable to meet their pension obligations. These bonds are drawn in favour of the pension fund and payment will only be triggered in the event of employer default. Contingent Assets are disclosed in Note 25.

i) Foreign currency transactions

Dividends, interest and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of transaction. End-of-year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, market values of overseas investments and purchases and sales outstanding at the end of the reporting period.

k) Cash and cash equivalents

Cash comprises cash in hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

l) Financial liabilities

The Fund recognises financial liabilities at fair value as at the reporting date. A financial liability is recognised in the Net Assets Statement on the date the Fund becomes party to the liability. From this date, any gains or losses arising from changes in the fair value of the liability are recognised by

DRAFT

the Fund.

m) Actuarial present value of promised retirement benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of IAS 19 and relevant actuarial standards.

As permitted under IAS 26, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the Net Assets Statement (Note 19).

n) Additional voluntary contributions

Brent Pension Fund provides an additional voluntary contributions (AVC) scheme for its members, the assets of which are invested separately from those of the Pension Fund. The Fund has appointed Prudential as its AVC provider. AVCs are paid to the AVC provider by employers and are specifically for providing additional benefits for individual contributors. Each AVC contributor receives an annual statement showing the amount held in their account and the movements in the year.

AVCs are not included in the accounts in accordance with Section 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (SI 2016/946) but are disclosed as a note only (Note 22).

4. Critical judgements in applying accounting policies

In applying the accounting policies set out in note 3, the Pension Fund has had to make certain judgements about complex transactions or those involving uncertainty about future events.

There were no such critical judgements made during 2025/26.

5. Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the	The effects on the net pension liability of changes in individual assumptions can be measured. For

(Note 19)	discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Fund with expert advice about the assumptions to be applied.	instance, a 0.1% p/a decrease in the real discount rate assumption would result in an increase in the pension liability of approximately £20.0m. A 0.1% increase in Pension Increase Rate (CPI) would increase the value of liabilities by approximately £20.0m, and a one-year increase in assumed life expectancy would increase the liability by around 4% (c. £53.0m).
Private equity / infrastructure / private debt	Private equity/infrastructure/private debt investments are valued based on the latest available information, updated for movements in cash where relevant. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	The total private equity/infrastructure/private debt investments in the financial statements are £133.4m. There is a risk that this investment may be under- or overstated in the accounts. There is a risk that this investment may be under- or overstated in the accounts up to 12% (£16.6m).

6. *Events after the Reporting Date*

There have been no events since 31 March 2026, and up to the date when these accounts were authorised that require any adjustments to these accounts.

The Pension Schemes Act 2026 officially became law on April 29, 2026, after receiving Royal Assent. The landmark legislation introduces sweeping regulatory reforms across both Defined Benefit (DB) and Defined Contribution (DC) schemes, alongside changes to the Local Government Pension Scheme. The Pension Schemes Act 2026 is a non-adjusting post-balance sheet event and an estimate of its financial effect cannot be reliably made.

7. *Contributions receivable*

By Category

	2024/25	**2025/26**
	£m	**£m**
Employees' Contributions	12.0	12.5
Employers' Contributions:		
Normal contributions	39.1	40.4

Deficit recovery contributions	18.9	15.9
Augmentation contributions	3.2	0.8
Total Employers' contributions	61.2	57.1
Total contributions receivable	**73.2**	**69.6**

By authority

	2024/25	**2025/26**
	£m	**£m**
Administering Authority	57.9	55.2
Scheduled bodies	14.0	14.1
Admitted bodies	1.3	0.3
Total	**73.2**	**69.6**

8. *Transfers in from other pension funds*

	2024/25	**2025/26**
	£m	**£m**
Individual transfers	6.8	9.1
Total	**6.8**	**9.1**

9. *Benefits payable*

By Category

	2024/25	**2025/26**
	£m	**£m**
Pensions	49.3	50.5
Commutation and lump sum retirement benefits	10.0	9.1

DRAFT

Lump sum death benefits	0.6	2.0
Total	**59.9**	**61.6**

By authority

	2024/25	2025/26
	£m	£m
Administering Authority	57.0	54.7
Scheduled bodies	1.8	3.1
Admitted bodies	1.0	3.8
Total	**59.9**	**61.6**

10. Payments to and on account of leavers

	2024/25	2025/26
	£m	£m
Refunds to members leaving service	0.2	0.3
Individual transfers	9.1	12.6
Total	**9.3**	**12.9**

11. Management Expenses

	2024/25	2024/26
	£m	£m
Administration costs	2.4	1.6
Investment management expenses	2.3	2.2
Oversight and Governance costs	0.4	0.4
Total	**5.1**	**4.2**

The management fees disclosed above include all investment management fees directly incurred by the Fund including those charged on pooled fund investments. Audit fees were £97k (£98k 2024/25).

DRAFT

11a. Investment management expenses (see Note 11b for further details)

	2024/25	2025/26
	£m	£m
Management fees	2.3	2.2
Total	**2.3**	**2.2**

11b. Investment management expenses

Fund Manager	2025/26 Total	Management fees
	£m	£m
Alinda	0.2	0.2
Capital Dynamics	0.0	0.0
Fidelity	0.1	0.1
Legal & General	0.1	0.1
LCIV MAC	0.2	0.2
LCIV JP Morgan	0.1	0.1
LCIV Baillie Gifford	0.4	0.4
LCIV Infrastructure	0.0	0.0
LCIV Private Debt	0.0	0.0
LCIV Ruffer	0.7	0.7
LCIV UK Housing Fund	0.1	0.1
London LGPS CIV LTD	0.2	0.2
Blackrock	0.0	0.0
UBS Triton	0.1	0.1
Northern Trust (Fund Custodian)	0.0	0.0
Cash	0.0	0.0
Total	**2.2**	**2.2**

Fund Manager	2024/25 Total	Management fees
	£m	£m
Alinda	0.2	0.2
Capital Dynamics	0.1	0.1
Fidelity	0.1	0.1
Legal & General	0.1	0.1
LCIV MAC	0.2	0.2
LCIV JP Morgan	0.3	0.3
LCIV Baillie Gifford	0.3	0.3
LCIV Infrastructure	0.0	0.0

LCIV Private Debt	0.0	0.0
LCIV Ruffer	0.6	0.6
LCIV UK Housing Fund	0.0	0.0
London LGPS CIV LTD	0.2	0.2
Blackrock	0.0	0.0
UBS Triton	0.1	0.1
Northern Trust (Fund Custodian)	0.0	0.0
Cash	0.0	0.0
Total	**2.3**	**2.3**

12. Investment income

	2024/25	2025/26
	£m	£m
Pooled investments- unit trusts and other managed funds	9.6	10.4
Dividend income from private equities/infrastructure/property	2.7	2.5
Interest income from private equities/infrastructure/private debt	0.4	5.2
Interest on cash deposits	2.7	2.1
Total	**15.4**	**20.2**

13. Taxes on income

	2024/25	2025/26
	£m	£m
Withholding tax paid / (refunded)	0.1	(0.1)
Total	**0.1**	**(0.1)**

14. Investments

Investments asset	**Market value 31 March 2025**	**Market value 31 March 2026**
	£m	**£m**
Pooled investments	1,091.8	1,247.3
Pooled property investments	41.1	47.3
Infrastructure	72.1	76.3
Private debt	40.2	55.9
Private equity	1.5	1.2
	1,246.7	**1,428.0**

14a. Investments

2025/26	Market value 1 April 2025 £m	Purchases during the year £m	Sales during the year £m	Change in market value during the year £m	Market value 31 March 2026 £m
Pooled investments	1,091.8	579.1	(570.2)	146.6	1,247.3
Pooled property investments	41.1	5.8	(0.2)	0.6	47.3
Infrastructure	72.0	5.0	(2.3)	1.6	76.3
Private debt	40.3	25.7	(10.9)	0.8	55.9
Private equity	1.5	0.5	(0.5)	(0.3)	1.2
	1,246.7	**616.1**	**(584.1)**	**149.3**	**1,428.0**
Other investment balances: Cash Deposit	63.6				53.9
Net investment assets	**1,310.3**				**1,481.9**

2024/25	Market value 1 April 2024 £m	Purchases during the year £m	Sales during the year £m	Change in market value during the year £m	Market value 31 March 2025 £m
Pooled investments	1,068.4	27.6	(34.5)	30.3	1,091.8
Pooled property investments	24.1	15.2	(0.2)	2.0	41.1
Infrastructure	66.3	6.4	(4.8)	4.1	72.0

Private debt	39.1	0.0	0.0	1.2	40.3
Private equity	17.3	0.8	(9.6)	(7.0)	1.5
	1,215.2	**50.0**	**(49.1)**	**30.6**	**1,246.7**
Other investment balances: Cash Deposit	44.1				63.6
Net investment assets	**1,259.3**				**1,310.3**

14b. Analysis of investments by category	**Market value 31 March 2025 £m**	**Market value 31 March 2026 £m**
Pooled funds - additional analysis		
UK		
Fixed income unit trust	66.6	144.2
Unit trusts	192.1	245.1
Diversified growth funds	197.8	105.7
Overseas		
Unit trusts	635.2	752.3
Total Pooled funds	**1,091.8**	**1,247.3**
Pooled property investments	41.1	47.3
Private equity/infrastructure/private debt	113.8	133.4
Total investments	**1,246.7**	**1,428.0**

14c. Analysis of investments by fund manager

Fund manager	**Market value 31 March 2025 £m**	**%**	**Market value 31 March 2026 £m**	**%**
Legal & General	620.4	49.8	728.8	51.0
London CIV	0.2	0.0	0.2	0.0
LCIV – Emerging Market	61.4	4.9	83.6	5.9
Capital Dynamics	3.6	0.3	1.8	0.1
LCIV - Baillie Gifford	101.8	8.2	2.2	0.2
LCIV - Ruffer	96.0	7.7	103.5	7.2
LCIV - CQS & PIMCO	66.6	5.3	144.2	10.1
LCIV - Stepstone Infrastructure	54.2	4.3	60.7	4.3
LCIV UK Housing Fund	15.2	1.2	21.3	1.5
LCIV - Private Debt	40.2	3.2	55.9	3.9
Alinda	15.9	1.3	15.0	1.1
Fidelity UK Real Estate	14.7	1.2	14.8	1.0

Blackrock	145.4	11.7	184.7	12.9
UBS Triton Property Fund	11.2	0.9	11.3	0.8
	1,246.7	**100.0**	**1,428.0**	**100**

The following investments represent over 5% of the net assets of the fund. All of these companies are registered in the United Kingdom.

Security	**Market value 31 March 2025**	**% of total fund**	**Market value 31 March 2026**	**% of total fund**
	£m	**%**	**£m**	**%**
L&G - Global Equities	536.8	43.1	**627.2**	**43.9**
L&G - UK Equities	83.6	6.7	**101.6**	**7.1**
Blackrock - Over 15-Year Gilts	108.3	8.7	**143.3**	**10.0**
LCIV - Ruffer DGF	96.0	7.7	**103.5**	**7.2**
LCIV - CQS & PIMCO MAC	66.6	5.3	**144.2**	**10.1**
LCIV - JP Morgan	61.4	4.9	**83.6**	**5.9**

14d. Stock lending

The London Borough of Brent Pension Fund does not operate a Stock Lending programme.

15. Fair Value – Basis of Valuation

The basis of the valuation of each asset class of investment asset is set out below. There has been no change in the valuation techniques used during the year. All assets have been valued using fair value techniques which represent the highest and best price available at the reporting date.

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Cash	Level 1	Carrying value is deemed to be fair value because of the short-term nature of these financial instruments	Not required	Not required

DRAFT

Pooled investments – overseas unit trusts and property funds	Level 2	Closing bid price where bid and offer prices are published. Closing single price where single price published	NAV-based pricing set on a forward pricing basis	Not required
Private Equity, Infrastructure and Private Debt	Level 3	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation Guidelines (2012)	EBITDA multiple Revenue multiple Discount for lack of marketability Control premium	Valuations could be affected by material events occurring between the date of the financial statements provided and the pension fund's own reporting date, by changes to expected cash flows, and by any differences between audit and unaudited accounts

15a. Sensitivity of assets valued at Level 3

Having analysed historical data and current market trends, and consulted with our independent investment advisor, the fund has determined that the valuation methods described above are likely to be accurate to within the following ranges and has set out below the consequent potential impact on the closing value of investments held at 31 March 2026.

	Assessed valuation range (+/-)	**Value at 31 March 2026**	**Value on increase**	**Value on decrease**
	%	**£m**	**£m**	**£m**
Private equity	27.0%	1.2	1.5	0.9
Infrastructure	14.6%	76.3	87.4	65.2
Private debt	9.1%	55.9	61.0	50.8

	Assessed valuation range (+/-)	**Value at 31 March 2025**	**Value on increase**	**Value on decrease**
	%	**£m**	**£m**	**£m**
Private equity	26.6%	1.5	2.0	1.1

Infrastructure	14.5%	72.1	82.6	61.7
Private debt	7.6%	40.2	43.3	37.2

15b. Fair value hierarchy

The valuation of financial instruments had been classified into three levels, according to the quality and reliability of information used to determine fair values. Transfers between levels are recognised in the year in which they occur.

Level 1

Financial instruments at Level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as Level 1 comprise quoted equities, quoted fixed securities, quoted index linked securities, unit trusts and cash.

Listed investments are shown at bid prices. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

Level 2

Financial instruments at Level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

Level 3

Financial instruments at Level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

Such instruments would include unquoted equity investments and fund of hedge funds, which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

The values of the investment in private equity are based on valuations provided by the general partners to the private equity funds in which Brent Pension Fund has invested.

These valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation Guidelines, which follow the valuation principles of IFRS and US GAAP. Valuations are usually undertaken annually at the end of December. Cash flow adjustments are used to roll forward the valuations to 31 March as appropriate.

Transfers between levels will be recognised when there has been a change to observable mark data (improvement or reduction) or other change in valuation technique.

The following table provides an analysis of the financial assets and liabilities of the pension fund grouped into Levels 1 to 3, based on the level at which the fair value is observable.

Values at 31 March 2026	Quoted market price Level 1 £m	Using observable inputs Level 2 £m	With significant unobservable inputs Level 3 £m	Total £m
Financial assets at fair value through profit and loss				
Pooled investments		1,247.3		**1,247.3**
Pooled property investments		47.3		**47.3**
Private Equity/Infrastructure/Private Debt			133.4	**133.4**
Subtotal Financial assets at fair value through profit and loss		**1,294.6**	**133.4**	**1,428.0**
Cash	53.9			**53.9**
Subtotal Loans and receivables	**53.9**			**53.9**
Total Financial assets	**53.9**	**1,294.6**	**133.4**	**1,481.9**
Financial liabilities				
Current liabilities	(2.6)			**(2.6)**
Subtotal Financial liabilities at amortised cost	**(2.6)**	**0.0**	**0.0**	**(2.6)**
Total Financial liabilities	**(2.6)**	**0.0**	**0.0**	**(2.6)**
Net Financial assets	**51.3**	**1,294.6**	**133.4**	**1,479.3**

Values at 31 March 2025	Quoted market price Level 1 £m	Using observable inputs Level 2 £m	With significant unobservable inputs Level 3 £m	Total £m
Financial assets at fair value through profit and loss				
Pooled investments		1,091.8		**1,091.8**
Pooled property investments		41.1		**41.1**
Private Equity/Infrastructure/Private Debt			113.8	**113.8**

Subtotal Financial assets at fair value through profit and loss	**0.0**	**1,132.9**	**113.8**	**1,246.7**
Cash	63.6			**63.6**
Subtotal Loans and receivables	**63.6**	**0.0**	**0.0**	**63.6**
Total Financial assets	**63.6**	**1,132.9**	**113.8**	**1,310.3**
Financial liabilities				
Current liabilities	(2.6)			**(2.6)**
Subtotal Financial liabilities at amortised cost	**(2.6)**	**0.0**	**0.0**	**(2.6)**
Total Financial liabilities	**(2.6)**	**0.0**	**0.0**	**(2.6)**
Net Financial assets	**61.0**	**1,132.9**	**113.8**	**1,307.7**

15c. Transfers between Levels 1 and 2

There were no transfers between levels 1 and 2 during the year.

15d. Reconciliation of Fair Value Measurements within Level 3

	£m
Value at 31 March 2025	**113.8**
Transfers into Level 3	0.0
Transfers out of Level 3	0.0
Purchases	31.2
Sales	(13.7)
Issues	0.0
Settlements	0.0
Unrealised gains/losses	2.1
Realised gains/losses	0.0
Value at 31 March 2026	**133.4**

DRAFT

16. Classification of financial instruments

Accounting policies describe how different asset classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the carrying amounts of financial assets and liabilities by category and net assets statement heading. No financial assets were reclassified during the accounting period.

31 March 2025				31 March 2026		
Fair value through profit and loss £m	**Assets at amortised cost £m**	**Financial liabilities at amortised cost £m**		**Fair value through profit and loss £m**	**Assets at amortised cost £m**	**Financial liabilities at amortised cost £m**
			Financial assets			
1,091.8			Pooled investments	1,247.3		
41.1			Pooled property investments	47.3		
113.8			Private equity/ infrastructure/ private debt	133.4		
	63.6		Cash		54.8	
	5.1		Debtors		2.2	
1,246.7	**68.7**	**0.0**	**Total Financial assets**	**1,428.0**	**57.0**	**0.0**
			Financial liabilities			
		(2.6)	Creditors			(2.6)
0.0	**0.0**	**(2.6)**	**Total Financial liabilities**	**0.0**	**0.0**	**(2.6)**
1,246.7	**68.7**	**(2.6)**	**Net Financial Assets**	**1,428.0**	**57.0**	**(2.6)**

16a. Net gains and losses on Financial Instruments

31 March 2025 £m		31 March 2026 £m
30.6	Fair value through profit and loss	149.3
30.6	**Total**	**149.3**

17. Nature and extent of risks arising from financial instruments

Risk and risk management

The Fund's primary long-term risk is that the Fund's assets will fall short of its liabilities (i.e., promised benefits payable to members). Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk, and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows. The Pension Fund manages these investment risks as part of its overall pension fund risk management programme.

Responsibility for the Fund's risk management strategy rests with the Pension Fund Sub-Committee. Risk management policies are established to identify and analyse the risks faced by the Pension Fund's operations. Policies are reviewed regularly to reflect changes in activity and in market conditions.

a) Market risk

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix.

The objective of the Fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, whilst optimising the return on risk. In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the Pension Fund and its investment advisers undertake appropriate monitoring of market conditions and benchmark analysis.

Other price risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.

The Fund is exposed to share and derivative price risk. This arises from investments held by the Fund for which the future price is uncertain. All securities investments present a risk of loss of capital. Except for shares sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from shares sold short are unlimited.

The Fund's investment managers mitigate this price risk through diversification, and the selection of securities and other financial instruments is monitored by the Pension Fund to ensure it is within

DRAFT

limits specified in the Fund investment strategy.

Other price risk – sensitivity analysis

Following analysis of historical data and expected investment return movement during the financial year, in consultation with the fund's investment advisors, the council has determined that the following movements in market price risk are reasonably possible for the 2025/26 reporting period. (Based on data as at 31 March 2026 using data provided by investment advisors scenario model). The sensitivities are consistent with the assumptions contained in the investment advisors' most recent review. This analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates, remain the same.

Other price risk – sensitivity analysis

Asset Type	Value as at 31 March 2026 £m	Potential market movements (+/-)	Value on increase £m	Value on decrease £m
Bonds	143.4	6.5%	152.7	134.1
Equities				
UK Equity	101.6	18.0%	119.9	83.3
Global Equity	668.7	18.4%	791.7	545.7
Emerging Market Equity	83.6	26.9%	106.1	61.1
Other Pooled investments				
Diversified Credit	144.2	6.1%	153.0	135.4
Ruffer Multi Asset	103.5	8.7%	112.5	94.5
Baillie Gifford Multi Asset	2.2	12.9%	2.5	1.9
Pooled Property investments	47.3	15.9%	54.8	39.8
Private Equity	1.2	27.0%	1.5	0.9
Infrastructure	76.3	14.6%	87.4	65.2
Private Debt	55.9	9.1%	61.0	50.8
	1,427.9		**1,643.1**	**1,212.7**

DRAFT

Other price risk – sensitivity analysis

Asset Type	Value as at 31 March 2025 £m	Potential market movements (+/-)	Value on increase £m	Value on decrease £m
Bonds	108.3	6.6%	115.5	101.2
Equities				
UK Equity	83.7	16.3%	97.4	70.1
Global Equity	573.8	18.6%	680.5	467.1
Emerging Market Equity	61.4	24.3%	76.3	46.5
Other Pooled investments				
Diversified Credit	66.6	6.3%	70.8	62.5
Ruffer Multi Asset	96.0	8.6%	104.3	87.8
Baillie Gifford Multi Asset	101.8	12.8%	114.8	88.8
Pooled Property investments	41.1	15.2%	47.3	34.9
Private Equity	1.5	26.6%	2.0	1.1
Infrastructure	72.1	14.5%	82.6	61.7
Private Debt	40.2	7.6%	43.3	37.2
	1,246.5		**1,434.8**	**1,058.9**

Interest rate risk exposure asset type

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund's interest rate risk is routinely monitored by the Pension Fund in accordance with the Fund's risk management strategy, including monitoring the exposure to interest rates and assessment of actual interest rates against the relevant benchmarks.

The Fund's direct exposure to interest rate movements as at 31 March 2026 and 31 March 2025 is set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value:

	Asset value at 31 March 2025 £m	Asset value at 31 March 2026 £m
Cash balances	63.6	53.9
UK Fixed income unit trust	66.6	144.2
Total	**130.2**	**198.1**

Asset type	Carrying amount as at 31 March 2026	+1%	-1%
	£m	£m	£m
Cash balances	53.9	0.5	(0.5)
UK Fixed income unit trust	144.2	1.4	(1.4)
Total	**198.1**	**1.9**	**(1.9)**

Asset type	Carrying amount as at 31 March 2025	+1%	-1%
	£m	£m	£m
Cash balances	63.6	0.6	(0.6)
UK Fixed income unit trust	66.6	0.7	(0.7)
Total	**130.2**	**1.3**	**(1.3)**

Currency risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the Fund (£UK). The Fund holds both monetary and non-monetary assets denominated in currencies other than £UK.

The Fund's currency rate risk is routinely monitored by the Pension Fund in accordance with the Fund's risk management strategy, including monitoring the range of exposure to currency fluctuations.

The following table summarises the Fund's currency exposure as at 31 March 2026 and as at the previous period end:

Currency risk exposure - asset type	Asset value at 31 March 2025	Asset value at 31 March 2026
	£m	£m
Overseas unit trusts	635.2	752.3
Overseas private equity/infrastructure/private debt	113.8	133.4
Total	**749.0**	**885.7**

A 1% strengthening/weakening of the pound against the various currencies in which the Fund holds investments would increase/decrease the net assets available to pay benefits as follows:

Assets exposed to currency rate risk	Asset value as at 31 March 2026 £m	+1% £m	-1% £m
Overseas unit trusts	752.3	7.5	(7.5)
Overseas private equity/infrastructure/private debt	133.4	1.3	(1.3)
Total	**885.7**	**8.8**	**(8.8)**

Assets exposed to currency rate risk	Asset value as at 31 March 2025 £m	+1% £m	-1% £m
Overseas unit trusts	635.2	6.4	(6.4)
Overseas private equity/infrastructure/private debt	113.8	1.1	(1.1)
Total	**749.0**	**7.5**	**(7.5)**

b) Credit risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities.

In essence, the Fund's entire investment portfolio is exposed to some form of credit risk. However, the selection of high-quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner.

The Pension Fund's cash balance is held in an interest-bearing instant access deposit account with NatWest plc, which is rated independently and meets Brent Council's credit criteria.

The Pension Fund believes it has managed its exposure to credit risk and has had no experience of default or uncollectable deposits over the past five financial years. The Fund's cash holding under its treasury management arrangements at 31 March 2026 was £54.8m (31 March 2025: £63.5m). This was held with the following institutions:

Credit risk exposure

	Rating	Balances at 31 March 2025 £m	Balances at 31 March 2026 £m
Bank deposit accounts			
NatWest	A+	0.8	0.9
Northern Trust - Aviva Cash		0.2	0.1
Money Market deposits	AAA	62.6	53.8
Total		**63.6**	**54.8**

c) Liquidity risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Pension Fund therefore takes steps to ensure that it has adequate cash resources to meet its pensioner payroll costs and investment commitments.

The Pension Fund has immediate access to its cash holdings.

Periodic cash flow forecasts are prepared to understand and manage the timing of the Fund's cash flows. The appropriate strategic level of cash balances to be held forms part of the Fund investment strategy.

All financial liabilities at 31 March 2026 are due within one year.

d) Refinancing risk

The key risk is that the Pension Fund will be bound to replenish a significant proportion of its financial instruments at a time of unfavourable interest rates. However, the Pension Fund does not have any financial instruments that have a refinancing risk as part of its treasury management and investment strategies.

18. Funding arrangements

In line with the LGPS Regulations 2013, the Fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period. The last such valuation took place as at 31 March 2025. The next valuation will take place as at 31 March 2028 and the results will be released in March 2029.

The key elements of the funding policy are:

- to ensure the long-term solvency of the Fund, i.e., that sufficient funds are available to meet all pension liabilities as they fall due for payment
- to ensure that employer contribution rates are as stable as possible
- to minimise the long-term cost of the Scheme by recognising the link between assets and liabilities and adopting an investment strategy that balances risk and return
- to reflect the different characteristics of employing bodies in determining contribution rates where the administering authority considers it reasonable to do so

DRAFT

- to use reasonable measures to reduce the risk to other employers and ultimately to the council tax payer from an employer defaulting on its pension obligations.
-

The aim is to achieve 100% solvency over a period of 20 years from 1 April 2025 and to provide stability in employer contribution rates by spreading any increases in rates over a period of time. Solvency is achieved when the funds held, plus future expected investment returns and future contributions are sufficient to meet expected future pension benefits payable.

At the 2025 actuarial valuation the Fund was assessed as 113% funded, which is a improvement to the 87% valuation at the 2022 valuation. This corresponded to a surplus of £151m (2022 valuation: deficit of £162m) at that time.

Contribution increases or decreases may be phased in over the three-year period beginning 1 April 2026 for both Scheme employers and admitted bodies. The most commonly applied employer contribution rate within the Brent Pension Fund is:

Year	Employers' contribution rate
2024/25	32.0%
2025/26	30.5%
2026/27	23.0%

Individual employers' rates will vary from the common contribution rate depending on the demographic and actuarial factors particular to each employer. Full details of the contribution rates payable can be found in the 2025 actuarial valuation report and the funding strategy statement on the Fund's website.

The valuation of the Fund has been undertaken using the projected unit method under which the salary increase for each member is assumed to increase until they leave active service by death, retirement or withdrawal from service. The main actuarial assumptions used for the 2025 actuarial valuation were as follows:

Discount rate	6.0% p.a.
Pay increases	2.6% p.a.
Pension increases	2.3% p.a.

Demographic assumptions

Future life expectancy based on the Actuary's fund-specific review was:

Life expectancy at age 65	Male	Female
Current pensioners	22.2 years	24.8 years
Future Pensioners retiring in 20 years	23.1 years	26.0 years

DRAFT

Commutation assumption

It is assumed that 80% of future retirements will elect to exchange pension for additional tax free cash up to HMRC limits.

19. Actuarial present value of promised retirement benefits

In addition to the triennial funding valuation, the Fund's Actuary also undertakes a valuation of the pension fund liabilities, on an IAS 19 basis, every year using the same base data as the funding valuation rolled forward to the current financial year, taking account of changes in membership numbers and updating assumptions to the current year. This valuation is not carried out on the same basis as that used for setting fund contribution rates and the fund accounts do not take account of liabilities to pay pensions and other benefits in the future.

