

The London Borough of Brent Pension Fund Risk Register 2025									
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<u>1</u>	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	Mar-25	Brent Council discuss LPP budget at regular contract monitoring meetings. Update received from LPPA for Q3 2024/25 and budget proposal received for 2025/26.
1.2	Operational Disaster Recovery Plans Brent	Loss of or unable to access admin systems for: a) Pensions b) Payroll c) Pensioner payroll	1	4	4	Brent Council Business Continuity Procedures	Brent	Aug-24	Brent Council disaster recovery plan in place
1.21		Pension Systems I.T.	1	4	4	Database of all: a) Advisors b) Suppliers c) Contracts	Brent	Aug-24	Held as hard copy by Brent Council's Legal Department
1.3	Operational Disaster Recovery Plans LPP	Loss of or unable to access LPP admin systems for pensions	1	4	4	LPP Shared Service Agreement.	LPP	Aug-24	From 1 October 2018 LPP disaster recovery plan in place as part of their Shared Service Agreement with Brent Council
1.31		LPP Pensions Admin System (UPM) used by Brent Council Employers, Maintained Schools and Academies	1	4	4	LPP Shared Service Agreement	LPP	Aug-24	LPP have a recovery plan in place for their pension admin platform UPM (External provider Civica). LPPA is ISO 27001 accredited and has Cyber Essential Plus accreditation, showing that LPPA have processes and procedures in place that keep information and systems secure.
<u>2</u>	Risk Area Data Security	Risk & Outline	Likelihood	Impact	Score	Control	Owner	Date of Review	Comment
2.1	Data Security	External attack, loss of data, locked out of data, poor internal procedures can lead to an increased risk of attack from: a) outside b) or internal fraud Not backing up data regularly using secure backup systems	2	5	10	Brent Council and LPPA Data Back Up Procedures	Brent	Aug-24	Procedures on data security in place, systems kept up to date with latest security updates. Data is backed up on an incremental basis daily, Brent STS have invested in an enhanced backup solution.
2.11		a) Clean desk 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	Aug-24	Possibility of: a) Sensitive data being seen by unauthorised persons b) Data theft or large losses of sensitive data c) GDPR breached d) Brent Council's reputation put at risk e) Breach of Council's policies and dismissal from service
2.2		General Data Protection Regulations (GDPR) came into effect 25 May 2018, failure to comply with GDPR will lead to: a) Complaints b) Data breaches c) Possible fines d) Loss of reputation	1	5	5	Brent GDPR Policies Annual data security refresher training	Brent	Aug-24	Brent has GDPR policies in place and publishes GDPR privacy notices: a) Online b) Viva Engage (formerly Yammer) c) In news letters d) In communications to its members, employers, academy's, maintained schools
2.21		Sending sensitive data by email ensuring it will be sent to the right recipient and encrypted, or using a secure transmission system	2	4	8	Brent GDPR Policies	Brent	Aug-24	Sensitive data being sent to an unauthorised person or business leading to breach of GDPR
2.3	Cyber Security	Unlawful cyber access or attacks could be serious for a scheme and its members, and could in the end result in identity theft, loss of data or even loss of financial assets	4	4	16	Brent Council Data Security Procedures (e.g. Implemented tools to monitor and detect abnormal activity, Security Logging and Endpoint Management, Enhanced awareness and training across specialist IT and all Brent users.) LPP Cyber Security Procedures	Brent	Aug-24	STS and Brent have cyber strategies in place and are in the process of updating those strategies considering the prevailing threats. The protection in place for the Council to prevent an intrusion is considered high however, recent attacks impacting councils and other public sector organisations have targeted backup systems and third party suppliers. The impact of a cyber attack could be significant, so it is important for these to be permanently up to date. Brent Officers periodically review the current cyber security strategy ensuring that extensive measures are in place and up to date in order to safeguard the integrity, confidentiality and availability (ICA) of information. LPPA have also implemented a number of controls and technologies in relation to cyber security including network firewalls, daily backups online and to tape to protect against the loss of data, system corruption or ransomware and disaster recovery tests.

