



HILLINGDON  
LONDON



# Pensions Committee

**Date:** TUESDAY 3 JUNE 2025

**Time:** 5.00 PM

**Venue:** COMMITTEE ROOM 5 - CIVIC CENTRE

**Meeting Details:** The public and press are welcome to attend and observe the meeting.

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## To Members of the Committee:

Reeta Chamdal, (Chair)  
Kaushik Banerjee (Vice-Chair)  
Stuart Mathers  
Tony Burles  
Keith Burrows

**Published:** Thursday 22 May 2025

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# Agenda

## **CHAIRMAN'S ANNOUNCEMENTS**

- 1 Apologies for Absence
- 2 Declarations of Interest in matters coming before this meeting
- 3 Minutes of the meeting - 26 March 2025 and 8 May 2025 1 - 10
- 4 To confirm that items marked Part I will be considered in public and those marked Part II will be considered in private

## **PART I - Members, Public and Press**

- 5 Administration Report 11 - 38
- 6 Investment Strategy and Fund Manager Performance - Part I 39 - 62
- 7 Responsible Investment 63 - 70
- 8 Risk Register Report 71 - 78
- 9 Governance 79 - 100

## **PART II - Members Only**

*That the reports in Part 2 of this agenda be declared not for publication because they involve the disclosure of information in accordance with Section 100(A) and Part 1 of Schedule 12 (A) to the Local Government Act 1972 (as amended), in that they contain exempt information and that the public interest in withholding the information outweighs the public interest in disclosing it.*

- 10 Approve restricted minutes from meeting on 26 March 2025 101 - 110
- 11 Investment Part II - Strategy review and manager updates 111 - 156

|           |   |                  |
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| <b>12</b> | <b>Business Plan and Budget 25/26 &amp; Budget Update 24/25</b> | <b>157 - 170</b> |
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## Minutes

### PENSIONS COMMITTEE

26 March 2025

Meeting held at Committee Room 5 - Civic Centre



|      |  |
|------|--|
|      | <p><b>Committee Members Present:</b><br/>Councillor Reeta Chamdal (Chair),<br/>Councillor Kaushik Banerjee (Vice-Chair),<br/>Councillor Douglas Mills,<br/>Councillor Stuart Mathers and<br/>Councillor Tony Burles</p> <p><b>LBH Officers Present:</b><br/>Tunde Adekoya, Finance Manager – Pensions &amp; Governance<br/>Richard Ennis, Corporate Director of Finance and Section 151 Officer<br/>Karl Pereira, Trainee Pension Fund Accountant<br/>Vicky Trott, Equality &amp; Wellbeing Manager (virtual)<br/>Ryan Dell, Democratic Services Officer</p> <p><b>Also Present:</b><br/>Marian George, Independent Adviser<br/>Andy Lowe, Hampshire County Council (virtual)<br/>Andrew Singh, Isio (virtual)<br/>Silvia Knott-Martin, LCIV<br/>Martin Gloyne, LCIV<br/>Rodger Hackett, Chair of Pensions Board<br/>Tony Noakes, Pensions Board</p> |
| 99.  | <p><b>APOLOGIES FOR ABSENCE</b> (<i>Agenda Item 1</i>)</p> <p>None.</p>  |
| 100. | <p><b>DECLARATIONS OF INTEREST IN MATTERS COMING BEFORE THIS MEETING</b><br/>(<i>Agenda Item 2</i>)</p> <p>Councillor Douglas Mills declared a non-pecuniary interest in all agenda items as he had family members who were members of the Local Government Pension Scheme. Councillor Mills remained in the meeting during discussion of all items.</p>   |
| 101. | <p><b>MINUTES OF THE PREVIOUS MEETING</b> (<i>Agenda Item 3</i>)</p> <p><b>RESOLVED:</b> It was agreed that the minutes of the meeting on 10 December 2024 be confirmed as an accurate record.</p>   |
| 102. | <p><b>TO CONFIRM THAT ITEMS MARKED PART I WILL BE CONSIDERED IN PUBLIC AND THOSE MARKED PART II WILL BE CONSIDERED IN PRIVATE</b> (<i>Agenda Item 4</i>)</p> <p>It was confirmed that agenda items 5 – 10 would be considered in Part I and agenda items 11 – 16 would be considered in Part II.</p>   |

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| 103. | <p><b>ADMINISTRATION REPORT</b> (<i>Agenda Item 5</i>)</p> <p>Officers introduced the administration report.</p> <p>This report provided a synopsis of Hampshire's performance from September to December 2024. It was noted that Hampshire had delivered 100% performance against the targets and KPIs agreed during the onboarding process.</p> <p>Highlights included an increase in portal uptake, from 46% to 49%. Roughly 69% of pensioners had either signed up or opted out.</p> <p>On cybersecurity, an external penetration test had been completed in December 2024. Four medium and nine low vulnerabilities were identified, and these were planned to be addressed, and the Committee would be updated at the next meeting.</p> <p>Full assessment of member eligibility of the McCloud eligibility tool was being processed.</p> <p>Hillingdon was on course with implementation of a new Government pension dashboard.</p> <p>Members asked about the expected cost of the implementation of McCloud. Officers estimated that this would be roughly £1.4-1.5 million.</p> <p><b>RESOLVED: That the Pensions Committee noted the administration update</b></p>   |
| 104. | <p><b>INVESTMENT STRATEGY AND FUND MANAGER PERFORMANCE - PART I</b> (<i>Agenda Item 6</i>)</p> <p>Officers introduced the report.</p> <p>Officers updated the Committee on the performance of the fund for the three-month period from October to December 2024. The fund had returned 2.6% over the quarter, underperforming its benchmark by 0.5% (the benchmark returned 3.1%). Officers explained that despite underperforming the benchmark, the fund had not lost money.</p> <p>The current funding level was at 128%, meaning the assets exceed liabilities by 28%. It was noted that liabilities had increased but were still below the assets.</p> <p>Officers provided a summary of the fund's performance over different periods (three months, one year, three years, five years) and mentioned that since inception, the fund was marginally behind the benchmark by 0.2%.</p> <p>Officers highlighted the contribution of each fund manager to the 2.6% return, as detailed on page 26 of the performance executive summary.</p> <p>Members raised concerns about the volatility of equities and the increased equities allocation in the strategy. Officers acknowledged the concerns and noted that the fund was currently about 5% overweight in equities, with a tolerance level of <math>\pm 10\%</math>.</p> <p>On equity markets, strong performance was noted up until the US election, followed by</p> |

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|      | <p>sideways movement. While the US market was down 9% year-to-date until mid-March, Europe was up 9%. The importance of active managers in navigating market volatility was emphasised.</p> <p>It was noted that President Trump's announcements on tariffs would likely impact inflation, global trade and short term interest rates.</p> <p>The importance of the pension fund as a long-term investor and the need to get asset allocation right was emphasised.</p> <p>The sensitivity of tech stocks in the US was noted.</p> <p>The overall equity allocation for the Hillingdon fund was about middle of the range for LGPS allocations.</p> <p>On the performance of fund managers, it was noted that the growth style had struggled but started to recover.</p> <p>It was important to have a range of styles to manage volatility.</p> <p><b>RESOLVED: That the Pensions Committee noted the funding and performance update</b></p> |
| 105. | <p><b>RESPONSIBLE INVESTMENT</b> (<i>Agenda Item 7</i>)</p> <p>Officers introduced the responsible investment update.</p> <p>This report provided a summary of how fund managers had acted as responsible investors over the past three months.</p> <p>LGIM, who were passive managers, had been very active, noting over 2,000 meetings and almost 13,000 resolutions.</p> <p>Legal &amp; General had vast outreach and resources available to them.</p> <p>LCIV had also been active. LCIV engaged with 195 companies on various issues.</p> <p><b>RESOLVED: That the Pensions Committee:</b></p> <ol style="list-style-type: none"> <li><b>1. Noted the fund managers' ESG activities and compliance efforts; and</b></li> <li><b>2. Noted LCIV and LAPFF activities</b></li> </ol>  |
| 106. | <p><b>RISK REGISTER REPORT</b> (<i>Agenda Item 8</i>)</p> <p>Officers presented the pension fund risk register.</p> <p>The revised risk management policy was due for renewal every three years. The last approval was in 2019, and the current revision was for 2022. The revised policy needed Committee approval for publication.</p> <p>The risk register helped monitor all risks related to the management of the pension fund. Risks were categorised into closed risks (tolerated and not actively monitored) and open risks (actively monitored). There were 1,236 open risks, with one recently</p>   |

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|      | <p>upgraded due to a consultation on "feed for the future," which impacted LCIV's capacity to provide services.</p> <p>Members clarified that concerns about the pool were not about its current state but about readiness for future changes. The Committee had a good relationship and communication with the pool, and it's important to be prepared for upcoming regulations.</p> <p><b>RESOLVED: That the Pensions Committee:</b></p> <ol style="list-style-type: none"> <li><b>1. Approved the revised risk management policy;</b></li> <li><b>2. Considered and agreed the Risk Register in terms of the approach, the specific risks identified, and the measures being taken to mitigate those current risks; and</b></li> <li><b>3. Noted the revised format agreeing the retired risks and those which remain open</b></li> </ol>  |
| 107. | <p><b>PENSION BOARD ANNUAL REPORT 2024</b> (<i>Agenda Item 9</i>)</p> <p>The Chair of the Pensions Board presented its annual report, covering January to December 2024. The Chair of the Board had been elected to that position for a third term, for the 2024 calendar year.</p> <p>The Board met on four occasions and now had regular presentations from the Hampshire Pension Service to provide an additional layer of governance.</p> <p>Pensions Committee Members were invited to Pensions Board meetings, and it was noted that the Chair of the Committee had attended the previous Board meeting.</p> <p>During 2024, the Board has collaborated closely with officers and the Fund to ensure full compliance with the new General Code of Practise by the September 2025 deadline.</p> <p>Future work would include the Pensions Dashboard programme and improvements to data accuracy.</p> <p>Like the Committee, the Board were awaiting the outcome of Government reviews.</p> <p>The Pensions Committee, officers, advisors, and fellow board members were thanked for their cooperation and support during 2024 and also for their continued support in 2025.</p> <p>Members referred to the presentation of training for Board members and noted that it may be a good idea to start thinking in this way for the Committee.</p> <p><b>RESOLVED: That the Pensions Committee noted the annual report of the Local Pension Board for the year 2024</b></p> |
| 108. | <p><b>GOVERNANCE – COMMS, RISK MANAGEMENT, EDI, SECTION 13, GCOP UPDATE</b> (<i>Agenda Item 10</i>)</p>   |



Officers introduced the Governance report.

Officers outlined the work plan and what the Committee would focus on over the next four quarters. The training plan was also included, showing agenda items and training plans for each quarter. There had been an omission regarding Members' attendance at the LPF Conference from 04-06 December, which would be rectified.

Officers then introduced the EDI policy, a new policy compliant with the General Code of Practice effective September 2025.

The Equality & Wellbeing Manager gave a short training session on equality, diversity and inclusion, which had previously been presented to the Board. The aim of this presentation was to support the introduction of the equality, diversity and inclusion policy. It was important to understand the differences between these different terms and how they related to the functions of the Pensions fund, Committee, and Board.

Diversity related to human differences. These included sex, sexual orientation, religion, ethnicity and disability. Equality was about treating people equally and ensuring equal opportunities. Equity is treating people according to those individual needs. Inclusion was the concept of being included and thereby not excluding people. This was relevant to the Committee because the Pensions Regulator required an equality, diversity and inclusion policy. The Equality Act 2010 is an Act of Parliament that places duties specifically on public sector organisations, but also it is unlawful to discriminate against people on the grounds of protective characteristics. Related to this was diversity of thought. research shows that the more diverse people that you have in a room, this is beneficial to that group because you may have people who may bring different perspectives, different views, and different opinions.

Members noted that it was helpful that the EDI policy integrated with the corporate policy. It was also noted that the action plan was very practical.

Officers discussed the revised communication strategy, which was brought back to the Committee due to a complaint from a pensioner about not being able to receive information over the phone. The policy was amended to clearly state that specific pension figures and sensitive information will not be provided by phone. Members asked if it was necessary to add in information advising on accessible documents. The policy included provisions for various formats like Braille and large print, and agreed to review the policy with Hampshire to ensure it covers all necessary aspects. The Equalities Manager agreed to review the communications policy. The Chair noted that agreement of the communications policy would be deferred to the next meeting.

Officers presented the revised Pensions Board operating procedures, following a suggestion from the Chair of the Pensions Board. This included appointing a Vice-Chair of the Board, and updates to the membership.

Members highlighted that there had been a delay in communication with new Committee Members, which was acknowledged by officers.

**RESOLVED: That the Pensions Committee:**

- 1. Noted the dates for Pensions Committee meetings;**
- 2. Noted the Committee's work and training plans;**

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|      | <p>3. Noted the Committee's Continuous Professional Development update;</p> <p>4. Approved the draft Equality, Diversity and Inclusion Policy (EDI);</p> <p>5. Deferred approval of the revised Communications Strategy to the next meeting; and</p> <p>6. Approved the revised Pension Board Operating Procedures</p>   |
| 109. | <p><b>APPROVE RESTRICTED MINUTES FROM MEETING ON 10 DECEMBER 2024</b> (<i>Agenda Item 11</i>)</p> <p><b>RESOLVED:</b> That the Committee agreed the Part II minutes from the meeting on 10 December 2024 as an accurate record.</p>  |
| 110. | <p><b>GOVERNANCE – CYBER POLICY</b> (<i>Agenda Item 12</i>)</p> <p><i>This item was discussed as a Part II item without the press or public present as the information under discussion contained confidential or exempt information as defined by law in the Local Government (Access to Information) Act 1985. This was because it discussed 'information relating to the financial or business affairs of any particular person (including the authority holding that information)' (paragraph 3 of the schedule to the Act).</i></p> <p><b>RESOLVED:</b> That the Committee deferred the recommendation as detailed in the confidential report</p>   |
| 111. | <p><b>INVESTMENT PART II - STRATEGY REVIEW AND MANAGER UPDATES</b> (<i>Agenda Item 13</i>)</p> <p><i>This item was discussed as a Part II item without the press or public present as the information under discussion contained confidential or exempt information as defined by law in the Local Government (Access to Information) Act 1985. This was because it discussed 'information relating to the financial or business affairs of any particular person (including the authority holding that information)' (paragraph 3 of the schedule to the Act).</i></p> <p><b>RESOLVED:</b> That the Pensions Committee noted recommendations 1 and 2 as detailed in the confidential report</p> |
| 112. | <p><b>TRIENNIAL VALUATION</b> (<i>Agenda Item 14</i>)</p> <p><i>This item was discussed as a Part II item without the press or public present as the information under discussion contained confidential or exempt information as defined by law in the Local Government (Access to Information) Act 1985. This was because it discussed 'information relating to the financial or business affairs of any particular person (including the authority holding that information)' (paragraph 3 of the schedule to the Act).</i></p> <p><b>RESOLVED:</b> That the Committee noted the recommendation as detailed in the confidential report</p>  |
| 113. | <p><b>GUARANTEED MINIMUM PENSION (GMP)</b> (<i>Agenda Item 15</i>)</p>   |

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|      | <p><i>This item was discussed as a Part II item without the press or public present as the information under discussion contained confidential or exempt information as defined by law in the Local Government (Access to Information) Act 1985. This was because it discussed 'information relating to the financial or business affairs of any particular person (including the authority holding that information)' (paragraph 3 of the schedule to the Act).</i></p> <p><b>RESOLVED: That the Committee noted the recommendation as detailed in the confidential report</b></p>  |
| 114. | <p><b>BUDGET UPDATE</b> (Agenda Item 16)</p> <p><i>This item was discussed as a Part II item without the press or public present as the information under discussion contained confidential or exempt information as defined by law in the Local Government (Access to Information) Act 1985. This was because it discussed 'information relating to the financial or business affairs of any particular person (including the authority holding that information)' (paragraph 3 of the schedule to the Act).</i></p> <p><b>RESOLVED: That the Committee noted the recommendation as detailed in the confidential report</b></p> |
|      | <p>The meeting, which commenced at 5.00 pm, closed at 7.35 pm.</p>   |

These are the minutes of the above meeting. For more information on any of the resolutions please contact Ryan Dell on [democratic@hillingdon.gov.uk](mailto:democratic@hillingdon.gov.uk). Circulation of these minutes is to Councillors, Officers, the Press and Members of the Public.

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## Minutes

### PENSIONS COMMITTEE

8 May 2025

Meeting held at Council Chamber - Civic Centre,  
High Street, Uxbridge UB8 1UW



|      |  |
|------|--|
|      | <b>Committee Members Present:</b><br>Councillors Reeta Chamdal (Chair), Kaushik Banerjee (Vice-Chair), Stuart Mathers, Tony Burles and Keith Burrows                                       |
| 115. | <b>ELECTION OF CHAIR</b> ( <i>Agenda Item 1</i> )<br><br><b>RESOLVED:</b> That Councillor Reeta Chamdal be elected as Chair of the Pensions Committee for the 2025/26 municipal year.      |
| 116. | <b>ELECTION OF VICE-CHAIR</b> ( <i>Agenda Item 2</i> )<br><br><b>RESOLVED:</b> That Councillor Banerjee be elected as Vice-Chair of the Pensions Committee for the 2025/26 municipal year. |
|      | The meeting, which commenced at 8.55 pm, closed at 9.05 pm.  |

These are the minutes of the above meeting. For more information on any of the resolutions please contact Anisha Teji on [ateji@hillington.gov.uk](mailto:ateji@hillington.gov.uk). Circulation of these minutes is to Councillors, Officers, the Press and Members of the Public.

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| Pensions Administration & Performance |  | Item 5 |
|---------------------------------------|--|--------|
| <i>Committee</i>                      | Pensions Committee   |        |
| <i>Contact Officers</i>               | Tunde Adekoya – Finance  |        |
| <i>Papers with this report</i>        | Hampshire Administration Annual Report March 2025<br>CEM Benchmarking Slides - Hampshire |        |

## REASON FOR ITEM

The provision of administration services for the Hillingdon Pension Fund is delivered in partnership with Hampshire County Council (HCC) through Hampshire Pension Service (HPS) under a section 101 agreement. The agreement includes Key Performance Indicators (KPIs) which are generally consistent with national standards.

The purpose of this report is to update the Pensions Committee on pensions administration activities and the performance of the administration provider against the agreed indicators.