In order to assess the value of the benefits on this basis, the Actuary has updated the actuarial assumptions (set out below) from those used for funding purposes (see Note 18). The Actuary has also used valued ill health and death benefits in line with IAS 19.

Calculated on an IAS19 basis, the actuarial present value of promised retirement benefits at 31 March 2026 was £1,321m (31 March 2025: £1,220m). This figure includes both vested and non-vested benefits, although the latter is assumed to have a negligible value. The Fund Accounts do not take account of liabilities to pay pensions and other benefits in the future

The liabilities above are calculated on an IAS 19 basis and therefore differ from the results of the 2025 triennial funding valuation because IAS 19 stipulates a discount rate rather than a rate which reflects market rates.

Financial assumptions

Inflation/pensions increase rate	3.00%
Salary increase rate	3.30%
Discount rate	6.20%

Longevity assumption

The average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	22.4 years	24.9 years
Future pensioners*	23.2 years	26.1 years

* Future pensioners are assumed to be currently aged 45

DRAFT

Commutation assumption

An allowance is included for future retirements to elect to take 80% of the maximum additional tax-free cash up to HMRC limits.

Sensitivity Analysis

Sensitivity to the assumptions for the year ended 31 March 2026	Approximate % increase to liabilities	Approximate monetary amount (£m)
0.1% p.a. decrease in the discount rate	2%	20
1 year increase in member life expectancy	4%	53
0.1% p.a. increase in the Salary Increase Rate	0%	1
0.1% p.a. increase in the Pension Increase Rate (CPI)	2%	20

The principal demographic assumption is the longevity assumption. For sensitivity purposes, it is estimated that a 1 year increase in life expectancy would approximately increase the liabilities by around 4% (c. £53m).

20. Assets

a) Current assets

	31 March 2025	31 March 2026
	£m	£m
Debtors		
- Contributions due – employees	0.2	0.2
- Contributions due – employers	1.1	0.9
- Sundry debtors	3.8	1.1
Total	**5.1**	**2.2**
Cash balances	**0.8**	**0.9**
Current assets	**5.9**	**3.1**

Analysis of debtors

	31 March 2025	31 March 2026
	£m	£m
- Central government bodies	0.0	0.1
- Other local authorities	2.7	0.3
- Other entities and individuals	2.4	1.8
Total	**5.1**	**2.2**

DRAFT

21. Current liabilities

	31 March 2025	31 March 2026
	£m	£m
Group transfers	0.0	0.0
Sundry creditors	2.6	2.6
Total	**2.6**	**2.6**

Analysis of creditors

	31 March 2025	31 March 2026
	£m	£m
Central government bodies	1.2	1.4
Other entities and individuals	1.4	1.2
Total	**2.6**	**2.6**

22. Additional voluntary contributions

	Market Value 31 March 2025	Market Value 31 March 2026
	£m	£m
Clerical Medical	1.2	1.3
Prudential	1.1	1.2
	2.3	**2.5**

	Contributions March 2025	Contributions March 2026
	£m	£m
Clerical Medical	0.0	0.0
Prudential	0.1	0.2
	0.1	**0.2**

For information, Prudential has since replaced Clerical Medical as the Fund's AVC provider with effect from 1 April 2014.

In accordance with Regulation 4(1)(b) of the Pension Scheme (Management and Investment of Funds) Regulations 2016, the contributions paid and the assets of these investments are not included in the Fund's Accounts.

23. Related party transactions

Brent Council

The Brent Pension Fund is administered by Brent Council. Consequently, there is a strong relationship between the Council and the Pension Fund.

The Council incurred costs of £0.77m (2024/25: £0.98m) in relation to the administration of the Fund and was subsequently reimbursed by the Fund for these expenses. The Council is also the single largest employer of members of the Pension Fund and contributed £44.9m to the Fund in 2025/26 (2024/25: £45.2m).

Key management personnel

One member of the Pension Fund Sub-Committee (chair Cllr R Johnson) and one member of the Pension Board (C Bala) are in receipt of pension benefits from the Brent Pension Fund. Another member of the Pension Board (Cllr S Kabir) is an active member of the Pension Fund. In addition, both the Chief Executive (Kim Wright), and S.151 Officer (Minesh Patel) are active members of the Pension Fund. Each member of the Pension Fund Sub-Committee is required to declare their interests at each meeting. The proportion of the total remuneration payable to key management personnel that is charged to the Pension Fund is set out below:

	31st March 2025	31st March 2026
	£'000	£'000
Short Term Benefits	82.2	72.3
Post-Employment Benefits	26.3	22.1
Termination Benefits	0.0	0.0
Total Remunerations	**108.5**	**94.4**

24. Contingent liabilities and capital commitments

Outstanding capital commitments (investments) at 31 March 2026 totalled £80.0m (31 March 2025 £107.1m)

	31st March 2025	31st March 2026
	£m	£m
Capital Dynamics	11.9	12.6
Alinda Fund II	2.4	0.0
Alinda Fund III	7.1	7.0
London CIV Infrastructure Fund	4.6	0.0
London CIV Private Debt Fund	16.4	12.6
LCIV UK Housing Fund	19.7	13.9
LCIV Private Debt II Fund	45.0	33.9
Total	**107.1**	**80.0**

These commitments relate to outstanding call payments due on unquoted limited partnership funds held in the private equity and infrastructure parts of the portfolio. The amounts 'called' by these funds are irregular in both size and timing over a period of between four and six years from the date of each original commitment.

25. Contingent Assets

Contingent assets

One non-associated admitted body employers in the Brent Pension Fund held insurance bonds to guard against the possibility of being unable to meet their pension obligations. These bonds are drawn in favour of the Pension Fund and payment will only be triggered in the event of employer default. No Such defaults occurred in 2025/26.

	31st March 2025	31st March 2026
	£m	£m
Continental Landscapes	0.5	0.5
Total	**0.5**	**0.5**

26. Impairment Losses

The Fund had no Impairment Losses at 31 March 2026.

DRAFT

6. Investments and Funding



Investment Strategy:

The Investment Strategy Statement (ISS) sets out the Fund's investment objectives and principles on how the Pension Fund will manage its assets to ensure pensions and other benefits, the long-term liabilities, can be paid as they fall due (Funding Strategy Statement).

The ISS is made in accordance with Regulation 7 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 .

The key regulatory requirement under the guidance is for the Pension Fund to formally formulate and maintain a comprehensive investment strategy statement that covers the investment objectives, asset allocation, risk parameters, and approaches to asset pooling and responsible investment, together with policies on environmental, social, and governance (ESG) integration.

The Investment Strategy Statement (ISS) must be published and remain accessible to scheme employers, members, and the public to maintain institutional transparency.

Finally, the Pension Fund must regularly review and revise their strategies, at least every three years, to reflect changing market conditions, scheme valuations, or updated government directives.

The Investment Strategy Statement (ISS) should be read in conjunction with the following statutory documents:

- Funding Strategy Statement (FSS)
- Communications Policy Statement
- Actuarial Valuation

Growth assets, such as global and UK equities, represents over half the Brent portfolio, and is subject to greater market volatility relative to income and protection assets, which provide safety and diversification benefits as well as steady cash flows to the overall fund.

Asset Class	Interim Target Allocation (%)	Long-Term Target Allocation (%)
Growth Assets (Global/UK/Emerging Equities, Private Equity)	**52.5%**	**50.0%**
Income Assets (Property, Infrastructure, Private Debt, Diversified Growth)	**32.5%**	**35.0%**
Protection Assets (Government Gilts, Multi-Asset Credit)	**15.0%**	**15.0%**
Total Allocation	**100.0%**	**100.0%**

DRAFT

The Fund actively oversees primary risks to its financial stability, including broader financial market volatility and demographic shifts like increasing life expectancy, through a continuous risk management framework that reports findings directly to the Pension Fund Sub-Committee and Pension Board.

Investment performance is evaluated relative to risk. An increased allocation toward higher-risk assets offers the potential for enhanced financial returns; however, it concurrently elevates portfolio volatility and the probability of adverse investment outcomes. The Fund continuously reviews its allocation to maintain an optimal risk-reward balance.

When setting up the ISS, the Pension Fund carefully balances expected returns, risk, and costs. High returns often come with high-risk assets. Conversely, low-risk investments offer stability but slower growth. The aim of the ISS is to balance the competing objectives of maximising financial returns, protecting asset values, and funding pension liabilities.

Investment management fees fund the expertise and operations of asset managers. Passive funds replicate market indices, require minimal rebalancing, and maintain low expense structures. Active funds charge higher fees to employ specialized talent and conduct the research necessary to outperform benchmarks. While higher costs do not guarantee superior returns, they finance the advanced risk mitigation and security selection required for capital appreciation.

The Fund actively monitors this balance across its portfolio to ensure that its investment approach delivers sustainable, risk-adjusted returns while providing value for money for scheme members.

The Fund is a member of the Local Authority Pension Fund Forum (LAPFF), which is a voluntary association of LGPS funds that seeks to protect and enhance the value of its members' shareholdings by way of shareholder engagement, by action on corporate governance issues and by seeking to promote the highest standards of corporate social responsibility at the companies in which LAPFF members invest. Through LAPFF, the Fund exercises its belief that engagement with company management to promote improvements in socially responsible investment (SRI) practices is more powerful than divesting from the company's shares.

Funding Strategy Statement (FSS):

The FSS is a statutory public document for the Pension Fund that explains how an administering authority plans to pay future pensions. It outlines the Fund's approach to funding liabilities including:

- how employers' pension liabilities are best met;
- supporting stable employer contribution rates;
- ensuring the fund meets its solvency and long-term cost efficiency objectives;

- taking a prudent longer-term view of funding liabilities

The Funding Strategy Statement (FSS) has been formulated by the administering authority in conjunction with the Fund's actuary, Hymans Robertson LLP. The preparation process includes comprehensive consultations with both the Fund's participating employers and its investment advisor. The FSS is reviewed in detail at least every three years during the triennial actuarial valuation.

The Local Government Pension Scheme (LGPS) guarantees employee benefits through statutory regulations, ensuring they remain independent of employer contribution rates and investment market fluctuations. While investment returns contribute partially to scheme funding, they carry no performance guarantees. Furthermore, employee contribution rates are statutorily fixed to cover only a designated fraction of the total benefit costs.

Employers must consequently fund the remaining costs required to provide member and dependent benefits.

Pension funding levels and employer contribution rates depend heavily on long-term predictions about the economy and demographics, such as investment returns, inflation, and how long members will live. Because these factors are uncertain, each Local Government Pension Scheme (LGPS) fund sets its own customised assumptions based on its specific risks, local context, and financial goals.

These differing approaches—combined with unique funding levels and varying employer budgets—naturally lead to different financial metrics across the LGPS network.

To allow for fair comparisons between different funds, all authorities must publish a standardized metric called the Scheme Advisory Board (SAB) funding level, which uses identical rules for everyone. As of 31 March 2025, the Fund's SAB funding level was 93%.

However, this standardised SAB figure is purely for comparison. It is not used to calculate the fund’s actual financial health or to plan how to pay off deficits. As a result, it does not change the fund's day-to-day investment strategy or the contribution rates that employers are legally required to pay.

The 2025 actuarial valuation indicated that the Fund achieved a funding level of 113% as of 31 March 2025, representing a 26% improvement compared to the 31 March 2022 assessment, as positive asset performance enhanced the Fund's financial position. The funding improvements have been factored into the revised contribution rates which balance affordability for the employers and security for the pension fund. This has resulted in the main contribution rate for employers decreasing from 30.5% of pensionable pay in 2025/26 to 23.0% in 2026/27.

The FSS was agreed and approved at the Pension Sub-Committee meeting in February 2026, with the next review set to take place in 2029. More information can be found in the FSS.

Strategic Asset allocation (SAA):

The Pension Fund monitors its strategic asset allocation in line with the interim and long-term targets set out in the ISS, ensuring a balanced and well-diversified investment portfolio. The Fund's holdings (excluding cash) showing target asset allocation and performance over the previous 12 months are shown in the later pages below.

The SAA reflects the Fund's long term investment objectives and is inline with the interim and long-term targets set out in the ISS, ensuring a balanced and well-diversified investment portfolio.

The Pension Fund employs a phased approach to working towards the long-term target allocation; therefore, an interim allocation was also agreed to get to target.

The table below shows the current, interim and long-term allocation.

Asset Class	March 2026 Exposure (£m)	March 2026 Exposure (%)	Interim Target (%)	Strategic Asset Allocation (%)	Range (%)
Listed Equities	854.3	57.6	52.5	45.0	+/- 3.0%
Private Equity	1.2	0.1	1.0	2.5	n/a
Private Debt	55.9	3.8	5.0	5.0	n/a
Property	47.5	3.2	6.0	10.0	+/- 3.0%
Infrastructure	76.3	5.1	6.0	10.0	n/a
Other Alternatives	105.7	7.1	7.0	7.5	n/a
Credit	144.2	9.7	10.0	10.0	+/- 3.0%
Gilts	143.3	9.7	11.0	10.0	+/- 3.0%
Cash	54.8	3.7	1.5	-	+/- 3.0%
Total	**1483.2**	**100.0**	**100.0**	**100.0**	

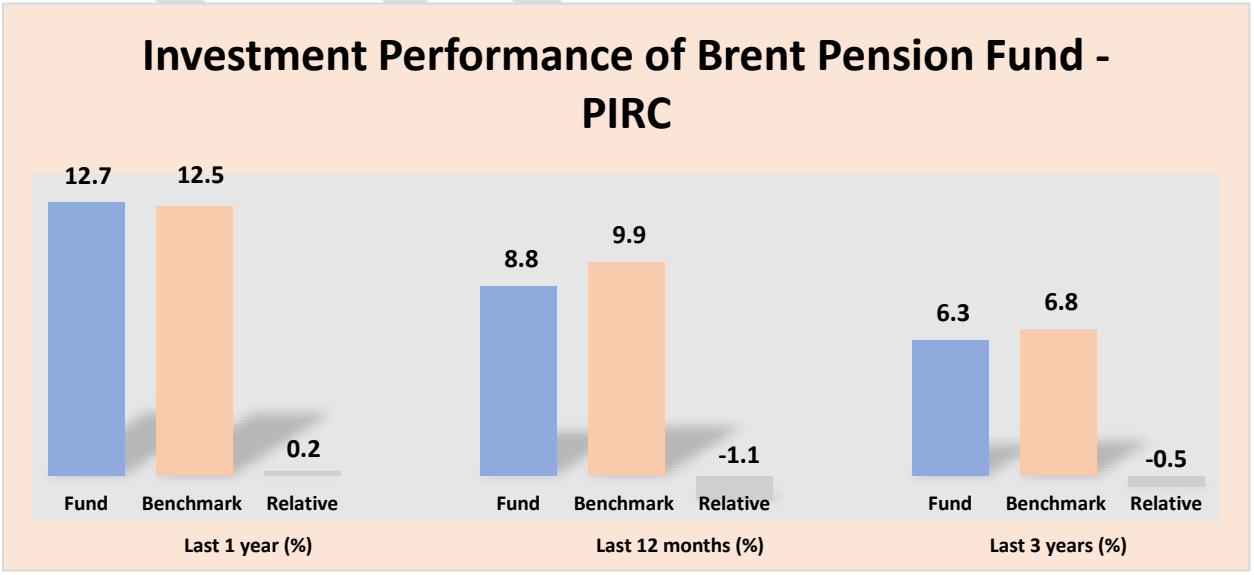
The table above outlines asset distribution for the year ending 31 March 2026. It also displays the Pension Funds current Strategic Asset Allocation (SAA) agreed in February 2026, plus the interim target asset allocation to provide context of the Pension Funds direction of travel.

Listed equities is outside of its allocation range in both the interim and long term with aim of reducing exposure over time with a view in the short term to increase exposure to gilts and credit. The Income allocation is made up of infrastructure, property, private debt and multi asset, totalling 19.2%, with the balance of 23.1% held in the form of Protection assets, i.e. credit, gilts and cash.

Strategic Asset allocation (SAA):

Investment	Asset Class	Benchmark Name	Long Term Allocation (%)	Allocation at 31 March 2026 (%)	Market value 31 March 2026 (£m)	Performance (%)	
						Fund	Benchmark
Legal & General	Global Equity	FTSE AW Dev World ex UK	37.0	12.2	180.8	17.7	17.8
Legal & General Future World Equity	Global Equity	Fund Return		30.1	446.7	-	-
BlackRock World Low Carbon	Global Equity	MSCI World		2.8	41.5	13.7	12.0
Legal & General	UK Equity	FTSE All Share Index	5.0	6.9	101.7	21.5	21.5
LCIV Arcadian/Ashmore	Emerging Market Equity	MSCI Emerging Market	3.0	5.6	83.6	36.2	26.8
Capital Dynamics	Private Equity	MSCI All World +1% p.a.	2.5	0.1	1.2	-	-
Total Growth			**47.5**	**57.7**	**855.5**		
LCIV Baillie Gifford	Diversified Growth	BoE Base Rate + 2% p. a	5.0	0.2	2.2	5.6	6.0
LCIV Ruffer	Diversified Growth	BoE Base Rate + 2% p. a		7.0	103.5	7.7	6.0
Alinda	Infrastructure	UK CPI + 2%	10.0	1.0	15.0	0.6	5.3
Capital Dynamics	Infrastructure	UK CPI + 2%		0.0	0.6	-0.2	5.3
LCIV Infrastructure	Infrastructure	UK CPI + 2%		4.1	60.7	6.7	5.3
Fidelity UK Real Estate	Property	MSCI/AREF UK All Balanced Property	10.0	1.0	14.8	-0.7	4.3
UBS Triton Property	Property	MSCI/AREF UK All Balanced Property		0.8	11.4	4.1	4.3
LCIV UK Housing Fund	Property	Absolute BM 6%		1.4	21.3	0.7	6.0
LCIV Private Debt I	Private Debt	Absolute BM 6%	5.0	3.0	44.7	13.7	6.0
LCIV Private Debt II	Private Debt	Absolute BM 6%		0.8	11.1	-	-
Natural Capital (New Allocation)			2.5	0.0	0.0		
Total Income			**32.5**	**19.2**	**285.3**		
LCIV MAC	Multi Asset Credit	SONIA + 2%	10	9.7	144.2	5.9	6.1
Blackrock Over 15-Year Gilts	Gilts	FTSE UK Gilts Over 15 Years	10	9.7	143.3	0.1	0.4
Total Protection			**20.0**	**19.4**	**287.6**		
Cash	Cash	LBB Total Cash	0.0	3.7	54.8		
Total			**100.0**	**100.0**	**1483.2**	**12.7**	**12.5**

Performance:



The Fund delivered a return of 12.7% over the year to 31 March 2026, against the Fund's strategic benchmark return of 12.5%, delivering a relative outperformance of 0.2%.

The Pension Fund Committee aims to achieve a long-term return materially more than 6% per annum, the rate at which the Fund's liabilities are assumed to grow year on year, as set as part of the 2025 actuarial valuation.

Comparison of investment performance with other LGPS Funds:

The Fund's investment performance in comparison to the PIRC Local Authority percentile average for all Local Government Pension Schemes (LGPS) funds nationally is shown below (the PIRC universe consists of 61 LGPS funds):

Investment Benchmarking by Time Period	Rank	Period ended 31 March 2026 (%)	PIRC Local authority Average (%)
1 year	10	12.7	12.5
3 years	17	8.8	9.9
5 years	23	6.3	6.8

Comparison of investment performance with other LGPS Funds:

It is important to note that, as a long-term investor, investment returns over a longer period of time should be considered. The table below shows the rolling three-year performance of the Fund compared to other LGPS funds:

Investment Benchmarking by Year	Rank	Rolling 3-year return (%)
2025/26	17	8.8
2024/25	49	3.7
2023/24	36	5.4
2022/23	63	8.7
2021/22	61	8.2
2020/21	72	7.6
2019/20	42	1.5

DRAFT

Investment Management Costs and Cost Transparency

The Pension Fund pays fees to external managers for the services they provide in managing the Fund's assets. These fees can be broken down into three categories:

1. Fees paid to fund managers for managing assets in line with agreed mandates. These fees are usually related to the value of assets managed and will therefore increase as asset values increase.
2. Transaction costs which include things like brokers fees which are incurred when investments are bought or sold.

The Pension Fund is a strong supporter of the LGPS Scheme Advisory Board's Code of Transparency in relation to investment management costs and secures data from fund managers using the Code's agreed templates for inclusion in the Fund's accounts. The table below provides a breakdown of investment management costs incurred by the Fund.

2024/25 (£m)	Investment Management Costs	Management Fee (£m)	Transaction Costs (£m)	Total (£m)
1.8	Assets managed by LCIV	1.8		1.8
0.3	Assets under Private Markets	0.2		0.2
0.2	Assets under Property	0.2		0.2
2.3	**Subtotal**	**2.2**	**-**	**2.2**
-	Custody fees	-	-	-
2.3	**Total**	**2.2**	**-**	**2.2**

Investment Administration and Custodianship:

The investment portfolio of the Fund is executed through a dual structure comprising pooled vehicles and directly appointed mandates. For pooled assets, the London Collective Investment Vehicle (London CIV) acts as the official pooling authority for London Local Government Pension Scheme (LGPS) funds. In this capacity, the London CIV administers sub-funds, appoints and oversees underlying investment managers, negotiates fee arrangements, and unifies reporting on performance, expenses, and stewardship.

The Brent Pension Fund's mandates with Legal & General and BlackRock are deemed as being under pooled management. They are investments which are not in an authorised London CIV sub-fund, but the mandate is monitored and overseen by the pool on behalf of the LGPS Funds.

Underlying fund managers carry out the day-to-day management of assets within their mandates, including security selection, portfolio rebalancing, trade execution, and cashflow management.

The Fund's assets are safeguarded by Northern Trust, who act as custodian. Northern Trust is responsible for the safe keeping of securities, settlement of trades, collection of income and reconciliation of holdings. They provide independent reporting on valuations, cashflows, and transactions to ensure that the Fund's assets are accurately recorded and securely managed.

The Brent Pension Fund's officers maintain oversight, monitor performance and risk, and provide quarterly reporting to the Pension Fund Sub-Committee and Pension Board.

Responsible Investment:

The Fund's Responsible Investment policy formalises the Fund's beliefs and principles with regard to environmental, social, and governance (ESG) considerations, in order to safeguard the long-term sustainability of its investments and acknowledges the critical significance of responsible investment, particularly regarding climate risk, and continuously refines its governance frameworks and investment strategies to address the financial implications of climate change.

The Funds RI Policy statement can be found at the following link: Brent Pension Fund RI Policy

The Fund's investment managers, acting in their fiduciary interests of the Fund, are required to evaluate all material factors including environmental, social and governance issues on the performance of an asset across the complete lifecycle when undertaking the acquisition, retention or realisation of investments for the Fund.

The UN Principles for Responsible Investment (PRI) are a set of principles which have been developed to reflect the increasing relevance of ESG issues in investment practices. Each of the underlying investment managers in the Brent Pension Fund's portfolio are signatories to the UN PRIs and are required to publish a transparency report which details their compliance when measured against the guiding principles.

Our pooling operator, London CIV, is also a signatory to the UK Stewardship Code, which establishes the core Principles of effective stewardship and sets a high standard of transparency for asset owners and asset managers. Their responsible investment activities and supporting documents can be found by following the link below. LCIV RI Policy

Investment Pooling:

Background:

In 2015, the Department for Levelling Up, Housing and Communities (DLUHC) issued its Investment Reform Criteria and Guidance, setting out the requirement for Local Government Pension Scheme (LGPS) funds in England and Wales to pool their assets to deliver strong governance, economies of scale, reduced investment costs and an improved capacity and capability to invest in infrastructure.

In January 2019, DLUHC consulted on revised guidance in January 2019 to formalize the pooling framework and update expectations for administering authorities. This initiative built on previous discussions to introduce a more transparent regulatory structure for LGPS pool operations.

In July 2023, the Department for Levelling Up, Housing and Communities (DLUHC) published a formal consultation titled "Next Steps on Investment," which reaffirmed the Government's commitment to consolidating public pension assets. This strategy was subsequently reinforced by the Chancellor of the Exchequer in the Autumn Statement 2023. The directive established a formal expectation that all Local Government Pension Scheme (LGPS) funds transfer their listed assets into their respective regional investment pools by 31 March 2025.

Following the summer 2024 transition of the UK Government administration, the new Chancellor outlined legislative plans to consolidate the Local Government Pension Schemes (LGPS) into eight 'megafunds'. As a core element of the administration's 'Fit for the Future' agenda, this strategy aims to pool LGPS investment assets to deliver enhanced outcomes for both scheme members and taxpayers. Concurrently, the government launched a public consultation intended to accelerate previous pooling initiatives, with the specific objective of transferring all assets from the 86 individual

LGPS funds into the eight designated pools to stimulate investment in high-growth businesses and infrastructure by March 2026.

Investment Pooling:

The London CIV, a FCA regulated investment company, was established in 2015 and is wholly owned by the 32 London local authority pension funds, with Buckingham Pension Fund also now a partner fund as of earlier this year.

The London CIV manage approximately £38.1bn in combined total pooled assets and actively manging £20.2bn with the balance passively being managed by LGIM and Blackrock where the Fund benefits from lower negotiated fees.

The Pension Fund continues to engage actively with the London CIV and monitors the development of new investment products.

As of 31 March 2026, the Fund held the following investments with the London CIV:

- Emerging Market equities (Arcadian/Ashmore)
- Diversified Growth (Baillie Gifford)
- Absolute Return (Ruffer)
- Multi Asset Credit (CQS/PIMCO)
- Infrastructure (Stepstone)
- Private Debt I (Churchill/Pemberton)
- Private Debt II (Ares, Patheon, Arcmont, Pollen Street, Churchill)
- UK Housing Fund (CBRE/Octopus/Savills/LGIM/Man Group)
- Gilts (Blackrock)
- UK Equity (LGIM)
- Global Equity (Blackrock/LGIM)

DRAFT

Investment Pooling:

The table below shows the pooling status of the Fund's investments grouped by asset class.

	Pooled (£m)	Under pool Management (£m)	Non Pooled (£m)	Total (£m)
Global Equities	83.6	669.0	-	752.6
UK Equities	-	101.7	-	101.7
Diversified Growth & Multi Asset	105.7	-	-	105.7
Bonds	144.2	143.3	-	287.6
Private Equity	-	-	1.2	1.2
Infrastructure	60.7	-	15.6	76.3
Private Debt	55.9	-	-	55.9
Property	21.3	-	26.1	47.3
Cash	-	-	54.8	54.8
	471.4	**914.0**	**97.7**	**1,483.1**

Following the UK Government's Fit for the Future consultation, the UK Government proposes that LGPS funds transfer all assets, including legacy assets, to the management of pooling vehicles.

93% of the Brent Fund's assets are pooled or under pooled management.

Another component of the Fit for the Future consultation is for greater emphasis to be placed on investment in the UK. The table below illustrates investments made by the Brent Pension Fund, which are either made directly in UK equities or bonds, or which are exposed to projects based in the UK, such as in infrastructural projects or private equity holdings.

	Pooled (£m)	Under pool Management (£m)	Non Pooled (£m)	Total (£m)
Global Equities	-	-	-	-
UK Equities	-	101.7	-	101.7
Diversified Growth & Multi Asset	44.0	-	-	44.0
Bonds	7.52	143.34	-	150.9
Private Equity	-	-	-	-
Infrastructure	-	-	-	-
Private Debt	-	-	-	-
Property	21.3	-	14.7	35.9
Cash	-	-	54.7	54.7
	72.8	**245.0**	**69.3**	**387.1**

DRAFT

Pool set-up and ongoing costs:

The table below shows pool setup and on-going costs paid to London CIV during 2025/26 and since inception:

	2025/26 £'000	Cumulative £'000
Set up costs		
Shareholding at cost	70	220
Development Funding Charge	73	684
Annual Service Charge	25	275
Ongoing investment management costs		
Investment management costs*	60	375
Total	**228**	**1,554**

Investment Pooling:

Investment management costs for the whole fund totalled £2.2m in 2025/26 as disclosed in the Pension Fund Accounts.