3	Risk Area Pension Administration	Risk & Outline	Likelihood	Impact	Score	Control	Owner	Date of Review	Comment
3.1	(Employer and Scheme Data) Scheme Data Provided to LPP for: Maintained Schools Academies Employers	Missing common and Scheme Specific data not provided by employers, maintained schools and academies leads to delay in progressing administration for members and the actuary using prudent assumptions.	3	4	12	LPP Data Check Regular data cleanses and projects (e.g. McCloud). Monthly contribution returns drive more accurate data. Employer Engagement Employers Forum PAS 2023	Brent/LPP	Oct-24	LPP run a test of the data each quarter. These scores are included in the administration update report taken to each Pension Board meeting. Employers to export data monthly to LPP system highlighting data problems by import validation, also reporting from the admin systems of missing files leads to early indication of employers having data problems. Monthly returns have been rolled out to all employers from April 2023. Training to be provided to employers by the LPP on using the systems and what LPP requires from employers. A concerted programme of encouraging employers to complete monthly contribution returns has led to almost all employers complying and the few who failed to do so completing annual returns. The Pensions Administration Strategy allows the scheme manager to take action against employers that do not comply with their statutory and legal obligations to the Pension Fund. These actions will be considered should employers not respond to requests for information in a timely manner. LPPA have provided the Fund with a dashboard with the status of monthly scheme data returns for all employers. LPPA and officers are regularly contacting employers who have outstanding returns.
3.2	Record Keeping Planning	Not updating the record keeping plan to take into account changes of circumstances thorough the year could lead to a failure to take corrective action leading to a drop in the quality of scheme data or delays in processing member benefits	1	3	3	TPR Data Scores, Data cleanse project Regular data cleanses and projects (e.g. McCloud) Monthly contribution returns drive more accurate data.	Brent	Mar-25	Data quality has improved following multiple data cleanse projects and is now being monitored quarterly. The Fund has also commissioned a data cleanse project to carry out data mismatch analysis and record rectification in respect of pension data records held on LPPA's UPM system and Brent's Oracle system with a total 1404 records in scope. Monthly contribution returns promise better data going forward. 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 LPPA, 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.
3.3	Loss of Key Staff Members	Specialist nature of the work means there are relatively few staff members with knowledge of the Local Authority Pensions Regulations and Pensions Administration requirements. Significant knowledge gap left if specialist staff leave, likely to cause short-term disruption.	3	4	12	Structured Training Plan Key members of staff are mapping processes and maintaining folders of key documents, training notes and commentaries on the respective regulations. Regular cross-training between staff.	Brent	Aug-24	Key Officers to ensure processes are documented and knowledge is being passed on to other members of the team, to ensure limited disruption in the event of an unexpected absence or leaving the position. Training events delivered by external parties are available and staff are encouraged to attend. There are regular in-house training sessions and the experienced officers mentor their colleagues, maintain process maps and collate key documents and relevant extracts from the regulations in folders as part of the team's succession planning. External Support is available to mitigate this risk, both from external advisors and LPP who manage the fund's administration
3.4	Impact of Future Pandemics	Increase in staff who are unwell leading to: a) Delays in administrative processing and increase in backlog cases b) Member benefits being delayed c) Increase in complaints d) Difficulties in meeting key deadlines such as year-end Delays in implementing the agreed investment strategy due to volatile financial markets.	1	2	2	Brent Council Business Continuity Procedures LPP Business Continuity Procedures Hymans Robertson Business Continuity Plan (as Fund Actuary and Investment Advisors) Resilience and flexibility developed during the Covid-19 pandemic.	Brent	Aug-24	Situation is being monitored on an ongoing basis. Staff to observe Government and NHS guidance. Increased use of flexible and remote working technologies are now in place to enable staff to operate in an efficient and effective manner. The Pensions Administration and Finance team are able to work from home and in offices.