## RECOMMENDATIONS

1. That the Pensions Committee note the administration update

## INFORMATION

The March 2025 annual report attached provides an update on administration activities for the period 24/25. Highlights include:

- 100% delivery against performance targets. ([page 4 - partnership report](#))
- Data quality – the TPR common and conditional data scores have both increased by 3% from 89% in 2023 to 92% in 2024. ([page 7 - partnership report](#))
- 99.38% of active benefit statements and 100% of deferred benefit statements produced and published within the statutory deadline.
- Continued increase in Member Portal registrations – 50.09% of all members registered, with uptake across all membership groups. ([page 11 – partnership report](#))
- Low number of complaints in comparison to the total membership and casework processed. ([5 complaints, page 5 – partnership report](#))
- Historic leavers now reduced to 275 from original figure of 4,158 as of 1<sup>st</sup> September 2021. ([page 9 – partnership report](#))
- Regular project meetings and weekly monitoring of progress against McCloud milestones. ([pages 14 & 15 – partnership report](#))

- Ongoing development of our online services for both Members and Employers, in response to their feedback and to further encourage use of both the Portal and Hub.
- Significant work undertaken to monitor and improve Cyber Security. ([Page 16 – partnership report](#))
- Hampshire Achieved re-accreditation of Customer Service Excellence award, with 8 'compliance pluses' where expectations are exceeded.

Hampshire Pension Services participated for a second year in the CEM administration benchmarking survey which considered cost and service for 2023/24. The survey provides a comparison of their effectiveness, using various measurement metrics against peers worldwide. The results showed an increase in their service score, and they also retained their position in the high service, low-cost quadrant.

The attached CEM Benchmarking slide showed HPS as second-best administration provider amongst 16 peers in the UK and shown to be a cost effective administration service provider by being positioned in the High Service, Low cost quadrant.

## **FINANCIAL IMPLICATIONS**

Financial implications are included in the body of the report.

## **LEGAL IMPLICATIONS**

Legal implications have been included in the body of the report.



# Annual administration report

2024/2025



Working in partnership with

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## 1. Summary

- 1.1. The purpose of this report is to update the London Borough of Hillingdon with an annual summary of pension administration for 2024/25.

## 2. Background

- 2.1. Hampshire Pension Services administer the Local Government Pension Scheme (LGPS) on behalf of the London Borough of Hillingdon (LBH) with effect from 27 September 2021.
- 2.2. Hampshire Pension Services also administer the LGPS for Hampshire County Council, West Sussex County Council and Westminster City Council; the Fire Pension Schemes for both West Sussex and Hampshire & Isle of Wight, and the Police Pension Schemes for Hampshire & Isle of Wight.

## 3. Summary Review of the past 12 months

- 3.1. The past 12 months has seen continued strong performance in the delivery of pension administration for LBH; our partnership working is excellent, and relationships remain strong.
- 3.2. Particular highlights include:
  - 100% delivery against performance targets.
  - Data quality – the TPR common and conditional data scores have both increased by 3%.
  - 99.38% of active benefit statements and 100% of deferred benefit statements produced and published within the statutory deadline.
  - Continued increase in Member Portal registrations – 50.09% of all members registered, with uptake across all membership groups.
  - Low number of complaints in comparison to the total membership and casework processed.
  - Preparation work for the Pensions Dashboard connection date – to demonstrate compliance and data preparedness – has been significant and is ongoing.
  - Regular project meetings and weekly monitoring of progress against McCloud milestones.
  - Ongoing development of our online services for both Members and Employers, in response to their feedback and to further encourage use of both the Portal and Hub.
  - Significant work undertaken to monitor and improve Cyber Security.
  - Achieved re-accreditation of Customer Service Excellence award, with 8 ‘compliance pluses’ where expectations are exceeded.

## 4. Membership

- 4.1. The table below details the number of members against status for each of the Local Government pension schemes and is correct as of the date this report was prepared.

| Scheme                          | Active* | Deferred | Pensioner | Preserved Refunds** | Total         |
|---------------------------------|---------|----------|-----------|---------------------|---------------|
| <b>March 2025</b>               | 9,256   | 12,573   | 8,657     | 1,694               | <b>32,180</b> |
| <i>Membership in March 2024</i> | 9,928   | 12,026   | 8,389     | 1,599               | <b>31,942</b> |
| <b>Growth</b>                   | -6.76%  | 4.54%    | 3.19%     | 5.94%               | <b>0.74%</b>  |

\*Leavers which are waiting to be processed are included in the active membership.

\*\*The preserved refund members are included for completeness but are not counted for the purposes of reporting membership to the Pensions Regulator and MHCLG.

## 5. Administration performance

- 5.1. Hampshire Pension Services' performance against agreed service level agreements for key processes are monitored monthly. They are calculated based on the number of working days taken to complete the process and are adjusted for time that we are unable to proceed, due to requiring input from the member or third party.
- 5.2. The table below shows performance from 1<sup>st</sup> March 2025 to 31<sup>st</sup> March 2025; the performance target for all cases is 15 days (except Deferred Benefits which is 30 days, and Rejoiners which is 20 days).
- 5.3. An average number of days to complete each process is also included to demonstrate that overall, cases are completed well within the agreed service level agreements.

#### Time to Complete

| Type of Case               | 0-5 days  | 6-10 days | 11-15 days | 16-20 days | 21-30 days | 31-40 days | Total      | % completed on time | Average days taken to complete | Total Cases (previous month) | % completed on time (previous month) |
|----------------------------|-----------|-----------|------------|------------|------------|------------|------------|---------------------|--------------------------------|------------------------------|--------------------------------------|
| Active Retirement          | 9         | 5         | 1          | 0          | 0          | 0          | 15         | 100.00%             | 5                              | 17                           | 100%                                 |
| Deferred Retirement        | 11        | 15        | 0          | 0          | 0          | 0          | 26         | 100.00%             | 6                              | 31                           | 100%                                 |
| Estimates                  | 3         | 11        | 5          | 0          | 0          | 0          | 19         | 100.00%             | 8                              | 47                           | 100%                                 |
| Refunds                    | 0         | 13        | 0          | 0          | 0          | 0          | 13         | 100.00%             | 9                              | 14                           | 100%                                 |
| Deferred Benefits          | 6         | 1         | 1          | 4          | 98         | 0          | 110        | 100.00%             | 26                             | 70                           | 100%                                 |
| Interfunds & Transfers In  | 2         | 3         | 3          | 0          | 0          | 0          | 8          | 100.00%             | 8                              | 13                           | 100%                                 |
| Interfunds & Transfers Out | 1         | 5         | 16         | 0          | 0          | 0          | 22         | 100.00%             | 11                             | 20                           | 100%                                 |
| Divorce Quotes             | 1         | 2         | 4          | 0          | 0          | 0          | 7          | 100.00%             | 10                             | 5                            | 100%                                 |
| Divorce Actuals            | 0         | 0         | 0          | 0          | 0          | 0          | 0          | 100.00%             |                                | 0                            | 100%                                 |
| Rejoinders/Aggregation     | 3         | 0         | 8          | 1          | 0          | 0          | 12         | 100.00%             | 11                             | 39                           | 100%                                 |
| Deaths                     | 7         | 0         | 6          | 0          | 0          | 0          | 13         | 100.00%             | 8                              | 13                           |                                      |
| <b>GRAND TOTAL</b>         | <b>43</b> | <b>55</b> | <b>44</b>  | <b>5</b>   | <b>98</b>  | <b>0</b>   | <b>245</b> | <b>100.00%</b>      |                                | <b>269</b>                   | <b>100%</b>                          |

5.4. The table below shows performance for the last 12 months; 1 April 2024 to 31 March 2025.

#### Time to Complete

| Type of Case               | 0-5 days   | 6-10 days  | 11-15 days | 16-20 days | 21-30 days | 31-40 days | Total        | % completed on time |
|----------------------------|------------|------------|------------|------------|------------|------------|--------------|---------------------|
| Active Retirement          | 99         | 47         | 8          | 0          | 0          | 0          | 154          | 100%                |
| Deferred Retirement        | 100        | 211        | 36         | 0          | 0          | 0          | 347          | 100%                |
| Estimates                  | 61         | 205        | 113        | 0          | 0          | 0          | 379          | 100%                |
| Refunds                    | 13         | 196        | 4          | 0          | 0          | 0          | 213          | 100%                |
| Deferred Benefits          | 85         | 32         | 39         | 137        | 868        | 0          | 1,161        | 100%                |
| Interfunds & Transfers In  | 82         | 29         | 57         | 0          | 0          | 0          | 168          | 100%                |
| Interfunds & Transfers Out | 24         | 126        | 97         | 0          | 0          | 0          | 247          | 100%                |
| Divorce Quotes             | 8          | 14         | 23         | 0          | 0          | 0          | 45           | 100%                |
| Divorce Actuals            | 0          | 0          | 0          | 0          | 0          | 0          | 0            | 100%                |
| Rejoinders /Aggregations   | 40         | 21         | 98         | 56         | 0          | 0          | 215          | 100%                |
| Death Benefits             | 111        | 17         | 30         | 0          | 0          | 0          | 158          | 100%                |
| <b>GRAND TOTAL</b>         | <b>623</b> | <b>898</b> | <b>505</b> | <b>193</b> | <b>868</b> | <b>0</b>   | <b>3,087</b> | <b>100%</b>         |

### Complaints and Compliments

- 5.5. We received a total of 5 formal complaints during 2024/25 and Appendix 1 summarises the complaints and lessons learned for the year.
- 5.6. As part of the complaint resolution process, actions to prevent recurrence are considered and put in place if necessary. There were no recurring trends in the complaints received, but we have encouraged staff to escalate any concerns they have, with their line manager sooner, so action can be taken to avoid upset to the member.
- 5.7. The detail of each complaint is shared with our monthly partnership reports and discussed in the subsequent partnership meeting if necessary.
- 5.8. We received 23 compliments in 2024/25 – these commented on our customer service, communication, and positive experience of using our Portal and website.

## 6. Audit

- 6.1. The Southern Internal Audit Partnership (SIAP) provides the internal audit function for Hampshire. The following internal audits relating to pensions administration for 2024/25 have been completed:

| Audit Area  | Timing  |
|---|---|
| <b>Pension leavers</b><br>Audit of the controls to ensure accurate, prompt and complete administration of pension leavers, including the production of on-going annual benefit statements within agreed timescales, by HPS. | Substantial rating confirmed.   |
| <b>Pension starters</b><br>Review of the control framework to support appropriate, complete and prompt admission of new starters to the various pension schemes administered by HPS.  | Close of audit meeting on 24 <sup>th</sup> April – no issues raised in testing. |
| <b>Cyber Security</b><br>To provide assurance over the cyber security arrangements within HPS.  | Testing complete – awaiting close of audit meeting.                             |

| Audit Area   | Timing                        |
|--|-------------------------------|
| <b>Pensions payroll and benefit calculations</b><br>Annual review to provide assurance that Hampshire Pension Services' (HPS) systems and controls ensure that: <ul style="list-style-type: none"> <li>Lump sum and on-going pension payments are calculated correctly, are valid and paid to the correct recipients.</li> <li>All changes to on-going pensions are accurate and timely.</li> <li>Pension payroll runs are accurate, complete, timely and secure with all appropriate deductions made and paid over to the relevant bodies.</li> </ul> | Substantial rating confirmed. |

6.2. The pensions administration audits being completed in the coming financial year are as follows.

| Audit Area  | Timing      |
|---|-------------|
| <b>Member deaths</b><br>Provide assurance that any payments related to deceased members are calculated correctly and paid promptly to the correct recipient with the risk of overpayments minimised.  | Quarter 1/2 |
| <b>Pension transfers</b><br>Provide assurance that the processes and controls in place support the accuracy and timeliness of transfers in and out of the schemes administered by HPS.  | Quarter 2   |
| <b>Pensions payroll and benefit calculations</b><br>Annual review to provide assurance that HPS' systems and controls ensure that: <ul style="list-style-type: none"> <li>Lump sum and on-going pension payments are calculated correctly, are valid and paid to the correct recipients.</li> <li>All changes to on-going pensions are accurate and timely.</li> <li>Pension payroll runs are accurate, complete, timely and secure with all appropriate deductions made and paid over to the relevant bodies.</li> </ul> | Quarter 3/4 |
| <b>Cyber Security</b><br>Provide assurance over the cyber security arrangements within HPS and the UPM application. Precise scope to be determined by the outcomes of the 2024/25 audit, cyber security and UPM developments during the year.   | Quarter 4   |

## 7. Customer Service Excellence (CSE)

- 7.1. On Tuesday 21<sup>st</sup> January 2025 we completed a re-assessment of our CSE accreditation. The feedback report confirmed that we continue to meet the required CSE standards across the 57 areas assessed.
- 7.2. We were awarded 'compliance plus's against 8 areas, which shows that we are performing to a very high standard against these CSE requirements.
- We have developed customer insight about our customer groups to better understand their needs and preferences
  - We have made the consultation of customers integral to continually improving our service and we advise customers of the result and action taken
  - There is corporate commitment to putting the customer at the heart of service delivery and leaders in our organisation and actively support this and advocate for customers.
  - We empower and encourage all employees to actively promote and participate in the customer focused culture of our organisation.
  - We can demonstrate our commitment to developing and delivering customer focused services through our recruitment, training and development policies for staff.
  - We can demonstrate how customer facing staffs insights and experiences are incorporated into internal processes, policy development and service planning.
  - We make our services easily accessible to all customers through provision of a range of alternative channels.
  - We can demonstrate that we benchmark our performance against that of a similar or complementary organisations and have used that information to improve our service.

## 8. Data Improvement

- 8.1. The Employer Services team have worked hard over the last year to finalise the annual returns (current and previous years) for as many members as possible, and this plays through to the 99.64% of active benefit statements which we were able to produce in 2024.

### The Pensions Regulator (TPR) Data Scores

- 8.2. In November 2024 we confirmed the common and conditional data scores, for submission to the Pensions Regulator, as follows.

|            | Common Data Score |      | Conditional Data Score |      |
|------------|-------------------|------|------------------------|------|
| Scheme     | 2024              | 2023 | 2024                   | 2023 |
| Hillingdon | 92%               | 89%  | 92%                    | 89%  |



- 8.3. Our work over the last year through BAU casework, Annual Returns and targeted data cleansing has contributed to an improved score for both Common and Conditional data.
- 8.4. Due to the movement in membership over the last year, the scores above are not based on a like-for-like group. For example, the total membership has increased; a number of active members last year, are now deferred or pensioner members, and the data validations for each status are different. We have identified the following key themes as the biggest contributors negatively impacting the data scores achieved.

| Data type          | Data check                       | Issue   | Resolution  |
|--------------------|----------------------------------|---|---|
| <b>Common</b>      | Date Pensionable Service Started | This date is not recorded consistently across the member's record and is responsible for 1,931 (down from 2,885 last year) of the fails.  | <i>Data cleansing is ongoing, but this check is also applied to pensioner records and has no bearing on the benefits being paid so is deemed low risk.</i>  |
| <b>Common</b>      | Address status 'Lost Contact'    | This affects 504 (increased from 418 last year) members and is a theme across other schemes we administer.  | <i>An address tracing project has been completed for deferred and preserved refund members – who are the vast majority of the lost contacts. The increase in lost contacts has been caused by Target confirming that the address we held for a number of preserved refund members was no longer correct, and they were unable to confirm a current address.</i> |
| <b>Conditional</b> | 'CARE Revaluation'               | The CARE pension for a previous year is either missing, or the correct revaluation rate has not been applied. This currently impacts 394 (down from 835 last year, and 1,617 in 2022) members – a combination of active and deferred members. | <i>This will be picked up in ongoing data cleansing work and is also being resolved as part of historic leaver processing.</i>  |
| <b>Conditional</b> | 'Pre and post 88 GMP'            | The GMP details held for approximately 910 (955 last year) members is not complete.   | <i>We would expect these cases to be reduced/cleared by GMP rectification which is in hand, and a number of records will be updated in time for next year's data scoring.</i>   |

- 8.5. It is important to highlight that none of the issues above prevent us from calculating or paying a member's benefits, and as individual records are picked up by the teams for processing, they will naturally cleanse the record.

### Historic Leavers

8.6. At the point of onboarding, there were 3,840 unprocessed leavers – the date of leaving for these members was prior to 1<sup>st</sup> September 2021.

8.7. As of 1<sup>st</sup> April 2025, the unprocessed leavers position is as follows.

|  |              |
|--|--------------|
| Unprocessed Leavers transferred from Surrey, at point of onboarding. | 3,840        |
| Additional unprocessed leavers identified since onboarding           | 318          |
| <b>Total unprocessed leavers</b>                                     | <b>4,158</b> |
| Leavers processed, and records finalised by HPS                      | 3,883        |
| <i>Leavers processed in the last month*</i>                          | 36           |
| <b>Outstanding leavers to be processed</b>                           | <b>275</b>   |

\*Included in the 'Leavers processed, and records finalised by HPS'.

8.8. Details of the cases outstanding with employers have been shared previously with Seby Carvalho and Tunde Adekoya, to support with escalation to the employer/payroll provider – this support is appreciated and has helped to progress cases which have been outstanding for some time.

8.9. From 1 April 2025 we will not be charging for any further time spent on this project – due to the low number of cases outstanding and the speed at which they can be processed – although we will continue to process and finalise the leavers that we are able to.

## 9. 2024/2025 Achievements

### Performance

9.1. Throughout 2024/2025 we have maintained 100% performance for all measurable BAU work.

9.2. Each monthly pensioner payroll was run successfully and without delay.

9.3. Our Pensions Customer Support Team have received 1,788 calls for LBH members in 2024/25, of which 42 calls were abandoned by the member. This equates to an answer rate of 97.46% for 2024/25.

- 9.4. Throughout 2024/25 the average maximum call wait time was 65 seconds for LBH members - this includes abandoned calls – which demonstrates that members are not waiting for a substantial amount of time before abandoning their call.

#### 2024 Annual Returns and valuation data

- 9.5. The employer services team have worked work hard with LBH employers to finalise all 2024 Annual Returns.
- 9.6. The number of data queries sent to employers as part of the 2024 annual return process, with comparison to 2023 is summarised below.

| Queries Sent |          |         |              |                          |       |              |
|--------------|----------|---------|--------------|--------------------------|-------|--------------|
|              | Starters | Leavers | Missing Data | Additional Contributions | Other | Total        |
| <b>2024</b>  | 259      | 302     | 304          | 8                        | 358   | <b>1,231</b> |
| <b>2023</b>  | 449      | 263     | 355          | 8                        | 761   | 1,836        |

- 9.7. In total there were 1,231 queries in 2024, this represented 12.4% of active membership. This was a reduction from 2023 where 1,836 queries were raised, representing 14.67% of membership.

#### Annual Returns Employer Bench Marking

- 9.8. Following the upload of the 2024 annual returns, we completed the bench marking of employers' performance – a full report was shared in September – and subsequently wrote to employers who were rated red in one or more areas as part of the benchmarking process.
- 9.9. In total 66 employers were asked to complete a data validation exercise this year. We received declarations from 50 employers (76%) by the deadline of 15 December 2024 to confirm they had completed the exercise. 14 employers (21%) submitted a declaration after the deadline. 2 employers did not submit a declaration to confirm completion.