Cost savings as a result of pooling

London CIV produce an annual net savings report for the year, which shows the management fees incurred by the Pension Fund and the estimated management expenses for the Fund's investments if they were invested outside the London CIV pool. The net saving is the difference between these two figures.

London CIV calculate cost savings by estimating expenses if the Fund invested outside of the pool and comparing it to actual expenses incurred with London CIV. The difference is the projected saving in management and investment fees which arise from pooling.

In 2025/26, the estimated gross saving achieved by investing with London CIV totalled £1.529m, while net of the CIV's management and investment fees the total saving is £1.241m.

Contact Details

The London CIV can be contacted as follows:

Post: London CIV, Fourth Floor, 22 Lavington Street, London, SE1 0NZ

Telephone: 0208 036 9000

Website: https://lonconciv.org.uk

7. Administration



The Brent Pensions Team

Pensions administration service is outsourced to the Local Pension Partnership Administrators (LPPA). A dedicated internal team complements this arrangement by serving as the primary point of contact for participating employers and scheme members, providing guidance on scheme membership, processes and procedures, as well as responding to enquiries and complaints.

The internal team is responsible for:

- Acting as the first point of contact for employers, members and prospective members, providing guidance, support and resolving queries and complaints.
- Ensuring compliance with relevant pension legislation, regulations and governance requirements.
- Supporting employers in meeting their responsibilities under the Local Government Pension Scheme (LGPS).
- Monitoring and managing the performance of the Local Pension Partnership Administrators (LPPA) to ensure service standards are met.
- Reviewing the LPPA's performance through monthly contract management meetings, during which areas for improvement are identified, and service enhancement initiatives are agreed, monitored, and implemented.
- Reporting to and supporting the Pension Fund Sub-Committee and Local Pension Board.
- Developing and maintaining pension policies, procedures and governance documents.
- Managing stakeholder communications and promoting high standards of customer service.
- Working with advisers, employers and other stakeholders to ensure the effective operation of the Pension Fund.

DRAFT

The LPPA is responsible for maintaining all member records and administering key processes, including new starters, transfers, leavers, and pension benefit calculations. LPPA also manages direct communication with scheme members. All member records and correspondence are maintained by LPPA and are securely backed up daily.

Summary of Fund activity

Pension Payroll Migration

The migration of Pension Payroll and single payment processing to the LPPA was successfully implemented in January 2025. Since the transition, processes and controls have been reviewed and refined to support operational efficiency and service resilience. Payroll administration is now operating effectively, with pensions being processed accurately and paid to pensioners on time.

Data cleanse

Following the migration, the LPPA undertook a comprehensive data cleansing exercise to enhance data quality and provide assurance that pension benefits were being calculated and paid correctly. The Fund's internal team worked closely with the LPPA throughout the project, providing oversight and support to ensure the successful completion of the exercise and the continued integrity of member data.

The triennial valuation

The 2025 actuarial valuation represented the Fund's most significant strategic project during the period. The valuation was completed in 2026 and produced a positive outcome for the Fund. Key results included a significant improvement in funding level from 87% at the 2022 valuation to 113%, together with broadly proportionate reductions in employer contribution rates. These results demonstrate the Fund's strong financial position and provide assurance that it remains well placed to meet its long-term pension obligations while maintaining stable and sustainable contribution requirements for participating employers.

McCloud

The McCloud remedy was introduced in October 2023 to address the age discrimination identified in the McCloud judgment. The remedy provides eligible younger members with underpin protection comparable to that previously available to older members.

Brent has worked closely with the LPPA to improve the quality and completeness of member data, supporting compliance with the remedy and associated regulatory requirements.

The Fund, working in partnership with the LPPA, has made significant progress in enhancing data quality, resulting in 96.8% of Annual Benefit Statements (ABS) being

DRAFT

compliant in 2025. As a precautionary measure, and in line with Local Government Association recommendation, the Fund passed a resolution to defer compliance.

Pensions Dashboard

The Pensions Dashboard enables members to access information about all their pension benefits through a single, secure platform.

Brent successfully connected to the Pensions Dashboard ecosystem ahead of the statutory deadline and has worked closely with the LPPA to improve data quality, enhance data accuracy, and oversee project delivery.

The Fund continues to work with the LPPA to maintain high data standards and support ongoing compliance with regulatory obligations.

Cyber Security

The Fund uses the host authority's Information Technology systems in common with all but the largest local government pension schemes. It has adopted the Council's information security policies and procedures to maintain appropriate safeguards over pension data and systems. Cyber security risks are monitored as part of the Fund's risk management framework and are regularly reviewed through the Fund's risk register.

The Fund's administration provider, LPPA, operates a range of cyber security controls to protect member data and ensure service resilience. These controls include network security measures, such as firewalls, and daily data backups to reduce the risk of data loss, unauthorised access, or system disruption.

The Fund works closely with LPPA and its other partners to ensure that data security arrangements remain robust and responsive to emerging cyber threats.

Key performance indicators (KPIs)

The LPPA's performance is closely monitored through monthly contract management meetings and quarterly performance reviews. While the KPIs reported in Annex 1 are satisfactory, the internal team validates these against other performance indicators, including calculation / payment accuracy, complaint volumes, and Internal Dispute Resolution Procedure (IDRP) cases, to ensure a balanced and comprehensive assessment of the LPPA's performance.

Members and employers

The number of members in each category on 31 March 2026 were;

Active members	6,579
Deferred pensioners	8,389
Pensioner members	7,790

The number of employers by category on 31 March 2026 were;

Employer Type	Active	Ceased
Scheduled Bodies	1	1
Admitted & Other Bodies	12	29
Academies	33	0

Communications Policy

The London Borough of Brent Pension Fund ("the Fund") Communication Policy is reviewed every three years, or sooner if there is a material change in legislation, policy, or Fund operations.

The Communications Strategy is prepared in accordance with Regulation 61 of the Local Government Pension Scheme Regulations 2013, which requires the Administering Authority to prepare, maintain, and publish a policy on communications

The Fund will use the most appropriate communication channels for each audience, which may include:

- The Brent Pension Fund website
- PensionPoint Member Self-Service
- Email and electronic communications
- Letters and printed publications
- Annual Benefit Statements
- Employer newsletters, guidance, and training sessions

Where practical, the Fund will communicate electronically as the preferred method of communication. Paper communications will remain available for members and stakeholders who are unable or unwilling to access information digitally. The Fund will

ensure that communications are clear, accessible, accurate, and compliant with relevant legislation, including data protection requirements and accessibility standards.

The Fund and its partners actively engage with the members through a variety of courses and events. The Pensions Made Simple presentations are particularly popular, with each session typically attracting between 55 and 85 attendees.

- 24 LPPA scheme member events
- 59 LPPA scheme employer events
- Employer's Forum
- 3 Affinity Connect pre-retirement courses
- 3 In-house "Pensions Made Simple" presentations
- 2 Scheme employer Presentations
- Regular dedicated and ad hoc communications on Viva Engage
- 10 Active member LPPA newsletters
- 9 Deferred member LPPA newsletters
- 9 Pensioner LPPA newsletters

Value for money

Operational costs

The Fund's operational costs are monitored throughout the year by the Fund's management team and are reported in the Pension Fund Annual Accounts.

To provide assurance that the Fund's investments are being managed effectively and efficiently, investment performance is benchmarked annually against other local authority pension funds participating in the PIRC Local Authority Pension Performance Analytics Universe. The Fund also maintains a robust system of internal controls to support the accuracy and integrity of financial information and is subject to both internal and external audit scrutiny.

Value for money

We are committed to delivering value for money for all members and employers. To demonstrate the efficiency and effectiveness of the services provided, officers within the Pensions Team, working in partnership with the Fund's pensions administration provider, collect and monitor key service performance indicators and cost data. This information is used to assess performance over time and, where possible, to benchmark the Fund against other local authority pension funds.

Performance is reviewed regularly through monthly meetings with LPPA, providing oversight of service delivery and progress against agreed objectives. These meetings also

DRAFT

cover key projects and operational matters, including year-end processing, member and employer enquiries, resourcing, reporting requirements, and other activities.

This strategic monitoring helps ensure that services continue to meet the needs of members and employers while delivering value for money.

Dispute resolution

Where a member is unsure of their benefit entitlement or experiences any issues relating to their pension benefits, they should contact the Local Pensions Partnership (LPP) in the first instance for assistance and guidance.

The LPPA has a dedicated Complaints Team that manages routine complaints. This approach enables less complex complaints to be investigated and resolved independently of its administration teams, ensuring a consistent and impartial approach to complaint handling.

A summary of the complaints received during 2025/26 is provided below.

Number of complaints received	38
Number of complaints categorised as Pension Ombudsman cases	0
Number of Internal Dispute Resolution Procedure cases (IDRP)	5

A summary of the complaints received in 2024/25 is set out below for comparison.

Number of complaints received	47
Number of complaints categorised as Pension Ombudsman cases	2
Number of Internal Dispute Resolution Procedure cases (IDRP)	4

If a member is dissatisfied with any decision affecting their pension benefits, whether arising from an action taken or a failure to act, they have the right to appeal through the Internal Dispute Resolution Procedure (IDRP).

The IDRP is formal procedure set out in regulations 72-78 of the Local Government Pension Scheme Regulations 2013. The procedure follows a prescribed format and includes statutory timescales for submitting and determining appeals. Full details of the IDRP, together with guidance on how to submit an appeal, are available on the Fund's website.

8. Actuarial Reports and Funds



Introduction:

CIPFA's Code of Practice on Local Authority Accounting 2025/26 requires Administering Authorities of LGPS funds that prepare pension fund accounts to disclose what IAS26 refers to as the actuarial present value of promised retirement benefits. I have been instructed by the Administering Authority to provide the necessary information for the London Borough of Brent Pension Fund. ("the Fund").

The actuarial present value of promised retirement benefits is to be calculated similarly to the Defined Benefit Obligation under IAS19.

There are three options for its disclosure in the pension fund accounts:

• showing the figure in the Net Assets Statement, in which case it requires the statement to disclose the resulting surplus or deficit;

• as a note to the accounts; or

• by reference to this information in an accompanying actuarial report.

If an actuarial valuation has not been prepared at the date of the financial statements, IAS26 requires the most recent valuation to be used as a base and the date of the valuation disclosed. The valuation should be carried out using assumptions in line with IAS19 and not the Fund's funding assumptions.

Year ended	31 March 2026	31 March 2025
Active members (£m)	381	406
Deferred members (£m)	321	317
Pensioners (£m)	619	497
Total (£m)	1321	1220

The promised retirement benefits at 31 March 2026 have been projected using a roll forward approximation from the latest formal funding valuation as at 31 March 2025. The approximation involved in the roll forward model means that the split of benefits between the three classes of member may not be reliable. However, I am satisfied that the total figure is a reasonable estimate of the actuarial present value of benefit promises.

The figures include both vested and non-vested benefits, although the latter is assumed to have a negligible value. Further, I have not made any allowance for unfunded benefits.

It should be noted the above figures are appropriate for the Administering Authority only for preparation of the pension fund accounts. They should not be used for any other

purpose (i.e. comparing against liability measures on a funding basis or a cessation basis).

Assumption:

The assumptions used are those adopted for the Administering Authority's IAS19 report and are different as at 31 March 2026 and 31 March 2025. I estimate that the impact of the change in financial assumptions to 31 March 2026 is to decrease the actuarial present value by £40m. I estimate that the impact of the change in demographic assumptions is to decrease the actuarial present value by £33m.

Year ended	31 March 2026	31 March 2025
	% p.a.	% p.a.
Pension Increase Rate	3.00%	2.80%
Deferred members (£m)	3.30%	3.10%
Pensioners (£m)	6.20%	5.80%

Demographic assumptions:

The longevity assumptions have changed since the previous IAS26 disclosure for the Fund. 5.80% Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2025 model, with core parameterisation, initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a.. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

Year ended	Males	Females
Current Pensioners	22.4 years	24.9 years
Future pensioners (assumed to be aged 45 at the latest valuation date)	23.2 years	26.1 years

All other demographic assumptions have been updated since last year and are as per the latest funding valuation of the Fund.

Sensitivity Analysis:

CIPFA guidance requires the disclosure of the sensitivity of the results to the methods and assumptions used. The sensitivities regarding the principal assumptions used to measure the obligations are set out below:

Change in assumption at 31 March 2026	Approximate % increase to promised retirement benefits	Approximate monetary amount (£m)
0.1% p.a. decrease in the Discount Rate	**2%**	**20**
1 year increase in member life expectancy	**4%**	**53**
0.1% p.a. increase in the Salary Increase Rate	**0%**	**1**
0.1% p.a. increase in the Rate of CPI Inflation	**2%**	**20**

This paper accompanies the 'Accounting Covering Report – 31 March 2026' which identifies the appropriate reliance's and limitations for the use of the figures in this paper, together with further details regarding the professional requirements and assumptions.

Prepared by:- Craig Alexander FFA

20 May 2026

For and on behalf of Hymans Robertson LLP

DRAFT

9. External audit opinion



External audit opinion

To Follow

DRAFT

9. Additional Information



Glossary

Accounting Policies

The rules and practices adopted by the authority that determine how the transactions and events are reflected in the accounts.

Accruals

Amounts included in the accounts for income or expenditure in relation to the financial year but not received or paid as at 31 March.

Active Management

Active management or active fund management is where the fund manager makes specific investments with the aim of outperforming an investment benchmark.

Active Member

Fund members employed by one of the employers in the fund who are currently paying contributions into the fund.

Actuarial Assumptions

The combined set of assumptions made by the actuary, regarding the future, to calculate the value of liabilities. The main assumptions will relate to the discount rate, salary growth, pension increases and longevity. More prudent assumptions will give a higher liability value, whereas more optimistic assumptions will give a lower value. The lower the discount rate, the higher the liabilities and vice versa.

Actuary

An independent professional who advises the council on the financial position of the Fund. Every three years the actuary values the assets and liabilities of the Fund and determines the funding level and the employers' contribution rates.

Administering Authority

A local authority with statutory responsibility for running a pension fund under LGPS regulations, in effect the Fund's "trustees". Within the geographical boundary of the London Borough of Brent this is Brent Council.

Admitted Bodies

An organisation, whose staff can become members of the Fund by virtue of an admission agreement made between the Pension Fund and the organisation. It enables contractors who take on an employer's services with employees transferring to offer those staff continued membership of the Fund.

Asset Allocation / Asset Mix

The apportionment of the Fund's assets between different types of investments (or asset classes). The long-term strategic asset allocation of a Fund will reflect the Fund's investment objectives.

Auditor

An independent qualified accountant who is required to verify and agree the Pension Fund Accounts and issue an opinion on their accuracy.

AVCs (Additional Voluntary Contributions)

An option available to active scheme members to secure additional pension benefits by making regular contributions to separately held investment funds managed by the Fund's AVC provider.

Benchmark

A measure against which the investment policy or performance of an investment manager can be compared. e.g., for a global equity fund the benchmark against which it will be measured could be the MSCI World index, for a UK equity fund the benchmark could be the FTSE All-Share Index. A target return is generally expressed as some margin over the benchmark.

Bond

Investments, mainly in government debt which guarantee a fixed rate of interest. The securities represent loans which are repayable at a future date, but which can be traded on a recognised stock exchange in the meantime.

Bulk Transfer

A transfer of a group of members agreed by and taking place between two pension schemes.

Capital Called

This is the proportion of the overall capital demanded by a private equity manager, which was promised to it by an investor. It is also known as a draw down or a capital commitment.

Cessation Valuation

A calculation carried out by the Actuary when an employer leaves the Fund, which may result in a final deficit payment becoming due to the Fund.

DRAFT

CIPFA (Chartered Institute of Public Finance and Accounting)

CIPFA is the professional institute for accountants working in the public services. CIPFA publishes the code.

Common contribution rate

The Fund-wide future service rate plus past service adjustment. It should be noted that this will differ from the actual contributions payable by individual employers.

Commutation

The conversion of an annual pension entitlement into a lump sum on retirement.

Contingent Liability

A possible loss, subject to confirmation by an event after the Balance Sheet date, where the outcome is uncertain in terms of cost.

Covenant

The assessed financial strength of the employer. A strong covenant indicates a greater ability (and willingness) to pay for pension obligations in the long run. A weaker covenant means that it appears that the employer may have difficulties meeting its pension obligations in full over the longer term.

Creditors

Amounts owed by the Fund for goods and services received but not paid for as at 31 March.

Custodian

The custodian keeps a record of clients' investments and may also be responsible for trade settlements, collecting income, processing tax reclaims and providing other services.

Debtors

Amounts owed to the Fund for goods and services provided but where the associated income was not received as at 31 March.

Deferred Members

Scheme members, who have left employment or ceased to be active members of the scheme whilst remaining in employment but retain an entitlement to a pension from the scheme.

DRAFT

Defined Benefit Scheme

A type of pension scheme, where the pension that will ultimately be paid to the employee is fixed in advance and not impacted by investment returns. It is the responsibility of the sponsoring organisation to ensure that sufficient assets are set to meet the pensions promised.

Deficit

The shortfall between the assets value and the liabilities value. This relates to assets and liabilities built up to date and ignores the future build-up of pension (which in effect is assumed to be met by future contributions).

Derivative

A derivative is a financial instrument which derives its value from the change in price (e.g. foreign exchange, rate, commodity price or interest rate) of an underlying investment (e.g. equities, bonds, commodities, interest rates, exchange rates and stock market indices), which no net initial investment or minimal initial investment and is settled at a future date.

Discount rate

The annual rate at which future assumed cash flows (in and out of the Fund) are discounted to the present day. This is necessary to provide a liabilities value which is consistent with the present-day value of the assets, to calculate the deficit. A lower discount rate gives a higher liabilities value, and vice versa. It is similarly used in the calculation of the future service rate and the common contribution rate.

Dividends

A dividend is a distribution of a portion of a company's earnings, decided by the board of directors, to a class of its shareholders. Dividends can be issued as cash payments, as shares of stock, or other property.

Emerging Markets

An emerging market economy is a nation's economy that is progressing toward becoming advanced. Emerging markets generally do not have the level of market efficiency and strict standards in accounting and securities regulation to be on par with advanced economies (such as the United States and Europe) but emerging markets will typically have a physical financial infrastructure including banks, a stock exchange and a unified currency.

Employee Contribution Rate

The percentage of the pensionable pay of employees which the fund pays as a contribution into the Pension Fund.

Employer Contribution Rates

The percentage of the pensionable pay of employees that employers pay as a contribution towards the employees' pension.

Equities

Ordinary share in UK and overseas companies traded on a stock exchange. Shareholders have an interest in the profits of the company and are entitled to vote at shareholders' meetings.

ESG

ESG stands for Environmental, Social, and Governance. ESG covers a wide range of issues that may have a direct or indirect impact on how an organization is managing risks and opportunities related to environmental, social, and governance criteria (sometimes called ESG factors).

Financial Assets

Financial assets are contractual obligations to deliver cash or another financial asset (e.g. creditors) or exchange financial assets or financial liabilities under potentially unfavourable conditions (e.g. derivatives)

Final Pay

This is the figure used to calculate most of a member's pension benefits and is normally their pay in the last year before they retire, or one of the previous two years' pay if that amount is higher. For a part-time employee, the figure used is normally the pay they would have received had they worked whole time.

Fixed Interest Securities

Investments in stocks mainly issued by governments, which guarantee a fixed rate of interest.

FTSE

A company that specialises in index calculation. They are best known for the FTSE 100, an index of the top 100 UK companies (ranked by size).

Fund Manager

A firm of professionals appointed by the Pension Fund Sub-Committee to carry out day to day investment decisions for the Fund within the terms of their Investment Management Agreement.

Funding Level

The ratio of assets value to liabilities value.

Funding Target

The amount of assets which the Fund needs to hold at any point in time to meet all benefits promised.

Future service rate

The actuarially calculated cost of each year's build-up of pension by the current active members, excluding members' contributions but including Fund administrative expenses. This is calculated using a chosen set of actuarial assumptions.

Gilts

Fixed-interest bonds issued by the British government, i.e., a promise by the Government to pay interest and capital as per the terms of that particular gilt, in return for an initial payment of capital by the purchaser. Gilts can be "fixed interest", where the interest payments are level throughout the gilt's term, or "index-linked" where the interest payments vary each year in line with a specified index (usually RPI). Gilts can be bought as assets by the Fund, but their main use in funding is as an objective measure of solvency. They are the equivalent of U.S. Treasury securities.

Guarantor

A body which guarantees to pay for an Admitted Body's liabilities in case of default. For any new Admitted Body wishing to join the Fund, the Administering Authority will require a Guarantor. 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.

Income Yield

Annual income on an investment divided by its price and expressed as a percentage.

Index Tracking Funds

Funds that are constructed to match closely the performance of a market index (e.g. FTSE All Share Index and the MSCI World Index). This can either be achieved by full replication (buying every single index constituent) or sampling (buying a representative cross-section).

Investment Adviser

A professionally qualified individual or company whose main livelihood is derived from providing objective, impartial investment advice to companies, pension funds or individuals.

Letting employer

An employer which outsources or transfers a part of its services and workforce to another employer (usually a contractor). The contractor will pay towards the LGPS benefits

accrued by the transferring members, but ultimately the obligation to pay for these benefits will revert to the letting employer. A letting employer will usually be a local authority but can sometimes be another type of employer such as an Academy.

LGPS

Local Government Pension Scheme – a nationwide scheme for employees working in local government or working for other employers participating in the scheme. Government Regulations dictate eligibility (particularly for Scheduled Bodies), members' contribution rates, benefit calculations and certain governance requirements. The LGPS is divided into funds which map the UK. Each LGPS Fund is autonomous to the extent not dictated by Regulations, e.g., regarding investment strategy, employer contributions and choice of advisers.

Liabilities

The actuarially calculated present value of all pension entitlements of all members of the Fund, built up to date. This is compared with the present market value of Fund assets to derive the deficit. It is calculated on a chosen set of actuarial assumptions.

Mandate

A set of instructions given to the fund manager by the client as to how a fund is to be managed (e.g., targets for performance against a benchmark may be set or the manager may be prohibited from investing in certain stocks or sectors).

Market Value

The "on paper" value of a security at a specific point in time. It is calculated by multiplying the number of shares held by market price of that share in sterling terms.

Maturity

A general term to describe a Fund (or an employer's position within a Fund) where the members are closer to retirement (or more of them already retired) and the investment time horizon is shorter. This has implications for investment strategy and, consequently, funding strategy.

Members

The individuals who have built up (and may still be building up) entitlement in the Fund. They are divided into actives (current employee members), deferreds (ex-employees who have not yet retired) and pensioners (ex-employees who have now retired, and dependants of deceased ex-employees).

DRAFT

Multi-Asset

A multi-asset class is a combination of asset classes (such as cash, equity or bonds) used as an investment. A multi-asset class investment would contain more than one asset class, thus creating a group or portfolio of assets. The weights and types of classes will vary according to the mandate.

Outperformance / underperformance

The difference in returns gained by a particular fund against the "average" fund or a benchmark over a specified time period, i.e., a target for a fund may be outperformance of a given benchmark over a three-year period.

Passive Management

A style of investment management where no active fund management is undertaken – investments are made in line with a designated benchmark or index.

Past service adjustment

The part of the employer's annual contribution which relates to past service deficit repair.

Pensioner Member

Members who are drawing benefits from the fund. They include former active members drawing their pension along with widows, widowers and other dependants of former active members.

Performance

A measure, usually expressed in percentage terms, of how well a fund has done over a particular time period – either in absolute terms or as measured against the "average" fund of a particular benchmark.

Pooled Investment Fund

A collective investment scheme that works by pooling money from different individual investors.

Pooling

Employers may be grouped together for the purpose of calculating contribution rates, so that their combined membership and asset shares are used to calculate a single contribution rate applicable to all employers in the pool. A pool may still require each individual employer to ultimately pay for its own share of deficit, or (if formally agreed) it may allow deficits to be passed from one employer to another.

DRAFT

Pooled Investment Vehicles

Funds which manage the investment of more than one investor on a collective basis. Each investor is allocated units which are revalued at regular intervals. Income from these investments is normally returned to the pooled fund and increases the value of the units.

Portfolio

Term used to describe all investments held.

Private Equity

Mainly specialist pooled partnerships that invest in private companies not normally traded on public stock markets – these are often illiquid (i.e., not easily turned into cash) and higher-risk investments that should provide high returns over the long term.

Profile

The profile of an employer's membership or liability reflects various measurements of that employer's members, i.e., current and former employees. This includes: the proportions which are active, deferred or pensioner; the average ages of each category; the varying salary or pension levels; the lengths of service of active members vs their salary levels, etc.

A membership (or liability) profile might be measured for its maturity also.

Rates and Adjustments Certificate

A formal document required by the LGPS Regulations, which must be updated at least every three years at the conclusion of the formal valuation. This is completed by the actuary and confirms the contributions to be paid by each employer (or pool of employers) in the Fund for the three-year period until the next valuation is completed.

Recovery Period

Timescale allowed over which surpluses or deficiencies to the Fund can be eliminated.

Related Parties

Two or more parties are related parties when at any time during the financial period:

- One party has direct or indirect control of the other party: or
- The parties are subject to common control from the same source; or
- One party has influence over the financial and operational policies of the other party, to an extent that the other party might be inhibited from pursuing at all times its own separate interests: or

- The parties, in entering a transaction are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interests.

Related Parties Transaction

A related party transaction is the transfer of assets or liabilities or the performance of services by, to or for a related party, irrespective of whether a charge is made. Examples: of related party transaction include:

The purchase, sale, lease, rental or hire of assets between related parties;

- The provision by a pension fund to a related party of assets of loans, irrespective of any direct economic benefit to the pension fund
- The provision of services to a related party, including the provision of pension fund administration services and
- Transactions with individuals who are related parties of an authority or a pension fund, except those applicable to other members of the community or the pension fund, such as Council Tax, rents and payment of benefits.

Recovery Period

Timescale allowed over which surpluses or deficiencies to the Fund can be eliminated.

Regulations

The Scheme is governed by Regulation approved by Parliament. Necessary amendments are made to these Regulations by means of Statutory Instruments.

Return

The total gain from holding an investment over a given period, including income and increase or decrease in market value.

Risk

Generally taken to mean the variability of returns. Investments with greater risk must usually promise higher returns than more “stable” investments before investors will buy them.

Scheduled Bodies

Types of employer explicitly defined in the LGPS Regulations, whose employers must be offered membership of their local LGPS Fund. These include Councils, colleges, universities, academies, police and fire authorities etc., other than employees who have entitlement to a different public sector pension scheme (e.g. teachers, health, and police and fire officers).

DRAFT

Securities

The general name for stocks, shares and bonds issued by the company to investors.

Solvency

When the Fund's assets are greater than or equal to 100% of the Funding Target, which is the liabilities value.

SONIA

Sterling Overnight Index Average – the average of the interest rates that financial institutions charge banks to borrow sterling overnight. It is often used as a benchmark to set other interest rates or to measure returns on investments.

Stabilisation

Any method used to smooth out changes in employer contributions from one year to the next. This is very broadly required by the LGPS Regulations, but in practice is particularly employed for large stable employers in the Fund. Different methods may involve probability-based modelling of future market movements; longer deficit recovery periods; higher discount rates; or some combination of these.

The Code

The Code incorporates guidance in line with IFRS, IPSAS and UK GAAP Accounting standards. It sets out the proper accounting practice to be adopted for the statement of Accounts to ensure they 'present fairly' the financial position of the Council. The code has statutory status via the provision of the Local Government Act 2003.