3.5	Transfer of Brent's Pensions Payroll to the LPP	<p>Risk in transferring of payroll data to LPP:</p> <p>a) Delays in timely completion of transfer leading to delays and pensions not being paid</p> <p>b) Inaccurate transfer of scheme data from one system to the other leading to incorrect tax codes and Pensions Increase awards</p> <p>c) Member's pensions being incorrect or delayed</p> <p>d) Increase in complaints</p> <p>e) Places an unwarranted and costly drain on Brent resources of providing support to its pensioners</p>	1	5	5	<p>Risk and Project Plan</p> <p>LPP data cleanse</p> <p>In-house team data cleanse</p> <p>Parallel runs on both payroll systems to eradicate errors</p>	Brent/LPP	Mar-25	<p>The Pensions Payroll is migrating from Oracle to the LPP. It is being delivered by a dedicated team of project managers and ringfenced project roles to ensure no impact to the pension administration function.</p> <p>There were three parallel runs before the data was migrated.</p> <p>LPP are providing Brent officers with regular updates in weekly meetings. Updates are also being provided to the Pension Board.</p> <p>The payroll migration went smoothly and variance was within normal tolerances. The pensions payroll went live with LPP in January 2025 and two payrolls have been run successfully to date.</p> <p>The first major test will occur when the Pensions Increase award is applied in April.</p>
3.6	Auto Enrolment / Re-Enrolment	<p>Failure to process auto enrolment / re-enrolment on time leads to:</p> <p>a) Member complaints</p> <p>b) Members unable to opt-out or in</p> <p>c) Delayed administration</p> <p>d) Possible action by the regulator to improve or be fined</p>	2	3	6	<p>Auto Enrolment Procedures</p> <p>Planning meetings to manage re-enrolment.</p> <p>Communications prepared in anticipation of re-enrolment.</p>	Brent	Mar-25	<p>Auto enrolment checked monthly for:</p> <p>a) Enrolment</p> <p>b) Opt outs</p> <p>c) Opt Ins</p> <p>d) Auto Enrol Renewal, as part of Brent procedures for pensions and payroll</p> <p>e) Re-enrolment triennially</p> <p>Brent and the maintained schools are re-enrolling certain members, who have opted-out of the pension scheme or joined the 50-50 scheme, on 1 November 2024. There has been a series of communications within the Council and to schools to keep members up to date.</p> <p>The re-enrolment process is nearing completion and we are almost ready to report to TPR.</p> <p>Brent's re-enrolment date is now set to 1st November.</p>
3.7	Pensions Dashboard programme	<p>Pensions dashboards are a government programme to enable individuals to access their pensions information online, in one place.</p> <p>Risk of being unable to connect before the staging deadline of October 2025.</p>	2	3	6	<p>LPPA Pensions Dashboard Project</p> <p>Regular progress update meetings</p> <p>Monthly contract management meetings</p>	LPP	Mar-25	<p>LPPA 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 LPPA and they are closely monitoring Civica's progress towards compliance.</p> <p>The project is underway and the latest update is as follows:</p> <p>a) systems requirement (including the rules for partial matching of records and the treatment of AVCs); and</p> <p>b) business readiness aspects of the project (dealing with new enquiries relating to dashboard).</p>

4	Risk Area Plan Events	Risk Outline	Likelihood	Impact	Score	Control	Owner	Date of Review	Comment
4.1	Pension Events Planning	Plan events such as: a) Annual benefits statements b) Year end reporting to the TPR c) Accounting d) Pension increases e) Plan valuations g) Re-enrolment	2	4	8	Plan Calendar Prepare employers Plan communications	Brent	Aug-24	Plan Calendar to identify events: a) What work is required b) What recourses will be used c) Completion and sign off
4.11		Pension projects such as: a) Changes in legislation that needs to be actioned b) McCloud	2	4	8	Plan Calendar	Brent	Aug-24	To allow longer term planning for items such as: a) New legislation coming in to effect b) Ensure Plan events are completed on time c) Prepare for GMP equalisation
4.2	Annual Benefits Statements 2023/24	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-24	It is a statutory responsibility for the scheme manager to issue an annual benefit statement (ABS) to all eligible active and deferred members by 31 August each year. Scheme employers are required to submit monthly returns, albeit a small number submitted annual returns, in order to be able to produce an ABS. Following submission of the return, employers may be required to respond to queries to clarify any data on the return before an ABS can be produced. It is therefore important that end of year returns are received promptly. Delays in submission of returns can lead to a risk that the ABS are not issued by the deadline. Where returns have not been promptly received, Brent and LPP will work together directly with employers to ensure prompt and accurate submission of end of year returns. The 2024 ABS exercise showed incremental improvements with 97.1% of active members and 99.9% of deferred members having statements produced.