#### Employer Engagement

- 9.10. We continue to experience an overall positive engagement with the vast majority of Hillingdon employers.
- 9.11. In 2024/25 we ran 25 bitesize sessions – which are open to all employers, across all schemes we administer – and 892 bookings were received. There were 89 Hillingdon representatives attending.
- Employers in the LGPS, Starters and Opt Outs
  - Leavers and Retirements, including Starter, Leaver and Estimate Forms

- Pensionable Pay Workshop - Cumulative Pay (post 2014), Full Time Equivalent and Final Pay (2008 regulations)
- APC's, Absences, Paying in more, Paying in less - 50:50
- Organisation changes (Outsourcing, Mergers, Change of Payroll)
- Discretions and Disputes

10.12. We held 3 annual return workshops for Hillingdon employers in February and March 2025 – 182 individuals attended, representing 38 employers.

### Member Portal

9.12. Active, Deferred and Pensioner members of the West Sussex Local Government pension scheme have the ability to register for our Member Portal and:

- Update their personal details, death grant expression of wish, and bank details.
- Securely view annual benefit statements, payslips, P60's and all other letters generated in UPM.
- Submit a membership option form, refund claim form or retirement declaration form.
- Upload scanned documents, for example, birth certificates.
- Run voluntary retirement estimates from age 55 onwards.
- Track the progress of their retirement.

9.13. The table below shows the total number of registrations for each status as of 31 March 2025, and for comparison, as of 31 March 2024.

| Status       | Registrations to date | % of total membership | Registrations at 31/03/2024 | % of total membership |
|--------------|-----------------------|-----------------------|-----------------------------|-----------------------|
| Active       | 5,397                 | 58.31%                | 5,020                       | 50.56%                |
| Deferred     | 5,686                 | 45.22%                | 4,492                       | 37.35%                |
| Pensioner    | 4,188                 | 48.38%                | 3,554                       | 43.37%                |
| <b>TOTAL</b> | <b>15,271</b>         | <b>50.09%</b>         | <b>13,066</b>               | <b>43.06%</b>         |

9.14. In all processes and communications, we actively encourage all members to register for and use the Member Portal and continue to develop the online service to support this.

9.15. The table below summarises overall engagement with members:

| Engagement   | Active       | Deferred      | Pensioner    | Total         |
|--------------|--------------|---------------|--------------|---------------|
| Portal       | 5,397        | 5,686         | 4,188        | <b>15,271</b> |
| Opt out      | 37           | 131           | 1,888        | <b>2,056</b>  |
| No contact   | 3,822        | 6,756         | 2,581        | <b>13,159</b> |
| <b>Total</b> | <b>9,256</b> | <b>12,573</b> | <b>8,657</b> | <b>30,486</b> |

## Employer Hub

9.16. The Employer Hub allows employers to:

- View their employee's pension records and relevant documents.
- Submit changes to the member's employment which may impact their pension.
- Run reports to identify groups of members, for example those who are not registered for the Member Portal.
- Submit leaver and joiner forms, which are allocated straight to our Member Services team to process.
- Run retirement estimates, including voluntary, redundancy and ill health.

9.17. To date we have 116 LBH employers registered to use the Employer Hub. Of the 116 employers, 195 individual users have access to a Hub account.

9.18. Those employers who are not yet registered are responsible for a low proportion of the overall scheme membership; although we continue to encourage them to register, the impact of them not using the Employer Hub is minimal.

## Annual Benefit Statements and Pensions Savings Statements

9.19. A significant amount of work has been carried out to ensure that as many active and deferred LBH members received a benefit statement in 2024, and the final position was as follows.

| <b>Membership Status</b> | <b>Number of Members without a Benefit Statement</b> | <b>Percentage of Members in receipt of a Benefit Statement</b> | <b>Percentage of Members in receipt of a Benefit Statement by 31<sup>st</sup> August 2024</b> |
|--------------------------|--|--|---|
| <b>Active</b>            | 35   | 99.64%   | 99.38%  |
| <b>Deferred</b>          | 0  | 100.00%  | 100.00%   |

9.20. In summary, we were unable to produce a benefit statement due to missing earnings for either the current (2024) or a previous year.

9.21. Pensions Savings Statements (PSS) were issued to 3 members who had exceeded the £60,000 annual allowance in 2023/24, by the statutory deadline of 6 October 2024.

## Overseas Pensioners – Liveness check

9.22. In December 2024 we wrote to all overseas pensioners, and for the first time offered them two methods of confirming that their pension should continue to be paid – an online identification and verification (ID&V) check, or completion of the paper-based life certificate.

- 9.23. Overall, 30% of overseas pensioners were successful in using the online ID&V process, with the majority choosing to complete and return the paper-based life certificate – as a first attempt at using biometric based technology, this was a real success, and we received positive feedback from a number of pensioners.
- 9.24. In 2025 we will be reviewing how we can further encourage overseas pensioners to utilise the ID&V method but must still consider that an alternative will be required to support those without access to a suitable device or the internet.
- 9.25. On 31<sup>st</sup> March 2025, there were 7 overseas pensioners who had not contacted us by any method and therefore their pensions have been suspended.

## 10. Software Development

- 10.1. In Appendix 2 we have captured all significant software developments in 2024/25.
- 10.2. With consideration to other priorities next year – McCloud and Pensions Dashboards – and feedback received throughout the last year, the proposed software development plan for 2025/26 will include the following.
- Implementation of automated GOV.UK notifications in additional processes – this has already been adopted in our retirement processes but will be expanded to include other processes where a notification is currently emailed or printed/posted to the member.
  - Member Portal Work Trays – allowing members to save their progress when completing an online form, for example the retirement declaration and membership option forms.
  - Google Analytics – this will allow us to monitor the use of both the Portal and Hub in greater detail and highlight where we should make improvements, to increase usage.
  - Enhanced SSRS reporting/dashboard for Employer Hub – giving employers better sight of data quality, and the ability to monitor if they have notified us of all new joiners and leavers, for example.
  - Ability to start a My Message thread from internal processes – members will be notified by email, that they have a My Message from Hampshire Pension Services, which requires a response.
  - Upload of supporting documents as part of the leaver form submission on the Employer Hub e.g. ill health certificates or employer initiated retirement authorisation forms (EIRA).
- 10.3. We will also be piloting the Monthly Returns process with select employers – who have experience of Civica/UPM monthly returns with other LGPS administrators – from April 2025

and based on the success of this pilot and feedback received from employers and staff, will consider rolling this out to a wider group.

## 11. McCloud

- 11.1. In October 2024 we shared a high level milestones roadmap and the current position for each milestone can be found in Appendix 3.
- 11.2. Over the last year, we have put considerable effort in to ensuring the eligibility of members – in scope, maybe in scope, not in scope – has been calculated and recorded in UPM accurately, to ensure underpin calculations are being applied where required. This is summarised in the tables below.

| Hillingdon            | Active | Deferred | Pensioner | Deceased | Transfer Out | Full Commutation |
|-----------------------|--------|----------|-----------|----------|--------------|------------------|
| <b>In Scope</b>       | 2,108  | 2,415    | 1,698     | 161      | 566          | 42               |
| <b>Maybe In Scope</b> | 3,547  | 4,918    | 419       | 78       | 1,519        | 383              |
| <b>Not in Scope</b>   | 3,042  | 5,499    | 5,295     | 5,739    | 327          | 6,276            |

|                       | Total  | % of Total Membership |
|-----------------------|--------|-----------------------|
| <b>In Scope</b>       | 6,990  | 15.87%                |
| <b>Maybe In Scope</b> | 10,864 | 24.67%                |
| <b>Not in Scope</b>   | 26,178 | 59.45%                |

- 11.3. Of those members who are in scope, we have identified that a number have unverified service – the table below has been updated since last month’s report, following further review and analysis of the records.

|                                 | Active | Deferred | Pensioner | Deceased | Transfer Out | Full Commutation | Total        |
|---------------------------------|--------|----------|-----------|----------|--------------|------------------|--------------|
| <b>Hillingdon LG (In Scope)</b> | 90     | 1,286    | 698       | 56       | 345          | 15               | <b>2,490</b> |

- 11.4. In Appendix 4 we have set out our suggested approach to the members who have unverified service.
- 11.5. To calculate the underpin on a bulk basis for all of the members who are in scope, and include the required figures in benefit statements, we require a software update, which is officially due for delivery at the beginning of June 2025.
- 11.6. We have received a ‘pre-release’ version of this software in the last week, with a view to highlighting any data issues which may prevent the bulk underpin calculation from running, so we can attempt to resolve these ahead of the full delivery being received in June. Once

the full delivery is received, further testing will be required, and we expect to be in a position to start running the bulk calculation and producing benefit statements, from early July.

- 11.7. It is important to note that as less than 20% of the membership require the underpin calculation, we have split all of our benefit statement processes and statement templates, so statements can be produced for the 80% who maybe or are not in scope, starting in May.
- 11.8. Our intention is to meet the benefit statement statutory deadline for all members, and we have prepared ourselves and the system to the best of our ability, to achieve this, but we will keep all Partners informed of progress, once the full software update has been received.
- 11.9. The underpin calculation has been calculated for all members in scope, as they leave the scheme, and to date 8 deferred members have a provisional underpin payable at retirement, and 10 pensioners have a final underpin amount which has been included in the payment of their pension benefits.

## 12. Pensions Dashboards Program (PDP)

### Preparation for onboarding

- 12.1. Over the last year, we have attended all dashboard related webinars, hosted by the PDP and/or the Pensions Regulator to ensure we are fully informed of progress and what is expected of administrators.
- 12.2. An updated PDP report was shared with Partners in October 2024, accompanied by the Pension Regulator's preparedness checklist and our initial data matching policy.
- 12.3. We have chosen the 'single source' connection route for all AVC providers, for consistency in our record keeping and to ensure that it is clear to member's the AVC fund is attached to their LGPS benefits – we are working with Civica and AVC providers to agree a standard file format for sharing data with us, so this can be uploaded regularly to UPM.
- 12.4. We have also been working with AVC providers to reconcile the data that both we and they hold in respect of members with an AVC fund – this exercise has highlighted orphan AVC's for some schemes and we will be writing to members to explain what their options are. Most are pensioners or have transferred to another LGPS, so are not in scope of the PDP under the schemes we administer.
- 12.5. There are very few active and deferred members with temporary national insurance numbers, and we are currently reviewing each record, to determine whether any existing documents hold their permanent national insurance numbers; whether they need address tracing; or we can contact the individual or their employer to request this information.



### Integrated Service Provider (ISP)

- 12.6. We appointed Civica as our ISP in 2022 and have since attended a number of online sessions, hosted by Civica, to discuss and understand how their ISP software will work, with regard to connection to the dashboard; data requirements; internal processes for partial matches and missing data; and reporting standards.
- 12.7. Civica have been working with the PDP to receive sign-off as an ISP for some time – there are a number of stages to the onboarding process, and until recently, the PDP have been focussing their attention on 3 early volunteer ISP's which did not include Civica. Understandably, considering this is a new national initiative and high risk, it has taken the PDP longer than was first planned to complete the onboarding of all ISP's.
- 12.8. We have previously, and again recently, raised our concerns with the PDP about our ability to meet the connection date set out in guidance, considering our ISP is still waiting to complete their onboarding and approval – Chris Curry, the PDP principal has acknowledged our email and agreed that the PDP need to acknowledge this more formally.
- 12.9. Despite this, Civica have completed half of the ISP onboarding steps, and have not experienced any issues or received feedback that suggests their software is not compliant or fit for purpose.
- 12.10. We are expecting Civica will be in a position to deliver the infrastructure of the ISP software to us in May 2025, and a second delivery will be required once they have received approval from the PDP, to configure the software to our requirements, around data matching, for example.

## 13. Cyber Security

- 13.1. In December 2024, we shared our latest Cyber Compliance statement with all Partners. The statement is reviewed annually in December.
- 13.2. External penetration testing was completed in both June 2024 – by Intertek – and in December 2024 by a new company, Sapphire who are an approved supplier available on the same framework as previous security companies we have used.
- 13.3. As it stands, there are no outstanding high vulnerabilities, and the outcome of the December 2024 testing was the most positive, with the lowest number of vulnerabilities reported since we began testing the security of UPM, the Member Portal and Employer Hub.

## 14. CEM Benchmarking

- 14.1. HPS participated for a second year in the CEM administration benchmarking survey which considered cost and service for 2023/24. The results showed an increase in our service score, and we retained our position in the high service, low cost quadrant.
- 14.2. We will use the CEM analysis to inform further service improvements such as:
- continuing to reduce the number of lost contacts over NPA
  - expanding our webinars to increase member contact
  - conducting more targeted surveys i.e. following a phone call or to a new joiner.

There are other areas where we could improve our service score, but we do not feel are current priorities. We are more risk adverse than peers in terms of providing information by telephone. Other Funds staff their phone teams with their more experienced staff and consequently are prepared to conduct more administration over the phone. We also do not have a social media presence partly because we are not sure how we would keep it relevant and engaging. We will keep these under consideration for the future.

- 14.3. Further details of the 2023/24 benchmarking exercise were shared in the administration report for February 2025.

## 15. GMP Rectification

- 15.1. The GMP Rectification project was a significant piece of work, which has now been completed for all pensioners.
- 15.2. Intellica completed the GMP rectification calculations towards the end of 2024, and following a request in December 2024 from the LBH pension board to implement the pension changes ahead of 2025 pensions increase being applied, we subsequently uploaded the amendments (and arrears payments where applicable) to the relevant pensioner records in UPM, to be effective from March 2025.
- 15.3. This was followed by the issuing of letters to two groups – those who were receiving an increase in pension and an arrears payment; and those who would see a decrease in their pension.
- 15.4. Once individuals began receiving their letters, we received a small number of queries, and following our investigation into those queries we were unable to replicate the rectification results. We realised that the GMP value provided was not the value of GMP at the effective date. Instead Mercer (who carried out the GMP reconciliation) had given a 2020 GMP value but provided the member's state pension age date. This mismatch meant that Intellica's calculations were based on an incorrect starting point.

- 15.5. Having identified the underlying issue, our payroll team worked incredibly hard in a short amount of time to ensure that the original rectification was recalculated and revised letters could be sent to each pensioner, in time for March 2025 as had been originally agreed with the LBH pension board.

## 16. Looking ahead to 2025/26

- 16.1. The timeline of key events for the 2025-year end is captured below.

| Completed         | Task   |
|-------------------|--|
| 14/03/2025        | 2025 Pensions Increase to be applied to all <b>advance</b> pensions in payment.  |
| 31/03/2025        | Annual Return requests and templates sent to Employers.  |
| 16/04/2025        | 2025 Pensions Increase to be applied to all <b>arrears</b> pensions in payment.  |
| Feb to April 2025 | Online employer annual return webinars and clinics   |
| 30/04/2025        | Annual return deadline for Employers   |
| March to May 2025 | Pensioner Mailings (including April/May payslips, P60's and newsletter)  |
| 31/05/2025        | 2025 Pensions increase applied to all <b>deferred</b> benefit members.   |
| 30/06/2025        | Employer Services to complete upload of Annual Returns (AR); assuming all data received from, and queries answered by employers. |
| 30/06/2025        | CARE pension revaluation for Active members (to be run per employer, after AR upload)  |
| 15/07/2025        | Valuation extracts produced and uploaded to Hyman's portal.  |
| 31/08/2025        | Deferred Benefit Statements (DBS) to be produced, including the underpin for those 'in scope' for McCloud.                       |
| 31/08/2025        | Supplementary Pensions Increase calculated and lump sums paid.   |
| 31/08/2025        | Active Benefit Statements (ABS) to be produced, including the underpin for those 'in scope' for McCloud.                         |
| 05/10/2025        | Latest date Pensions Savings Statements sent – will be produced for each employer as ABS have been completed.                    |

| Completed  | Task   |
|------------|--|
| 31/10/2025 | Latest date e-comms sent to members with benefit statement available on Member Portal. |
| 31/10/2025 | Pensions Dashboard connection date for all Public Sector pension schemes               |
| 30/11/2025 | Life Certificates issued to Overseas Pensioners.                                       |
| 30/11/2025 | TPR Scheme Return  |
| 30/11/2025 | Active and Deferred member newsletters.  |

16.2. Partnership, Pensions Committee and Pension Fund Advisory Board meetings are scheduled for the following dates:

| Date                            | Event                      |
|---------------------------------|----------------------------|
| 26 <sup>th</sup> March 2025     | Pensions Committee         |
| 9 <sup>th</sup> April 2025      | Pensions Board             |
| 13 <sup>th</sup> May 2025       | Annual Partnership Meeting |
| 3 <sup>rd</sup> June 2025       | Pensions Committee         |
| 9 <sup>th</sup> July 2025       | Pensions Board             |
| 15 <sup>th</sup> July 2025      | Partnership Meeting        |
| 16 <sup>th</sup> September 2025 | Partnership Meeting        |
| 24 <sup>th</sup> September 2025 | Pensions Committee         |
| 5 <sup>th</sup> November 2025   | Pensions Board             |

| <b>Date</b>                    | <b>Event</b>        |
|--------------------------------|---------------------|
| 18 <sup>th</sup> November 2025 | Partnership Meeting |
| 9 <sup>th</sup> December 2025  | Pensions Committee  |
| 4 <sup>th</sup> February 2026  | Pensions Board      |
| 24 <sup>th</sup> March 2026    | Pensions Committee  |

16.3. Partnership/administration update meetings will take place in 2026, but are not yet diarised.

## 17. Administration Budget

- 17.1. The 2024/25 local government pay award was agreed in November 2024. The cost of the award is approximately £2,500 per FTE, representing an additional £24,000 on anticipated BAU staffing costs and just over £1,000 on the McCloud project team. No change has been made to the monthly charge for the team carrying out the historic leaver work which remains at £10,750 per month. This charge will be increased from 1 April 2025 to £11,250 a month to take account of the pay award.
- 17.2. The historic leavers project was paused at the end of October 2024 to allow information to come in from Dataplan. The project resumed in January 2025 to keep pace with the rate at which queries are coming through. A charge equal to half the team cost will be made for January – March 2025. The budget in the table therefore shows the cost equal to 8.5 months work in 2024/25. No allowance has yet been made for the data cleansing project in 2025/26 to allow for an assessment of the position to be made with LBH in April 2025.
- 17.3. Due to the overall delay in the Pension Dashboard project, the contribution to the overall software and resource requirement will start from 2025/26. As with the McCloud project, the team charge will increase in line with staff pay awards and the software cost in line with inflation. The required resource will be reviewed once the dashboard is live to members and the impact on BAU resources can be assessed.  
The charge for the ISP software (connecting UPM to the dashboard) was incurred in 2023/24 even though implementation took place in 2024/25.
- 17.4. The cost of the GMP rectification exercise was estimated to be £42,000, of which £23,639 was spent in 2023/24. The remainder has been spent in 2024/25 with the completion of the project by the end of March 2025.
- 17.5. The budget for BAU administration is rolled forward from the original amount agreed in the OBC. Paragraph 14.3.2 of the OBC states that staffing costs are uplifted in line with step progressions and any pay awards; other budgets are increased in line with the previous September's CPI. CPI in September 2024 was 1.7% and this has been applied to the non pay budgets.
- 17.6. The table below shows the revised costs for 2024/25 and sets out the administration budget for 2025/26 and 2026/27. The forward budget for 2026/27 assumes a rate of 2% on non pay budgets.