Transfer Value

Capital value transferred to or from a scheme in respect of a contributor's previous periods of pensionable employment.

Uncalled Capital

This is the proportion of the overall capital that the investor has agreed to invest in the Scheme, but which has not been collected by the investment manager.

Unit Trust

A method which allows investors' money to be pooled and used by fund managers to buy a variety of securities.

Unrealised Gain/Losses

The increase or decrease in the market value of investments held by the fund since the date of their purchase.

Valuation

An actuarial investigation to calculate the liabilities, future service contribution rate and common contribution rate for a Fund, and usually individual employers too. This is normally carried out in full every three years (last done as at 31 March 2025) but can be approximately updated at other times. The assets value is based on market values at the valuation date, and the liabilities value and contribution rates are based on long term bond market yields at that date also.

Volatility

This is the tendency of a share to move up and down. A very volatile security is one that has moved up or down more sharply than is normally the case in the market concerned. Volatility is very frequently used as a measure of risk on the grounds that a share which moves more sharply than others can be regarded as being much riskier. A steady share has less risk.

Weight

Weight is the percentage composition of a particular holding in a portfolio. The weights of the portfolio can simply be calculated using different approaches: the most basic type of weight is determined by dividing the value of a security by the total value of the portfolio. Another approach would be to divide the number of units of a given security by the total number of shares held in the portfolio.

DRAFT

APPENDIX 1 – KEY PERFORMANCE INDICATORS

Table A - Total number of casework

Casework KPI	Total number of cases open as at 31 March (starting position)	Total number of new cases created in the year (1 April to 30 March)	Total number of cases completed in year	Total % of cases completed in year	Total number of cases completed in previous year	Total % of cases completed in previous year
Deaths recorded of active, deferred, pensioner and dependent members	257	374	481	76.2%	356	58.2%
Deferred member retirements	14	311	317	97.5%	370	96.4%
Active member retirements	12	174	176	94.6%	168	93.3%
Deferred benefits	314	909	976	79.8%	628	82.4%
Transfers in (including interfunds in, club transfers)	243	572	469	57.5%	398	62.5%
Transfers out (including interfunds out, club transfers)	282	789	778	72.6%	622	68.8%
Refunds	89	682	682	88.5%	700	88.7%
Divorce quotations issued	2	19	17	81.0%	21	91.3%
Actual divorce cases	2	0	1	50.0%	2	50.0%
New joiner notifications	7	40	47	100.0%	233	100.0%

DRAFT

Casework KPI	Total number of cases open as at 31 March (starting position)	Total number of new cases created in the year (1 April to 30 March)	Total number of cases completed in year	Total % of cases completed in year	Total number of cases completed in previous year	Total % of cases completed in previous year
Aggregation cases	192	601	712	89.8%	397	67.4%

Table B - Time taken to process casework

Casework KPI	Suggested fund target*	% completed within fund target in year
Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member	5 days	94.2%
Communication issued to deferred member with pension and lump sum options (quotation)	15 days	99.1%
Communication issued to active member with pension and lump sum options (quotation)	5 days	98.6%
Communication issued to deferred member with confirmation of pension and lump sum options (actual)	5 days	98.6%
Communication issued to active member with confirmation of pension and lump sum options (actual)	5 days	97.9%

DRAFT

Communication issued to scheme member with completion of transfer in	10 days	99.7%
Communication issued to scheme member with completion of transfer out	10 days	97.4%
Payment of refund	5 days	99.1%
Divorce quotation	45 days	100.0%
Communication issued following actual divorce proceedings i.e. application of a Pension Sharing Order	15 days	100.0%
Communication issued to new starters	10 days	100.0%
Member estimates requested by scheme member and employer	10 days	99.5%

*Days in this column are a suggested fund target for completion and not the statutory timescale.

Table C - Communications and engagement

Engagement with online portals	**Percentage as at 31 March**
% of active members registered	44.9%
% of deferred member registered	20.1%
% of pensioner and survivor members	48.5%
% total of all scheme members registered for self-service	35.6%
% of all registered users that have logged onto the service in the last 12 months	40.8%
Communication	
Total number of telephone calls received in year	5,340

DRAFT

Total number of email and online channel queries received	1,652
Number of scheme member events held in year (total of in-person and online)	24
Number of employer engagement events held in year (in-person and online)	59
Number of active members who received a one-to-one (in-person and online)	0
Number of times a communication (i.e. newsletter) issued to:	0
a) Active members	10
b) Deferred members	9
c) Pensioners	9

Members registered for member self-service by age

Age Bracket	Total Registered
Under 21	11
21-25	94
26-30	215
31-35	263
36-40	400
41-45	548
46-50	623
51-55	795
56-60	1291
61-65	1630
66-70	1284
71-75	760
Over 75	900

DRAFT

Administration KPI table D – Resources

Resources	
Total number of all administration staff (FTE)	7.6
Average service length of all administration staff	6.3 years
Staff vacancy rate as %	3.0%
Ratio of all administration staff to total number of scheme members (all staff including management)	2,963.8
Ratio of administration staff (excluding management) to total number of scheme members	3,612.5

DRAFT

Table E - Data Quality

Annual Benefit Statements	
Percentage of annual benefit statements issued as at 31 August	96.8%
Short commentary if less than 100%	Not material
Data category	
Common data score	96.6%
Scheme specific data score	87.6%
Percentage of active, deferred and pensioner members recorded as 'gone away' with no home address held, or address is known to be out of date	Not reported
Percentage of active, deferred and pensioner members with an email address held on file	57.7%
Employer performance	
Percentage of employers set up to make monthly data submissions	100.0%
Percentage of employers who submitted monthly data on time during the reporting year	70.6%

DRAFT

Audit Findings (ISA 260) Report for the London Borough of Brent Pension Fund

Year ended 31 March 2026

23 September 2026

London Borough of Brent Pension Fund
Brent Civic Centre
Engineers Way
Wembley
HA9 0FJ

Grant Thornton UK LLP
8 Finsbury Circus,
London,
EC2M 7EA

www.grantthornton.co.uk

Dear Audit and Standards Committee and Chair Cllr Saqlain Choudry

Audit Findings Report for the London Borough of Brent Pension Fund for the 31 March 2026

This Audit Findings Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process and confirmation of auditor independence, as required by International Standard on Auditing (UK) 260. Its contents have been discussed with management.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent.

Chartered Accountants

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No.OC307742. Registered office: 8 Finsbury Circus, London EC2M 7EA. A list of members is available from our registered office. Grant Thornton UK LLP is authorised and regulated by the Financial Conduct Authority. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

© 2026 Grant Thornton UK LLP

We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We encourage you to read our transparency report which sets out how the firm complies with the requirements of the Audit Firm Governance Code and the steps we have taken to manage risk, quality and internal control particularly through our Quality Management Approach. The report includes information on the firm's processes and practices for quality control, for ensuring independence and objectivity, for partner remuneration, our governance, our international network arrangements and our core values, amongst other things. This report is available at grant-thornton-transparency-report-2025.pdf.

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff during our audit.

Matthew Dean

Key Audit Partner

For Grant Thornton UK LLP

Chartered Accountants

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No.OC307742. Registered office: 8 Finsbury Circus, London EC2M 7EA. A list of members is available from our registered office. Grant Thornton UK LLP is authorised and regulated by the Financial Conduct Authority. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

© 2026 Grant Thornton UK LLP



Contents

Section	Page
Headlines	05
Materiality	07
Overview of significant and other risks identified	09
Other areas and findings	16
Other communication requirements and other responsibilities	18
Audit Adjustments	22
Action Plan	26
Follow up of prior year recommendations	27
Independence considerations	31

Appendices

Appendix A – Management Letter of representation	See separate agenda item
Appendix B– Audit Opinion	See separate agenda item

© 2026 Grant Thornton UK LLP

Headlines

This page and the following summarises the key findings and other matters arising from the statutory audit of the London Borough of Brent Pension Fund (the 'Pension Fund') and the preparation of the Pension Fund's financial statements for the year ended 31 March 2026 for the attention of those charged with governance.

Financial statements

Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice (the 'Code'), we are required to report whether, in our opinion, the Pension Fund's financial statements:

- give a true and fair view of the financial transactions of the Pension Fund year ended 31 March 2026 and of the amount and disposition at that date of the fund's assets and liabilities;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

We are also required to report whether other information published together with the audited financial statements (including the Annual Governance Statement (AGS), the Narrative Report and the administering authority's financial statements), is materially consistent with the Pension Fund's financial statements and with our knowledge obtained during the audit, or otherwise whether this information appears to be materially misstated.

Our audit work was completed during June to September 2026, in line with the timelines set out in our Audit Plan. Our findings are summarised on pages 11 to 17.

We identified no adjustments to the financial statements, that have resulted in an adjustment to the Pension Fund's reported financial position. The only non-trivial matters identified during the audit were disclosure amendments. Audit findings are detailed on page 22 to 25.

We have also raised recommendations for management, set out on page 26, and reported our follow up of prior year recommendation on pages 27 to 30.

Our work is substantially complete and there are no matters of which we are aware that would require modification of our audit opinion, subject to the following outstanding matters:

- completion of senior audit team review
- completion of audit work in respect of Other information
- receipt and review of the Pension Fund Annual Report
- receipt of management representation letter; and
- review of the final set of financial statements.

© 2026 Grant Thornton UK LLP

Headlines (continued)

Financial statements

We have not yet concluded that the other information to be published with the financial statements, is consistent with our knowledge of your organisation and the audited financial statements, as our work remains ongoing at this time.

Our anticipated financial statements audit report opinion will be unmodified.

Whilst our work on the Pension Fund financial statements is complete, we will be unable to issue our final audit opinion on the Pension Fund financial statements until the audit of the Administering Authority is complete.

We are required to give a separate opinion for the Pension Fund Annual Report on whether the financial statements included therein are consistent with the audited financial statements.

Due to statutory deadlines the Pension Fund Annual Report is not required to be published until 1 December 2026 and therefore this report has not yet been produced. We have therefore not given this separate statement at this time.

We are unable to certify completion of the audit of the administering authority until this work has been completed, (and the work on WGA/any other reasons for a delay in the certification of the closure of the audit).

Significant Matters

We did not encounter any significant difficulties or identify any significant matters arising during our audit.

© 2026 Grant Thornton UK LLP

Our approach to materiality

As communicated in our Audit Plan dated 16 June 2026, we determined headline materiality at the planning stage as **£26 million** based on 2% of Gross Investment Assets as at 31 March 2025. At year-end, we have reconsidered planning materiality based on the 2025/26 figures in the draft financial statements. As a result the audit team have deemed it appropriate to revise materiality from **£26 million** to **£29.6 million**, reflecting the increase in gross investment assets, which is the benchmark used to determine materiality. This update ensures that materiality remains appropriate and proportionate to the size of the Fund based on the most current financial information available. No other factors were identified that would require a change to our audit strategy.

A recap of our approach to determining materiality is set out below.

Basis for our determination of materiality

- We have determined materiality at **£29.6 million** based on professional judgement in the context of our knowledge of the Fund, including consideration of factors such as the nature of the Fund's investment activities, the expectations of scheme members and other stakeholders, the level of audit differences identified in prior years, and the relatively low complexity of the Fund's transactions and balances.
- We have used 2% of gross investment assets as at 31 March 2026 as the benchmark for our materiality.
- Gross investment assets are considered the most appropriate benchmark because they represent the principal measure of the Fund's size and are the key focus of users of the financial statements. The Fund's primary objective is the stewardship and management of investment assets on behalf of members, and investment asset values are therefore the most relevant indicator of financial significance. We have applied 2%, which is consistent with sector practice for local government this basis is consistent with the prior year. The increase in monetary materiality compared to the prior year reflects growth in the value of the Fund's investment assets at the year end rather than any change in the audit risk assessment or benchmark applied.

Performance materiality

- We have determined performance materiality at **£22.2 million**, this is based on 70% of headline materiality. We have revised the performance materiality to ensure that performance materiality remains appropriate and proportionate to the size of the Fund based on the most current financial information available.

Specific materialities for Benefits Payable and Contributions

- We have determined lower specific materialities for benefits payable and contributions, they are based on 10% of the corresponding figure as at 31 March 2026. We have revised the
  - benefits payable from the planned level of **£5.9 million** to **£6.1 million**; and
  - contributions from the planned level of **£8 million** to **£6.9 million**
- following receipt of the draft financial statements. These changes reflect movements in the underlying benefits payable and contributions balances used to determine these thresholds.

Reporting threshold

- We will report to you all misstatements identified in excess of **£1.48 million**, in addition to any matters considered to be qualitatively material.

© 2026 Grant Thornton UK LLP

Our approach to materiality (continued)

A summary of our approach to determining materiality is set out below.

Description	Amount (£)	Qualitative factors considered
Materiality for the financial statements	29,600,000	• Key users of the financial statements and performance measures that key stakeholders are interested in • Business environment • Control environment (e.g., known issues, frauds that could make a misstatement more likely) • Other sensitivities (e.g., Changes in regulations).
Performance materiality	22,200,000	• The environment in which the pension fund operates • The size of the pension fund and functionalities • Whether there are material fraud risks that we have identified as being present.
Lower specific materiality for Benefits Payable	6,100,000	• Key users of the financial statements and which performance measures that key stakeholders for the entity are interested in.
Lower specific materiality for Contributions	6,900,000	• Key users of the financial statements and which performance measures that key stakeholders for the entity are interested in.
Trivial matters - reporting threshold	1,480,000	• Key users of the financial statements and audit methodology.

© 2026 Grant Thornton UK LLP

Overview of audit risks

Significant risks are defined by ISAs (UK) as an identified risk of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum due to the degree to which risk factors affect the combination of the likelihood of a misstatement occurring and the magnitude of the potential misstatement if that misstatement occurs.

Significant classes of transactions, account balances, and disclosures, are associated with risks of material misstatement but are not always significant risks (SCOT+).

Material only are material financial statement line items not associated with risks of material misstatement.

Other audit risks are accounts that are not associated with any SCOT + or with a material only financial statement line item or disclosure.

Risk title	Risk level	Change in risk since Audit Plan	Fraud risk	Level of judgement or estimation uncertainty	Status of work
Management override of controls	Significant	↔	✓	Low	G
Valuation of Level 3 Investments	Significant	↔	✗	High	G
Actuarial present value of promised retirement benefits disclosure – IAS 26	Significant class of transactions (SCOT+)	↔	✗	Medium	G
Valuation of Level 2 Investments	Significant class of transactions (SCOT+)	↔	✗	Medium	G
Cash and cash equivalents / Level 1 Investments	Significant class of transactions (SCOT+)	↔	✗	Low	G

↑ Assessed risk increased since audit plan

↔ Assessed risk consistent with audit plan

↓ Assessed risk decrease since audit plan

G Not likely to result in material adjustment or change to disclosures within the financial statements

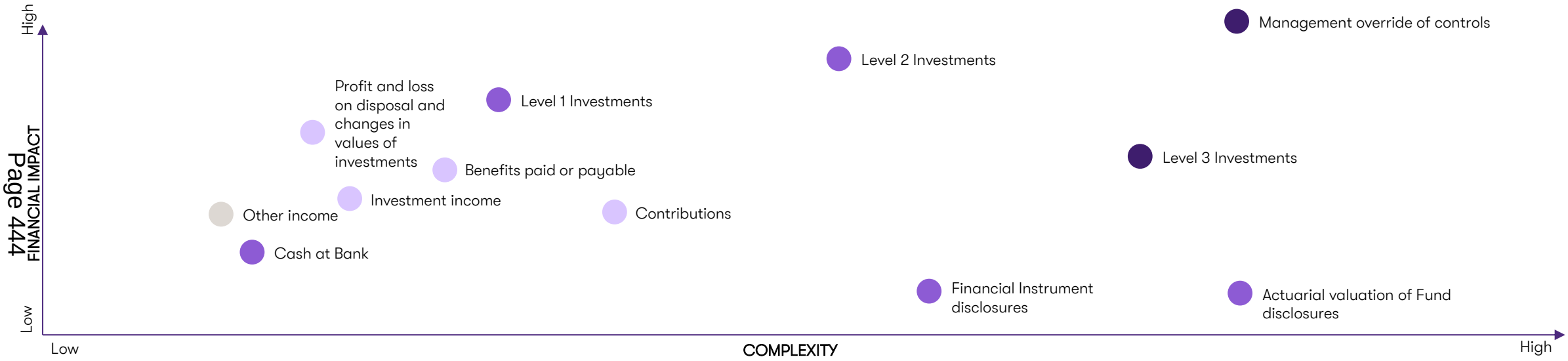
A Potential to result in material adjustment or significant change to disclosures within the financial statements

R Likely to result in material adjustment or significant changes to disclosures within the financial statements

© 2026 Grant Thornton UK LLP

Overview of audit risks

In the graph overleaf, we have presented the, significant risks, SCOT+, and material only relevant to the audit.



Glossary

- Significant risk
- SCOT+
- Material only
- Other audit risks

© 2026 Grant Thornton UK LLP

Significant risks

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

This section provides commentary on the significant audit risks communicated in the Audit Plan.

Risk identified	Audit procedures performed	Key observations
Management override of controls Significant Under ISA (UK) 240, there is a non-rebuttable presumption that the risk of management override of controls is present in all entities.	As part of our audit procedures, we: • evaluated the design effectiveness of management controls over journals; • analysed the journals listing and determine the criteria for selecting high risk unusual journals; • tested unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration; • gained an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence; • evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions; and • incorporate an element of unpredictability into our audit procedures by utilising Inflo Detect digital audit tool	We have noted no material adjustments or findings in relation to management override of controls. We are satisfied that judgements made by management are appropriate and have been determined using consistent methodology. Having assessed management's judgements and estimates individually and in aggregate we are satisfied that there is no material misstatement arising from management bias across the financial statements.

© 2026 Grant Thornton UK LLP

Significant risks (continued)

Risk identified	Audit procedures performed	Key observations
Valuation of level 3 investments Significant The valuations of level 3 investments are a significant accounting estimate based on unobservable inputs and hence there is a risk of material misstatement due to error and/or fraud.	As part of our audit procedures, we: • documented and evaluated management's processes for valuing Level 3 investments; • obtained and reviewed the audited financial statements of the investment accounts, where these are at a different reporting date to the Fund's financial statements: o the valuations were be compared to the year end reporting date after accounting for cashflows; and o obtained and reviewed the corresponding investment manager report (capital statement) as at the investment accounts audit date with the audited accounts and follow up significant differences • independently obtained and reviewed the corresponding investment manager reports (capital statements) as at the reporting date and compare to the financial statements; • reviewed purchase and sale transactions of investments near the reporting date where appropriate; • reviewed the guidelines under which investments have been valued at the date of the investment accounts and the Fund accounts; • reviewed management's classification of the assets; and • obtained and reviewed investment manager service auditor report on design and operating effectiveness of relevant internal controls where appropriate.	We have noted no material adjustments or findings in relation to the valuation of level 3 investments. We are satisfied that judgements made by management are appropriate and the valuations have been determined using consistent methodology.

© 2026 Grant Thornton UK LLP

Significant Classes of Transactions (continued)

Significant classes of transactions, account balances, and disclosures (SCOT+s), are associated with risks of material misstatement but are not linked to a significant risk. This section provides commentary on the SCOT+ risks communicated in the Audit Plan.

Risk identified	Audit procedures performed	Key observations
Significant class of transactions (SCOT+) **Valuation of Level 2 Investments** Level 2 investments do not carry the same level of inherent risks associated with level 3 investments, however there is still an element of judgement involved in their valuation as their very nature is such that they cannot be valued directly. These assets represent a class of transaction in the financial statements due to the size of the balance (**£1,294.6 million** as at 31 March 2026).	As part of our audit procedures, we have: • agreed the valuation to the confirmation received from the investment manager; • agreed the valuation back to quoted prices at year-end where available; • compared the valuation to purchase and sale transactions near the reporting date (where appropriate); • reviewed the guidelines under which the investment has been valued (where appropriate); • obtained and reviewed a service auditor's report on internal controls for the investment manager; • reviewed management's classification in the fair value hierarchy for level 2 investments; • carried out more detailed testing where the planned procedures did not provide sufficient assurance.	We have noted no material adjustments or findings in relation to the valuation of level 2 investments. We are satisfied that judgements made by management are appropriate and the valuations have been determined using consistent methodology.

© 2026 Grant Thornton UK LLP

Significant Classes of Transactions

Risk identified	Audit procedures performed	Key observations
Significant class of transactions (SCOT+) **Actuarial present value of promised retirement benefits disclosure – IAS 26** The disclosure of the Fund's actuarial present value of promised retirement benefits is an accounting estimate (**£1,321 million** as at 31st March 2026) and is sensitive to changes in key assumptions. The Fund engage the services of a qualified actuary to develop an IAS 26 compliant estimate of the disclosure and 2026/27 will be the first year that the outcomes of the 2025 triennial valuation will be reflected.	As part of our audit procedures, we have: • updated our understanding of the processes and controls put in place by management to ensure that the Fund's actuarial present value of promised retirement benefits is not materially misstated; • evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work; • assessed the competence, capabilities and objectivity of the actuary who carried out the Fund's valuation; • assessed the accuracy and completeness of the information provided by the Fund to the actuary to estimate the liability; • tested the consistency of disclosures with the actuarial report from the actuary; and • undertaken procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report.	We have noted no material adjustments or findings in relation to the actuarial present value of promised retirement benefits disclosure (IAS 26). We completed our review of the IAS 26 actuarial present value of promised retirement benefits disclosure and the underlying triennial valuation. No material issues were identified in respect of the actuarial assumptions, methodology or disclosures. Triennial valuation member data testing identified some limitations in the availability of historic documentation following changes in pension administrators. However, alternative evidence was obtained in all cases, and no material discrepancies were identified. We concluded that sufficient appropriate audit evidence was obtained to support the completeness and accuracy of the data used by the actuary and no material adjustments were required. We are satisfied that judgements made by management are appropriate and have been determined using consistent methodology.

© 2026 Grant Thornton UK LLP

Significant Classes of Transactions (continued)

Risk identified	Audit procedures performed	Key observations
Significant class of transactions (SCOT+) Cash and Cash Equivalents The receipt and payment of cash represents a significant class of transactions occurring throughout the year, culminating in the yearend balance for cash and cash equivalents reported on the Net Asset Statement (**£53.9 million** as at 31 March 2026).	As part of our audit procedures, we have: • obtained direct confirmations for all bank accounts and Money Market Funds • obtained monthly bank reconciliations as at the year-end and for one month post year-end, and • where material, reconciling items were tested to confirm clearance through the bank account after the year-end	We have noted no material adjustments or findings in relation to Cash and Cash Equivalents.

© 2026 Grant Thornton UK LLP

Other areas impacting the audit

This section provides commentary on other issues and risks which were identified during the course of the audit and were previously communicated in the Audit Plan.

Issue	Commentary
2025 Triennial Valuation (England Only) Under Regulation 62 of the Local Government Pension Scheme Regulations 2013 the Fund must obtain an actuarial valuation of its assets and liabilities every three years. The latest valuation is as at 31 March 2025 (published in March/April 2026). The purpose of the valuation is to set employer contribution rates for the period from 1 April 2026 to 31 March 2029. The underlying demographic data will also be rolled forward and utilised in the 2025/26 estimate of the actuarial present value of promised retirement benefits disclosure calculations made under IAS 26 (on an IAS 19 basis as required by IAS 26 and 6.5. 2.9 of the CIPFA Code).	The data used by actuaries to produce IAS 19 liabilities and assets can be broadly split into two categories: 1) Individual member data used to calculate the triennial valuation liabilities and assets which the IAS 19 liabilities and assets are based on. 2) Data used to carry out the roll-forward calculation from the triennial valuation liabilities and assets to the IAS 19 liabilities and assets. This data is provided by administering authorities and the relevant employers. As auditors, we therefore needed to test the individual member data used by the actuaries in their triennial valuation calculations (Item 1) against independent records every three years. Item 2 testing is carried out annually. **Auditor view** We completed testing of a sample of 26 individual member records (6 active members, 12 deferred members and 8 pensioners) included within the membership data submitted to the actuary for the purpose of the 2025 Triennial Valuation. During testing, we identified limitations in the availability of certain historical member records, primarily due to legacy pension administration arrangements and changes in pension administrators over time. In a number of cases, original joining documentation was not available. However, alternative evidence, including pension administration records, payroll and contribution histories, enrolment documentation, leaving notifications and pension payment records, was obtained and used to substantiate the relevant member data attributes. No material discrepancies were identified from our testing and alternative evidence was available in all instances where original documentation could not be provided. Based on the procedures performed, we concluded that sufficient appropriate audit evidence was obtained to support the completeness and accuracy of the member data used by the actuary in the 2025 Triennial Valuation. **Management response** Our pension administration has been outsourced to several providers over time, with paper records replaced by electronic files and data transferred between administrators. Unfortunately, this has led to some data degradation where original records are unavailable however alternative evidence was provided in relation to the cases tested. Although regular data-cleansing exercises have helped mitigate the impact, this remains a common issue across many pension schemes in the UK.

© 2026 Grant Thornton UK LLP

Other findings – Information Technology

This section provides an overview of results from our assessment of the Information Technology (IT) environment and controls therein which included identifying risks from IT related business process controls relevant to the financial audit. This table below includes an overall IT General Control (ITGC) rating per IT application and details of the ratings assigned to individual control areas. For further detail of the IT audit scope and findings please see separate 'IT Audit Findings' report.

IT application	Level of assessment performed	Overall ITGC rating	ITGC control area rating			Related significant risks/other risks	
			Security management	Change management	Batch scheduling		
Oracle Cloud (Financial reporting)	ITGC assessment (design, implementation and operating effectiveness) Application controls assessment	[Amber]	[Amber]	[Green]	[Green]	Management override of controls	The ITGC review identified user access control weaknesses were identified within Oracle Cloud Fusion, including privileged HCM access, delayed removal of access and self-assigned roles. The affected access primarily related to Council payroll, procurement and support functions rather than Pension Fund financial reporting. Management override and journal testing identified no evidence of inappropriate postings or impact on the Pension Fund financial statements. Management have agreed remediation actions to strengthen access governance and reduce the risk of inappropriate access.
Civica (Pension Administration system)	ITGC assessment (design and implementation effectiveness only)	[Amber]	[Amber]	[Green]	[Green]	Contributions receivable, Benefits payable and the actuarial valuation	The ITGC review identified delays in removing access for a departed user were identified within Civica. No inappropriate activity was identified, and audit testing did not identify any impact on Pension Fund financial reporting. Management has agreed actions to strengthen leaver and access review controls.

Assessment:

- [Red] Significant deficiencies identified in IT controls relevant to the audit of financial statements
- [Amber] Non-significant deficiencies identified in IT controls relevant to the audit of financial statements/significant deficiencies identified but with sufficient mitigation of relevant risk
- [Green] IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope
- [Black] Not in scope for assessment

© 2026 Grant Thornton UK LLP

Other communication requirements

Issue	Commentary
Matters in relation to fraud	• We have previously discussed the risk of fraud with the Audit and Standards Advisory Committee. We have not been made aware of any other incidents in the period and no other issues have been identified during the course of our audit procedures
Matters in relation to related parties	• We are not aware of any related parties or related party transactions which have not been disclosed
Matters in relation to laws and regulations	• You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Written representations	• A letter of representation has been requested from the Pension Fund. This will be shared with management and the Audit and Standards Advisory Committee informed at its meeting that there were no specific representations requested beyond those normally sought. We draw your attention to the draft Letter of Representation which is appended on the Agenda. • This will be signed alongside the final draft of the financial statements in advance of the conclusion of the audit.
Confirmation requests from third parties	• We requested from management permission to send confirmation requests to their custodian and investment managers. This permission was granted and the requests were sent. All requests were returned with positive confirmation and no alternative procedures were required. • We requested management to send letters to those internal legal counsel who worked with the Pension Fund during the year. All responses have been received with no issues noted.
Disclosures	• Our review found no material omissions in the financial statements • Significant disclosures in the 2025/26 statutory financial statements include the Fair Value Hierarchy, Actuarial Present Value of Promised Retirement Benefits, Uncertainty and risk disclosures
Audit evidence and explanations	• All information and explanations requested from management was provided.
Significant difficulties	• No significant difficulties were encountered in the delivery of the audit.