4.21		Annual Benefits Statement dependant on: a) Common Data b) Scheme Specific data c) Data being improved from the Record Keeping Plan (RKP)	2	5	10	LLP Shared Service Agreement	Brent	Aug-24	Improvement to common and Scheme Specific data being carried out under RKP. There have been numerous data cleansing projects designed to improve the quality of our data. Monthly contribution returns will ensure that we have more accurate data going forward.
4.3	Deferred Member Benefit Statements 2023/24	Incorrect Statuses, no address, missing data to calculate leads to: a) Statements not being issued b) Statements inaccurate c) Incorrect valuation and liabilities for the Plan.	2	5	10	LLP Shared Service Agreement Periodic address tracing.	Brent	Aug-24	Member data is being dealt with under the Record keeping Plan. Consider address tracing as they approach SPA (people who move tend to move again).
4.4	Monthly Contribution Return	Failure to complete monthly return and submit on time leads to fines	2	5	10	PAS Employer Training Sessions Regular monitoring of performance by LPP and the Pensions Team.	Brent	Oct-24	The Fund moved to monthly returns from April 2023. Completion of returns by employers is being monitored by the Fund and employers who are yet to submit a monthly return have been contacted and are being chased for returns by officers. Only four active employers had to complete annual returns in 2023/24. Training sessions are provided to employers to assist completion. Almost all employers are up to date and only three or four are trying to catch up.
4.5		Failure to process an admission agreement within the time frames set on in LGPS regulations can lead to transferring employers pension entitlements being delayed, legal issues stopping the agreement from being implemented and costs incurred that can not be recovered	2	5	10	Internal Controls Regular monitoring meetings Introduction of pass-through to streamline process.	Brent	Mar-25	Admission agreements are regularly reviewed by officers in finance and legal to resolve issues encountered in the admission agreement process and progress to completion. Pass-through approach is expected to streamline the process. It has been endorsed by the Pension Fund Sub-committee and is pending approval from General Purposes Committee. It is taking longer to implement pass through than expected, the pensions team is awaiting the updated pass-through agreement from the Council's legal team.

4.51	Admission Agreements	Not having procedures and processes and monitor agreements are on track and any reason for delayed identified and acted on could lead to delays in implementation of the agreement	2	5	10	Internal Controls Regular monitoring meetings Introduction of pass-through to streamline process. Pensions Team to collaborate in drafting template admission agreements	Brent	Aug-24	Admission agreements are regularly reviewed by officers in finance and legal to resolve issues encountered in the admission agreement process and progress to completion.
4.52		Oversight of the legal team and ensuring that they are processing the legal agreements in the time set out in the procedures and requirements of admission agreements is a major factor on processing an admission agreement on time	2	5	10	Internal Controls Regular monitoring meetings	Brent	Aug-24	Overseeing of the legal team on admission agreement by the Scheme Manager to ensure no delays and prompt processing of agreement becomes a priority
4.53		Failure to keep to rules and regulation on admission agreement will require this failure to be reported to the TPR	2	5	10	Internal Controls Regular meetings Pensions Team participate in drafting admission agreements	Brent	Aug-24	Breaches log to bring attention of failing and lessons learned in processing admission agreements. Pass-though is expected to mitigate/resolve this issue.