| Budget headings                             | 2024/25<br>(pre 24/25 pay<br>award) | 2024/25 revised for pay award<br>and data cleansing project<br>pause | 2025/26<br>(pre pay award) | 2026/27<br>(pre pay award) |
|---|-------------------------------------|--|----------------------------|----------------------------|
| Staff                                       | 527,000                             | 551,000  | 551,000                    | 551,000                    |
| Non pay (inc contribution to overheads)     | 70,000                              | 70,000   | 71,500                     | 73,000                     |
| UPM software licence and annual maintenance | 67,000                              | 67,000   | 68,000                     | 68,000                     |
| Contribution to future software development | 12,000                              | 12,000   | 12,000                     | 12,000                     |
| <b>BAU total</b>                            | <b>676,000</b>                      | <b>700,000</b>   | <b>702,500</b>             | <b>704,000</b>             |
| McCloud - project team                      | 16,315                              | 17,398   | 17,398                     | 0                          |
| McCloud - software costs                    | 647                                 | 647  | 680                        | 0                          |
| <b>McCloud total</b>                        | <b>16,963</b>                       | <b>18,046</b>  | <b>18,078</b>              | <b>0</b>                   |
| <b>Historic leaver processing total</b>     | <b>129,000</b>                      | <b>91,375</b>  | <b>0</b>                   | <b>0</b>                   |
| PDP - software costs                        | 0                                   | 0  | 8,446                      | 8,868                      |
| PDP - contribution to resource              | 0                                   | 0  | 7,000                      | 7,000                      |
| <b>PDP total</b>                            | <b>0</b>                            | <b>0</b>   | <b>15,446</b>              | <b>15,868</b>              |
| <b>GMP rectification total</b>              | <b>18,361</b>                       | <b>18,361</b>  | <b>0</b>                   | <b>0</b>                   |
| <b>Grand total</b>                          | <b>840,324</b>                      | <b>827,782</b>   | <b>736,024</b>             | <b>719,868</b>             |





## Administration benchmarking



CEM work with over 400 funds worldwide



Comparison of cost and service across peer group schemes



HPS have participated for two years



Data and analysis are based on HPS service to all partners

## Peer group



Peer group for Hampshire County Council<sup>1</sup>

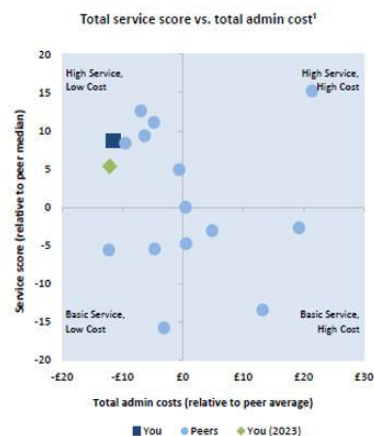
| #       | Scheme  | # of members |          |            |         | % active | Administration model  |
|---------|---|--------------|----------|------------|---------|----------|-----------------------|
|         |   | Active       | Deferred | Pensioners | Total   |          |                       |
| 1       | Greater Manchester Pension Fund               | 121,543      | 153,135  | 143,283    | 417,961 | 29%      | In-house              |
| 2       | Hampshire Pension Services                    | 109,365      | 146,611  | 97,390     | 353,366 | 31%      | In-house              |
| 3       | Kent Pension Fund                             | 53,192       | 65,925   | 48,411     | 167,528 | 32%      | In-house              |
| 4       | Lothian Pension Fund                          | 36,838       | 20,647   | 36,559     | 94,044  | 39%      | In-house              |
| 5       | LPP (Local Pensions Partnership) <sup>2</sup> | 202,210      | 244,843  | 213,484    | 660,537 | 31%      | In-house              |
| 6       | Merseyside Pension Fund                       | 48,998       | 43,429   | 56,713     | 149,140 | 33%      | In-house              |
| 7       | Royal Mail Pension Plan                       | 66,535       | 20,206   | 53,096     | 139,837 | 48%      | In-house              |
| 8       | RailPen (Railway Pension Scheme) <sup>2</sup> | 102,592      | 113,469  | 150,499    | 366,560 | 28%      | In-house              |
| 9       | South Yorkshire Pension Fund                  | 52,763       | 62,012   | 61,662     | 176,437 | 30%      | In-house              |
| 10      | SPPA (Scottish Public Pensions Agency)        | 305,315      | 84,595   | 194,037    | 583,947 | 52%      | In-house              |
| 11      | Surrey County Council                         | 35,496       | 45,221   | 30,337     | 111,054 | 32%      | In-house              |
| 12      | Tyne and Wear Pension Fund                    | 61,508       | 51,069   | 67,257     | 179,834 | 34%      | In-house              |
| 13      | USS (Universities Superannuation Scheme)      | 223,229      | 220,506  | 100,042    | 543,777 | 41%      | In-house              |
| 14      | West Midlands Pension Fund                    | 113,854      | 115,662  | 115,725    | 345,241 | 33%      | In-house              |
| 15      | West Yorkshire Pension Fund                   | 110,704      | 87,284   | 108,631    | 306,619 | 36%      | In-house              |
| Average |   | 109,609      | 98,308   | 98,475     | 306,392 | 35%      | 15 out of 15 in-house |
| Median  |   | 102,592      | 84,595   | 97,390     | 306,619 | 33%      |                       |

- Compared with 14 other public sector or quasi public sector schemes
- 10 LGPS schemes
- Adjusted averages to allow for variations in membership

## Cost effectiveness



- Positioned in the High service, Low cost quadrant
- Total service score 66/100 (peer median 58)
- Total member cost £11.56 below the peer average



## Highlights



### Casework

#### Quick end to end transaction times

- 81% of pensions for actives set up within a month receiving their last salary payment
- 95% of pensions for deferreds set up within a month of request
- Payment of death grants within 8 weeks
- Set up of beneficiaries pensions within 5 weeks
- Estimates and transfers processed quicker than peers

### Calls

#### Low call abandonment rate

- 2.4% abandonment compared with 8.1% for peers
- 94% calls resolved on first contact
- Responses to calls reviewed twice as often as peers
- Improved waiting time despite reducing opening hours

### Online services

#### Greater use of Member Portal than peers

- More registered users
- Secure website accessed more often
- Good range of functionality

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## INVESTMENT STRATEGY and FUND MANAGER PERFORMANCE (Part I)

ITEM 6

Committee

Pensions Committee

Officer Reporting

Babatunde Adekoya, Finance

Papers with this report

LCIV Executive Summary 31 March 2025  
Hymans Interim Valuation Report 31 March 2025  
NT performance report on shared drive  
LCIV Performance reporting on shared drive

## HEADLINES

The Fund officers and LCIV team have worked collaboratively to produce 'easy to digest', dashboard executive summary which draws out highlights of the performance and funding position as well as providing an easy access format for additional investment related information and statistics.

Attached is the report for quarter ending 31 March 2025 for review and comment.

## RECOMMENDATIONS

It is recommended that Pensions Committee:

1. Note the funding and performance update.

## FINANCIAL IMPLICATIONS

The financial implications are contained within the body of the report.  
The executive summary report is provided by LCIV without charge.

## LEGAL IMPLICATIONS

There are no legal implications in the report.

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# Quarterly Executive Summary

31 December 2024 - 31 March 2025

## 1 Funding and Liabilities

**128%**  
The Funding level remained unchanged this quarter

**£1.08bn**  
The liabilities decreased by £(10)m over the quarter.

Source: Hymans actuarial data.

## 2 Pension Assets

**1.40bn**  
market value this quarter.

**(1.36)%**  
decrease in market value this quarter

Source: Northern Trust custody data

## 3 Investment Performance

**(1.4)%**  
The Fund returned (1.4)% this quarter.

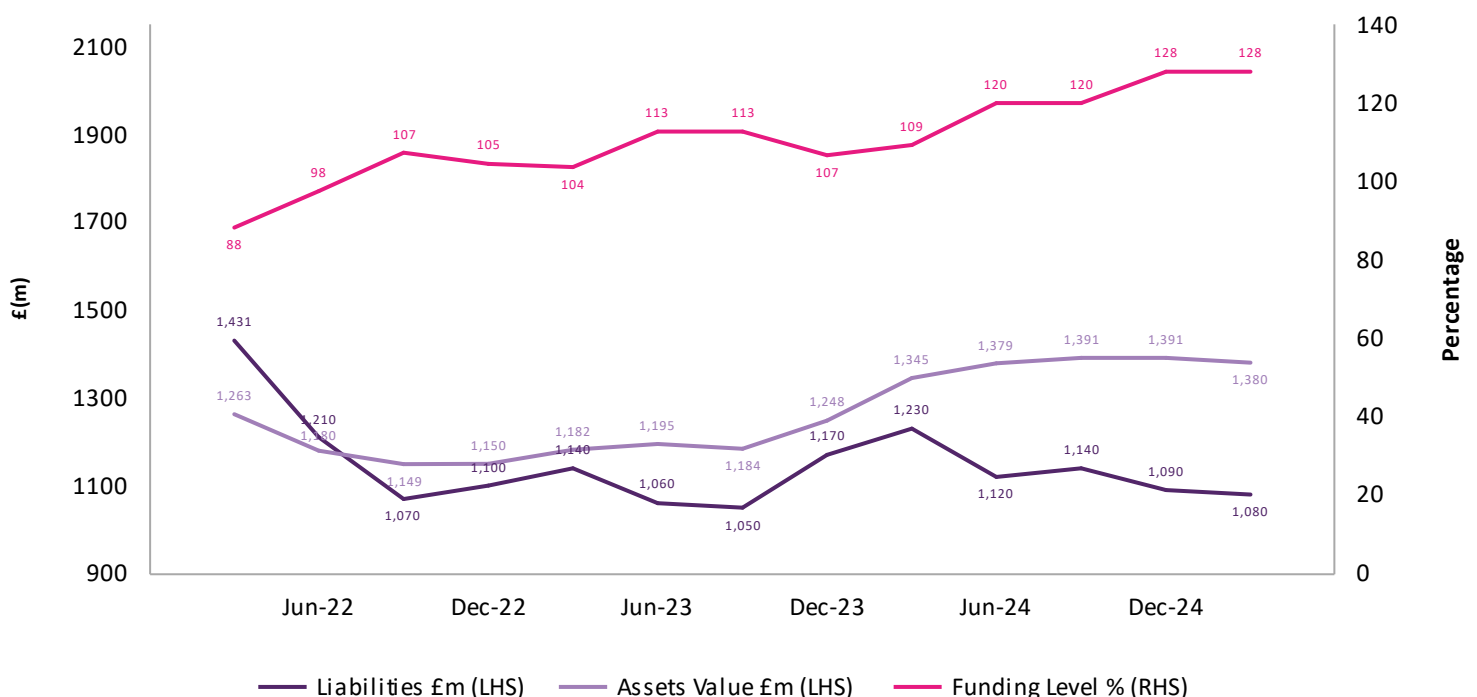
**0.3%**  
The Fund underperformed its benchmark by 0.3% this quarter

Source: Northern Trust custody data

| Assumptions to calculate liabilities  | 31 Mar 2022 | 31 Mar 2025 |
|---|-------------|-------------|
| <b>Funding Level (%)</b>  | 88          | 128         |
| <b>Deficit/Surplus (£m)</b>   | (171)       | 300         |
| <b>Funding basis</b>  | Ongoing     | Ongoing     |
| <b>Discount rate (%p.a.)</b>  | 4.1         | 6.3         |
| <b>Pension increases (%p.a.)</b>  | 2.7         | 2.3         |
| <ul style="list-style-type: none"> <li>Salary increases are assumed to be 0.5% above pension increases, plus an additional promotional salary scale.</li> <li>Discount rate methodology: Expected returns on the entire strategy over 20 years with a 70% likelihood.</li> <li>Pension increase methodology: Expected CPI inflation over 20 years with a 50% likelihood.</li> </ul> |             |             |

## Funding Level By Progression

Source: Hymans actuarial data.



Source: Hymans actuarial data.

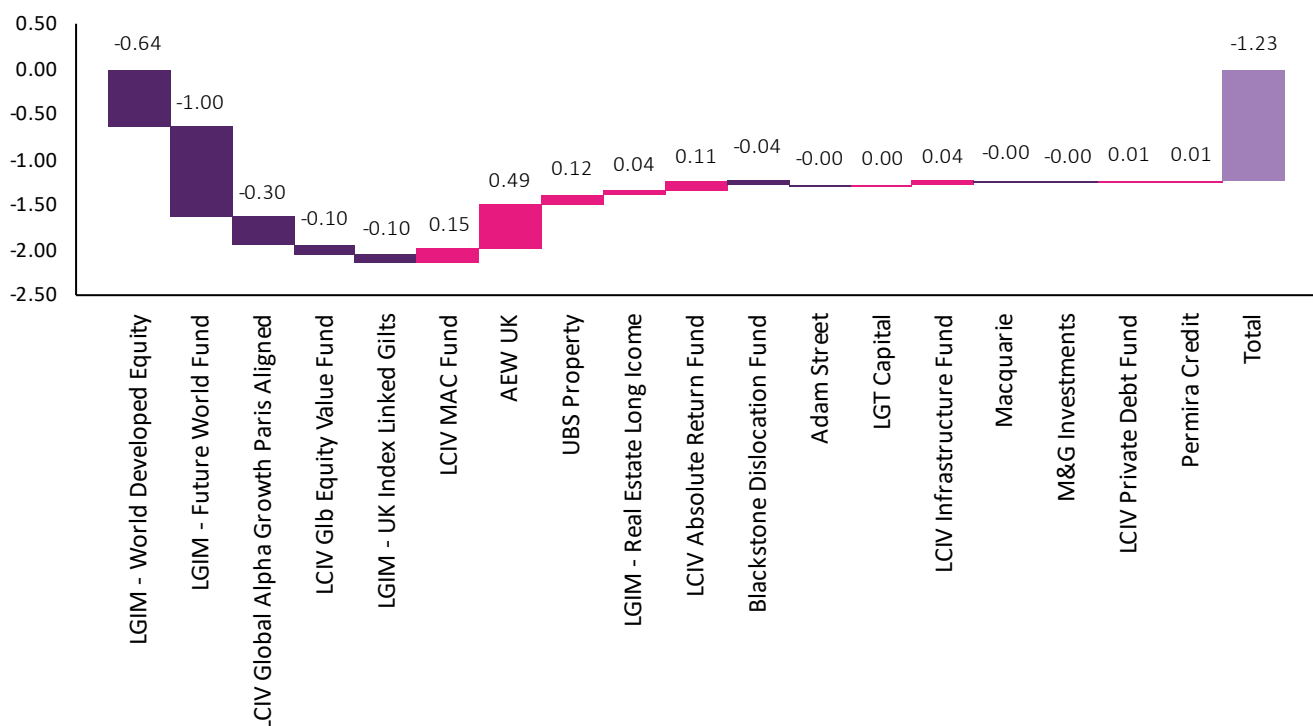
## Performance: Total Fund vs Benchmark



Source: Northern Trust custody data as of 31 March 2025.

Returns are gross of fees and annualised for periods greater than 1 year.

## Manager Contribution to Total Return - Q1 2025



Source: Northern Trust custody data as of 31 March 2025.

Returns are gross of fees.

## Commentary

### Market Update – Q1 2025

The strong momentum in equity markets after the U.S. Presidential election carried over into 2025. The MSCI World Index gained 4.4% in Sterling terms in January, and the 12 month return for the Index stood at 24.4% at the end of the month. One encouraging development in the equity markets in January was the improved performance of regions and sectors which had lagged the U.S., and big American technology companies, in 2024. This set the stage for a period of more balanced performance across equity markets, and a more constructive environment for active stock pickers.

Sentiment in the bond markets was also positive at the start of 2025 after a period of weakness in Q4 2024 when investors moderated their expectations for cuts in interest rates. Yields on government bonds were stable and investment grade and high yield corporate and asset-backed debt continued to generate steady returns.

The tone in equity markets shifted late in January when DeepSeek revealed an advanced AI model which was developed at a fraction of the cost of leading Western models. This put into question the earnings outlook for Nvidia and other highly valued companies in the semiconductor supply chain, and companies which are investing heavily in technology infrastructure.

Concerns then spread more widely as the outlook for economic growth became clouded, partly because of the drive to widen the scope of tariffs on exports to the U.S. Geopolitical events were also significant. European governments were not able to prevent the U.S. from suspending military aid to the Ukraine, and the fragility of the ceasefire in Gaza came sharply into focus.

### Equity

Global equity markets dropped in February (-2%), with some of the most extended areas, such as U.S. large cap technology stocks, suffering the brunt of the selling. On a positive note, European stocks made gains, boosted by plans to increase government spending and the expectation that the European Central Bank would continue to reduce interest rates.

The trend continued in March. By the 13<sup>th</sup> of the month, the S&P 500 Index was down more than 10% (in U.S. Dollar

terms) from the peak earlier in the year, and the NASDAQ Composite Index had dropped more than 13% from its peak. U.S. markets started to recover in the second half of March but then lurched down again after the U.S. government imposed tariffs of 25% on automotive imports. At about the same time, an important gauge of inflation in the U.S. increased more than expected and evidence increased that policy action was having a negative impact on consumer spending, hiring and business investment.

The end result was a loss of 4.7% for the MSCI World Index (in Sterling terms) in the first quarter. The MSCI World Value Index outperformed the Growth index by about 12% in Q1 and was ahead over one year. This is a big swing in a short period of time.

The big swings in the leadership of global equity markets are reflected in the performance of the actively managed LCIV Sub-funds. The strongest performance relative to benchmark indices was achieved by Sub-funds which follow a 'value' style of investing, including the LCIV Global Equity Value Fund and/or which target companies displaying 'quality' characteristics.

Sub-funds which favour companies which are expected to achieve superior rates of growth in earnings, and which are usually valued at a premium to the market, including the LCIV Global Alpha Growth Paris Aligned Fund performed poorly relative to their benchmark indices but declined less than 'Growth' variants of the indices.

### Fixed Income

Global bond markets were also down in March. Commitments made by European governments to boost defence spending, when their fiscal positions are already stretched, caused concerns. Yields on Bunds issued by the German government increased sharply, and Gilts also weakened in the period leading up to the Chancellor's Spring statement. Investors in UK debt have become more concerned about the outlook for government finances and the expected volume of issuance of Gilts.

For the quarter as a whole, the Bloomberg Global Aggregate Bond Index gained 1.2% in Sterling terms, reflecting good performance earlier in 2025 when inflation data supported expectations for cuts in interest rates.

The Credit version of the Bloomberg index was up 1.6% in Q1. Spreads, which are an important gauge of risk in the credit markets, are low by historic standards because the health of corporate balance sheets is perceived to be strong enough to contain the risk of widespread downgrades in credit ratings and defaults. Spreads on investment grade debt widened slightly in the first quarter, but the move was bigger in the sub-investment grade debt markets and the Bloomberg Global High Yield Index (+1.3%) underperformed by a small margin.