© 2026 Grant Thornton UK LLP

Other responsibilities

Issue	Commentary
Going concern	In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2024). The Financial Reporting Council recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies. Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities: • the use of the going concern basis of accounting is not a matter of significant focus of the auditor's time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the entity's services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities • for many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting. – Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. *continued overleaf*

© 2026 Grant Thornton UK LLP

Other responsibilities

Issue	Commentary
Going concern	The financial reporting framework adopted by the Pension Fund meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated: • the nature of the Pension Fund and the environment in which it operates • the Pension Fund's financial reporting framework • the Pension Fund's system of internal control for identifying events or conditions relevant to going concern • management's going concern assessment. On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that: • a material uncertainty related to going concern has not been identified • management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

© 2026 Grant Thornton UK LLP

Other responsibilities

Issue	Commentary
Other information	The Pension Fund is administered by the London Borough of Brent (the 'Council'), and the Pension Fund's accounts form part of the Council's financial statements. We are required to read any other information published alongside the Council's financial statements (including the Annual Governance Statement (AGS), the Narrative Report and Council's financial statements) and report whether it is materially consistent with the Pension Fund financial statements and our knowledge obtained during the audit. Our work to review Other Information remains ongoing at this time.
Matters on which we report by exception	We are required to give a separate consistency opinion for the Pension Fund Annual Report on whether the financial statements included therein are consistent with the audited pension fund financial statements within the administering authority's accounts. Due to statutory deadlines the Pension Fund Annual Report is not required to be published until 1 December 2026 and therefore this report has not yet been produced. We have therefore not given this separate opinion at this time and are unable to certify completion of the audit of the administering authority until this work has been completed. We are required to report if we have applied any of our statutory powers or duties as outlined in the Code. We have nothing to report on these matters.

© 2026 Grant Thornton UK LLP

Adjusted misstatements

This is a summary of adjusted misstatements identified during the audit. We are required to report all non-trivial misstatements to those charged with governance.

We have noted no adjusted misstatements which impact upon the balances reported in Net Assets Statements and Fund Account.

Disclosure misstatement	Detail	Response	Amended?
Note 14 Purchases and Sales of Investments	Audit testing of the amounts disclosed within Note 14 identified that sales of investments were understated by **£321.7 million**. As a result, the reported movement in the market value of investments was misstated. Based on the audited figures, the market value of investments increased by **£148.5 million** during the year, compared with a decrease of **£173.2 million** reported in the draft Statement of Accounts. Subsequent to our audit testing, management also amended a small number of additional individually trivial items within the disclosure that were not subject to audit testing. This amendment relates solely to the presentation of the movement within Note 14 and has no impact on the overall value of the Fund, net assets, or the financial statements as a whole.	The disclosure in Note 14 has been amended to reflect the audited sales transactions and the corresponding movement in the market value of investments.	✓
Note 14 Investments Exceeding 5% of Net Assets	Audit procedures identified an inconsistency within Note 14. The analysis by fund manager disclosed an investment balance of **£2.2 million** for LCIV Baillie Gifford, while the table showing investments representing more than 5% of net assets included "LCIV - Baillie Gifford DGF" at **£103.5 million**. Subsequent audit testing and review of the underlying investment schedules confirmed that the **£103.5 million** holding relates to LCIV Ruffer DGF rather than LCIV Baillie Gifford. As a result, the investments over 5% disclosure was misstated through the inclusion of an incorrect fund name.	The disclosure has been updated to reflect the correct fund names and balances in the investments exceeding 5% of net assets table.	✓

© 2026 Grant Thornton UK LLP

Adjusted disclosure misstatements

Disclosure misstatement	Detail	Response	Amended?
Note 16 Financial Instruments Classification Disclosure	Audit procedures identified an inconsistency in the disclosure of cash balances within Note 16. The prior-year cash balance of **£63.6 million** was disclosed as an asset measured at amortised cost, whereas the current-year balance of **£53.9 million** was presented as fair value through profit and loss. The note also stated that no financial assets had been reclassified during the year. Review of the underlying financial instrument classifications confirmed that the cash balances remained cash deposits and had not been reclassified between accounting categories. As such, the disclosure did not accurately reflect the classification applied within the financial statements.	The disclosure has been updated to accurately reflect the classification applied within the financial statements.	✓
Note 24 Capital Commitments	Audit testing of Note 24 identified that the disclosed capital commitment for LCIV Private Debt Fund II was understated by **£2.261 million**. The draft accounts disclosed an outstanding commitment of **£31.6 million**, whereas the underlying fund manager confirmation and supporting capital call records showed an outstanding commitment of **£33.861 million**, resulting in an understatement of **£2.261 million**.	The disclosure in Note 24 has been amended to reflect the correct capital commitment balance.	✓
Accounting Policy: Recognition of Contribution Income	During the audit review of the Fund's accounting policies, the audit team identified that the wording of the Contribution Income accounting policy implied that both employee and employer contribution rates are determined by the Fund actuary. Under the LGPS framework, employee contribution rates are prescribed by LGPS regulations and are not actuarially determined. Only employer contribution rates are set having regard to actuarial advice.	The accounting policy disclosure has been amended to provide greater clarity to reflect this distinction.	✓

© 2026 Grant Thornton UK LLP

Adjusted disclosure misstatements

Disclosure misstatement	Detail	Response	Amended?
Note 9 Benefits Payable Disclosure	Audit procedures identified that the Benefits Payable disclosure within Note 9 did not comply with CIPFA Code requirements, as balances for the Administering Authority and Scheduled Bodies were presented within a single combined line item rather than being disclosed separately. Following discussions during the audit, management reviewed the underlying payroll information and confirmed that Benefits Payable balances could be separately identified for the Administering Authority, Scheduled Bodies and Admitted Bodies. The draft disclosure presented a combined balance of **£58.9 million** (2024/25: **£57.8 million**) for the Administering Authority and Scheduled Bodies. The disclosure was subsequently amended to separately present balances of **£57.0 million** (2024/25: **£54.7 million**) for the Administering Authority and **£1.8 million** (2024/25: **£3.1 million**) for Scheduled Bodies.	The disclosure has been amended to separately present Benefits Payable balances for the Administering Authority and Scheduled Bodies in accordance with CIPFA Code requirements.	✓
Note 6 Events after the Reporting Date	The fund had not disclosed the introduction of the Pension Schemes Bill as a non-adjusting event occurring after the reporting date. Given the potential implications of the legislation for the fund's future pension arrangements and associated financial obligations, the financial statements should include disclosure of the Bill within the Events after the Reporting Date note, together with an explanation of its potential impact where this can be reasonably assessed.	The disclosure has been amended to include the introduction of the Pension Schemes Bill	✓
Note 14a: Private Equity, Infrastructure and Private Debt Investments	The financial statements aggregate private equity, infrastructure and private debt investments into a single disclosure category. Whilst this approach is consistent with the minimum requirements of the Code, separate disclosure of these asset classes would be more closely aligned with CIPFA LGPS best practice guidance.	The disclosure has been amended to separately present Private Equity, Infrastructure and Private Debt Investments	✓

© 2026 Grant Thornton UK LLP

Unadjusted misstatements

We are required to report all non-trivial misstatements to those charged with governance.

We have noted no unadjusted misstatements which impact upon the balances reported in Net Assets Statements and Fund Account.

Impact of unadjusted misstatements in the prior year

There were no unadjusted misstatements identified in 2024/25 which required reporting as they would not result in changes to the reported figures in the key financial statements and the reported net assets of the Fund for the year ending 31 March 2026.

© 2026 Grant Thornton UK LLP

Action plan

We have identified one recommendation for the Pension Fund as a result of issues identified during the course of our audit. We have agreed our recommendations with management and we will report on progress on these recommendations during the course of the 2026/27 audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
Amber	**Closing pensioner membership figure reconciliation** We noted that the closing pensioner membership figure disclosed in Note 1 is derived from the pension administration system report as at 31 March 2026. Management performs a reconciliation between the pensioner membership records held within the pension administration system and the Month 12 pensioner payroll report at the financial year-end. However, the current reconciliation identified a difference of approximately 248 pensioner members between these two data sources. We understand that management has raised this discrepancy with the pension administrator and is awaiting further clarification regarding the underlying cause of the variance. Whilst our audit procedures did not identify any material misstatement in the pensioner membership disclosures, the existence of an unexplained reconciliation difference reduces the level of assurance available over the completeness and accuracy of the pensioner membership data reported in the financial statements. Timely investigation and resolution of reconciliation differences is an important control in ensuring that membership data remains accurate and complete. **Risk** Where reconciliation differences are not fully investigated, understood and resolved, there is an increased risk that errors, omissions or inconsistencies within pensioner membership records may not be identified and corrected on a timely basis. This could result in inaccurate pensioner membership information being reported within the financial statements and reduce management's assurance over the completeness and accuracy of the underlying data.	Management should continue to work with their pensions administrator to investigate and document the cause of the member reconciliation difference identified between the pension administration records and the Month 12 pensioner payroll report and, where necessary, take appropriate corrective action. This will provide greater assurance over the accuracy and completeness of pensioner membership data reported in the financial statements. **Management response** We understand that the original discrepancy of 248 was largely due to Teachers' Added Years pensions being incorrectly identified as Local Government pensions. Subsequent investigation has reduced the discrepancy to 70 and we will continue to work with LPPA to improve our data and integrate our systems.

Assessment key:

- [Red] High – Significant effect on financial statements
- [Amber] Medium – Limited effect on financial statements
- [Green] Low – Best practice

© 2026 Grant Thornton UK LLP

Follow up of prior year recommendations

This is a summary of where we identified recommendations for the Pension Fund because of issues identified during the prior year audit, and an update on actions taken by management as a result.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	**Excessive System Administrative Permissions Assigned to Business Users:** During the prior year audit, our ITGC review identified that certain business users, primarily within the HR and Payroll teams, had been assigned roles containing elevated system administration permissions, including access to functionality such as Manage Menu Customisations and Functional Setup Manager. Management was unable to demonstrate that these permissions were required for the users' day-to-day responsibilities. **Risk** The assignment of administrative privileges to business users beyond those necessary for their roles increases the risk of unauthorised or unintended changes being made to system configurations. This could compromise the integrity of system controls, impact processing accuracy, and weaken segregation of duties. **Recommendation** Management should review administrative permissions assigned to business users and remove any access that is not required for operational responsibilities. In addition, the quarterly logical access review should be enhanced to include consideration of the detailed permissions contained within user roles, rather than solely reviewing role assignments.	The finding relating to excessive administrative permissions assigned to business users specifically concerned the Council's HCM Application Administrator role and did not extend to the Pension Fund finance system or Pension Fund financial processing. Consequently, no impact on Pension Fund financial controls was identified. Management has commenced a review of user roles and permissions to ensure access rights remain appropriate to business responsibilities and that elevated access is restricted to users with a legitimate operational requirement. In addition, management has agreed a programme of remediation actions to strengthen access governance, improve the timeliness of access amendments, and enhance the approval and review processes for user access. These actions remain in progress at the time of our follow-up review.

Assessment:

✓ Action completed

→ Work in progress/Partially addressed

✖ Not yet addressed

© 2026 Grant Thornton UK LLP

Follow up of prior year recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	**Benefits Payable Note 9:** During the prior year audit, we identified that Benefits Payable disclosures were not presented separately for the Administering Authority, Scheduled Bodies and Admitted Bodies as required by the CIPFA Code. **Risk** Failure to disclose benefits payable balances in accordance with CIPFA requirements may result in incomplete or non-compliant financial statement disclosures and reduce transparency for users of the accounts. **Recommendation** Management should ensure that Benefits Payable balances are separately identified and disclosed within Note 9 for the Administering Authority, Scheduled Bodies and Admitted Bodies in line with CIPFA Code requirements.	Management previously confirmed that, following the migration to the LPPA payroll system, it would now be possible to separately identify Benefits Payable balances relating to the Administering Authority, Scheduled Bodies and Admitted Bodies. For 2025/26, the audit team identified that the draft disclosure did not separately present Benefits Payable balances for the Administering Authority, Scheduled Bodies and Admitted Bodies as required by the CIPFA Code. Following discussions during the audit, management reviewed the available payroll information and confirmed that the underlying data could be separately identified following migration to the LPPA payroll system. The disclosure was subsequently amended to present the required categories separately. The audit team reviewed the revised disclosure and confirmed that it was consistent with the supporting information provided.

© 2026 Grant Thornton UK LLP

Follow up of prior year recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
→	**Cash Balances Note 20:** Previous the auditors had identified that a long-standing cash-in-transit balance of approximately **£3.2 million** remained unreconciled following the migration from Oracle R12 to Oracle Cloud. While transactions had been netted against the General Bank Account to achieve a reconciled position, underlying unreconciled items remained outstanding. **Risk** Unreconciled cash balances increase the risk that errors, omissions or irregular transactions remain undetected. This may result in inaccuracies within the accounting records and financial statements and limits management's ability to demonstrate the completeness and accuracy of cash balances. **Recommendation** Management should investigate and clear outstanding legacy reconciliation items, strengthen monthly bank reconciliation and review procedures, and ensure all cash balances are fully supported and appropriately disclosed in accordance with CIPFA requirements.	Management has continued to investigate the historic cash-in-transit balance arising from the Oracle migration and has been performing detailed analysis of outstanding reconciling items. Work is ongoing to identify the underlying transactions, determine the validity of aged balances and clear legacy items where appropriate. Management has also strengthened its reconciliation procedures to provide enhanced oversight of unresolved differences and support the timely identification of reconciling items. However, as the historic balance remains unresolved at the time of our review, the recommendation remains in progress.

© 2026 Grant Thornton UK LLP

Follow up of prior year recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
→	**School Employer Contribution Rates:** Previous testing of employer contribution arrangements identified that a number of schools had continued to apply incorrect employer contribution rates during 2023/24 because contribution schedules had not been updated to reflect revised rates. **Risk** The use of incorrect employer contribution rates may result in employer contributions being underpaid or overpaid, leading to inaccurate pension fund records and the potential need for retrospective corrections and recoveries. **Recommendation** Management should strengthen the process for communicating and validating annual contribution rates by performing a timely review at the start of each financial year to confirm that all employers have implemented the correct rates. This review should be evidenced and any exceptions promptly followed up.	In the course of our contributions testing for 2025/26, we have not encountered any discrepancies in the employer contribution rate applied. However, we identified a weakness relating to the Fund's inability to reconcile contribution income to the trial balance at a detailed contribution category level. Due to limitations in the general ledger mapping, management is unable to directly verify the completeness and accuracy of individual contribution streams and instead relies on high-level analytical reviews and actuarial calculations. Although our testing did not identify any material misstatements, the lack of a detailed reconciliation increases the risk that errors or misclassifications in contribution income may not be detected in a timely manner.

© 2026 Grant Thornton UK LLP

Independence considerations

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant matters that may bear upon the integrity, objectivity and independence of the firm or covered persons (including its partners, senior managers, managers and network firms). In this context, we disclose the following to you:

Matter	Conclusion
Our firm provides audit services to some of the funds in London Collective Investment Vehicle (LCIV). The LCIV are a LGPS asset pool for which the London Borough of Brent Pension Fund are one of the 32 Shareholders.	We have concluded that these services would not have an impact on our independence, on the basis that these entities are legally and operationally independent from this pension scheme. In addition, these services are being provided by a team which is separate and independent from our audit team. The result of their work would not have any impact in the financial statements that are subject to our audit. We have considered that an objective reasonable and informed third party would concur with this conclusion.

We are required to report to you details of any breaches of the requirements of the FRC Ethical Standard, and of any safeguards applied and actions we have taken to address any threats to independence. In this context, we disclose that there are no matters that we are required to report.

We confirm that we have implemented policies and procedures to meet the requirement of the Financial Reporting Council's Ethical Standard.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in February 2025 which sets out supplementary guidance on ethical requirements for auditors of local public bodies and the Terms of Appointment and further guidance issued by the Public Sector Audit Appointments (PSAA).

We confirm that the fees from non-audit services to the audited entity and its controlled entities do not exceed 70% of the total audit fee for the year.

© 2026 Grant Thornton UK LLP

Independence considerations (continued)

As part of our assessment of our independence we note the following matters:

Matter	Conclusions
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Fund that may reasonably be thought to bear on our integrity, independence and objectivity.
Relationships and Investments held by individuals	We have not identified any potential issues in respect of personal relationships with the Fund or investments in the Fund held by individuals.
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the Fund as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and the Fund.
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided.
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Fund's committees, senior management or staff (that would exceed the threshold set in the Ethical Standard).

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person and network firms have complied with the Financial Reporting Council's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements.

Following this consideration we can confirm that we are independent and are able to express an objective opinion on the financial statements. In making the above judgement, we have also been mindful of the quantum of non-audit fees compared to audit fees disclosed in the financial statements and estimated for the current year.

© 2026 Grant Thornton UK LLP

Fees and non-audit services

We confirm below are our final fees charged for the audit. There were no fees for the provision of non-audit services.

Audit fees	Proposed fee for 2025/26 (£)	Final fee for 2025/26 (£)
Audit of Pension Fund	99,507	99,507
2025 triennial valuation data testing	5,000	10,000
Total	104,507	109,507

The above fees are exclusive of VAT and out of pocket expenses.

The fees reconcile to the financial statements as follows:

- fees per financial statements = £97k
- reconciling item - additional fees = £10k
- reconciling item – trivial difference = £2k
- total fees per above = £109k

Our firm also provides audit and non-audit services to the Council. The fees in relation to these services and the related ethical considerations are reported in the Audit Findings Report issued to TCWG for that entity. Consequently, such fees are disclosed in the Council's financial statements rather than the Pension Fund's.

This covers all services provided by us and our network to the Fund and senior management, that may reasonably be thought to bear on our integrity, objectivity or independence.

© 2026 Grant Thornton UK LLP

Additional fee analysis – fee variation for in year work

The following table sets out further information on additional fees in respect of in year work.

	2024/25	2025/26
2025 triennial valuation data testing	N/A	£10,000
Total	N/A	£10,000
Audit Scale Fee	£97,945	£99,507
Total audit fees	£97,945	£109,507

The above is subject to review by PSAA who will make a final determination.

© 2026 Grant Thornton UK LLP



© 2026 Grant Thornton UK LLP. All rights reserved.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

This page is intentionally left blank

Brent	**Brent Pension Fund Sub-Committee** 7 October 2026
	Report from the Corporate Director of Finance and Resources

Investment Strategy Statement

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
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:	One Appendix 1: Investment Strategy Statement
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	Minesh Patel, Corporate Director, Finance and Resources 020 8937 4043 minesh.patel@brent.gov.uk Amanda Healy, Deputy Director of Finance 020 8937 5912 amanda.healy@brent.gov.uk Sawan Shah, Head of Finance 020 8937 1955 sawan.shah@brent.gov.uk Manish Shah, Senior Finance Analyst 020 8937 1444 manish.shah@brent.gov.uk

1.0 Executive Summary

1.1 This report presents the Fund's revised Investment Strategy Statement ("ISS") (Appendix 1) for approval by the Committee. The ISS has been updated following completion of the 2025 actuarial valuation and subsequent investment strategy review and has been prepared to reflect the Government's Fit for the Future reforms and the updated statutory guidance.

1.2 Prior to presentation to the Committee, the draft ISS was issued for consultation with participating employers, member representative groups and London CIV.

2.0 Recommendations

2.1 The Committee is recommended to approve the revised Investment Strategy Statement (Appendix 1)

3.0 Detail

3.1 Background & Strategic Context

3.2 Regulation 10(2) of the Local Government Pension Scheme (Pooling, Management and Investment of Funds) Regulations requires administering authorities to maintain and publish an Investment Strategy Statement setting out the Fund's investment objectives, strategic asset allocation, approach to risk management, responsible investment arrangements and other matters prescribed by the legislation.

3.3 The Fund carried out an actuarial valuation as at 31 March 2025. The valuation assessed the Fund's funding position, employer contribution requirements, cashflow profile and long-term funding needs, providing an updated assessment of the investment returns required to meet the Fund's liabilities over the longer term.

3.4 Following completion of the valuation, the Committee undertook a comprehensive review of the Fund's investment strategy. The review considered the findings of the actuarial valuation alongside expected long-term investment returns, funding and investment risks, liquidity requirements, changes in market conditions and the evolving LGPS regulatory framework.

3.5 The ISS, prepared by the Fund’s investment advisers Hymans Robertson LLP, reflects the conclusions of that investment strategy review and establishes the framework through which the Fund will seek to achieve its long-term investment objectives whilst ensuring pension benefits can be paid as they fall due.

4.0 Investment Strategy and Objectives

4.1 The ISS reflects the investment strategy agreed by the Committee in February 2026 following the investment strategy review.

In accordance with the new regulatory framework, the ISS establishes clear investment objectives across four key areas:

4.2 Return
The Fund's return objective is to generate sufficient long-term investment returns to support the Funding Strategy Statement and maintain the long-term solvency of the Fund.

4.3 Risk

The Fund's risk objective is to manage investment risk in a manner consistent with achieving its return objectives while maintaining an appropriate probability of meeting funding targets. This includes maintaining diversification across asset classes and ensuring investment risk remains appropriate for the Fund's funding position and covenant strength.

4.4 Cashflow

The Fund's cashflow objective is to ensure sufficient liquidity is available to meet pension payments, transfer values, operational expenditure and investment commitments as they fall due, whilst maintaining an efficient long-term investment strategy.

4.5 Local Investment

The Fund's local investment objective sets out the Fund's approach to investing in opportunities that support local and regional economic growth where such investments are consistent with fiduciary duty and are expected to deliver suitable risk-adjusted returns. Given the evolving nature of the local investment framework for Funds Pools and Strategic Authorities, the Fund's approach will continue to be refined and updated through future reviews of Investment Strategy.

5. Strategic asset allocation

5.1 The strategic asset allocation is expressed through nine broad asset buckets, as prescribed in the statutory guidance. This structure is intended to provide a clear framework for implementation by the Pool while retaining flexibility to adapt portfolios over time in response to market opportunities, evolving investment beliefs and regulatory requirements.

The nine-bucket framework is also intended to enhance transparency, support effective risk management and improve accountability between the Fund and the Pool.

5.2 The revised Investment Strategy Statement gives effect to the conclusions of the investment strategy review undertaken following completion of the 2025 actuarial valuation. It reflects the requirements of the new LGPS regulatory framework, clarifies the respective responsibilities of the Fund and the Pool, establishes investment objectives covering return, risk, cashflow and local investment, and sets out the Fund's strategic asset allocation through nine asset buckets.

6 Stakeholder and ward member consultation and engagement

6.1 The draft ISS was circulated to participating employers, recognised member representative groups and London CIV for consultation. Any comments received have been considered in finalising the document. No material changes to the proposed investment strategy were required as a result of the consultation process.

7 Financial Considerations

7.1 There are no direct financial considerations arising out of this report.

8 Legal Considerations

8.1 The Local Government Pension Scheme (Pooling, Management and Investment of Funds) Regulations 2026, now governs the management of the pension fund and the investment of fund money. Under the new laws, an administering authority must formulate an investment strategy in accordance with guidance and is legally required to keep the Investment Strategy Statement (ISS) under regular review; with strategic investment strategy reviews must occur within 18 months of the actuarial valuation date. Whilst ongoing monitoring, the statement must be updated and reviewed without delay following any significant change in the fund's investment policy.

9 Equality, Diversity & Inclusion (EDI) Considerations

9.1 There are no equality considerations arising out of this report.

10 Climate Change and Environmental Considerations

10.1 There are no climate change or environmental considerations arising out of this report.

11 Human Resources/Property Considerations (if appropriate)

11.1 There are no HR or property considerations arising out this report

12 Communication Considerations

12.1 There are no communication considerations arising out of this report.

Related document(s) for reference:

Brent Pension Fund Sub Committee Report - Investment Strategy Review (18 February 2026)

Report sign off:

Minesh Patel
Corporate Director of Finance and Resources

London Borough of Brent Pension Fund - Investment Strategy Statement

This is the Investment Strategy Statement ("ISS") of the London Borough of Brent Pension Fund ("the Fund"), which is administered by Brent Council ("the Administering Authority"). This Statement has been made in accordance with Part 4 of the Local Government Pension Scheme (Pooling, Management and Investment of Funds) Regulations 2026 ('the Regulations').

The Statement has been prepared by the Fund's Pension Committee ('the Committee') having taken advice from the Fund's investment adviser, Hymans Robertson LLP. The Committee acts on the delegated authority of the Administering Authority.

This Statement was approved by the Committee on [2026 approval date]. It is subject to review within 18 months from any triennial valuation and without delay after any significant change in investment policy. The Committee has consulted on the contents of the Fund's investment strategy with such persons it considers appropriate.

The Committee seeks to invest in accordance with the Fund's Investment Strategy Statement any Fund money that is not needed immediately to make payments from the Fund. This Statement should be read in conjunction with the Fund's Funding Strategy Statement dated April 2026.

Fund objective

The primary objective of the Fund is to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before or after retirement, for their dependants, on a defined benefit basis. The funding position will be reviewed at each triennial actuarial valuation, or more frequently as required.

Funding principles

The Committee aims to fund the Fund in such a manner that in normal market conditions, all accrued benefits are fully covered by the value of the Fund's assets, that investment risk and return are targeted at an adequate level, and that an appropriate level of contributions is agreed by the employer to meet the cost of future benefits accruing. For employee members, benefits will be based on service completed but will take account of future salary and/or inflation increases.

The Fund's funding level is being reviewed at least at each triennial actuarial valuation, or more frequently as required.

Investment beliefs

The Committee has defined a set of investment beliefs which reflect the way the Fund's objective and funding principles inform its investment strategy and are to be translated into actual investment arrangements by the London Collective Investment Vehicle ("London CIV"), the Fund's investment pool. These investment beliefs are set out in the appendix.

The Committee has translated its objectives into a suitable strategic asset allocation benchmark for the Fund. This benchmark is consistent with the Committee's views on the appropriate balance between generating a satisfactory long-term return on investments whilst taking account of market volatility and risk and the nature of the Fund's liabilities.

DRAFT

1. Suitability of investments

Investment strategy

The Fund's investment strategy is subject to review within 18 months from any triennial valuation and without delay after any significant change in investment policy. The approach that the Fund has taken to setting an appropriate investment strategy is set out below.

In 2025, the Fund carried out an asset-liability modelling exercise in conjunction with the 2025 actuarial valuation. The Fund's liability data from the valuation was used in the modelling, and the implications of adopting a range of alternative investment strategies were assessed. The implications for the future evolution of the Fund were considered under a wide range of different scenarios.

This approach helps to ensure that the investment strategy takes due account of the maturity profile of the Fund (in terms of the relative proportions of liabilities in respect of pensioners, deferred and active members), together with the level of disclosed surplus or deficit (relative to the funding bases used).

The Committee assessed the likelihood of achieving its long-term funding objective using asset-liability modelling carried out as part of the 2025 investment strategy review. Based on the Fund's strategic asset allocation, the Committee aims to maintain at least a 70% likelihood of the Fund being fully funded in 20 years' time.