<u>5</u>	Risk Area Regulatory	Risk & Outline	Likelihood	Impact	Score	Control	Owner	Date of Review	Comment
5.1	Anti Fraud Initiatives Mortality Existence	Benefits paid to people not entitled to benefits from the LGPS	2	3	6	Brent Counter-fraud plan 2024/25 Annual life certificates for overseas pensioners Tell us once (TUO), Target mortality screening and NFI reports Life certificates issued if correspondence/pension payments returned.	Brent	Aug-24	Administration processes check for fraud Brent Anti-fraud plan 2024/25 Life certificate issued if letter/pension payment returned Annual life certificates to overseas pensioners TUO, Target Mortality screening and National Fraud Initiative (NFI) reports Rigorous vetting of payees
5.2	Pension Board Training	Pension Board members not having the appropriate degree of knowledge and understanding to perform their duties. Pension Board member not having the right knowledge to make informed decisions and challenge Officers of the Council.	1	3	3	Pension Board Training Arrange training immediately before meetings Keep a log of attendees	Brent	Aug-24	Regular training is provided via a training programme for Pension Board members All Pensions Board members to complete and pass the TPR public pensions course online. The Fund has rolled out e-learning to all pension committee and board members in November 2023, progress is being reported at each meeting.
5.3	Pension Board Conflict Of Interest	Conflicts of interest must be declared in the Register of Interests Failure to declare an interest can lead to serious consequences and pose a risk to the Plan and possibly member	1	2	2	Register of interests Arrange training Regular reviews	Brent	Aug-24	The register of interests and other relevant documents are circulated to the Pension Board for ongoing review and are published on the Brent Council's website.
5.4	Governance	Failure to have good governance plans in place which are reviewed and monitored can lead to: a) Poor administration b) Increased administration costs 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	Mar-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.	2	3	6	Corporate Director, Finance and Resources	Brent	Mar-25	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.
5.6	Data Protection Breaches	Breaches not recorded and failure to report a breach to the regulator can lead to fines and loss of reputation	2	5	10	Breaches Log / policy	Brent	Aug-24	Breaches log to monitor all breaches and report material breaches to the regulator Breaches policy

6	Risk Plan Funding & Accounting	Risk & Outline	Likelihood	Impact	Score	Control	Owner	Date of Review	Comment
6.1	The Fund's Assets Insufficient to Meet Long Term Liabilities	Pension Fund Assets not sufficient to pay: a) Pension benefits b) Transfers c) Death benefits d) Could lead to raising of pensions contributions e) Plan has to reduce benefits f) Reassessment of the funding strategy	2	5	10	Public Sector Payroll Controls	Brent	Aug-24	Contributions are checked on a monthly basis. Overdue Contributions for employers including academies and maintained schools are actively chased.
6.11			1	5	5	The Funding Strategy Statement Regular meetings with Fund's actuaries	Brent	Aug-24	Preliminary meeting with our actuaries for the 2025 valuation has taken place. Liaising with employers as necessary. Numerous data cleanses to ensure that the Fund's data is accurate. A report on the 2022 Triennial Review (including the Funding Strategy Statement) was presented to the Pension Board at the March 2022 meeting. Next triennial valuation 2025.
6.12			1	5	5	Fund's Funding Level Assessment	Brent	Aug-24	The Fund receives regular performance reports on its investments from the custodian. The Fund actuary, Hymans Robertson, completes a valuation of liabilities every 3 years. The proposed final valuation report was presented to the Pension Sub-committee in February 2023 and the Pension Board in March 2023.