LCIV MAC Fund captures exposure to a full range of opportunities in the global debt markets. The Sub-fund benefitted from lower yields on reference bonds, which offset some of the weakness in high yield debt. The Sub-fund gained 1.6% in the first quarter, 0.6% less than its absolute return target of SONIA (30 day compounded) + 4.5%. The flow of interest income from the LCIV MAC Fund has not changed significantly – this Sub-fund continues to generate high levels of cash income.

### Multi-Asset

The power of diversification and patience was illustrated by the LCIV Absolute Return Fund in the first quarter. The Sub-fund gained 3.9% when the MSCI World Index declined by 4.7%. Holdings in 'old economy' and value stocks, gold and derivatives positions which made money when equity markets fell were the main sources of profits.

### Investment Manager Monitoring

In Q1, we completed our review of the LCIV Absolute Return Fund. We used this review to challenge our view of the investment manager's processes and the strength of their decision-making and risk management teams. We concluded that the investment team is capable and well resourced, and that sufficient care is being taken to bring alternative perspectives into the processes which the Sub-fund is built on. We do not believe that the investment manager is complacent or that their ability to generate value-adding ideas is impaired.

The Sub-fund is rated '2' for Skills and '4' for Value. We have highlighted a number of monitoring points, including the weak trend in assets under management at the investment manager. We will complete another in-depth review in September 2025.

In Q2, we will complete in-depth reviews of the LCIV Global Alpha Growth Paris Aligned Fund managed by Baillie Gifford and the LCIV MAC Fund managed by CQS and PIMCO.

### "Liberation Day" and the aftermath

The economic and investment landscape changed dramatically on the 2<sup>nd</sup> of April 2025 when President Trump announced a radical overhaul of trade policy which could have ramifications on economies and markets for years to come.

We shared our initial observations with Partner Funds on the 4<sup>th</sup> of April. Alexander Chartres, Fund Manager at investment manager Ruffer, joined London CIV on the 8<sup>th</sup> of April to share his perspectives on Trump's tariffs and "Liberation Day". This Coffee with the CIV event was recorded. Please reach out to your Client Relations Manager or email [clientservice@londonciv.org.uk](mailto:clientservice@londonciv.org.uk) if you would like to receive a copy of our communication or a link to a recording of the event.



# Manager Performance

| Asset Class / Fund Name                     | Weight      | 3 Months (%) |           | 1 Year (%) |           | 3 Years p.a. (%) |           | Since Inception p.a. (%) |           |                |
|---|-------------|--------------|-----------|------------|-----------|------------------|-----------|--------------------------|-----------|----------------|
|   |             | Fund         | Benchmark | Fund       | Benchmark | Fund             | Benchmark | Fund                     | Benchmark | Inception Date |
| <b>Global Equities</b>                      | <b>54.7</b> |              |           |            |           |                  |           |                          |           |                |
| LGIM - Global Equities                      | 22.8        | (2.8)        | (2.8)     | 6.3        | 7.1       | 7.8              | 8.1       | 9.1                      | 9.3       | 31 Oct 2016    |
| LGIM - Future World Fund                    | 22.6        | (4.5)        | (4.5)     | 5.3        | 5.0       | 8.2              | 7.9       | 9.5                      | 9.3       | 23 Sep 2020    |
| LCIV Global Equity Value Fund               | 5.0         | (2.1)        | (3.9)     | 0.0        | 0.0       | 0.0              | 0.0       | (1.0)                    | (0.7)     | 28 Oct 2024    |
| LCIV Global Alpha Growth Paris Aligned Fund | 4.4         | (6.9)        | (4.0)     | (1.0)      | 7.5       | 2.8              | 11.3      | (1.1)                    | 12.2      | 22 Apr 2021    |
| <b>Property</b>                             | <b>10.6</b> |              |           |            |           |                  |           |                          |           |                |
| AEW UK                                      | 5.4         | 9.1          | 1.5       | 5.9        | 6.4       | (1.0)            | (3.3)     | 6.4                      | 5.1       | 30 Jun 2014    |
| UBS Property                                | 5.2         | 2.4          | 1.5       | 7.7        | 6.4       | (2.9)            | (3.3)     | 3.5                      | 3.4       | 31 Mar 2006    |
| <b>Multi-Asset Credit</b>                   | <b>9.6</b>  |              |           |            |           |                  |           |                          |           |                |
| LCIV MAC Fund                               | 9.6         | 1.6          | 2.2       | 7.8        | 9.3       | 0.0              | 0.0       | 7.0                      | 8.9       | 26 May 2022    |
| <b>Index Linked Gilts</b>                   | <b>7.0</b>  |              |           |            |           |                  |           |                          |           |                |
| LGIM - UK ILG                               | 7.0         | (1.4)        | (1.4)     | (8.0)      | (8.0)     | (13.8)           | (13.8)    | (2.7)                    | (2.6)     | 22 Feb 2017    |
| <b>Infrastructure</b>                       | <b>5.0</b>  |              |           |            |           |                  |           |                          |           |                |
| LCIV Infrastructure Fund                    | 4.3         | 0.8          | 1.8       | 9.7        | 7.8       | 9.8              | 7.2       | 5.6                      | 5.5       | 14 Nov 2019    |
| Macquarie                                   | 0.7         | (0.1)        | 1.8       | 9.4        | 7.8       | 17.0             | 7.2       | 9.8                      | 4.4       | 30 Sep 2010    |
| <b>Private Debt</b>                         | <b>4.9</b>  |              |           |            |           |                  |           |                          |           |                |
| LCIV Private Debt Fund                      | 4.0         | 0.0          | 1.5       | 3.0        | 6.0       | 6.8              | 6.0       | 5.8                      | 6.0       | 16 Nov 2021    |
| Permira                                     | 0.8         | 0.8          | 2.1       | 7.0        | 8.8       | 9.6              | 8.2       | 7.7                      | 5.6       | 30 Nov 2014    |
| M&G Investments                             | 0.0         | (1.4)        | 2.1       | (35.5)     | 8.8       | (17.8)           | 8.2       | 0.9                      | 5.4       | 31 May 2010    |
| <b>Real Estate Long Income</b>              | <b>3.5</b>  |              |           |            |           |                  |           |                          |           |                |
| LGIM - LPI Income Property                  | 3.5         | 1.2          | 0.8       | 4.7        | 3.2       | (4.6)            | 6.9       | (0.5)                    | 6.2       | 11 Mar 2020    |
| <b>Diversified Growth</b>                   | <b>2.8</b>  |              |           |            |           |                  |           |                          |           |                |
| LCIV Absolute Return Fund                   | 2.8         | 3.9          | 1.1       | 3.9        | 5.1       | (0.4)            | 4.2       | 4.8                      | 1.4       | 28 May 2010    |
| <b>Opportunistic Dislocation</b>            | <b>1.7</b>  |              |           |            |           |                  |           |                          |           |                |
| Blackstone Dislocation Fund                 | 1.7         | (2.2)        | 3.6       | 2.9        | 15.3      | 0.0              | 0.0       | 2.7                      | 15.3      | 27 Mar 2024    |
| <b>Private Equity</b>                       | <b>0.2</b>  |              |           |            |           |                  |           |                          |           |                |
| Adam Street                                 | 0.1         | (0.9)        | (3.2)     | (15.1)     | 9.0       | (11.0)           | 12.1      | 5.9                      | 0.0       | 31 Jan 2005    |
| LGT   | 0.1         | 1.5          | (3.2)     | 7.1        | 9.0       | 2.4              | 12.1      | 10.1                     | 0.0       | 31 May 2004    |

Source: Northern Trust custody data as of 31 March 2025

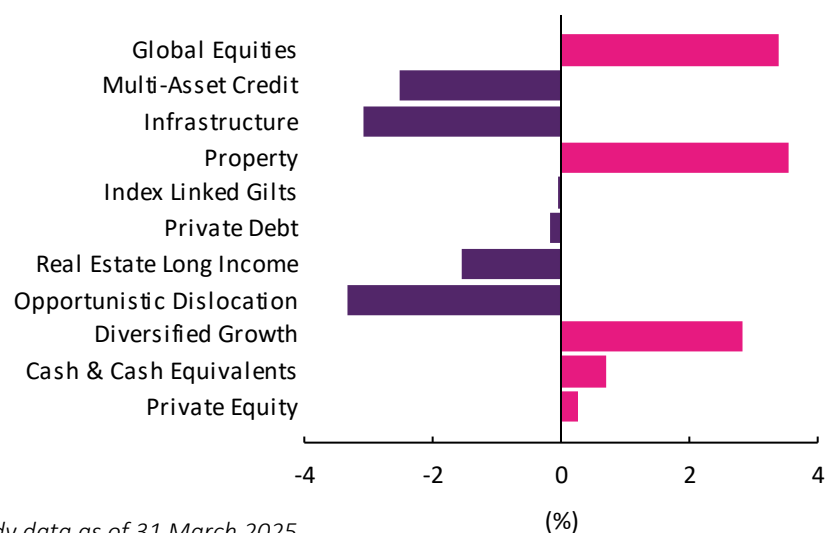
Returns are gross of fees and annualised for periods greater than 1 year.

## Asset Allocation

| Asset Class               | Strategic Asset<br>Allocation (%)<br>31 December 2023 | Actual Asset<br>Allocation (%)<br>31 December 2024 | Actual Asset<br>Allocation (%)<br>31 March 2025 | Change in Asset<br>Allocation (%)<br>Quarter on Quarter | Actual Asset<br>Allocation (%)<br>31 March 2025<br>vs Strategic Asset<br>Allocation (%) |
|---------------------------|---|--|---|---|---|
| Global Equities           | 51  | 56   | 54  | (1)   | +3  |
| Multi-Asset Credit        | 12  | 9  | 9   | 0   | -3  |
| Infrastructure            | 8   | 5  | 5   | 0   | -3  |
| Property                  | 7   | 10   | 11  | 1   | +4  |
| Index Linked Gilts        | 7   | 7  | 7   | (0)   | -0  |
| Private Debt              | 5   | 5  | 5   | 0   | -0  |
| Real Estate Long Income   | 5   | 3  | 3   | 0   | -2  |
| Opportunistic Dislocation | 5   | 2  | 2   | 0   | -3  |
| Diversified Growth        | 0   | 3  | 3   | 0   | +3  |
| Cash & Cash Equivalents   | 0   | 1  | 1   | (0)   | +1  |
| Private Equity            | 0   | 0  | 0   | (0)   | +0  |

Source: Northern Trust custody data as of 31 March 2025

## Actual Asset Allocation vs Target Allocation by Asset Class As of 31 March 2025



Source: Northern Trust custody data as of 31 March 2025

## Asset Allocation Changes - Q1 2025

| Asset Class               | Market Value<br>31 December 2024<br>(£'m) | Net<br>contribution*<br>(£'m) | Income<br>(£'m) | Appreciation<br>(£'m) | Market Value<br>31 March 2025<br>(£'m) |
|---------------------------|---|-------------------------------|-----------------|-----------------------|--|
| Global Equities           | 794                                       | -                             | -               | (30)                  | 764                                    |
| Property                  | 140                                       | (1)                           | 1               | 7                     | 148                                    |
| Multi-Asset Credit        | 131                                       | -                             | 5               | (3)                   | 133                                    |
| Index Linked Gilts        | 99  | -                             | -               | (1)                   | 98                                     |
| Infrastructure            | 69  | (1)                           | 1               | -                     | 69                                     |
| Private Debt              | 68  | -                             | -               | -                     | 68                                     |
| Real Estate Long Income   | 48  | -                             | -               | 1                     | 49                                     |
| Diversified Growth        | 38  | -                             | -               | 1                     | 39                                     |
| Opportunistic Dislocation | 23  | 2                             | -               | (1)                   | 24                                     |
| Cash & Cash Equivalents   | 10  | -                             | -               | -                     | 10                                     |
| Private Equity            | 3   | -                             | -               | -                     | 3                                      |
| <b>Total</b>              | <b>1,424</b>                              | <b>-</b>                      | <b>7</b>        | <b>(26)</b>           | <b>1,405</b>                           |

Source: Northern Trust

\* Net contributions include cash contributions/distributions, securites/receipts, fee/fee rebates, inter account transfers for consolidations and benefit payments. Copied history of backloaded data may not display the correct contributions/withdrawals creating misrepresentation.

# Disclaimer

## Important information

London LGPS CIV, Fourth Floor, 22 Lavington Steet, London, SE1 0NZ

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## About London CIV

London LGPS CIV Limited ('London CIV'), established in 2015 by London Local Authorities manages London Local Government Pension Scheme ('LGPS') assets. London CIV is one of eight U.K. LGPS asset pooling companies. The London Boroughs and City of London who are the 32 Shareholders, are also our clients ('Partner Funds').



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# Appendix

## Asset Allocation

| Asset Class / Fund Name                     | Market Value<br>(31 December<br>2024)<br>£m | Net<br>Contributions<br>£m | Income<br>£m | Fees<br>£m | Appreciation<br>£m | Market Value<br>(31 March<br>2025)<br>£m | Weights (%)<br>(31 December<br>2024) | Weights (%)<br>(31 March<br>2025) | Change in<br>weights (%) | Strategic Asset<br>Allocation (%)<br>31 Dec 2023 | Asset Allocation vs<br>Strategic Asset<br>Allocation (%)<br>31 Dec 2023 |
|---|---|----------------------------|--------------|------------|--------------------|--|--------------------------------------|-----------------------------------|--------------------------|--|---|
| <b>Global Equities</b>                      | <b>794</b>                                  | -                          | -            | -          | (30)               | <b>764</b>                               | <b>56</b>                            | <b>54</b>                         | <b>-1.37</b>             | <b>51</b>  | <b>3</b>  |
| LCIV Global Alpha Growth Paris Aligned Fund | 66  | -                          | -            | -          | (5)                | 61                                       | 5                                    | 4                                 | -0.26                    |  |   |
| LCIV Global Equity Value Fund               | 71  | -                          | -            | -          | (1)                | 69                                       | 5                                    | 5                                 | -0.04                    |  |   |
| LGIM - Future World Fund                    | 330   | -                          | -            | -          | (15)               | 315                                      | 23                                   | 22                                | -0.73                    |  |   |
| LGIM - Global Equities                      | 327   | -                          | -            | -          | (9)                | 318                                      | 23                                   | 23                                | -0.34                    |  |   |
| <b>Index Linked Gilts</b>                   | <b>99</b>                                   | -                          | -            | -          | (1)                | <b>98</b>                                | <b>7</b>                             | <b>7</b>                          | <b>-0.00</b>             | <b>7</b>   | -   |
| LGIM - UK ILG                               | 99  | -                          | -            | -          | (1)                | 98                                       | 7                                    | 7                                 | -0.00                    |  |   |
| <b>Multi-Asset Credit</b>                   | <b>131</b>                                  | -                          | 5            | -          | (3)                | <b>133</b>                               | <b>9</b>                             | <b>9</b>                          | <b>0.27</b>              | <b>12</b>  | <b>(3)</b>  |
| LCIV MAC Fund                               | 131   | -                          | 5            | -          | (3)                | 133                                      | 9                                    | 9                                 | 0.27                     |  |   |
| <b>Property</b>                             | <b>140</b>                                  | <b>(1)</b>                 | <b>1</b>     | -          | <b>7</b>           | <b>148</b>                               | <b>10</b>                            | <b>11</b>                         | <b>0.66</b>              | <b>7</b>   | <b>4</b>  |
| LCIV UK                                     | 69  | -                          | -            | -          | 6                  | 75                                       | 5                                    | 5                                 | 0.51                     |  |   |
| LCIV Property                               | 72  | (1)                        | 1            | -          | 1                  | 73                                       | 5                                    | 5                                 | 0.15                     |  |   |
| <b>Real Estate Long Income</b>              | <b>48</b>                                   | -                          | -            | -          | <b>1</b>           | <b>49</b>                                | <b>3</b>                             | <b>3</b>                          | <b>0.09</b>              | <b>5</b>   | <b>(2)</b>  |
| LGIM - LPI Income Property                  | 48  | -                          | -            | -          | 1                  | 49                                       | 3                                    | 3                                 | 0.09                     |  |   |
| <b>Diversified Growth</b>                   | <b>38</b>                                   | -                          | -            | -          | <b>1</b>           | <b>39</b>                                | <b>3</b>                             | <b>3</b>                          | <b>0.14</b>              | -  | <b>3</b>  |
| LCIV Absolute Return Fund                   | 38  | -                          | -            | -          | 1                  | 39                                       | 3                                    | 3                                 | 0.14                     |  |   |
| <b>Private Equity</b>                       | <b>3</b>                                    | -                          | -            | -          | -                  | <b>3</b>                                 | -                                    | -                                 | <b>-0.01</b>             | -  | -   |
| Adam Street                                 | 2   | -                          | -            | -          | -                  | 2  | -                                    | -                                 | -0.00                    |  |   |
| LGT   | 2   | -                          | -            | -          | -                  | 1  | -                                    | -                                 | -0.01                    |  |   |
| <b>Infrastructure</b>                       | <b>69</b>                                   | <b>(1)</b>                 | <b>1</b>     | -          | -                  | <b>69</b>                                | <b>5</b>                             | <b>5</b>                          | <b>0.06</b>              | <b>8</b>   | <b>(3)</b>  |
| LCIV Infrastructure Fund                    | 60  | (1)                        | 1            | -          | -                  | 60                                       | 4                                    | 4                                 | 0.06                     |  |   |
| Macquarie                                   | 10  | -                          | -            | -          | -                  | 10                                       | -                                    | -                                 | 0.00                     |  |   |
| <b>Private Debt</b>                         | <b>68</b>                                   | -                          | -            | -          | -                  | <b>68</b>                                | <b>5</b>                             | <b>5</b>                          | <b>0.07</b>              | <b>5</b>   | -   |
| LCIV Private Debt Fund                      | 56  | -                          | -            | -          | -                  | 56                                       | 4                                    | 4                                 | 0.05                     |  |   |
| M&G Investments                             | 0   | -                          | -            | -          | -                  | -  | -                                    | -                                 | -0.00                    |  |   |
| Permira                                     | 11  | -                          | -            | -          | -                  | 11                                       | -                                    | -                                 | 0.02                     |  |   |
| <b>Cash &amp; Cash Equivalents</b>          | <b>10</b>                                   | -                          | -            | -          | -                  | <b>10</b>                                | -                                    | -                                 | <b>-0.02</b>             | -  | -   |
| Non-custody                                 | 10  | -                          | -            | -          | -                  | 10                                       | -                                    | -                                 | -0.02                    |  |   |
| <b>Opportunistic Dislocation</b>            | <b>23</b>                                   | <b>2</b>                   | -            | -          | <b>(1)</b>         | <b>24</b>                                | <b>2</b>                             | <b>2</b>                          | <b>0.10</b>              | <b>5</b>   | <b>(3)</b>  |
| Blackstone Dislocation Fund                 | 23  | 2                          | -            | -          | (1)                | 24                                       | 2                                    | 2                                 | 0.10                     |  |   |
| <b>Total</b>                                | <b>1,424</b>                                | -                          | <b>7</b>     | -          | <b>(26)</b>        | <b>1,405</b>                             | <b>100</b>                           | <b>100</b>                        |                          |  |   |

Source: Northern Trust custody data as of 31 March 2025

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# London Borough of Hillingdon Pension Fund

## Funding update report at 31 March 2025

This report is addressed to the Administering Authority of the London Borough of Hillingdon Pension Fund (the Fund). This document should be read in conjunction with the fund's current Funding Strategy Statement.