A summary of the expected returns and volatility for each asset class is included later in this statement. In addition, the Committee monitors investment strategy on an ongoing basis, focusing on factors including, but not limited to:

- Suitability given the Fund's level of funding and liability profile
- The level of expected risk
- Outlook for asset returns
- Environmental, Social and Governance (ESG) factors

Strategic asset allocation

The Committee has translated its objectives into a suitable strategic asset allocation benchmark for the Fund. This benchmark is consistent with the Committee's views on the appropriate balance between generating a satisfactory long-term return on investments whilst taking account of market volatility and risk and the nature of the Fund's liabilities.

The tolerance ranges support the ongoing monitoring and management of deviations from the strategic allocation. The maximum allocations set out below operate as additional risk limits and should not be interpreted as alternative strategic targets.

DRAFT

Asset class	Strategic asset allocation (%)	Tolerance range (+/-%)
Listed equities	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[2]	10.0	+/- 3.0%
UK government bonds	10.0	+/- 3.0%
Cash	-	+/- 3.0%
Total	100.0	

[1] Other alternatives are investments that do not fit in any other asset classes and currently comprise multi-asset (5%) and natural capital (2.5%).

[2] Credit comprises credit instruments of investment grade quality, including (but not limited to) corporate bonds and non-UK government bonds.

The tolerance ranges have been set by the Committee following advice from Hymans Robertson LLP and consultation with London CIV regarding their implementation and ongoing monitoring.

Factors taken into account by the Committee in its decision-making process include:

- The materiality of under- and overweight positions
- Any asset transitions that have already been scheduled
- Market views on the relative attractiveness of different asset classes
- Liquidity and transaction costs
- The Committee's confidence in the managers' ability to meet performance targets

The Committee reviews the asset allocation and tolerance ranges at each regular Committee meeting. The review is based on the latest available investment performance reporting provided by the London CIV, supported by more up to date information where available. The Committee expects to be notified by the London CIV if the tolerance range for any asset class should be breached.

Interim position

The Fund is transitioning towards its strategic asset allocation as existing commitments to private equity, private credit, property and infrastructure are drawn and invested. During this period, the actual allocation may fall outside the stated tolerance ranges, resulting principally in temporary overweight positions in listed equities, bonds and cash. These positions will be monitored by the Committee and London CIV against the agreed transition plan.

DRAFT

Local investment

The Committee aims to invest between 0% and 5% of the total value of the Fund's assets in investments that have a quantifiable benefit to the local area in terms of economic growth, social impact and environmental outcomes, where consistent with the Fund's fiduciary duty.

The Fund defines the local area as London and the areas served by London CIV partner authorities.

In identifying local investment opportunities, the Committee will work with London CIV and relevant strategic authorities to consider opportunities that support local economic priorities and deliver measurable benefits to communities within the local area.

The Fund may seek opportunities in a range of local investment opportunities where these are consistent with the Fund's long-term investment strategy and objectives.

The Fund targets returns from local investments that are in line with the rest of the Fund's assets, taking account of the risks involved. The Committee will consider the expected risk and return characteristics of local investments alongside their potential economic, social and environmental benefits. The Fund will seek to ensure that local investments are consistent with its overall investment objectives and long-term funding requirements.

Further detail on the Fund's approach to local investment will be set out in a separate Local Investment Policy.

Expected returns

The Fund may invest in a broad range of asset classes including quoted and unquoted equities, fixed interest and index-linked bonds, credit, property, infrastructure, private equity, natural capital, cash and other alternative investments, primarily through pooled vehicles. The Fund may also make use of derivatives where appropriate for efficient portfolio management, risk management or investment purposes.

The Committee aims to achieve a long-term return materially in excess of 6% per annum (the discount rate set as part of the 2025 actuarial valuation), in order to:

- Sustain a funding level above 100%; and
- Mitigate future volatility in employer contribution rates.

The long-term asset class returns assumed within the asset-liability modelling exercise were as follows. These returns reflect financial conditions as at 31 March 2025.

Asset class	Median expected return[3] over 20 years (% p.a.)
UK equities	8.4%
Global equities	8.6%
Emerging markets equities	8.5%
Property	7.3%
Infrastructure	8.3%
Private debt	8.8%
Diversified growth funds	7.1%

DRAFT

Multi-asset credit	7.6%
Government gilts	6.1%
Total Fund	8.6%

At 31 March 2025, the expected volatility[4] of the investment strategy was 11.9% p.a. This includes an assumed diversification benefit. In the absence of this diversification, the expected volatility would have been 15.4% p.a.

[3] This indicates that over a 20 year period, there is a 50% chance that the actual annualised return will be higher, and a 50% chance that the actual annualised return will be lower, than the median expected return.
[4] A volatility of 11.9% indicates that over 1 year there is approximately a two-thirds likelihood that the actual return over this period will be within +/- 11.9% of the expected return assessed over the same 1 year period.

2. Statement on diversification

Asset Classes

London CIV may invest on behalf of the Fund in quoted and unquoted securities of UK and overseas markets including equities and fixed interest and index linked bonds, cash, property and commodities either directly or through pooled funds. London CIV may also make use of contracts for differences and other derivatives either directly or in pooled funds investing in these products for the purpose of efficient portfolio management or to hedge specific risks.

The Committee reviews the nature of Fund investments on a regular basis, with particular reference to suitability and diversification. The Committee seeks and considers written advice from a suitably qualified person in undertaking such a review. If, at any time, investment in a security or product not previously known to the Committee is proposed, appropriate advice is sought and considered to ensure its suitability and diversification.

The table below includes the maximum percentage of total Fund value that the Fund aims to invest in each asset class.

Asset class	Target (%)	Maximum invested (%)
Listed equities	45.0	48.0
Private equity	2.5	2.5
Private credit	5.0	5.0
Property/real estate	10.0	13.0
Infrastructure	10.0	10.0
Other alternatives	7.5	7.5
Credit	10.0	13.0
UK government bonds	10.0	13.0
Cash	0.0	3.0
Total	100.0	n/a

DRAFT

The Fund's assets are invested across a range of asset classes covering both regulated and unregulated markets. The majority of exposure to unregulated markets relates to private market investments, including private equity, private credit, infrastructure and property. These investments are expected to provide diversification benefits and enable the Fund to capture the additional return associated with holding less liquid assets over the long term.

As described above, the Fund is transitioning towards its strategic asset allocation and temporary deviations from the stated tolerance ranges may arise while private market commitments are drawn and invested.

Managers

By law, London CIV must be authorised by the Financial Conduct Authority to undertake regulated investment activities on behalf of the Fund. The Committee expects any investment managers appointed by London CIV to be appropriately authorised and regulated under the Financial Services and Markets Act 2000.

The Committee expects London CIV to appoint investment managers and agree benchmarks and performance objectives with each manager so that, in aggregate, they are consistent with the Fund's investment strategy and strategic asset allocation. The Fund's investment managers will be expected to hold a mix of investments which reflects their views relative to their respective benchmarks. Within each major market and asset class, the managers will be expected to maintain appropriately diversified portfolios, either through direct investments or pooled vehicles, within the mandates delegated to them. Where the Fund invests in index-tracking strategies, the relevant managers are expected to maintain a portfolio of investments that broadly reflects the composition of the relevant benchmark index.

The Committee monitors the performance of London CIV and the underlying investment managers through regular reporting, including quarterly monitoring reports and updates provided to the Committee. The Committee also monitors London CIV's implementation of the Fund's investment strategy and other delegated activities through its governance and oversight arrangements.

Restrictions on investment

In line with legislation, the Fund is prohibited from investing more than 5% of the total value of Fund assets in entities connected with its Administering Authority within the meaning of Section 212 of the Local Government and Public Involvement in Health Act 2007.

3. Risks

The Committee is aware that the Fund has a need to take risk (e.g. investing in growth assets) to help it achieve its funding objectives. It has an active risk management programme in place that aims to help it identify the risks being taken and put in place processes to manage, measure, monitor and (where possible) mitigate the risks being taken. One of the Committee's overarching beliefs is to only take as much investment risk as is necessary.

The Committee assessed the likelihood of achieving its long-term funding objective using asset-liability modelling carried out as part of the 2025 investment strategy review. Based on the Fund's strategic asset allocation, the Committee aims to maintain at least a 70% likelihood of the Fund being fully funded in 20 years' time.

The principal risks affecting the Fund are set out below, together with the Fund's approach to managing these risks and the contingency plans that are in place, as applicable.

A separate schedule of the risks the Fund actively monitors is set out in the Fund's Funding Strategy Statement.

Funding risks

Key funding risks considered include:

DRAFT

- Financial mismatch – The risk that Fund assets fail to grow in line with the developing cost of meeting the liabilities.
- Changing demographics – The risk that longevity improves and other demographic factors change, increasing the cost of Fund benefits.
- Systemic risk – The possibility of an interlinked and simultaneous failure of several asset classes and/or investment managers, possibly compounded by financial 'contagion', resulting in an increase in the cost of meeting the Fund's liabilities.

The Committee manages financial mismatch in two ways. The strategic benchmark for the Fund was set taking into account asset liability modelling which focused on probability of success and level of downside risk. The results from the 2025 valuation investment strategy review highlighted that the Fund has a greater than 70% probability of being fully funded in 20 years' time. This analysis reflects the current investment strategy and level of agreed contributions and is based on financial conditions as at 31 March 2025. The analysis will be revisited as part of future funding and investment strategy reviews. The Committee assesses risk relative to the benchmark by monitoring asset allocation and investment performance and assesses risk relative to liabilities through ongoing funding monitoring.

The Committee keeps mortality and other demographic assumptions which could influence the cost of benefits under review. These assumptions are considered formally at triennial valuations.

The Committee seeks to mitigate systemic risk through a diversified portfolio. However, the Committee recognises that it is not possible to make specific provisions for all possible eventualities that may arise.

Asset risks

- Market risk – The risk that the market value of the Fund's assets falls.
- Concentration – The risk that a significant allocation to any single asset category and its underperformance relative to expectation would result in difficulties in achieving funding objectives.
- Illiquidity – The risk that the Fund cannot meet its immediate liabilities because it has insufficient liquid assets.
- Currency risk – The risk that the currency of the Fund's assets underperforms relative to Sterling (i.e. the currency of the liabilities).
- Manager performance risk – The failure by London CIV, or asset managers appointed by London CIV to achieve the rate of investment return assumed in setting their mandate.
- Environmental, social and governance ("ESG") – The risk that ESG related factors reduce the Fund's ability to generate long-term returns.
- Climate change – The extent to which climate change causes a material deterioration in the value of the Fund's assets as a consequence of factors including, but not limited to, transition policy changes and physical impacts.
- Geopolitical risk – The risk of underperformance driven by unexpected changes or events involving political, military or trade factors.

The Fund's strategic asset allocation benchmark targets investment in a diversified range of asset classes. Tolerance ranges set by the Committee aim to ensure the Fund's "actual allocation" does not deviate substantially from its target. The Fund aims its assets to be invested in a range of investment mandates each of which has a defined objective, performance benchmark and manager process which, taken in aggregate, help reduce the Fund's asset concentration risk.

DRAFT

By considering more liquid assets such as quoted equities and bonds, the Committee recognises the need and ensures the Fund's ability to access sufficient level of funds in the short term to pay out benefits.

The Committee assesses the Fund's currency risk as part of its risk analysis processes. The Committee aims to invest in a range of overseas markets in order to provide a diversified approach to currency markets.

The Committee attempts to reduce the risk of underperformance by any single manager by aiming for the Fund's assets to be invested with a range of managers. The Committee also assesses the managers' performance on a regular basis, and will take adequate steps, including requesting managers be replaced in the case of persistent underperformance.

The Committee addresses ESG and climate change-related risks through an investment strategy that takes account of relevant policy developments, data and research.

Other provider risks

- Transition risk – The risk of incurring unexpected costs in relation to the transition of assets among managers. When carrying out significant transitions, the Committee seeks suitable professional advice.
- Custody risk – The risk of losing economic rights to Fund assets, when held in custody or when being traded.
- Credit default – The possibility of default of a counterparty in meeting its obligations.
- Stock-lending – The possibility of default and loss of economic rights to Fund assets.

The Committee monitors and manages risks in these areas through a process of regular scrutiny of its providers, including London CIV, and audit of the operations it conducts for the Fund, or has delegated such monitoring and management of risk to the appointed investment managers as appropriate (e.g. custody risk in relation to pooled funds). The Committee has the power to replace a provider should serious concerns exist.

A separate schedule of risks that the Fund monitors is set out in the Fund's Funding Strategy Statement.

4. Cashflow

The Committee seeks to ensure that the Fund maintains sufficient liquidity and portfolio cashflows to meet benefit payments, investment commitments and other obligations as they fall due.

The Fund aims to maintain an appropriate liquidity buffer, informed by projected benefit payments, contribution income, investment income and expected and potential capital calls.

The Fund keeps London CIV appraised of its liquidity requirements so that London CIV can take these into account when implementing the investment strategy and make the necessary amounts of cash available when required.

5. Responsible investment

The Committee recognises that Environmental, Social and Governance ("ESG") factors can influence long-term investment performance and the ability to achieve long-term sustainable returns. The Committee considers climate change to be a financially material risk which has the potential to impact the Fund's investments over the long term.

The Committee considers the Fund's approach to responsible investment in two key areas:

- **Sustainability** – Ensuring the financial impact of ESG factors on investments is being considered

DRAFT

- **Stewardship and governance** – Ensuring the London CIV acts as a responsible and active investor and/or asset owner through considered voting of shares and engagement with investee company management and service providers as part of the investment process, and that it is being held to account by the Committee for its actions in these areas

The Committee maintains a Responsible Investment Policy setting out the objective and priorities of the Fund on ESG matters, and how it expects London CIV to incorporate ESG factors in the selection and ongoing management of investments and their respective underlying managers as well as in the Fund's ownership practices. The Policy can be found on the Fund's website at here.

London CIV maintains its own Responsible Investment Policy. London CIV is expected to report on activities in this area as part of the Fund's annual ESG review.

The Committee conducts regular reviews of the Fund's ESG-related policies and the approach taken by London CIV and the underlying investment managers.

Voting

The Committee expects the London CIV to act as an active and responsible investor by commissioning considered voting on behalf of the Fund in its capacity as manager of the Fund's assets. The Committee regularly assesses the voting policies and guidelines issued by the managers with whom the Fund's assets are being invested as well as the voting policy and guidelines issued by the London CIV to ensure that these are in line with the Committee's objectives in ESG matters. The managers and the London CIV are strongly encouraged to vote in line with their guidelines in respect of all resolutions at annual and extraordinary general meetings of companies under Regulation 7(2)(f). The Committee monitors the voting decisions made on its behalf on a regular basis.

Engagement

The Fund endorses and endeavours to comply with the principles outlined in the Financial Reporting Council's UK Stewardship Code which seeks to improve the quality of engagement between institutional investors and investee companies. The Committee expects the London CIV and any directly appointed fund managers to be signatories to the Code.

The Fund believes in collective engagement and is a member of the Local Authority Pension Fund Forum (LAPFF), through which it collectively exercises a voice across a range of corporate governance issues.

The Committee supports engagement activity (including engagement activity by London CIV) that seeks to:

- Achieve greater disclosure of information on the ESG-related risks that could affect the value of an investment
- Achieve transparency of an investment's carbon exposure and how such companies are preparing for the transition to a low carbon economy
- Encourage its asset managers to actively participate in collaborative engagements with other investors where this is deemed to be in the best interests of the Fund.

Further details are set out in the Fund's Responsible Investment Policy which can be found here.

Investments made via the London CIV are subject to its Responsible Investment Policy, which is developed in consultation with all of the London CIV's partner funds.

DRAFT

Appendix – Investment beliefs

Core investment beliefs

Clear and well defined objectives are essential to achieve future success - the Committee is aware that there is a need to generate a sufficient level of return from the Fund's assets, while at the same time having a clear understanding of the potential risks and ensuring there is sufficient liquidity available to pay members' benefits as they fall due.

Strategic asset allocation is a key determinant of risk and return, and thus is typically more important than manager or stock selection - the Committee understands that having the appropriate strategy in place is a key driver of the Fund's future success. As a result, priority is given to more strategic investment matters. The Committee is aware that there is a need to take investment risk in order to generate a sufficient level of return.

Return and risk should be considered relative to the Fund's liabilities, funding position and contribution strategy – the Committee believes that as the funding position of the Fund improves, the level of risk taken by the Fund should reduce as appropriate i.e. only take as much risk as necessary. The Committee believes that there exists a relationship between the level of investment risk taken and the rate of expected investment return. In reducing risk, the Fund's expected return would typically also reduce.

Long term investing provides opportunities for enhancing returns - As a long-term investor it is important that the Fund acts as an asset owner. As a long-term investor, the Fund may choose to gain additional compensation by investing in assets that are illiquid or may be subject to higher levels of volatility (a premium return is required for any such investments).

Equities are expected to generate superior long-term returns - the Committee believes that, over the longer term, equities are expected to outperform other liquid assets, in particular government bonds. However the Committee also recognise that equities can be highly volatile over the short-term.

Diversification reduces the overall volatility of the Fund's asset returns - the Committee believes that diversification across asset classes can help reduce the volatility of the Fund's overall asset value and improve its risk-return characteristics. However, the Committee also recognise that there is scope to over diversify and that any desire to diversify needs to be aligned to the Fund's governance arrangements.

Passive management has a role to play in the Fund's structure - The Committee recognises that passive management allows the Fund to access certain asset classes (e.g. equities) on a low cost basis and when combined with active management can help reduce the relative volatility of the Fund's performance. There is a belief that passive management is most suitable for markets that are deemed as being more efficient such as developed market equities.

Active management can add value but is not guaranteed – the Committee recognises that certain asset classes can only be accessed via active management. The Committee also recognises that active managers may be able to generate higher returns for the Fund (net of fees), or similar returns but at lower volatility, than equivalent passive exposure. There is a belief that active management is most suitable for markets that are deemed as being less efficient e.g. emerging market equities, specialist markets e.g. infrastructure or where views on the relative value of different asset classes are a targeted source of value e.g. DGF mandates.

Private markets can offer opportunities - Private markets can offer opportunities and give higher return due to higher illiquidity premia. However it is recognised that private markets can be more expensive, less transparent (e.g. fees and drivers of return), increase the Fund's governance burden and require ongoing maintenance to achieve target exposure. Such factors must be taken into account when considering such an allocation.

DRAFT

The choice of benchmark index matters – whilst active managers are expected to take ESG issues in their individual stock selection decisions, it is acknowledged that index-tracking managers will invest in line with the index set out in their mandate. The Committee recognises that, for each asset class, there is a range of benchmark indices that they could use. As a result, the Committee focus on the benchmark's underlying characteristics and consider how they may be appropriate for the Fund.

Rebalancing policies are important – the Committee recognises that rebalancing the Fund's assets towards the strategic asset allocation is important in achieving the Fund's longer term objectives, in particular following a period of strong or weak market performance.

Fees and transaction costs matter - The Committee considers the fees and costs of its investment arrangements to ensure the Fund is getting value for money and to minimise, as far as possible, any cost leakages from its investment process. It also does not seek to move in and out of investments regularly due to the cost drag. The Committee also seek to have transparency on the fees that it is paying to its providers.

Governance "budget" matters – The Committee recognises that the resources (and time) involved in deciding upon (and implementing) an investment strategy and structure play a part in any investment decisions made. A low governance approach to accessing markets is likely to be preferred if it can offer similar risk adjusted returns to alternative approaches.

The London CIV is the Fund's preferred approach to implementation – the Committee recognises the potential benefits of LGPS pooling. The preferred route is to implement their investment strategy via the London CIV, subject to carrying out suitable due diligence on the London CIV's investment offering.

ESG-specific beliefs

Environmental, social and corporate governance ('ESG') issues can have a material impact on the long term performance of its investments - the Committee recognises that ESG issues can impact the Fund's returns. The Committee commits to an ongoing development of its ESG policy to ensure it reflects latest industry developments and regulations and ESG is integrated into strategic considerations.

Climate change and the expected transition to a low carbon economy is a long term financial risk to Fund outcomes - the Committee recognises that environmental issues can impact the Fund's returns. The Committee aims to be aware of, and monitor, financially material environmental-related risks and issues through the Fund's investment managers and advisers.

Ongoing engagement is preferable to divestment – The Committee believes that, in relation to ESG risks, ongoing engagement with investee companies is preferable to divestment. This engagement may be via our managers or alongside other investors (e.g. LAPFF). Where, over a considered period however, there is no evidence of a company making visible progress towards carbon reduction, we believe that divestment should be actively considered.

We must act as responsible owners – As asset owners in the 21st century, we believe it is our responsibility to support the transition to a low carbon global economy, consistent with the aims of the Paris 2016 Climate Change agreement to limit temperature increases by 2050 to a maximum of 2°C.

It is important for the Committee to integrate ESG issues when identifying investment opportunities – we will consider opportunities to make investments with a positive social or environmental impact subject to the risk and return characteristics being acceptable. Investments expected to have a "positive impact" can be considered if they are consistent with the overall objectives of the Fund's investment strategy.

DRAFT

The Fund's investment managers should embed the consideration of ESG factors into their investment process and decision-making – Investment managers are responsible for implementing the Fund's strategy. In this role, the managers should reflect the Fund's desire for achieving long-term sustainable returns and improve corporate behaviour.

We will generally avoid investing in the most harmful companies and sectors – we believe we have a duty to consider the wider environmental and social impacts of investments. We believe that we should generally avoid investing in the most harmful companies and sectors.

Disclosure is important – we will encourage companies and investment managers to improve disclosure of their activity in relation to ESG issues. This will be addressed directly with managers, through involvement in the London CIV and also through membership of the LAPFF. We will also disclose the actions we are taking, including publishing this policy and incorporating our RI policies and approach into the way that we engage and communicate with members.

DRAFT

	Brent Pension Fund Sub-Committee 7 October 2026
	Report from the Corporate Director, Finance and Resources

Appointment of an Independent Person and LGPS Senior Officer for the Brent Pension Fund

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt:	Open
List of Appendices:	None
Background Papers:	None
Contact Officer(s):	Minesh Patel, Corporate Director, Finance and Resources 020 8937 4043 minesh.patel@brent.gov.uk Amanda Healy, Deputy Director of Finance 020 8937 5912 amanda.healy@brent.gov.uk Sawan Shah, Head of Finance 020 8937 1955 sawan.shah@brent.gov.uk

1.0 Executive Summary

1.1 The purpose of this report is to outline the proposals to appoint an independent person to support the discharge of the Council's pensions functions in accordance with Regulation 53A of the LGPS Regulations 2013 and the relevant statutory guidance, and to provide an update on the requirement to appoint a LGPS Senior Officer.

2.0 Recommendation(s)

2.1 The Committee is asked to:

- Note the requirement under Regulation 53A of the Local Government Pension Scheme Regulations 2013 for administering authorities to appoint an Independent Person.

- To delegate authority to the Corporate Director, Finance and Resources, following consultation with the Chair of the Pension Fund Sub-Committee, to undertake the recruitment and selection process and appoint an Independent Person, in accordance with regulation 53A.

- To note the requirement under Regulation 53A of the Local Government Pension Scheme Regulations 2013 for the Council, as administering authority, to appoint an LGPS Senior Officer and that the appointment will be made in accordance with the Council's standing orders relating to staff and other constitutional and officer appointment arrangements.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

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

4.0 Background

4.1 At the last meeting, the committee received an update on the Government's Fit for the Future reforms to the Local Government Pension Scheme (LGPS), following the laying of final regulations before Parliament on 21 May 2026, which came into force on 30 June 2026. Accompanying guidance on pooling, the investment strategy statement, and fund governance was published before the end of June.

4.2 Regulation 53A of the LGPS Regulations 2013 requires every administering authority to appoint an independent person to support the Pension Fund Sub-committee and LGPS senior officer by providing independent professional expertise and challenge across the Fund's investment, governance and administration functions.

The Role

4.3 The role covers all functions of the Pension Fund Sub-committee, including decisions on investment strategy, governance, administration and the role of the administering authority as a shareholder or client with its asset pool company.

4.4 The Independent Person's duties include but are not limited to:

- supporting and contributing to the development of all strategies for which the Pension Fund Sub-committee is responsible.

- scrutinising any advice given to the committee, whether from the pool or any other organisation or individual.

- monitoring and assessing performance against targets set in LGPS strategies, including administrative performance and the pool's implementation of the investment strategy, and helping monitor whether the collective pool oversight process is meeting the requirements of the administering authority.

- reviewing the committee's governance arrangements, including any action plans arising from Independent Governance Reviews.

- support the Committee's oversight of the Fund's risk management framework and provide challenge on the identification, management and reporting of key risks.

- provide independent support and advice to the LGPS Senior Officer and wider pensions team where functions have been delegated by the administering authority.

- contributing in any other way appropriate to the authority's LGPS functions

4.5 The Independent Person complements, and does not replace, the responsibilities of the Pension Fund Sub-Committee, Pension Board, Senior LGPS Officer or other governance functions.

4.6 In line with the statutory guidance, the Independent Person is expected to have one or more of the following qualifications or experience:

- Qualification from Pensions Management Institute (PMI) – the award in pension trusteeship, diploma in professional trusteeship, certificate in professional trusteeship, accreditation for professional trustees.

- Member of, and accredited by, the Association of Professional Pension Trustees (APPT).

- Significant experience of pensions.

4.7 The successful candidate will be appointed for an initial term of three years with the appointment reviewed after 1 year. To comply with Regulation 53A, the Fund is required to appoint an Independent Person by 31 December 2026. Officers propose to commence recruitment imminently and to ensure that an appointment is made within the required timescales, it is recommended to delegate authority to the Corporate Director, Finance and Resources, following consultation with the Chair of the Pension Fund Sub-Committee to appoint an Independent Person.

4.8 Failure to appoint an independent person by 31 December 2026 would constitute a breach of the LGPS Regulations 2013. These proposals are intended to mitigate governance and regulatory risks.

Senior LGPS Officer

4.9 Regulation 53A also requires the Council, as administering authority, to appoint a LGPS Senior Officer with senior responsibility across all pension functions of the authority. The appointment must be made by 31 December 2026.

4.10 The appointment of the Senior LGPS Officer is not a matter for determination by the Pension Fund Sub-Committee and will be progressed separately through the Council's appropriate constitutional and officer appointment arrangements. The approach to the appointment will be determined following consultation with the relevant officers to ensure that the arrangements reflect the requirements of the regulations and statutory guidance.

5.0 Stakeholder and ward member consultation and engagement

5.1 Not applicable.

6.0 Financial Considerations

6.1 The appointment of an Independent Person and LGPS Senior Officer are new statutory requirement arising from the Government's Fit for the Future reforms.

6.2 All costs associated with the appointments will be met from the Pension Fund. For the Independent Person, remuneration will be set contractually and be proportionate to the responsibilities and experience of the successful candidate.

7.0 Legal Considerations

7.1 As explained in the report, the Council has a statutory duty to appoint an Independent Person and LGPS Senior Officer in accordance with LGPS Regulations and statutory guidance by 31 December 2026.

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 of Finance and Resources

.

This page is intentionally left blank

Brent	**Brent Pension Fund Sub-Committee** 7 October 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: LAPPF Engagement Report Q2 2026
Background Papers:	N/A
Contact Officers:	Minesh Patel, Corporate Director, Finance and Resources 020 8937 4043 minesh.patel@brent.gov.uk Amanda Healy, Deputy Director of Finance 020 8937 5912 amanda.healy@brent.gov.uk Sawan Shah, Head of Finance 020 8937 1955 sawan.shah@brent.gov.uk Manish Shah, Senior Finance Analyst 020 8937 1444 manish.shah@brent.gov.uk

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 2026) and highlights the achievements during the relevant period (April – June).