6.2	Geographical and economic risk in relation to investments	Significant volatility and potential downturn in global investment markets and currency fluctuation following disruptive geopolitical events and economic uncertainty.	4	4	16	The Fund holds a well-diversified portfolio of assets, which has been invested in line with the investment strategy statement	Brent	Mar-25	The growth of protectionism may impact on investment returns. Officers, in conjunction with our investment advisors, fund managers, London CIV and actuary, are monitoring events on an ongoing basis and continually assessing risks in relation to geopolitical events. The Fund's investment advisor provides advice and updates to the Pension sub-committee on the Fund's investment strategy and performance at every meeting. The Fund holds a well diversified investment portfolio which includes a mixture of growth, income and protection assets and limits concentration in any one specific market. The investment performance of the Pension Fund is brought to each Pensions Sub-committee for consideration.
6.3	Impact of McCloud judgement on Long Term Liabilities	Court of Appeal ruling that transitional protections were unlawful on the grounds of age discrimination could increase employer contributions. The scope of McCloud has broadened and the software providers are making progress in implementing the remedy solutions.	4	3	12	Triennial valuation/ Funding Strategy Statement. McCloud remedy solution in UPM	Brent	Mar-25	This risk continues to evolve and two sets of tax rectification regulations have been produced and the Local Government Pension Scheme (Amendment) (No. 3) Regulations 2023 came into effect from 1 October 2023. It is likely that greater administration resource will be required at a cost to the Pension Scheme. Retirees from October 23 onwards will need to be revisited and systems functionality is gradually being delivered in UPM. Underpins are disproportionately inflating transfers-out because the member will not necessarily benefit from the underpin when they retire. This is somewhat offset by transfers-in that have a underpin included.
6.4	Pension Contributions not Paid by:	Affects the Plans abilities to: 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	Aug-24	Procedures in place to deal with pension contributions not being made or late.
6.41	Maintained Schools Academies Employers		2	5	10	PAS	Brent	Aug-24	Engaging with: a) Employers b) Academies c) Maintained Schools d) With working parties and employer forums e) LPP to provide more support in this area
6.42	a) On time b) Or not at all c) Refusal to pay		2	5	10	PAS	Brent	Aug-24	Contributions are monitored on a monthly basis and late or non payers reported. 2023 Revised PAS includes fines for non compliers.
6.5	Pension Plan Accounting	Failure to comply with accounting regulations will lead to serious consequences: a) Possible fines b) Loss of reputation	1	5	5	Annual audit	Brent	Mar-25	The audit is complete and the 2023/24 accounts have been signed-off as unmodified.
6.51			1	5	5	Triennial valuations	Brent	Aug-24	2022 triennial completed. Next triennial valuation 2025
6.52			1	5	5	The Funding Strategy Statement	Brent	Aug-24	A report on the 2022 Triennial Review (including the Funding Strategy Statement) was presented to the Pension Board at the March 2022 meeting. Next triennial valuation 2025.

6.6	Inflation is higher than expected	Price inflation is significantly more than anticipated in the actuarial assumptions. High inflation: a) increases the Fund's liability as pensions in payment are linked to CPI inflation b) places short-term pressure on the Fund's cashflows to meet increased benefit payments and increase the demand for investment income.	5	3	15	Triennial valuations Investment Strategy Cashflow modelling	Brent	Aug-24	<p>Inflation rose significantly in 2022 due labour shortages, supply chain issues, and high energy prices however inflation has fallen in recent months and is now at the Bank of England's 2% target.</p> <p>Inflation is reviewed at each triennial valuation and the actuary is challenged as required. The Fund's investment strategy is routinely reviewed and the Fund is a long-term investor and takes a long-term view on market conditions and inflation. A significant proportion of the Fund's assets are growth assets which are expected to outperform inflation over the longer term. The pension fund completed a review of its investment strategy following the 2022 valuation.</p> <p>Recent geopolitical events at the start of 2025 may lead to inflationary pressure.</p>
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