The purpose of this report is to provide the funding position of the London Borough of Hillingdon Pension Fund as at 31 March 2025 and show how it has changed since the previous valuation at 31 March 2022. This report has not been prepared for use for any other purpose and should not be so used. The report should not be disclosed to any third party except as required by law or regulatory obligation or with our prior written consent. Hymans Robertson LLP accept no liability where the report is used by or disclosed to a third party unless such liability has been expressly accepted in writing. Where permitted, the report may only be released or otherwise disclosed in a complete form which fully discloses the advice and the basis on which it is given.

The figures presented in this report are prepared only for the purposes of providing an illustrative funding position and have no validity in other circumstances. In particular, they are not designed to meet regulatory requirements for valuations, and do not constitute an 'indicative actuarial valuation' under LGPS (Scotland) Regulation 61 (2A).

This report also contains the data and assumptions underlying the results and the reliances and limitations which apply to them.

Surplus/(deficit)

**£0.30bn**

+£0.47bn vs last valuation

Funding level

**128%**

+40% vs last valuation

Required return

**5.1%**

+0.2% vs last valuation

Return likelihood

**87%**

+27% vs last valuation

## Results

### Funding position update

The table on this page shows the estimated funding position at 31 March 2025 on the Fund's Ongoing basis (as defined in the Fund's FSS). The table also shows what future investment return would be required for the Fund to be 100% funded, along with the likelihood of the investment strategy achieving this return. The equivalent results at 31 March 2022 on the Ongoing basis are shown for comparison. An increase in the likelihood corresponds to an improvement in the funding position (and vice versa).

Please note that the asset value at 31 March 2025 shown in this report may differ to the actual asset value at that date. The asset value in this report is an estimate based on a rollforward from 31 March 2022 using estimated cashflows (see section A2) and estimated investment returns (see section A3). This approach ensures the asset value is consistent with the liabilities and gives a more reliable estimate of the funding position than if the actual asset value was used.

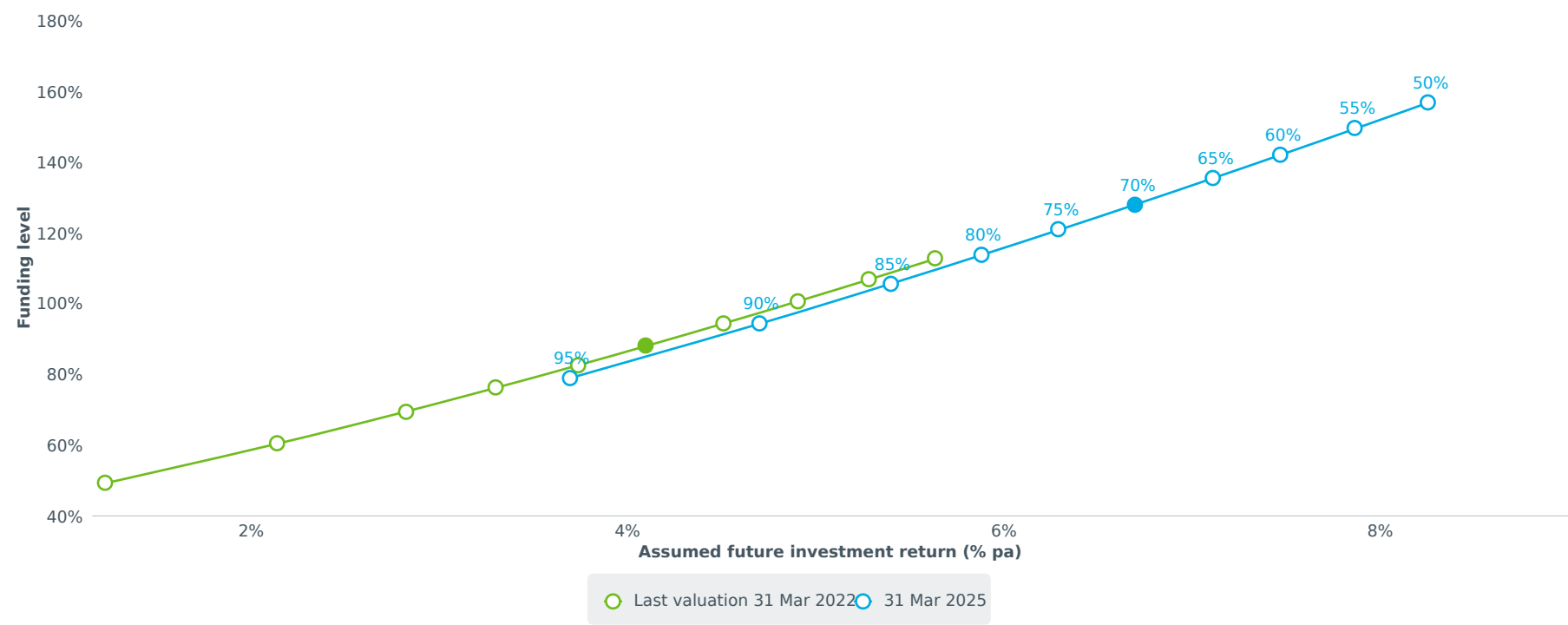
| Monetary amounts in £bn                    | Ongoing basis |               |
|--|---------------|---------------|
|  | 31 March 2022 | 31 March 2025 |
| <b>Assets</b>                              | 1.26          | 1.38          |
| <b>Active members</b>                      | 0.39          | 0.33          |
| <b>Deferred pensioners</b>                 | 0.37          | 0.25          |
| <b>Pensioners</b>                          | 0.67          | 0.51          |
| <b>Total liabilities</b>                   | 1.43          | 1.08          |
| <b>Surplus/(deficit)</b>                   | (0.17)        | 0.30          |
| <b>Funding level</b>                       | 88%           | 128%          |
| <b>Required return (% pa)*</b>             | 4.9%          | 5.1%          |
| <b>Likelihood of achieving this return</b> | 60%           | 87%           |

\* Future investment return for funding level to be 100%



Understanding the funding level

To help better understand the funding level, the chart below shows how the funding level varies with the assumed rate of future investment returns at 31 March 2022 and 31 March 2025. The percentages next to each point on the lines show the likelihood of the investment strategy achieving that return at the respective date (for further details see section A5). The solid-coloured point indicates the funding level on the Fund's chosen assumptions.



Funding level progression

The chart below shows how the funding level has progressed between 31 March 2022 and 31 March 2025. It allows for changes in market conditions and other factors described in Appendix B.



## Next steps

Change in funding level since the last valuation is to be expected due to the volatile nature of both the Fund's assets and liabilities. However, understanding the factors underlying the change may help inform the Fund's ongoing monitoring of its funding strategy and risk management.

The results at 31 March 2025 in this report are estimates based on rolling forward the fund's funding position from 31 March 2022. You should understand the methodology and limitations of this approach described in Appendices B and C, and that factors such as changes to the investment strategy and membership profile may not be fully reflected in the results. No decisions should be made solely on the results in this report.

**Please get in touch with your Hymans Robertson contact if you wish to discuss the results in this report further.**

## Appendix A - Data and assumptions

### A.1 Membership data

The membership data underlying the figures in this report was supplied by the fund for the purpose of the valuation at 31 March 2022 and is summarised below:

| 31 March 2022                    | Number | Avg. age | Accrued benefit (£k pa) | Payroll (£k pa) |
|----------------------------------|--------|----------|-------------------------|-----------------|
| <b>Active members</b>            | 8,691  | 53.2     | 23,167                  | 152,450         |
| <b>Deferred pensioners</b>       | 12,903 | 53.1     | 20,151                  |                 |
| <b>Pensioners and dependants</b> | 7,675  | 69.6     | 42,417                  |                 |

Average ages are weighted by liability.

The membership is assumed to evolve over time in line with the demographic assumptions described in the Fund's FSS. Please see Appendix A for details of the rollforward methodology which includes the estimated changes in membership data which have been allowed for.

### A.2 Cashflows since the valuation at 31 March 2022

We have allowed for the following cashflows in estimating the assets and liabilities at 31 March 2025.

| Estimated cashflows (£k)      | 31 March 2022 to 31 March 2025 |
|-------------------------------|--------------------------------|
| <b>Employer contributions</b> | 129,187                        |
| <b>Employee contributions</b> | 32,415                         |
| <b>Benefits paid</b>          | 161,566                        |

Cashflows are assumed to be paid daily. Contributions are based on the estimated payroll, certified employer contributions (including any lump sum contributions) and the average employee contribution rate at 31 March 2022. Benefits paid are projections based on the membership at 31 March 2022.

**A.3 Investment returns since the valuation at 31 March 2022**

| Investment strategy | Actual/<br>index | From            | To               | Return |
|---------------------|------------------|-----------------|------------------|--------|
| Whole fund          | Actual           | 1 April<br>2022 | 31 March<br>2025 | 9.39%  |

The total investment return for the whole period is 9.39%.

**A.4 Financial assumptions**

| Assumption               | 31 March 2022 | 31 March 2025 |
|--------------------------|---------------|---------------|
| Funding basis            | Ongoing       | Ongoing       |
| Discount rate (% pa)     | 4.1%          | 6.7%          |
| Pension increases (% pa) | 2.7%          | 2.3%          |

Salary increases are assumed to be 0.5% pa above pension increases, plus an additional promotional salary scale.

For further details on the methodology used to derive the assumptions, please see the Fund's FSS.

A.5 Demographic assumptions

| Life expectancy (years) | Ongoing basis |        |
|-------------------------|---------------|--------|
|                         | Male          | Female |
| Pensioners              | 22.3          | 24.8   |
| Non-pensioners          | 23.0          | 26.1   |

Life expectancies are from age 65 and are based on the Fund's membership data at 31 March 2022. Non-pensioners are assumed to be aged 45 at that date. All other demographic assumptions are the same as at the most recent valuation at 31 March 2022.

## Appendix B - Technical information

### B.1 Funding update methodology

The last formal valuation of the fund was carried out as at 31 March 2022. The results in this report are based on rolling forward the results of the last formal valuation to 31 March 2025 using approximate methods. The roll-forward allows for:

- estimated cashflows over the period as described in section A.2
- investment returns over the period (estimated where necessary) as described in section A.3
- changes in financial assumptions as described in section A.4
- estimated additional benefit accrual.

The CARE, deferred and pensioner liabilities at 31 March 2025 include a total adjustment of 10.3% to reflect the difference between actual September CPI inflation values (up to 30 September 2024) and the assumption made at 31 March 2022. The adjustment for each year's actual inflation is applied from 31 October 2024 that year, cumulative with prior years' adjustments, which may lead to step changes in the funding level progression chart.

In preparing the updated funding position at 31 March 2025, the membership is assumed to have changed since 31 March 2022 in line with the demographic assumptions described in the Fund's FSS. No allowance has been made for any other changes. The principal reason for this is that insufficient information is available to make any such adjustment. Significant membership movements, or any material difference between estimated inputs and actual experience, may affect the reliability of the results. The Fund should consider whether any such factors mean that the roll forward approach may not be appropriate.

No allowance has been made for any early retirements or bulk transfers since 31 March 2022. There is also no allowance for any changes to Local Government Pension Scheme (LGPS) benefits except where noted in the formal valuation report or Funding Strategy Statement.

Where the Fund has moved to a different funding basis since 31 March 2022 this may give rise to step changes in the funding level on the date of the change.

## B.2 Sensitivity of results to assumptions

The results are particularly sensitive to the real discount rate assumption (the discount rate net of pension increases) and the assumptions made for future longevity.

If the real discount rate used to value the accrued liabilities was lower then the value placed on those liabilities would increase. For example, if the real discount rate at 31 March 2025 was 1.0% pa lower then the liabilities on the Ongoing basis at that date would increase by 16.9%.

In addition, the results are sensitive to unexpected changes in the rate of future longevity improvements. If life expectancies improve at a faster rate than allowed for in the assumptions then, again, a higher value would be placed on the liabilities. An increase in life expectancy of 1 year would increase the accrued liabilities by around 3-5%.



## Appendix C - Reliances and limitations

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The last formal valuation of the fund was carried out as at 31 March 2022 and this report relies upon the results of that valuation. The reliances and limitations that applied to that valuation apply equally to these results. The results of the valuation have been projected forward using approximate methods. The margin of error in these approximate methods increases as time goes by. The method may not be appropriate if there have been significant data changes since the previous formal valuation (for example redundancy exercises, significant unreduced early retirements, ill health retirements and bulk transfers). The methodology assumes that actual experience since the valuation at 31 March 2022 has been in line with assumptions.

The data used in this exercise is summarised in section 3. Data provided for the purposes of the formal valuation at 31 March 2022 was checked at the time for reasonableness and consistency with other sources. Data provided since then (eg actual investment returns) has been used as-is.

The data is the responsibility of the Administering Authority and the results rely on the data.

The results in this schedule are based on calculations run on 24 April 2025 using the data set out in section 3. Any other factors coming to light after this report was prepared have not been allowed for and could affect the results. If any data has materially changed since 24 April 2025 the results could be materially different if they were recalculated.

Some financial assumptions may be based on projections from our Economic Scenario Service (ESS) model which is only calibrated at each month-end. Results between month ends use the latest available calibration, adjusted in line with the movement in market conditions. This adjustment is approximate and there may be step changes at month-end dates when a new ESS monthly calibration is factored in.

The methodology underlying these calculations mean that the results should be treated as indicative only. The nature of the fund's investments means that the surplus or deficit identified in this report can vary significantly over short periods of time. This means that the results set out should not be taken as being applicable at any date other than the date shown.

As with all modelling, the results are dependent on the model itself, the calibration of the underlying model and the various approximations and estimations used. These processes involve an element of subjectivity and may be material depending on the context. No inferences should be drawn from these results other than those confirmed separately in writing by a consultant of Hymans Robertson LLP.

Decisions should not be based solely on these results and your Hymans Robertson LLP consultant should be contacted to discuss any appropriate action before any is taken. Hymans Robertson LLP accepts no liability if any decisions are based solely on these results or if any action is taken based solely on such results.

**This report complies with the relevant Technical Actuarial Standards.**

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## RESPONSIBLE INVESTMENTS UPDATE

## ITEM 7

Committee

Pensions Committee

Officer Reporting

Babatunde Adekoya, Finance

Papers with this report

Full manager voting - Shared drive.  
LGIM Engagement Report Q1 2025 – Shared drive  
LAPFF Engagement Report Q1 2025 – Shared drive

### HEADLINES

Environmental, Social, and Governance (ESG) refers to the three central factors in measuring the sustainability and societal impact of an investment in a company or business. These criteria help to better determine the future financial performance of companies (return and risk).

The purpose of this report is to provide information on how managers entrusted with investing the Pension Fund assets are implementing their ESG policies and demonstrate their commitment to ensuring it is a cogent part of their investment process.

In addition, the report details the progress on the UK Stewardship Code project, policy updates and other relevant information.

### RECOMMENDATIONS

**It is recommended that Pensions Committee:**

- 1. Note the fund managers' ESG activities and compliance efforts**
- 2. Note LCIV & LAPFF activities**

### SUPPORTING INFORMATION

#### Voting and Engagement

Fund managers carry out proxy voting on the Pension Fund's behalf. Below is a breakdown of voting statistics by LGIM, and London CIV (Ruffer, Wellington and Baillie Gifford).

| Fund Managers Voting Breakdown Q1, 2025 |              |               |               |              |                       |             |
|---|--------------|---------------|---------------|--------------|-----------------------|-------------|
| LCIV                                    | Meetings     | Resolutions   | Votes With    | Against      | Abstention/non-voting |             |
| Mar-25                                  |              |               |               |              |                       |             |
| LCIV - Ruffer                           | 5            | 58            | 50            | 7            |                       | 1           |
| LCIV - Baillie Gifford                  | 11           | 161           | 129           | 24           |                       | 8           |
| LCIV - Wellington                       | 3            | 36            | 27            | 5            |                       | 4           |
|   | <b>19</b>    | <b>255</b>    | <b>206</b>    | <b>36</b>    |                       | <b>13</b>   |
| %                                       |              |               | <b>80.78</b>  | <b>14.12</b> |                       | <b>5.10</b> |
| LGIM                                    | Meetings     | Resolutions   | Votes With    | Against      | Abstention            |             |
| Mar-25                                  | 2,077        | 15,067        | 11,007        | 3,560        |                       | 500         |
|   | <b>2,077</b> | <b>15,067</b> | <b>11,007</b> | <b>3,560</b> |                       | <b>500</b>  |
| %                                       |              |               | <b>73.05</b>  | <b>23.63</b> |                       | <b>3.32</b> |

The volume of meetings attended, and resolutions voted on by all the fund managers shown above, encapsulates their commitment to ESG issues and demonstrates alignment of their stewardship activities with their own investment beliefs, policies, and guidelines. Through this approach, they seek to be active owners on behalf of their clients, by encouraging good governance and a high standard of corporate practices.

The voting breakdown above indicates LGIM have voted against proposed management resolutions on 23.63% of voting opportunities and supported resolutions on approximately 73% of occasions. The London CIV, through two equities portfolio managers, Wellington and Baillie Gifford, absolute return manager, Ruffer combined to back various management resolutions on 80.78% of voting opportunities and about 14.12% against the resolutions proposed by company managements. Abstentions for LGIM and LCIV were 3.32% and 5.10% respectively.

### Engagement

ESG factors play an increasingly important role in determining the performance of certain assets. Pension Fund asset managers, as part of their ESG commitments undertake various engagement activities in their holistic approach in making investment decisions. These activities aim to affect changes within invested companies where it is deemed necessary or to complement existing practices.

## **LGIM**

### **Holding boards to account**

To be successful, companies need to have people at the helm who are well equipped to create resilient long-term growth. By voting and engaging directly with companies, LGIM encourages management to control risks while seeking to benefit from emerging opportunities. The manager aims to safeguard and enhance clients' assets by engaging with companies and holding management to account for their decisions. Voting is an important tool in this process, and one which they use extensively.

### **Creating sustainable value**

LGIM believe it is in the interest of all stakeholders for companies to build sustainable business models that are also beneficial to society. They work to ensure companies are well-positioned for sustainable growth, and to prevent market behaviour that destroys long-term value. Their investment process includes an assessment of how well companies incorporate relevant ESG factors into their everyday thinking. The manager engages directly and collaboratively with companies to highlight key challenges and opportunities, and support strategies that seek to deliver long-term success.