Climate Change Mitigation: BP & Drax

5.2 LAPFF has maintained longstanding engagement with companies in the energy sector regarding climate transition risk, governance, and long-term resilience. LAPFF engaged with BP regarding concerns relating to its revised strategy of increased reliance on hydrocarbons and shareholder oversight of capital allocation. LAPFF supported the co-filing of a shareholder resolution seeking enhanced disclosure on how BP applies capital discipline to upstream oil and gas investments, including project competitiveness, execution risk and exploration expenditure, to enable shareholders to assess whether capital allocation decisions are aligned with long-term value creation. This aligns with the "managed decline model" promoted by the LAPFF. The resolution received 28% support, therefore requiring formal response from BP.

5.3 Concerns around governance matters at BP extended to proposals related to shareholders rights and climate disclosures, presented at their AGM. Subsequently, proposals attempting to revoke climate disclosure, remove shareholder oversight, and move to virtual-AGMs were defeated (by over 50%). Considering the broad governance issues, LAPFF issued a voting alert recommending members withdraw support for newly appointed Chair BP plc's Albert Manifold. At the AGM, Mr Manifold received more than 18% opposition from shareholders. He subsequently left the role, marking a further period of governance instability at the company following several Chair and CEO changes within a five-year period.

5.4 LAPFF met with the Senior Independent Director of Drax Group plc to discuss governance and internal controls following regulatory scrutiny, the credibility and transparency of biomass sourcing practices, the resilience of the company's business model under reduced government support, and the extent to which its transition strategy relies on Carbon Capture and Storage (CCS) and Bioenergy with Carbon Capture and Storage (BECCS). Drax stated that it maintains robust traceability and compliance processes across its supply chain and confirmed that it intends to cease using Canadian wood pellets at its UK power station, with biomass expected to be sourced exclusively from the United States by around 2027.

5.5 LAPFF continues to have concerns regarding supply chain transparency, dependence on public subsidies and the extent to which Drax's net zero strategy relies on carbon capture technologies that remain commercially and technically uncertain at scale. Engagement with the company will continue throughout 2026.

Climate Change Commitments: NatWest and HSBC

5.6 LAPFF engaged with NatWest Group PLC and HSBC Holdings PLC following revisions to their climate and environmental risk policies. LAPFF's engagement

focused on whether the changes remained consistent with the banks' stated net zero commitments and their management of climate-related financial risks.

5.7 During discussions, NatWest confirmed that it had moved away from its previous 1.5°C alignment framework and amended restrictions on fossil fuel financing. The bank stated that the changes would provide greater flexibility in financing opportunities while continuing to support its sustainable finance objectives. LAPFF challenged whether these changes weakened climate ambition and increased exposure to transition risk

5.8 HSBC outlined amendments to its sustainability risk framework, including changes to restrictions on oil and gas financing and revised expectations for thermal coal clients. LAPFF raised concerns regarding how these changes align with the bank's decarbonisation targets and long-term climate commitments.

5.9 As part of its stewardship activities, LAPFF issued voting alerts recommending that investors consider withholding support from the Chairs of both banks due to concerns regarding climate governance and policy rollbacks. Both companies experienced increased shareholder opposition at their respective Annual General Meetings. LAPFF will continue engaging with the banks to encourage stronger climate governance, disclosure and oversight of climate-related risks.

Climate Change Adaptation and Environment: Tesco

5.10 LAPFF engaged with Tesco on how it is managing physical climate risks across its food supply chains. The engagement focused on risks associated with extreme weather, drought, water stress and broader supply chain resilience. Tesco identified climate and nature-related risks as principal business risks and highlighted initiatives including agricultural innovation programmes, supplier partnerships and investment in supply chain risk mapping technology.

5.11 LAPFF will continue engagement with Tesco to better understand how climate adaptation measures are being implemented at commodity and farm level, particularly for higher-risk products. Future discussions will focus on traceability, resilience planning and how climate risk information informs operational and capital allocation decisions.

Modern Slavery: CCLA Benchmark

5.12 LAPFF engaged with companies identified within the lower tiers of the CCLA Modern Slavery Global Benchmark, including Philip Morris International, Salesforce and Amgen. The engagement assessed how companies identify, manage and remediate modern slavery risks within their operations and supply chains, with particular focus on governance, due diligence and supply chain transparency.

5.13 Whilst some companies demonstrated established supplier monitoring and oversight practices, LAPFF identified opportunities for stronger disclosure,

greater visibility beyond tier-one suppliers and improved evidence that modern slavery risks are being effectively managed in practice. LAPFF will continue to engage companies using the benchmark as a tool to assess progress and encourage improvements.

Mining: Vale

5.14 LAPFF continued engagement on human rights, environmental risk and climate resilience within the mining sector. During the quarter, LAPFF met with Earthworks to discuss concerns regarding tailings dam safety and the growing impact of climate-related physical risks within Vale's operations in Brazil. Attention was given to recent flooding events and the implications for operational resilience and affected communities.

5.15 As part of the PRI Advance initiative, LAPFF also sought further engagement with Vale on stakeholder engagement, community grievance mechanisms, climate resilience and board oversight of environmental and social risks. LAPFF will continue monitoring the company's progress and engagement with affected communities.

Conflict-Affected and High-Risk Areas (CAHRAs)

5.16 LAPFF continued its programme of engagement on conflict-affected and high-risk areas, focusing on how companies identify and manage heightened human rights risks associated with operations, supply chains and business relationships linked to conflict-affected regions. During the quarter, LAPFF reviewed company responses covering governance arrangements, due diligence processes and risk management frameworks.

5.17 LAPFF also raised these issues through AGM participation and investor engagement where disclosure was considered insufficient. Whilst some companies demonstrated structured approaches to managing conflict-related risks, LAPFF identified gaps relating to board oversight, accountability and transparency. Ongoing engagement and, where necessary, escalation will continue to encourage stronger implementation of human rights due diligence practices.

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 Equity, Diversity & Inclusion (EDI) Considerations

9.1 There are no equity 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 which is delivered through the LAPFF.

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

April-June 2026

- **Energy Supply**
- **Modern Slavery**
- **CAHRAs**

Local Authority Pension Fund Forum

ENGAGEMENTS



Cover image and left: Alamy

CLIMATE CHANGE MITIGATION: BP AND DRAX

BP

Objective: LAPFF's approach to stewardship with oil and gas companies is grounded in the view that climate transition risk is fundamentally a financial risk, and therefore centres on engaging companies to align their business models to be Paris-aligned. A core element of LAPFF's approach is challenging the prevailing industry model of production growth, which LAPFF argues risks over-investment in high-cost projects and potential value destruction. Instead, LAPFF advocates a "managed decline" model focused on capital discipline, prioritising low-cost assets, reducing overall capital expenditure, and returning cash to shareholders. The rationale for this approach is set out in a report LAPFF published over ten years ago. Although some of the assumptions in this report are now dated, the prevailing argument that oil and gas companies should be able to demonstrate that capital allocation to oil and gas projects is disciplined and capable of generating acceptable long-term shareholder returns remains as relevant as ever.

The notion remains particularly relevant in the case of BP, a company LAPFF has maintained a multi-decade engagement with because of concerns regarding the credibility and consistency of the company's climate strategy, capital allocation, and board accountability. These concerns were brought to the fore as a result of the company's strategy reversal in 2025, in which it committed to refocusing its business on hydrocarbons. While BP had previously been regarded by some investors as relatively forward-thinking in acknowledging climate risks and investing in renewable energy, LAPFF became increasingly concerned following the company's "reset", which involved scaling back renewable investment and increasing spending on oil and gas. In response to these concerns, LAPFF issued a voting alert ahead of the company's 2025 AGM recommending the withdrawal of support for the then Chair, Helge Lund. Mr Lund received over 24% opposition to his re-election, having already announced his intention to stand down from the board.

Achieved: Based on these concerns, LAPFF supported the co-filing of a shareholder proposal ahead of the company's 2026 AGM. Resolution 24 sought to enhance shareholder understanding of BP's capital allocation by requesting improved disclosure on how the company applies capital discipline to its upstream oil and gas investments. Specifically,

ENGAGEMENTS

the proposal focused on three core areas: the assessment of project cost-competitiveness (to understand exposure to high-cost, higher-risk assets), the incorporation of realistic assumptions around project execution risks such as cost overruns and delays, and the value creation of ongoing exploration expenditure.

Overall, the proposal called for greater transparency to enable shareholders to evaluate whether BP's capital allocation decisions are disciplined and aligned with long-term value creation. The resolution was well supported, receiving over 28% in favour. This level of support triggers a formal response requirement under the UK Corporate Governance Code. In practice, this means the company will explain what actions it intends to take to understand shareholder concerns, undertake a shareholder consultation and report publicly on the outcome of that process within 6 months to remain compliant with this provision of the Code.

In Progress: During 2026, LAPFF's engagement with BP extended beyond the topic of capital discipline, with governance issues at the company taking centre stage in the build up to the AGM. In April, LAPFF raised concerns about governance decisions at BP that LAPFF viewed as impinging on the rights of shareholders. These included proposals to allow virtual-only AGMs, efforts to revoke binding shareholder-approved climate disclosure resolutions, and the exclusion of a shareholder proposal from the AGM agenda. In response to these concerns, LAPFF issued a voting alert, urging members to withdraw support for the Chair, who was seeking election to the board for the first time, as well as recommending voting against proposals regarding amending articles and virtual-only AGMs.

The company's attempts to revoke climate disclosure resolutions and to allow virtual-only AGMs were defeated, with over 50% of shareholders opposing the proposals. The newly appointed Chair, Albert Manifold, received over 18% in opposition. Mr Manifold has since been sacked by the Board of BP, arguably putting the company into another governance crisis. The company has had three CEOs and, by the time a successor to Albert Manifold is named, three Chairs over a five-year period. Following the news of the Chair's departure, LAPFF met with BP in April.

Drax

Objective: LAPFF has a longstanding engagement with UK energy company Drax plc regarding the credibility of its biomass-based business model. The Forum's core concern is that Drax's claim of carbon neutrality, based on the concept of "dynamic carbon sinks" (i.e. that burned wood is offset by regrowth), is not supported by robust evidence. LAPFF has previously highlighted that available data does not demonstrate that forest regrowth is sufficient to offset emissions in the short term, raising the risk that Drax is contributing to a net increase in atmospheric carbon. The Forum has also questioned the overall efficiency of biomass, noting that wood burning can produce more emissions per unit of energy than coal, alongside wider environmental and community impacts linked to forestry practices in the US and Canada. Additional concerns include data integrity and disclosure, evidenced by regulatory action by Ofgem and the FCA, and ongoing scrutiny of biomass sourcing practices.

LAPFF also has concerns around the technological and policy assumptions underpinning Drax's strategy, particularly its reliance on bioenergy with carbon capture and storage (BECCS). The Forum notes that CCS remains unproven at scale, highly dependent on subsidies, and may be operationally incompatible with Drax's evolving role as a dispatchable, rather than baseload, power provider.

Accordingly, LAPFF's objective is to ensure that Drax's strategy is grounded in credible, evidence-based decarbonisation, ensuring full transparency on emissions, sourcing, and ecological impacts and scrutinising reliance on unproven technologies such as CCS.

Achieved: In June, LAPFF met with the senior independent director at Drax to discuss four key areas: governance and internal controls following recent regulatory scrutiny; the credibility and transparency of its biomass sourcing practices; the resilience of its business model under reduced government support and tighter operational constraints; and the extent to which its transition strategy depends on CCS and BECCS.

LAPFF sought reassurance that Drax had strengthened board oversight of internal controls following an investigation from Ofwat, and an ongoing investigation by the FCA, over data accuracy. The company assured LAPFF it has robust traceability and compliance in its supply chain. The company also stated it is ending the use of Canadian wood pellets at its UK power station and that by around 2027, its UK plant will burn biomass sourced only from the United States. This decision follows sustained criticism, including from LAPFF, over allegations of the use of wood from old-growth or primary forest in its Canadian operation. The decision is also likely linked to the new UK subsidy regime starting in 2027, which comes with a requirement to ensure biomass meets stricter sustainability criteria.

In Progress: Drax remains a focus for LAPFF engagement into 2026. Concerns remain regarding the transparency and integrity of Drax's biomass supply chain, including traceability to forest level and exposure to old-growth or environmentally sensitive forests. LAPFF will monitor the ongoing FCA investigation as it relates to the accuracy and adequacy of what the company told investors about its biomass sourcing. Beyond this, LAPFF will continue to engage the company on whether Drax's business model remains resilient given its heavy reliance on public support and the tighter constraints under the new Low Carbon Dispatchable CfD, and the extent to which the company's pathway to net zero is overly dependent on BECCS and other CCS technologies that remain technically and commercially uncertain at scale.

UK banks materially backtracking on climate commitments

LAPFF has long recognised the imperative to address climate change as a systemic, long-term investment risk given the material financial risks it poses across all asset classes and its potential to erode shareholder value. The Forum expects companies to identify and address climate-related risks and opportunities, align their business models with a

ENGAGEMENTS



Image: Alamy

1.5C scenario, and support an orderly transition to net-zero.

Climate change and the energy transition remain financially material for banks. The transition to a cleaner economy increases the risk of stranded assets, and evidence suggests credit risks could also rise significantly. The UK's Climate Change Committee (CCC) cited evidence that "Banks who participated in the BoE's climate scenario exercise estimated potential credit losses on lending could be 50% higher than in a future with no climate change". In parallel, physical climate risks are intensifying, with extreme weather events - including storms, flooding, heatwaves, drought, and wildfires - becoming more frequent and severe. These risks carry significant macroeconomic implications. The CCC also cites estimates that physical climate impacts globally could adversely affect up to 6% of the value of physical assets in S&P international stock indices. This is particularly relevant to the UK, given the global exposure of its financial sector and its significant role in GDP, exports, and price stability. The CCC further estimates that "aggregate climate damages could cost 4-10% of UK GDP each year by the end of the century". Climate change also presents a chronic risk to workforce productivity and economic output. High temperatures affect productivity, leading to a loss in earnings for those in the workforce, and lost learning days for children.

ENGAGEMENTS

It is widely recognised that the banking sector sits at the heart of the climate-energy nexus; banks can manage and mitigate climate-related risks by curtailing fossil fuel financing and leverage their position to accelerate the energy transition. The growing demand for sustainable finance presents significant commercial opportunities for banks, as investment in renewables continues to break records and energy security concerns strengthen the case for cleaner alternatives. The twin fossil crises of the 2020s, Russia's 2022 invasion of Ukraine and the 2026 US-Israel war on Iran, has exposed the dependency and volatility of fossil fuel markets. In contrast, renewable energy sources are increasingly cheaper and, once deployed, are increasingly viewed as offering greater price stability and energy security.

Policies that restrict fossil fuel finance and reduce financed emissions signal alignment with the transition and the Paris Agreement. However, banks backtracking on such policies undermines the credibility of its climate strategy and increases exposure to climate and transition-related risks. It also erodes investor confidence, particularly for banks like NatWest, where over 93% of shareholders approved its climate strategy in 2022, which has since been materially weakened. Where credibility is undermined, investor confidence has declined, and board oversight of climate and transition-related risks is deemed inadequate, the chair should be held accountable.

Objective: Against this backdrop, NatWest updated its Environmental and Social Risk policy in February 2026, which has occurred in tandem with the dissolution of the board-level Group Sustainable Banking Committee (SBC). The bank has removed its restrictions on financing upstream oil and gas companies, including those without credible transition plans and those operating outside the UK. Restrictions on unconventional energy activities, including fracking and oil sands, have been diluted, with blanket exclusions replaced by thresholds and the removal of the specific ban on expansion. Concurrently, HSBC updated its Sustainability Risk Policies Framework in November 2025. The bank has diluted its oil and gas policy by weakening restrictions on new oil and gas fields, exploration capex, ultra-deepwater exposure, and altered its definition of oil and gas infrastructure to exclude regasification facilities used to import Liquefied Natural Gas (LNG). It has changed the standards it uses to engage with non-EU/OECD thermal coal clients in ways that make them less clear. Most crucially, HSBC has extended its discretion to accept clients and transactions that contravene the terms of its policy. The bank has also diluted the ambition of its decarbonisation targets by basing them on the IEA's 1.5C-aligned NZE scenario from 2024 (updated from 2021) and introducing a range of target values. Together, these changes increase the scope for financing activities with limited prospects of alignment with its stated climate commitments.

During Q2, LAPFF engaged both NatWest and HSBC to assess how these policy updates align with their stated climate commitments, including commitments to be net zero across their financed emissions, own operations and supply chain by 2050. The Forum sought to understand and evaluate the updates to both banks' risk frameworks, while maintaining constructive dialogue on climate-related issues and promoting transparency and accountability in each bank's approach.

Achieved:

NatWest

NatWest affirmed that it would continue to prioritise renewables and transition finance, including through its £200 billion sustainable finance target. The bank acknowledged moving away from 1.5C temperature alignment, arguing that its previous framework constrained its ability to pursue ambitious climate-related financing opportunities. NatWest considers this a shift towards flexibility, enabling it to build a better risk-return profile, creating value while reducing emissions.

LAPFF challenged the bank's position, maintaining that these changes weaken fossil fuel guardrails and climate ambition, ultimately misaligning its business model with a 1.5C scenario. Concerns regarding governance were raised, particularly the disbanding of the SBC. NatWest justified this on the grounds that oversight is now embedded across the board and its committees as part of a broader effort to simplify governance and integrate sustainability into its core business strategy.

HSBC

HSBC framed the policy update as part of an annual review informed by client engagement and latest scientific scenarios. It positioned its approach to fossil fuel financing as focused on supporting clients' transition, particularly in emerging markets, through enhanced due diligence, internal risk controls, and shorter loan tenors to manage exposure.

LAPFF challenged how continued support for hydrocarbon expansion, including unconventional and LNG projects, can credibly align with the Paris Agreement. The Forum also raised concerns on the decision to replace the requirement of coal clients in non-EU/OCED markets to demonstrate phase down plans with a discretionary assessment of transition plans.

In Progress: The engagement with NatWest provided a broader context for the policy changes but cemented concerns that these changes risk increasing NatWest's exposure to transition risk. LAPFF also emphasised that it does not negate the value of a dedicated committee with clear oversight and accountability.

For HSBC, the engagement clarified its rationale for these changes, but beyond general references to governance and monitoring processes, the company was unable to demonstrate how its updated policies align with its decarbonisation targets or the Paris Agreement. This culminated in the call for independent assurance on the bank's climate strategy. The Forum also requested improved transparency on how financing decisions align with its climate commitments and clearer disclosure on the methodology for assessing transition plans for its clients in non-EU/OECD markets. Once published, LAPFF will use these enhanced disclosures as the basis for further engagement.

In response to the dilution of their climate policies, LAPFF issued a voting alert recommending members withdraw support for HSBC's Chair Brendan Nelson and Chair of the Group Risk Committee James Forese, and NatWest's Chair Rick Haythornthwaite. Both banks faced elevated shareholder dissent at their

ENGAGEMENTS

Annual General Meetings. At HSBC, 7.7% of votes were cast against Chair Brendan Nelson and 8.1% opposed the re-election of James Forese, Chair of the Group Risk Committee, compared with near-unanimous support previously. At NatWest, 7.9% opposed the re-election of Chair Rick Haythornthwaite, a sharp increase from 2.4% last year. Given that Chairs are routinely waved through with over 98% support, outcomes close to 92% send a clear signal of investor concern over the policy rollbacks.

While the AGM season has concluded, continued engagement with both NatWest and HSBC will focus on restoring undiluted policies, strengthening board oversight of climate-related risks, and rebuilding investor confidence in banks' climate strategies.

CLIMATE CHANGE ADAPTATION AND ENVIRONMENT

Climate adaptation has continued to be a focus for LAPFF during Q2, building on the Climate Adaptation: Food Producers and Distributors report which set out what the Forum should be asking investee companies with exposure to high-risk commodities, including dairy, fresh fruit and vegetables, coffee and cocoa. Adaptation concerns how companies anticipate and prepare for climate-related changes already occurring and expected to intensify, complementing LAPFF's continued focus on climate mitigation.

The financial implications of insufficient adaptation are significant. A 2024 report by the World Economic Forum estimates that climate hazards could drive annual fixed asset losses of $560–610 billion across listed companies by 2035, which equates to a fall in average company earnings of 6.6% to 7.3% each year by 2035 in the absence of adaptation strategies.

Within the food sector, adaptation risks are particularly acute. The UK government has identified climate change as one of the greatest risks to long-term global food security. Food producers and distributors face material impacts from extreme heat, drought and water stress. Exposure varies considerably by geography and commodity, reinforcing the need for location-specific and commodity-specific adaptation approaches.

This urgency has been echoed by the industry itself. Inside Track's April 2025 memo from food industry executives stressed that yield, security and supply predictability will become increasingly unreliable due to physical climate risks. The memo cautioned that the food sector is ill-equipped to deal with the magnitude of these risks and called on investors to lead a pragmatic dialogue with companies to strengthen supply chain resilience. Against this backdrop, strengthening supply chain transparency, traceability, and risk management has become a key priority for LAPFF.

Objective: Building on Q1 engagement with food retailers, LAPFF sought this quarter to engage with Tesco on how it is managing material physical climate risks across its supply chains. The engagement also aimed to encourage improved disclosure of material physical climate risks and adaptation responses. LAPFF emphasised the importance of ensuring that adaptation strategies are grounded in a range of plausible climate scenarios, rather than a single preferred outcome, and that these strategies reflect the specific characteristics of different sourcing regions. In addition, LAPFF sought to reinforce expectations around governance and accountability. This includes regular disclosure of progress, clear assessment of key sourcing geographies, and demonstrable board-level oversight of adaptation planning, with responsibility anchored to a named director to ensure clear accountability.

To conclude these engagements, LAPFF participated in an Investor Roundtable focused on protecting UK food security and investor returns by strengthening food supply chain resilience. Bringing together investors, NGOs and academics, the session discussed industry research by ShareAction, WWF, and Anglia Ruskin University, alongside key insights from engagements, to inform a shared view on priorities and next steps.

Engagement: Tesco stated the themes raised in the memo are core to board discussions. It identified security of supply and climate - which has been expanded to include nature-related risks, as principal risks - with cross-functional teams working more closely.

Tesco highlighted several initiatives aimed at strengthening resilience. These include investment in agricultural innovation through its low-carbon concept farm in Lincolnshire, as well as long-term partnerships with suppliers designed to support farmer investment in regenerative agricultural practices.

On policy engagement, Tesco noted its advocacy for a more coherent UK food strategy through the British Retail Consortium. The company also reported progress in developing a proprietary, AI-enabled risk mapping tool intended to support real-time supplier engagement and enhance visibility across its supply chain.

In Progress: Given the engagement took place with representatives from Tesco's Investor Relations teams, LAPFF is seeking a follow-up meeting with relevant subject matter experts to address remaining gaps in understanding. Further clarity is required on the company's progress in mapping and tracing specific high-risk commodity supply chains, including coffee and cocoa.

Next steps will focus on assessing how Tesco is advancing traceability to the farm level and how this information informs broader risk management and climate adaptation strategies. LAPFF will also seek to understand how insights generated at the farm and supplier level are translated into operational decision-making, prioritisation and capital allocation. This continued engagement will aim to ensure that Tesco's approach to climate adaptation is sufficiently granular, decision-useful and aligned with the scale and immediacy of physical climate risks facing the food sector.

A key outcome of the roundtable was the call to develop a clear set of investor expectations of companies. Participants also highlighted the need to expand the discussion to include trade associations representing UK farmers, recognising the critical need to support farm-level resilience and adaptation. This will form the foundation for the next stage of engagement, supporting a more coordinated and effective approach to addressing systemic risks to the UK food system.

ENGAGEMENTS



Image: Alamy

CCLA MODERN SLAVERY BENCHMARK

Modern slavery encompasses forced labour, debt bondage, human trafficking and other forms of severe labour exploitation. With an estimated 50 million people affected worldwide and 28 million in forced labour, it represents a serious human rights crisis and carries direct implications for companies operating complex, multi-geography supply chains. According to the International Labour Organisation (ILO), a majority of all forced labour cases are linked to global supply chains, with risks particularly concentrated in lower tier suppliers. Modern slavery remains a significant global business risk, with the International Labour Organisation estimating that forced labour generates US$236 billion in illegal profits each year, up 37% since 2014.

During Q2, LAPFF engaged companies listed in the lower tiers of CCLA's Modern Slavery Global Benchmark. The Benchmark provides an investor-focused framework for assessing how major listed companies disclose and manage modern slavery risks in their operations and supply chains. Developed in the context of a growing concern that corporate reporting often emphasises policy commitments above and beyond demonstrable, the Benchmark highlights a persistent gap between disclosure and implementation.

CCLA evaluates the public disclosures of large companies operating in the UK and places them across performance tiers ranging from leading practice to unsatisfactory. Its purpose is not only to assess the quality of disclosure, but also to encourage stronger due diligence, better transparency, and more effective management of modern slavery risks in practice. For investors, the benchmark serves as a useful tool to identify gaps between policy and implementation, support engagement with companies, and promote more credible action on human rights risks across global supply chains.

For companies and investors, modern slavery creates clear financial materiality: exposure can lead to supply chain disruption, import restrictions, regulatory investigation, legal liability, remediation costs and reputational damage, while also signalling broader weaknesses in governance and risk management. Recent and emerging regulations, including the EU Forced Labour Regulation and the Corporate Sustainability Due Diligence Directive, are increasing expectations on companies to demonstrate credible, risk-based due diligence rather than relying on high-level policy commitments alone.

Against this backdrop, LAPFF engaged companies which scored in the lower-tiers of the benchmark to encourage focus companies to move beyond compliance-led disclosure towards more robust management of modern slavery risk. The aim was to assess how companies are strengthening supply chain mapping, improving the quality of risk identification, embedding effective remedy and building the governance needed to prevent recurrence.

ENGAGEMENT

Objective: The objectives for these engagements were aligned with the CCLA's Modern Slavery Global Benchmark, which served as the basis for each meeting and provided a consistent framework for assessing company practice. The overarching objective was to understand how far companies are moving beyond policy commitments towards more credible and effective management of modern slavery risk. LAPFF sought evidence of stronger due diligence, including better identification of higher-risk operations and supply chains, deeper supply chain mapping beyond tier 1, clearer disclosure of salient risks, and more robust approaches to monitoring, remedy and governance.

More specifically, the engagement objectives were designed to encourage companies to use the benchmark as a gap-analysis tool, improve the quality and timeliness of their modern slavery disclosures, and demonstrate how risks are identified, prioritised and mitigated in practice. This included seeking greater transparency on sub-tier suppliers and indirect risk exposure, clearer reporting on the effectiveness of controls and grievance mechanisms, and stronger evidence that companies can identify harms, support affected workers and prevent recurrence. Taken together, these objectives reflect the benchmark's core emphasis on closing the gap between policy and practice and strengthening investor confidence in companies' management of modern slavery risk.

Achieved

Philip Morris International (PMI)

Philip Morris International (PMI) disclosed a comparatively developed approach to managing modern slavery risk, particularly within its agricultural supply chain. It pointed to direct supplier relationships, farm-level monitoring, external verification and an emphasis on corrective action over time. PMI also described steps taken to address labour standards in contracted workforces and acknowledged the need to improve the visibility of its UK modern slavery statement. Overall, the discussion suggested stronger traceability and oversight in tobacco sourcing than seen in some peers, although there remains scope for clearer external reporting on outcomes, non-conformances and remediation.

Salesforce

Salesforce acknowledged that the benchmark had not previously been a major point of focus but engaged constructively on its approach to modern slavery risk. It described a largely compliance-led framework supported by supplier risk assessment, onboarding controls, grievance channels and internal governance processes. Salesforce recognised that a lower-risk business model does not remove exposure, particularly through indirect supply chains and higher-risk service categories. The discussion nevertheless suggested that its external disclosure remains at an earlier stage, with further work needed to provide clearer evidence on risk prioritisation, due diligence and measurable outcomes. Planned publication of its human rights saliency assessment may help strengthen that picture over time.