### **Promoting market resilience**

As a long-term investor for its clients, it is essential that markets (and, by extension, the companies within them) can generate sustainable value. In doing so, LGIM believe companies should become more resilient amid change and therefore, seek to benefit the whole market. They use their influence and scale to ensure that issues affecting the value of clients' investments are recognised and appropriately managed. This includes working with key policymakers, such as governments and regulators, and collaborating with asset owners to bring about positive change across markets.

## **Global Investment Stewardship themes**

LGIM Investment Stewardship activity is structured around six core themes:

- Climate: Keeping 1.5°C alive
- Nature: Supporting a world that lives in harmony with nature, recognising the economic value of natural capital
- People: Improving human capital across the corporate value chain
- Health: Safeguarding global health to limit negative consequences for the global economy
- Governance: Strengthening accountability to deliver stakeholder value
- Digitisation: Establishing minimum standards for how companies manage digitisation-related risks

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The manager believes these themes are financially material to their clients' portfolios, often pose systemic risks and opportunities, and cover areas where LGIM as an asset manager can influence change.

## **Engagement Focus**

### **Environment**

*Rio Tinto*

#### **Identify**

The mining and diversified metals sector produces minerals that are essential to the energy transition. As such, LGIM believe that long-term, responsible investors, such as Legal & General, can support these companies as they decarbonise and realise the associated financial opportunities.

In August 2024, LGIM published an updated assessment framework for mining companies' climate transition plans, which sets out its expectations for the sector and has formed the framework for its ongoing engagements with mining companies.

#### **Engage**

LGIM have been engaging in detailed and constructive discussions with Rio Tinto since voting against their previous Climate Action Plan in 2022. At the time, while recognising that the company had strengthened its operational emissions reduction targets by 2030, together with making a commitment for substantial capital allocation linked to the company's decarbonisation efforts, LGIM were concerned by the absence of quantifiable targets for Scope 3 emissions, and the lack of commitment to an annual vote which would allow shareholders to monitor progress in a timely manner.

#### **Outcome**

Following what LGIM view as substantive progress by Rio Tinto in this area, primarily through enhanced disclosure of its plans to decarbonise its value chains, as well as the clear and quantified actions set out to meet its emission reduction targets, the manager believes the company's enhanced strategy closely aligns with their framework, and should support its decarbonisation journey and the creation of long-term value as the climate transition unfolds. LGIM therefore voted in support of the company's Climate Action Plan (Resolution 19) and pre-declared their voting intention.

## **Society**

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## *Diversity: ethnic diversity at board level – looking ahead to the AGM season*

### **Identify**

LGIM believe a diverse mix of skills, experience and perspectives is essential for a company and its board to function and perform optimally, as set out in its diversity policy. Driving diversity at companies is a strategy that LGIM believe is financially material, directly linked to value creation, and is a tangible action that investors can encourage.

### **Engage**

LGIM launched its engagement campaign on ethnic diversity in 2020, initially reaching out to the largest 100 companies in the UK and the largest 500 companies in the US to discuss ethnic diversity at board level. The request was simple: that they should have ethnically diverse representation at board level by 2021. LGIM have now been voting against the re-election of the Chair or the Chair of the nomination committee at companies in these indices (the FTSE100 and the S&P500) that do not meet these expectations since 2022.

LGIM announced in 2023 that they would be extending its campaign to require a board member from an ethnic minority background beyond the FTSE 100 and S&P 500 to the FTSE 250 and Russell 1000 companies.

### **Escalation and next steps**

In the fourth quarter of 2024, LGIM wrote to 24 FTSE 250 and 27 Russell 1000 companies to indicate that, based on research from data available through information providers, they had identified them as not meeting the expectations set out above, and therefore as being potentially subject to a vote against the Chair's re-election at their upcoming AGM.

LGIM had a great response from the FTSE 250 companies that it wrote to, some providing it with an explanation that allowed the manager to provide the company with more time to meet its expectations. As a result of the responses, LGIM are currently set to vote against 13 FTSE 250 companies in 2025. LGIM did not receive responses from the 27 Russell 1000 companies; it recognise that they are operating against a different political backdrop to the UK.

### **LAPFF**

During the quarter LAPFF engaged 23 companies on issues covering all aspects of ESG during the quarter under review.

Below are three examples of their engagement activities in Q1 2025.

### **Environmental**

#### **Persimmon**

LAPFF engaged with Persimmon to assess its transition plan, focusing on Scope 3 emissions, just transition planning, and value chain decarbonisation. Persimmon is

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finalising its net-zero transition plan, set for inclusion in the 2025 annual report, and preparing long-term targets aligned with a 90% emissions reduction by 2045. Just transition considerations, including supply chain opportunities and local employment, are being integrated. Persimmon has been disclosing Scope 3 emissions since 2022, with reductions reported in 2023. The company is engaged with Future Homes Hub to improve carbon reporting and acknowledges the challenge of decarbonising materials like cement, though specific supplier commitments remain unclear. Persimmon is awaiting finalised Future Homes Standard legislation and confirmed it is not lobbying for lower standards. Its innovation centre, featuring a prototype net-zero home, will be open for stakeholder visits in summer 2025. Key areas for further engagement include finalising and improving the transparency of its transition plan, refining Scope 3 reporting, making clearer supply chain commitments, and preparing for regulatory changes. Continued engagement will be crucial to ensuring a credible and ambitious climate strategy.

## **Social**

### **Burberry and Kering**

LAPFF met with Burberry and Kering on CSRD (Corporate Sustainability Reporting Directive) and CSDDD (Corporate Sustainability Due Dilligence Directive) issues for the second time. The meeting with Burberry covered the company's double materiality assessment, due diligence processes, and supply chain transparency efforts in the context of evolving regulatory requirements such as CSRD and CSDDD. Burberry provided updates on its worker engagement initiatives, ethical trading compliance measures, and partnerships with NGOs and the International Organization for Migration (IOM) to support oversight. Despite regulatory uncertainty with the EU Omnibus Plan, Burberry appeared committed to progressing compliance efforts, refining governance structures, and taking what it described as "no regrets actions" to enhance data robustness and due diligence.

In a meeting with Kering, LAPFF discussed the company's first CSRD compliant annual report. Kering outlined its first CSRD disclosures, identifying 79 material areas and highlighting robust supplier auditing, with 4,500 audits conducted, 52% of which were unannounced and the termination of 89 supplier relationships. LAPFF found that the depth of reporting had not improved greatly since it met the company in 2024, although there appeared to be work in progress on transparency and targets that may be reflected in the company's 2026 reporting. LAPFF encouraged clearer examples of remediation and deeper insight into sub-tier supply chains and whistleblowing effectiveness.

## **Governance**

### **London Stock Exchange Group**

LAPFF has been concerned about the weakening of standards relating to new entrants to the London listed companies' market, which has included, Aston Martin Lagonda, NMC Health, Finabl and Quindell, the former of which has lost more than 90% of its value since listing, the other three being 100% losses.

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A meeting with the Senior Executive Director of the LSEG, Cressida Hogg was held in January. An outcome has been that a meeting is being arranged with the CMIT (Capital Markets Industry Taskforce) Chair and members of the CMIT. One positive outcome from correspondence with the CMIT chair is that there is a shared understanding regarding the fundamental challenge facing the London Stock Exchange. Some work has already been done on that by the LAPFF Executive Working Group.

### **FINANCIAL IMPLICATIONS**

ESG initiatives included within the Pension Fund budget.

### **LEGAL IMPLICATIONS**

Legal implications are included in the report.

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| <b>Pension Fund Risk Register</b> |  | <b>Item 8</b> |
|-----------------------------------|--|---------------|
| Committee                         | Pension Committee                                    |               |
| Officer Reporting                 | Tunde Adekoya, Finance                               |               |
| Papers with this report           | Pension Fund Risk Register Open & Closed Risk Matrix |               |

## HEADLINES

The purpose of this report is to identify to the Pension Committee the main risks to the Pension Fund and to enable them to monitor and review risks going forward (see appendices).

## RECOMMENDATIONS

**It is recommended that Pensions Committee:**

- **Consider and agree the Risk Register in terms of the approach, the specific risks identified, and the measures being taken to mitigate those current risks.**
- **Note the format agreeing the retired risks and those which remain open**
- **Approve closure of PEN 10 - Liquidity on members dealings - risk that the fund is unable to settle member payments**

## SUPPORTING INFORMATION

### Risk Register

The Council's risk management software, JCAD, permits all 14 risks to be classified into two categories, open and closed risks.

The software allows risks that are being managed as, day-to-day, business as usual items, to be retired but maintained in the background as a record. In the event the risk requires active management it can then easily be re-introduced. Whilst open risks are constantly monitored and reviewed every three months, to ensure the status are still aligned with the risk measurement.

Attached are two reports covering open and retired/closed risks:

Closed risks being managed as business as usual or tolerated include:

- **PEN 1 - Fund assets fail to deliver returns in line with the anticipated returns underpinning the valuation**

- PEN 2 - Inappropriate long-term investment strategy
- PEN 3 - Active investment manager under-performance relative to benchmark
- PEN 4 - Inflation - Pay and price inflation significantly more than anticipated
- PEN 5 - Pensioners living longer
- PEN 6 - Poor Performance of Outsourced Administrator
- PEN 8 - ESG - Risk of financial loss through the negative impact of ESG matters

Risks which remain open, and which are actively being managed Include:

- PEN 7 - Cyber Security
- PEN 9 - Liquidity on asset management - risk of failure to liquidate assets or meet drawdown calls
- Pen 10 - Liquidity on members dealings - risk that the fund is unable to settle member payments
- PEN 11 - Failure of the pool in management of funds / access to funds
- PEN 12 - Failure of the Fund's governance to comply with statutory requirements
- PEN 13 - Key officer risk
- PEN 14 - Failure of employers to deliver accurate and timely employee administration information

All seven open risks remain static from the previous quarter.

The significance of risks is measured by interaction of the likelihood of occurrence (likelihood) and by the potential damage that might be caused by an occurrence (impact). The risks are also RAG (Red, Amber, Green) rated to identify level. Scoring is included in the attached Risk Matrix.

#### **PEN 10 - Liquidity on members dealings - risk that the fund is unable to settle member payments**

It is proposed that this particular risk is closed as it is being managed on day-to-day basis. The fund's cash position both through members dealings (Contributions and Pension Payments) is currently balanced. This, coupled with cash inflow into the custody account at Northern Trust from alternative investments such as Private Equity, Private Debt and Infrastructure (Macquarie) ensures there is sufficient cash to ensure adequate liquidity for this purpose. The fund has not been required to sell investments to meet pension liabilities in the last ten years. The risk will be revisited if the fund's cash position changes in the future.

The cash balance in the Fund's account is monitored daily by the Pensions Manager, Governance & Administration, and if required remedial action is taken. Additionally, the Pensions Manager, Governance & Administration forecasts the expected cash balance daily to anticipate any instance where the cash balance may fall below an acceptable level.

**FINANCIAL IMPLICATIONS**

The financial implications are contained in the risk register attached.

**LEGAL IMPLICATIONS**

The legal implications are contained in the risk register attached.

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| Alert | Risk Ref | Risk Title and Description   | Causes  | Consequences  | Current Profile | Status | Risk Owner    | Review Date | Linked Record | Risk Category               | Last Review Date | Last Reviewed By | Review Comments   | Directorate         | Service                                 | Risk Type   | Created Date | Current Rating | Control led Profile | Control led Rating | Uncontrol led Profile | Uncontrol led Rating |
|-------|----------|--|---|---|-----------------|--------|---------------|-------------|---------------|-----------------------------|------------------|------------------|---|---------------------|---|-------------|--------------|----------------|---------------------|--------------------|-----------------------|----------------------|
|       | PENS0009 | PEN 9 - Liquidity on asset management - risk of failure to liquidate assets or meet drawdown calls | Lack of notice given for drawdown<br>Poor cashflow management   | Unable to meet trades<br>Financial penalties<br>Overdraft fees<br>Actions taken against the Fund by TPR for non code compliance<br>Not delivering best practice in accordance with the new code<br>TPR/DLUHC action taken against the Fund for not GMP non compliance<br>Poor decisions and/or oversight by Committee/Board members | E1              | Static | Tunde Adekoya | 28/07/25    |               | Financial                   | 28/04/25 01:00   | Tunde Adekoya    | Risk Reviewed - No Changes Required PEN 9 - Liquidity on asset management - risk of failure to liquidate assets or meet drawdown calls  | Finance Directorate | Pensions, Treasury & Statutory Accounts | Operational | 30/05/24     | 8 F1           |                     | 4 E1               |                       | 8                    |
|       | PENS0017 | PEN 12 - Failure of the Fund's governance to comply with statutory requirements                    | New General CoP needs gap analysis and rectification<br>GMP moral vs regulatory requirement<br>Knowledge gaps resulting in ineffectiveness of Committee and/or Board                        | Inaccurate pension records<br>Reporting of employers to TPR - and subsequent ramifications (Fines)<br>Incorrect pensions being paid<br>Pensions payment not processed efficiently<br>Additional pension administration costs  | D3              | Static | Tunde Adekoya | 17/06/25    |               | Statutory Service Provision | 17/03/25         | Tunde Adekoya    | Risk Reviewed - No Changes Required PEN 12 - Failure of the Fund's governance to comply with statutory requirements   | Finance Directorate | Pensions, Treasury & Statutory Accounts | Operational | 30/05/24     | 6 E4           |                     | 2 D3               |                       | 6                    |
|       | PENS0015 | PEN 14 - Failure of employers to deliver accurate and timely employee administration information   | Poor outsource contract management by employers<br>Poor performance of outsourced service providers<br>Inadequate payroll reporting by Hillingdon Council<br>Lack of ownership by employers | Los of data<br>Ransom demands<br>Non delivery of statutory service  | A3              | Static | Tunde Adekoya | 13/06/25    |               | Statutory Service Provision | 14/04/25 01:00   | Tunde Adekoya    | Risk Reviewed - No Changes Required PEN 14 - Failure of employers to deliver accurate and timely employee administration information  | Finance Directorate | Pensions, Treasury & Statutory Accounts | Operational | 30/05/24     | 12 F4          |                     | 1 A3               |                       | 12                   |
|       | PENS0024 | PEN 7 - Cyber Security   | Inappropriate cyber protection, ongoing management and contingency planning leading to vulnerabilities.   | Los of data<br>Ransom demands<br>Non delivery of statutory service  | E1              | Static | Tunde Adekoya | 19/05/25    |               | IT & Technology             |                  |                  |   | Finance Directorate | Pensions, Treasury & Statutory Accounts | Operational | 30/05/24     | 8 E1           |                     | 8 E1               |                       | 8                    |
|       | PENS0010 | Pen 10 - Liquidity on members dealings - risk that the fund is unable to settle member payments    | Cashflow negative (Payments greater than income)<br>Poor cashflow management  | Non payment of pensions<br>Negative impact on pensioners<br>Reputational damage<br>Fines  | E3              | Static | Tunde Adekoya | 18/05/25    |               | Financial                   | 18/02/25         | Tunde Adekoya    | Risk Reviewed & Risk Score Changed (Please update Status in the Risk Information section below) Pen 10 - Liquidity on members dealings - risk that the fund is unable to settle member payments | Finance Directorate | Pensions, Treasury & Statutory Accounts | Operational | 30/05/24     | 4 E3           |                     | 4 E3               |                       | 4                    |
|       | PENS0011 | PEN 11 - Failure of the pool in management of funds / access to funds                              | Lack of interest in common fund launch<br>Poor CIV governance<br>Government intervention<br>Small team with specialist knowledge in each role.  | Lack of diversity in investment<br>Inability to meet pooling requirement<br>Unable to meet any changing in ISS requirements   | D1              | Static | Tunde Adekoya | 12/05/25    |               | Financial                   | 12/02/25         | Tunde Adekoya    | Risk Reviewed & Risk Score Changed (Please update Status in the Risk Information section below) PEN 11 - Failure of the pool in management of funds / access to funds                           | Finance Directorate | Pensions, Treasury & Statutory Accounts | Operational | 30/05/24     | 12 E1          |                     | 8 E1               |                       | 8                    |
|       | PENS0016 | PEN 13 - Key officer risk  | Limited capacity for succession planning.   | Non delivery of service statutory requirements<br>Agency staff costs to cover any vacant position.  | D3              | Static | Tunde Adekoya | 17/06/25    |               | Statutory Service Provision | 17/03/25         | Tunde Adekoya    | Risk Reviewed - No Changes Required PEN 13 - Key officer risk   | Finance Directorate | Pensions, Treasury & Statutory Accounts | Operational | 30/05/24     | 6 E4           |                     | 2 B3               |                       | 10                   |

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| Alert | Risk Ref | Risk Title and Description   | Causes   | Consequences  | Current Profile | Status           | Risk Owner    | Risk Category               | Directorate         | Service                                 | Risk Type   | Created Date | Current Rating | Controlled Profile | Controlled Rating | Uncontrolled Profile | Uncontrolled Rating |    |
|-------|----------|--|--|---|-----------------|------------------|---------------|-----------------------------|---------------------|---|-------------|--------------|----------------|--------------------|-------------------|----------------------|---------------------|----|
|       | PENS0020 | PEN 01 - Fund assets fail to deliver returns in line with the anticipated returns underpinning valuation | Market and economic environment not conducive to asset performance.<br>Incorrect asset allocation.<br>Underperforming fund managers. | Reduced asset value.<br>Reduced funding level.<br>Increase in employer contributions.   | D1              | Closed/Tolerated | Tunde Adekoya | Financial                   | Finance Directorate | Pensions, Treasury & Statutory Accounts | Operational | 29/05/24     | 12             | D1                 |                   | 12                   | D1                  | 12 |
|       | PENS0021 | PEN 02 - Inappropriate long-term investment strategy   | Incorrect asset allocation and fund manager selection.   | Increased employer contributions.   | D1              | Closed/Tolerated | Tunde Adekoya | Financial                   | Finance Directorate | Pensions, Treasury & Statutory Accounts | Operational | 29/05/24     | 12             | E1                 |                   | 8                    | D1                  | 12 |
|       | PENS0019 | PEN 03 - Active investment manager under-performance relative to benchmark                               | Incorrect manager decisions<br>Incorrect market environment for their Strategy<br>Key staff loss                                     | Reduced investment returns vs passive strategy<br>Lower returns / funding level<br>Increased employer contributions   | D1              | Closed/Tolerated | Tunde Adekoya | Financial                   | Finance Directorate | Pensions, Treasury & Statutory Accounts | Operational | 29/05/24     | 12             | D1                 |                   | 12                   | D1                  | 12 |
|       | PENS0023 | PEN 04 - Inflation - Pay and price inflation significantly more than anticipated                         | Global and national market/geo political environment causing higher inflation.<br>Incorrect BoE actions to rectify                   | Increased pension payments / cashflow negative<br>Reduced asset values & increased negative actuarial assumptions reduce funding level<br>Discount rate may be higher which could improve funding level | D1              | Closed/Tolerated | Tunde Adekoya | Financial                   | Finance Directorate | Pensions, Treasury & Statutory Accounts | Operational | 29/05/24     | 12             | E1                 |                   | 8                    | D1                  | 12 |
|       | PENS0018 | PEN 05 - Pensioners living longer  | Improvements in longevity  | Pension costs exceeding forecast<br>Reduced funding level   | E2              | Closed/Tolerated | Tunde Adekoya | Financial                   | Finance Directorate | Pensions, Treasury & Statutory Accounts | Operational | 30/05/24     | 6              | E2                 |                   | 6                    | E2                  | 6  |
|       | PENS0025 | PEN 06 - Poor Performance of Outsourced Administrator  | Poor service delivery of outsource partner<br>Poor contract management<br>Lack of action when improvements required                  | Non delivery of pension payments<br>Non compliance with pension regulations   | E2              | Closed/Tolerated | Tunde Adekoya | Statutory Service Provision | Finance Directorate | Pensions, Treasury & Statutory Accounts | Operational | 30/05/24     | 6              | F2                 |                   | 3                    | E2                  | 6  |
|       | PENS0022 | PEN 8 - ESG - Risk of financial loss through the negative impact of ESG matters                          | Negative ESG influences creating an environment where investments/companies perform poorly.  | Reduced asset value<br>Reduced funding level  | Not Set         | Closed/Tolerated | Tunde Adekoya | Financial                   | Finance Directorate | Pensions, Treasury & Statutory Accounts | Operational | 30/05/24     | 0              | Not Set            |                   | 0                    | Not Set             | 0  |

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## GOVERNANCE Part I

## Item 9

|                    |   |
|--------------------|---|
| Committee          | Pensions Committee  |
| Officer Reporting  | Tunde Adekoya, Finance  |
| Papers with report | Pension Committee Workplan<br>Pension Committee Training Log<br>Discretion Policy<br>Revised GCoP Action Plan |

### HEADLINES

This report is to enable the Pension Committee to review the Committee workplan, note governance updates as well as approval of various triennial and interim policy updates.