Amgen

Amgen highlighted its broader compliance culture, supplier standards, audit processes and speak-up mechanisms as the basis of its approach to modern slavery risk. It also pointed to board-level oversight of compliance matters and described these structures as supporting risk management across its operations and supply chain. However, the discussion indicated that the attendees were not best placed to address several of the more detailed questions on supply chain due diligence and modern slavery risk management. As a result, follow-up questions were shared after the meeting so that the relevant internal teams could provide a more informed response. Overall, the engagement suggested an underlying governance framework, but also a need for more specific evidence on how risks are identified, managed and remediated in practice, particularly beyond tier 1 suppliers.

In Progress: Across all three engagements, several themes remain under active follow-up. Further work will focus on how companies are moving beyond policy commitments and compliance-led processes towards more demonstrable management of modern slavery risk in practice. In particular, ongoing engagement will examine the extent to which companies can strengthen sub-tier supply chain mapping, improve the clarity and accessibility of disclosure, and provide more robust evidence on how risks are identified, prioritised, escalated and remediated, including through grievance mechanisms and worker support processes.

For Amgen, follow-up will centre on the written responses to questions that could not be fully addressed during the initial discussion, particularly in relation to supply chain due diligence, risk identification beyond tier 1, and the operation of remedy and escalation processes in practice. For PMI, continued dialogue will focus on improvements to the visibility and quality of its UK modern slavery disclosure, alongside clearer external reporting on outcomes, non-conformances and remediation. For Salesforce, further engagement will examine how the company translates internal governance and compliance processes into more decision-useful evidence on risk prioritisation, due diligence effectiveness and measurable outcomes, including through planned publication of its human rights saliency assessment.

More broadly, LAPFF will continue to use the CCLA Global Modern Slavery Benchmark as a reference point for assessing whether investee companies are closing the gap between policy and practice. Engagement will test whether companies can demonstrate credible progress against the objectives set out for these calls, including stronger due diligence, clearer disclosure of salient risks, and more persuasive evidence that governance, monitoring and remedy processes are operating effectively. This will remain important as investor expectations rise and regulatory scrutiny of forced labour and supply chain due diligence continues to intensify.

ENGAGEMENT



Image: Alamy

MINING: PRI AND EARTHWORKS

Earthworks

In Q2, LAPFF met with US-based NGO Earthworks to discuss recent events within Vale's Brazilian mining operations and ongoing concerns regarding the company's preparedness for climate-related physical risks, particularly in relation to tailings facilities.

The discussion built on LAPFF's ongoing engagement with affected communities in Brazil and highlighted that more than seven years on from the 2019 Brumadinho tailings damn disaster (which caused 272 fatalities) and over a decade from Samarco tailing dam disaster in 2015 (which killed 19 people and left untold social and environmental devastation), significant concerns remain regarding tailings safety and accountability within the company's operations.

Evidence and analysis from Earthworks and civil society point to continuing vulnerabilities in Vale's facilities in Minas Gerais, especially under increasing climate stress and extreme weather events, including flooding at Mina de Fábrica and Mina de Viga in January 2026. This flooding demonstrates how physical climate risks are already impacting communities, ecosystems and operations.

The ongoing and lasting impacts of these events reinforce LAPFF's calls for effective board oversight, integration of climate adaptation into operational risk management, and ongoing engagement with affected communities in line with human rights due diligence expectations.

Earthworks subsequently published a blog featuring LAPFF commentary, reinforcing investor expectations in this area.

Vale

As part of the PRI Advance initiative investor group, in Q2 LAPFF wrote to Vale's Chief Sustainability Officer to request a follow up meeting to progress engagement on human rights governance, community impacts and climate resilience. The letter focused on:

- How community and stakeholder feedback is escalated and integrated into operational decision making and board oversight,
- The effectiveness of grievance mechanisms and access to remedy for affected communities, and
- Progress on Indigenous engagement and regulatory compliance, including legacy issues and infrastructure such as the Carajás Railway.

Investors also requested greater clarity on how extreme weather and water risks are incorporated into project approval, asset management and long-term strategy, and how these risks are overseen at Board level.

The group is using recent events to ground this discussion, including the 2026 flooding at Vale's Fábrica and Viga sites in Minas Gerais, as well as controversy surrounding the Carajás Railway (part of Vale's core Northern System iron ore logistics network linking its Amazon mining operations in Pará to the Ponta da Madeira maritime terminal in São

ENGAGEMENT



Image: Alamy

Luís, Maranhão). The controversy here has focused on whether licensing and permitting processes have adequately assessed the railway's environmental, social and climate-related impacts, including risks to Indigenous and traditional communities along the corridor. These examples will be used to press for demonstrable evidence of strengthened accountability, governance oversight, and implementation of climate adaptation measures in practice, rather than policy commitments alone.

In progress: Across the quarter, LAPFF strengthened its engagement on human rights, water and climate risk in the mining sector. Stakeholder engagement remained central to this work, supporting LAPFF's efforts to advance UNGP-aligned human rights due diligence, strengthen governance oversight, and promote the integration of physical climate risks into corporate strategy and operational decision making.

CONFLICT-AFFECTED AND HIGH RISK AREAS (CAHRAS)

Objective: LAPFF's engagement on conflict-affected and high-risk areas (CAHRAs) has continued to develop in response to the growing relevance of conflict-related human rights risks to LAPFF members. Companies with operations, supply chains, customers, investments, financing relationships, products, services or other business relationships linked to CAHRAs may face heightened legal, regulatory, operational, reputational and financial risks. These risks can arise where companies contribute to, are directly linked to, or exacerbate adverse impacts on people and conflict dynamics.

LAPFF's expectations are grounded in the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the UNDP Guide for Heightened Human Rights Due Diligence for Business in Conflict-Affected Contexts. These frameworks make clear that companies linked to conflict-affected contexts should apply heightened human rights due diligence, including analysis of human rights impacts, conflict impacts, and the intersection between the two. LAPFF therefore expects companies to have policies, governance arrangements, due diligence processes, grievance mechanisms and decision-making criteria that are capable of identifying, preventing, mitigating and accounting for CAHRA-related risks.

Building on previous engagement and LAPFF's published Engagement Expectations of Companies, LAPFF wrote to 31 companies in February 2026 identified as having operations, business relationships or other activities potentially linked to the Occupied Palestinian Territories. While the Israel-Gaza conflict and business activities linked to the Occupied Palestinian Territories remain important issues, LAPFF's CAHRA work is broader than one conflict or geography. The outreach formed part of a wider engagement programme focused on how companies manage heightened human rights and conflict-related risks across high-risk contexts.

The objective of the outreach was to establish a clearer and more comparable understanding of company practice. Companies were asked to respond to a

ENGAGEMENT

12-part questionnaire covering: policy commitments; international standards; identification of CAHRA exposure; impact and risk assessment; methodology and verification; prevention, mitigation and remediation; enter, remain, suspend or exit decision-making; monitoring and oversight; grievance mechanisms and remedy; transparency; continuous application of heightened due diligence; and financial decision-making. LAPFF sought responses that were specific, evidenced and, where possible, linked to relevant policies, procedures, governance mechanisms, internal controls, KPIs or public disclosures.

Achieved: The responses received demonstrate a wide range of approaches to managing CAHRA-related risk. Some companies provided detailed responses setting out governance structures, risk assessment methodologies, escalation routes and examples of heightened due diligence. Others provided only high-level references to existing human rights, sanctions, export control or sustainability disclosures, without directly responding to the questionnaire.

A number of companies recognised CAHRAs, conflict-affected contexts or high-risk markets as requiring enhanced scrutiny. However, relatively few disclosed a dedicated CAHRA policy or a clearly articulated heightened human rights due diligence framework. In several cases, CAHRA-related risk was embedded within broader human rights, compliance, enterprise risk management, trade compliance, sanctions, procurement or sustainability processes, rather than addressed through a standalone framework. While this may indicate that some controls exist, it also makes it harder for investors to assess whether companies are applying due diligence that is genuinely heightened, continuous and conflict-sensitive.

The strongest responses tended to provide detail on how CAHRA exposure is identified and assessed. This included use of country risk tools, external data sources, human rights risk assessments, third-party input, sanctions screening, supplier or business partner due diligence and escalation processes.

However, important gaps remain. Many companies did not clearly explain the scope of exposure assessed, particularly in relation to downstream customers, end-users, distributors, platform users, financing relationships, joint ventures or other business partners. Consideration of international humanitarian law was also uneven. A small number of companies explicitly stated that international humanitarian law or the law of armed conflict is considered in CAHRA-related assessments, while others referred more generally to the UNGPs, OECD Guidelines, ILO standards or sanctions compliance without explaining whether conflict analysis forms part of their methodology.

Governance disclosure varied considerably. Some companies identified board-level committees, executive-level committees, human rights steering groups, compliance functions or risk committees with responsibility for oversight. Others provided only general references to board approval of human rights policies or did not explain how CAHRA-related risks are escalated to senior management or the board. Across responses, there was limited disclosure on what information boards receive, how often they receive it, and what decisions are reserved for board-level oversight.

Decision-making on whether to enter, remain in, suspend or exit CAHRA-linked activities was one of the weaker areas of disclosure. A small number of companies described country-entry controls, traffic-light systems, escalation processes, case-by-case review or formal approval routes. However, most responses did not disclose clear decision criteria, thresholds, examples of outcomes, or how stakeholder input and human rights impacts are weighed against legal, commercial or operational considerations.

Where companies failed to respond, declined to complete the questionnaire, or relied only on generic public disclosures, LAPFF began escalating through AGM attendance and voting alerts. LAPFF issued voting alerts at relevant companies, including Palantir, Meta, PayPal, Amazon and Motorola Solutions.

At Palantir's AGM, LAPFF asked how the company ensures human rights due diligence is effective beyond initial customer screening, and what specific triggers lead to escalation, including termination of customer relationships. Palantir did not respond to the question. At Meta's AGM, LAPFF asked how the board oversees risks associated with the company's services and technologies in CAHRAs, including escalation to the board and assessment of effectiveness. Meta did not answer. At PayPal's AGM, LAPFF asked the board to explain the framework used to assess the human rights impacts of providing, restricting or withholding services in CAHRAs. PayPal did not respond.

At Amazon's AGM, LAPFF raised concerns about downstream human rights risks linked to cloud infrastructure, AI, logistics and other technologies, and asked for greater disclosure on board-level oversight. Amazon did not answer. LAPFF also attended Alphabet's AGM and asked what criteria the company uses to determine when heightened due diligence is required, when risks are escalated to the board or relevant committee, and when it will restrict, suspend or terminate customer relationships. Alphabet did not respond.

In Progress: LAPFF will continue to review the responses received and identify where further engagement is warranted. For companies that provided more detailed responses, LAPFF will consider follow-up engagement where risks appear higher or where disclosure gaps remain. This may include seeking greater clarity on how CAHRA exposure is mapped, how downstream risks are assessed, whether international humanitarian law is incorporated into due diligence, how affected stakeholders are consulted, and what criteria guide decisions to enter, remain in, suspend or exit high-risk activities.

For companies that declined to respond, failed to respond, or relied only on generic public disclosures, LAPFF will consider further escalation. This could include targeted voting alerts during the remainder of the 2026 AGM season and into 2027, further AGM attendance, and opposition to relevant directors where board oversight appears insufficient.

The AGM season has also highlighted a broader concern regarding virtual AGM accountability. In several cases, LAPFF submitted questions on CAHRA-related risks, but companies did not answer them during the meeting. The lack of responses limits shareholders' ability to assess board accountability, follow up in real time, or understand whether similar concerns were raised by other investors. LAPFF will therefore continue to consider how AGM attendance, voting alerts and direct engagement can be used together to press for stronger transparency, clearer board oversight and more robust application of heightened human rights due diligence in conflict-affected and high-risk areas.

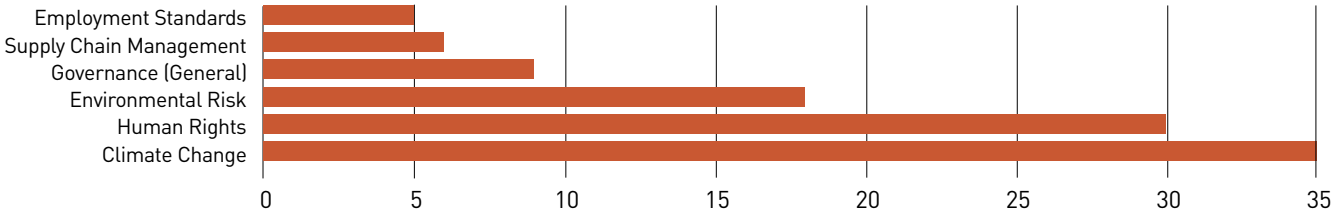
COMPANY PROGRESS REPORT

LAPFF engaged 73 companies engaged over the quarter
The table below represents data taken from 'Meetings', 'AGMs' and 'Received Correspondence' only.

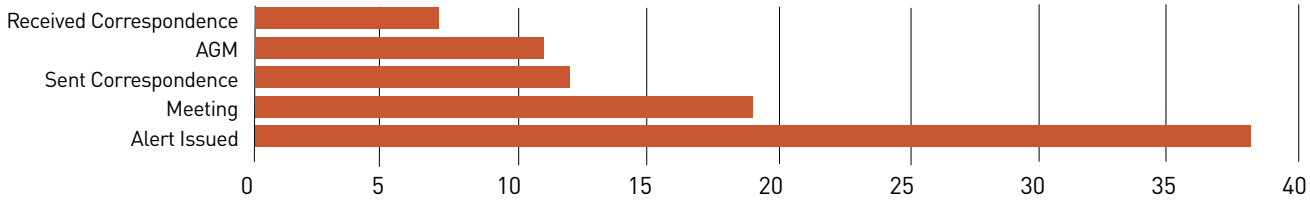
Company/Index	Activity	Topic	Outcome
ALPHABET INC	AGM	Human Rights	No Improvement
AMAZON.COM INC.	AGM	Human Rights	No Improvement
AMGEN INC.	Meeting	Human Rights	Dialogue
ANGLO AMERICAN PLC	Meeting	Human Rights	Dialogue
ASTRAZENECA PLC	AGM	Governance (General)	Dialogue
BP PLC	Meeting	Governance (General)	Change in Process
BUNGE GLOBAL SA	Meeting	Supply Chain Management	Dialogue
CATERPILLAR INC.	AGM	Human Rights	No Improvement
CISCO SYSTEMS INC.	Received Correspondence	Human Rights	Moderate Improvement
COMPAGNIE FINANCIERE RICHEMONT SA	Received Correspondence	Human Rights	No Improvement
DRAX GROUP PLC	Meeting	Climate Change	Dialogue
ELECTRIC POWER DEVELOPMENT CO	Meeting	Climate Change	Dialogue
GENERAL MOTORS COMPANY	AGM	Governance (General)	No Improvement
HEIDELBERG MATERIALS AG	Received Correspondence	Human Rights	Moderate Improvement
HONEYWELL INTERNATIONAL INC.	AGM	Human Rights	Awaiting Response
HSBC HOLDINGS PLC	Meeting	Environmental Risk	Dialogue
KERING SA	Meeting	Human Rights	Small Improvement
KINGFISHER PLC	Meeting	Employment Standards	Dialogue
LUNDIN MINING CORP	Meeting	Climate Change	Dialogue
META PLATFORMS INC	AGM	Human Rights	No Improvement
META PLATFORMS INC	Received Correspondence	Human Rights	Moderate Improvement
MICROSOFT CORPORATION	Meeting	Human Rights	Moderate Improvement
NATWEST GROUP PLC	Meeting	Climate Change	No Improvement
OCADO GROUP PLC	Received Correspondence	Environmental Risk	Satisfactory Response
PALANTIR TECHNOLOGIES INC	AGM	Human Rights	No Improvement
PAYPAL HOLDINGS INC	AGM	Human Rights	No Improvement
PHILIP MORRIS INTERNATIONAL INC.	Meeting	Human Rights	Dialogue
PRIMO WATER CORP	Received Correspondence	Human Rights	Dialogue
ROLLS-ROYCE HOLDINGS PLC	Received Correspondence	Human Rights	No Improvement
SALESFORCE INC	Meeting	Employment Standards	Dialogue
SEMBCORP INDUSTRIES LTD	Meeting	Climate Change	No Improvement
SHELL PLC	AGM	Environmental Risk	Dialogue
TESCO PLC	Meeting	Environmental Risk	Dialogue
THALES	AGM	Human Rights	Dialogue
THE PROCTER & GAMBLE COMPANY	Meeting	Environmental Risk	Small Improvement
TOTALENERGIES SE	Meeting	Climate Change	Dialogue
VALE SA	Meeting	Environmental Risk	Dialogue

ENGAGEMENT DATA

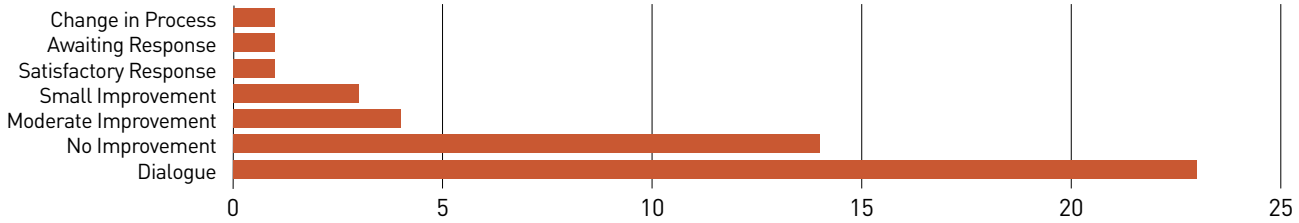
ENGAGEMENT TOPICS



ACTIVITY

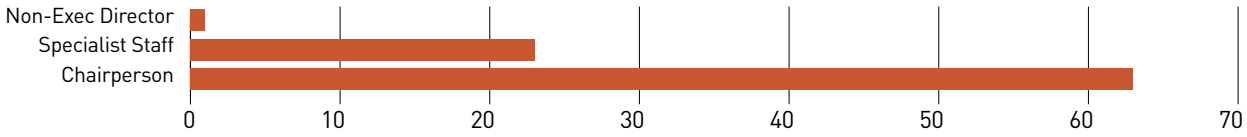


ENGAGEMENT OUTCOMES*

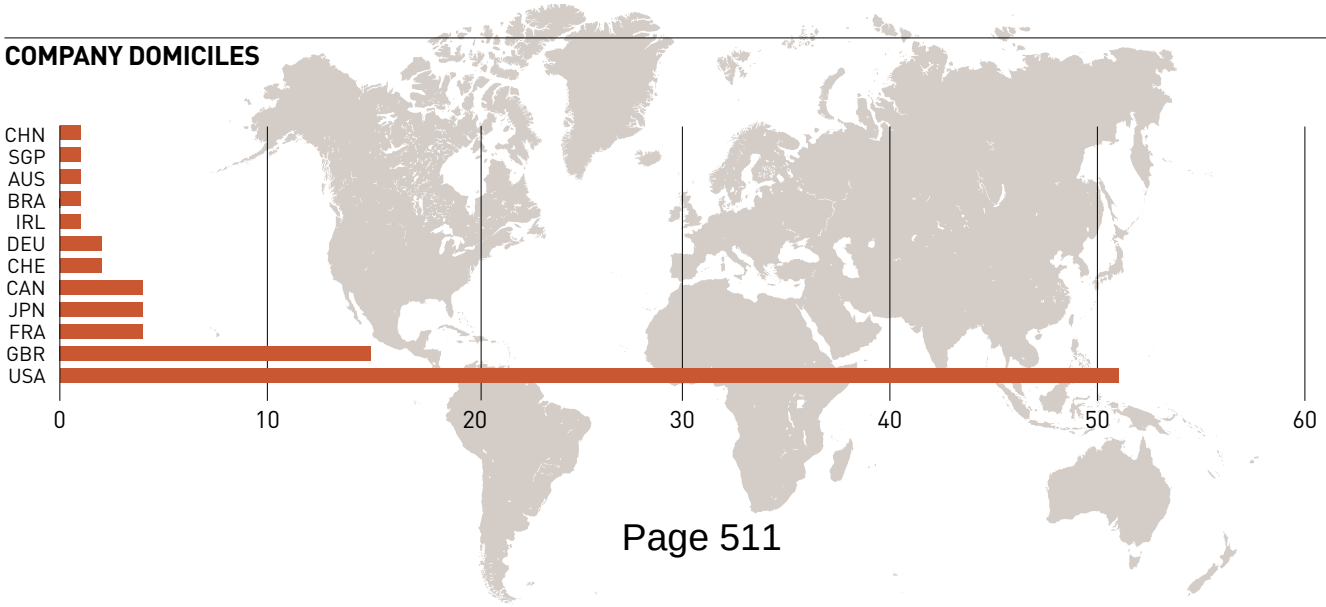


*Outcomes data is taken from 'Meetings', 'AGMs' and 'Received Correspondence' only

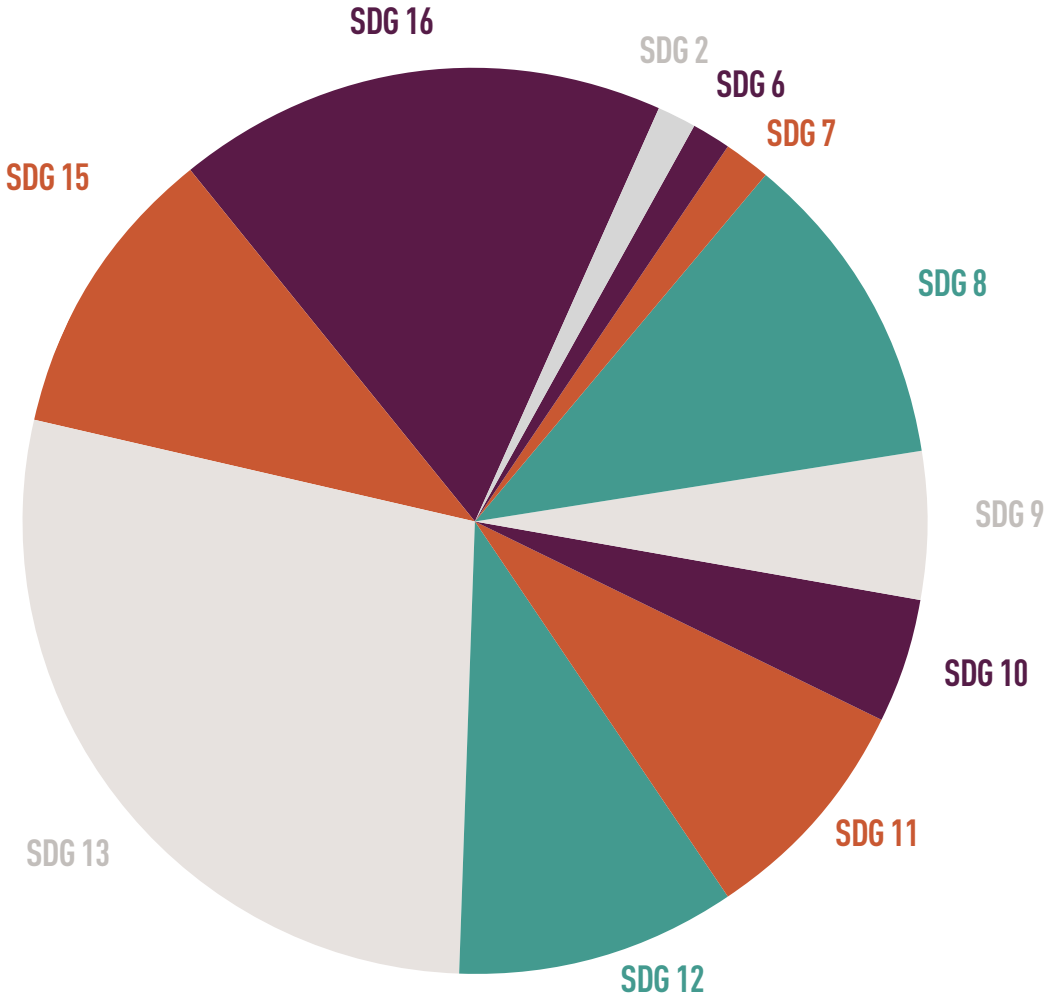
POSITION ENGAGED



COMPANY DOMICILES



ENGAGEMENT DATA



LAPFF SDG ENGAGEMENTS

SDG 1: No Poverty	0
SDG 2: Zero Hunger	2
SDG 3: Good Health and Well-Being	0
SDG 4: Quality Education	0
SDG 5: Gender Equality	0
SDG 6: Clean Water and Sanitation	2
SDG 7: Affordable and Clean Energy	2
SDG 8: Decent Work and Economic Growth	15
SDG 9: Industry, Innovation, and Infrastructure	7
SDG 10: Reduced Inequalities	6
SDG 11: Sustainable Cities and Communities	11
SDG12: Responsible Production and Consumption	13
SDG 13: Climate Action	37
SDG 14: Life Below Water	0
SDG 15: Life on Land	14
SDG 16: Peace, Justice, and Strong Institutions	23
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
Barking and Dagenham Pension Fund
Barnet Pension Fund
Bedfordshire Pension Fund
Berkshire Pension Fund
Bexley (London Borough of)
Brent (London Borough of)
Cambridgeshire Pension Fund
Camden Pension Fund
Cardiff & Glamorgan Pension Fund
Cheshire Pension Fund
City of London Corporation Pension Fund
Clwyd Pension Fund (Flintshire CC)
Cornwall Pension Fund
Croydon Pension Fund
Cumbria Pension Fund
Derbyshire Pension Fund
Devon Pension Fund
Dorset Pension Fund
Durham Pension Fund
Dyfed Pension Fund
Ealing Pension Fund
East Riding Pension Fund
East Sussex Pension Fund
Enfield Pension Fund
Environment Agency Pension Fund
Essex Pension Fund
Falkirk Pension Fund
Gloucestershire Pension Fund
Greater Gwent Pension Fund
Greater Manchester Pension Fund
Greenwich Pension Fund
Gwynedd Pension Fund
Hackney Pension Fund
Hammersmith and Fulham Pension Fund
Haringey Pension Fund
Harrow Pension Fund
Havering Pension Fund
Hertfordshire Pension Fund
Hillingdon Pension Fund
Hounslow Pension Fund
Isle of Wight Pension Fund
Islington Pension Fund
Kensington and Chelsea (Royal Borough of)
Kent Pension Fund
Kingston upon Thames Pension Fund
Lambeth Pension Fund
Lancashire County Pension Fund
Leicestershire Pension Fund
Lewisham Pension Fund
Lincolnshire Pension Fund
London Pension Fund Authority
Lothian Pension Fund
Merseyside Pension Fund
Merton Pension Fund
Newham Pension Fund
Norfolk Pension Fund
North East Scotland Pension Fund
North Yorkshire Pension Fund
Northamptonshire Pension Fund
Nottinghamshire Pension Fund
Oxfordshire Pension Fund
Powys Pension Fund
Redbridge Pension Fund
Rhondda Cynon Taf Pension Fund
Scottish Borders Pension Fund
Shropshire Pension Fund
Somerset Pension Fund
South Yorkshire Pension Authority
Southwark Pension Fund
Staffordshire Pension Fund
Strathclyde Pension Fund
Suffolk Pension Fund
Surrey Pension Fund
Sutton Pension Fund
Swansea Pension Fund
Teesside Pension Fund
Tower Hamlets Pension Fund
Tyne and Wear Pension Fund
Waltham Forest Pension Fund
Wandsworth Borough Council Pension Fund
Warwickshire Pension Fund
West Midlands Pension Fund
West Yorkshire Pension Fund
Westminster Pension Fund
Wiltshire Pension Fund
Worcestershire Pension Fund

Pool Company Members
Border to Coast Pensions Partnership
LGPS Central
Local Pensions Partnership
London CIV
Northern LGPS
Wales Pension Partnership

This page is intentionally left blank