### RECOMMENDATIONS

**That the Committee:**

1. **Note the dates for Pensions Committee meetings.**
2. **Note Committee Work Plan**
3. **Note Committee's Continuous Professional Development update**
4. **Approve Revised Discretion Policy (03 June 2025)**
5. **Note GCoP Update**

### SUPPORTING INFORMATION

The Pension Committee workplan has been updated and is now shown as an appendix to this report. The policies listed below have been rescheduled for review at the dates next to each policy to ensure that they are in line with triennial valuation and responsibly manage Pensions committee agenda items.

Conflicts of Interests Policy – September 25  
Funding Strategy Statement – December 25  
Investment Strategy Statement – December 25  
Training Policy – March 26

Committee are asked to review the workplan and make suggestions for consideration and inclusion.

Future meeting dates:  
24 September 2025  
09 December 2025  
24 March 2026

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Pensions Committee 03 June 2025

## **Training**

In line with the required competencies set out by the CIPFA Knowledge and Skills Framework, Pension Committee members should have a general understanding of areas associated with their LGPS fiduciary role. Upcoming changes in legislation are expected to enforce the need for training and will make it a regulatory requirement for Pension Committee members.

To monitor progress against this requirement a log of member training is shown below. As a foundation requirement, Pension Committee members are asked to complete the AON CIPFA Knowledge & Skills Framework sessions.

## **Pensions Committee Continuous Professional Development Log 2024/25**

Attached to this paper is the updated training log for all Pensions Committee members detailing training undergone during 2024/25.

## **Revised Pensions Only Discretion Policy**

The Local Government Pension Scheme (LGPS) requires that Scheme Employers and the Administering Authority formulate, publish, and keep under review respective discretions policies. Discretions are further split into mandatory and non-mandatory discretions.

The London Borough of Hillingdon Pension Fund (as the administering authority) has a fund specific discretion policy, updated and reviewed every three years and last reviewed in June 2022. A revised pension relevant discretion, and the policy is presented for approval and publication.

There have been no changes in regulations underpinning the policy since the last review, hence no changes to the policy. However, one of the responsible officer titles for the implementation of some of the discretions has changed from (Head of Treasury, Pensions & Statutory Accounts) to (Director of Pensions, Treasury & Statutory Accounts) and amended accordingly in the document (Highlighted in yellow).

## **General Code of Practice**

The general code of practice is set to become effective in September 2025, and we are currently behind schedule to become compliant with the code. The main compliance policy outstanding is the Cyber Policy. At the last Pension Board meeting in April 2025, the board acknowledged the personnel limitations experienced by officers over the past few months and agreed to move compliance timeline to around March 2026. It was noted most LGPS Funds in the country are unlikely to be compliant with the GCoP at the deadline date, hence, we are not in a unique position. A revised GCoP action plan (attached) has been produced to align with the proposed compliance timeline of March 2026.

## **FINANCIAL IMPLICATIONS**

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Continued training will incur fees dependant on the platform and events attended.

### **LEGAL IMPLICATIONS**

Where applicable the legal implications are included within the body of the report.

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## London Borough of Hillingdon Pension Fund - Pensions Committee agenda plan

|  | Frequency                 | Last review |
|--|---------------------------|-------------|
| <b>Policies</b>  |                           |             |
| Governance Policy & Compliance Statement inc Governance Compliance Statement |                           | Dec-23      |
| Conflicts of Interests Policy  |                           | Mar-23      |
| Risk Management Policy   |                           | Mar-22      |
| Procedure for Reporting Breaches of the Law                                  |                           | Oct-24      |
| Funding Strategy Statement   |                           | Mar-23      |
| Investment Strategy Statement  | At least every<br>3 years | Dec-23      |
| Responsible Investment Policy  |                           | Mar-23      |
| Training Policy  |                           | Dec-23      |
| Pensions Administration Strategy   |                           | Mar-24      |
| Scheme pays policy   |                           | Dec-23      |
| Internal Disputes Resolution Procedure (IDRP) Employees Guide                |                           | Oct-22      |
| Communications Policy  |                           | Sep-24      |
| Discretions Policy   |                           | Jun-22      |
| <b>Pensions Administration</b>   |                           |             |
| Pensions Administration Performance  | Quarterly                 |             |
| Breaches, Complaints and Appeals   | Annually                  |             |
| Data Quality Improvement Plan??  | Ad-hoc                    |             |
| Pension Board Annual Report  | Annually                  |             |
| <b>Funding</b>   |                           |             |
| Actuarial Valuation  | Every 3 years             | Mar-23      |
| <b>Investment</b>  |                           |             |
| Review of Investment Strategy  | Every 3 years             | Jun-23      |
| Investment update and manager review   | Quarterly                 |             |
| Responsible Investment Update  | Quarterly                 |             |
| Climate Risk Dashbaord (TCFD)  | Every 3 years             | Mar-22      |

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| DATE          | DETAILS  | Pensions Committee Members |                       |                    |                     |                  | Advisers & Actuary |                 |              |              |
|---------------|--|----------------------------|-----------------------|--------------------|---------------------|------------------|--------------------|-----------------|--------------|--------------|
|               |  | Cllr Reeta Chamdal         | Cllr Kaushik Banerjee | Cllr Keith Burrows | Cllr Stuart Mathers | Cllr Tony Burles | Marian George      | Craig Alexander | Andrew Singh | Sunny Jheeta |
|               |  |                            |                       |                    |                     |                  |                    |                 |              |              |
| 11/07/24      | LCIV Absolute Return   | 1                          |                       |                    |                     |                  |                    |                 |              |              |
| 11/07/24      | LAPFF ESG  | 1                          |                       |                    |                     |                  |                    |                 |              |              |
| 31/07/24      | LCIV Fixed Interest  | 1                          |                       |                    |                     |                  |                    |                 |              |              |
| 01/08/24      | LCIV Multi Asset Credit  | 1                          |                       |                    |                     |                  |                    |                 |              |              |
| 22/08/24      | LCIV Business Meeting  | 1                          |                       |                    |                     |                  |                    |                 |              |              |
| 5-6/09/2024   | LCIV Annual Conference   | 7                          |                       |                    | 10                  |                  |                    |                 |              |              |
| 17/09/24      | LCIV Property Training   | 1                          | 1                     |                    | 1                   | 1                |                    |                 |              |              |
| 26/09/24      | WCC - Tri-Borough Investment Training  | 3                          |                       |                    |                     | 3                |                    |                 |              |              |
| 30/09/24      | LCIV Business Meeting  | 1                          |                       |                    |                     |                  |                    |                 |              |              |
| 01/10/24      | Sche Advisory Board (SAB) Government Pension Review                          | 1                          |                       |                    |                     |                  |                    |                 |              |              |
| 03/10/24      | LGIM Client Conference   |                            |                       |                    |                     | 7.5              |                    |                 |              |              |
| 06/11/24      | Insight Investment Management Training                                       | 3                          |                       |                    |                     | 3                |                    |                 |              |              |
| 07/11/24      | Isio Mansion House Webinar   | 1                          |                       |                    |                     |                  |                    |                 |              |              |
| 08/11/24      | LCIV Mansion House Webinar   | 1                          |                       |                    |                     |                  |                    |                 |              |              |
| 27/11/24      | LCIV/CBRE Property Investment Training                                       | 2                          | 2                     |                    | 2                   | 2                |                    |                 |              |              |
| 04-06/12/2024 | LAPFF Annual Conference  |                            |                       |                    | 14                  |                  |                    |                 |              |              |
| 16/03/25      | Insight Investment Management Training                                       |                            |                       |                    |                     | 3                |                    |                 |              |              |
| 19/03/25      | LCIV Coffee with CIO   | 1.25                       |                       |                    |                     |                  |                    |                 |              |              |
|               |  |                            |                       |                    |                     |                  |                    |                 |              |              |
|               | <b>Total Training Hours June 2024 - March 2025</b>                           | <b>26.25</b>               | <b>3</b>              | <b>0</b>           | <b>27</b>           | <b>19.5</b>      | <b>60.1</b>        | <b>15</b>       | <b>30</b>    | <b>30</b>    |
|               | <b>CIPFA Knowledge &amp; Skills Framework 7 Modules (Completed) 14 Hours</b> | *                          | *                     | **                 | *                   | *                |                    |                 |              |              |

\*Completed Knowledge and Skills training prior to 2024/25.

\*\*Cllr Burrows joined Pension Committee on 09 May 2025 – training to be completed.

#### Keys

Meet Requirement

Did Not Meet Requirement

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## London Borough of Hillingdon Administering Authority discretions and delegated authority

3 June 2025

The table below sets out how the London Borough of Hillingdon Pension Fund (LBH PF) chooses to exercise its discretions under the LGPS regulations, together with the delegated authority for approval where a further decision exists.

|    | Discretion   | Regulation  | Policy   | Delegated authority for approval |
|----|--|---|--|----------------------------------|
| 1. | Whether to agree to an admission agreement with a Care Trust, NHS Scheme employing authority, Care Quality Commission or any other body applying to be an admission body   | R4(2)(b),<br>R5(5) &<br>RSch 2, Part<br>3, para 1 | LBH PF will enter into an admission agreement where the requirements that it has set down and issued to prospective bodies are met.  | LBH Pension Services             |
| 2. | Whether to terminate a transferee admission agreement in the event of: <ul style="list-style-type: none"> <li>- Insolvency, winding up or liquidation of the body</li> <li>- Breach by that body of its obligations under the admission agreement</li> <li>- Failure by that body to pay over sums due to the Fund within a reasonable period of being requested to do so</li> </ul> | RSch 2, Part<br>3, para 9(d)                      | LBH PF will decide any case on its merits.   | Corporate Director of Finance    |
| 3. | Define what is meant by 'employed in connection with'  | RSch 2, Part<br>3, para12(a)                      | LBH PF admission agreements specify this as the employee spending at least 50% of his time employed by the admission body carrying out duties relevant to the provision of the services. | N/A                              |
| 4. | Whether to turn down a request to pay an APC/SCAPC over a period where it would be impractical to allow such a request (e.g. where the sum being paid is very small and could be paid as a single payment)   | R16(1)  | As a rule, the Hillingdon Pension Fund will not turn down any requests, however, it reserves the right to do so.   | N/A                              |

|     | <b>Discretion</b>   | <b>Regulation</b> | <b>Policy</b>  | <b>Delegated authority for approval</b>             |
|-----|---|-------------------|--|---|
| 5.  | Whether to require a satisfactory medical before agreeing to an application to pay an APC / SCAPC   | R16(10)           | The Administering Authority may require a satisfactory medical report to be submitted, at your cost, before your application is accepted.              | N/A   |
| 6.  | Whether to turn down an application to pay an APC / SCAPC if not satisfied that the member is in reasonably good health.  | R16(10)           | Where this is the case, you will be notified of the process to be followed by submitting your application to pay APC's                                 | Director of Pensions, Treasury & Statutory Accounts |
| 7.  | Whether to charge member for provision of an estimate of additional pension that would be provided by the Scheme in return for transfer in of in house AVC /SCAVC funds (where AVC / SCAVC arrangement was entered into before 1 / 4/ 14)                           | TP15(1)d & A28(2) | LBH PF charges for estimates based on the current rate payable by the Fund.  | N/A   |
| 8.  | Decide to whom any AVC/SCAVC monies (including life assurance monies) are to be paid on death of the member   | R17(12)           | LBH PF will decide each case on its merits, after assessing all potential beneficiaries, but will consider the member's valid expression of wish form. | LBH Pension Services                                |
| 9.  | Pension account may be kept in such form as considered appropriate  | R22(3)(c)         | LBH PF will decide the form in which pension accounts are kept based on any published guidance, best practice and in an efficient manner.              | N/A   |
| 10. | Decide, in the absence of an election from the member within 12 months of ceasing a concurrent employment, which ongoing employment benefits from the concurrent employment which has ceased should be aggregated (where there is more than one ongoing employment) | TP10(9)           | LBH PF will aggregate with the earliest remaining employment.  | N/A   |

|     | <b>Discretion</b>   | <b>Regulation</b>  | <b>Policy</b>   | <b>Delegated authority for approval</b>                        |
|-----|---|--|---|--|
| 11. | If an Employer has become defunct, the administering authority is required to make decisions on ill health and early payment of benefits. Including whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement or on benefits which a member voluntarily draws before normal pension age.   | <b>R30(8)</b><br><b>TP12(6)</b><br><b>R38(3)</b><br><b>R38(6)</b><br><b>B30(2)</b><br><b>B30(5)</b><br><b>B30A(3)</b><br><b>B30A(5)</b><br><b>B31(4)</b><br><b>B31(7)</b><br>TPSch 2,<br>para 1(2) &<br>1(1)(c)<br>TP3(1),<br>TPSch 2<br>para 2(1) | LBH PF will exercise this discretion in accordance with, and to the extent of (if any) the policy and practice of the former employer. If no policy exists, LBH PF will not waive any reduction or otherwise agree to a retirement which would incur an employer strain charge.<br>LBH PF will assess ill health retirement decisions, including the use of 2008 certificates, on a case-by-case basis. | <b>Director of Pensions, Treasury &amp; Statutory Accounts</b> |
| 12. | Whether to require any strain on Fund costs to be paid 'up front' by employing authority following payment of benefits under:<br>flexible retirement; redundancy / business efficiency; the waiver (in whole or in part) of any actuarial reduction that would have otherwise been applied to benefits which a member voluntarily draws before normal pension age; release of benefits before age 60. | <b>R68(2)</b><br><b>TPSch 2,</b><br>para 2(3)<br><b>L80(5) B30</b><br>or <b>B30A</b>   | LBH PF requires employers to make upfront payment of strain charges following any decision to allow early payment of benefits (other than ill health).  | N/A  |
| 13. | Whether to extend the time limits within which a member must give notice of the wish to draw benefits before normal pension age or upon flexible retirement.  | <b>R32(7)</b>  | No extension will be granted, unless appropriate to the individual circumstances of a case.   | <b>Director of Pensions, Treasury &amp; Statutory Accounts</b> |
| 14. | Decide whether to commute small pension   | <b>R34(1) R39</b><br><b>(1) (b) &amp; (c)</b><br><b>B39 T14(3)</b><br><b>L49 &amp; L156</b>  | LBH PF will allow commutation of eligible small pension pots.   | N/A  |

|     | <b>Discretion</b>   | <b>Regulation</b>  | <b>Policy</b>   | <b>Delegated authority for approval</b>             |
|-----|---|--|---|---|
| 15. | Approve medical advisors used by employers (for ill health benefits)  | <b>R36(3)</b><br><b>L97(10)</b>  | The Administering Authority will only accept an approved, registered medical practitioner.  | Director of Pensions, Treasury & Statutory Accounts |
| 16. | Decide to whom death grant is paid  | <b>TP17(5)</b> to (8)<br><b>R40(2)</b><br><b>R43(2)</b><br><b>R46(2)</b><br><b>B23(2)</b> & <b>B32(2)</b><br><b>B35(2)</b><br><b>TSch1</b><br><b>L155(4)</b><br><b>L38(1)</b><br><b>L155(4)</b><br><b>E8</b> | The Administering Authority shall exercise absolute discretion in determining the recipient(s) of any death grant payable from the Scheme.<br><br>As required, the Council shall exercise absolute discretion in determining the recipient(s) of any death grant payable from the Fund. Decisions on the payment of a death grant will be made after taking in to account all relevant considerations and documentary evidence, including the deceased's Expression of Wish and will. | Director of Pensions, Treasury & Statutory Accounts |
| 17. | Decide, in the absence of an election from the member, which benefit is to be paid where the member would be entitled to a benefit under 2 or more regulations in respect of the same period of Scheme membership | <b>R49(1)(c)</b><br><b>B42(1)(c)</b>   | LBH PF will choose the benefit entitlement that yields the highest level of benefits for the member.  | HCC Team Manager - Member Services                  |
| 18. | Whether to set up a separate admission agreement fund   | <b>R54(1)</b>  | LBH PF has decided not to set up a separate admission agreement fund.   | Corporate Director of Finance                       |
| 19. | Maintain a governance policy which contains the information set out in the regulations  | <b>R55</b>   | LBH PF has a written governance policy which contains the required information and is regularly reviewed.   | Pension Committee                                   |
| 20. | Decide on Funding Strategy for inclusion in funding strategy statement  | <b>R58</b>   | LBH PF has a funding strategy which is included in the funding strategy statement.  | Pension Committee                                   |
| 21. | Whether to have a written pensions administration strategy and if so, the matters it should include   | <b>R59(1)</b> and (2)  | LBH PF has a written pensions administration strategy.  | Pension Committee                                   |

|     | <b>Discretion</b>   | <b>Regulation</b> | <b>Policy</b>  | <b>Delegated authority for approval</b> |
|-----|---|-------------------|--|---|
| 22. | Maintain a communication policy which contains the information set out in the regulations   | <b>R61</b>        | LBH PF has a written communication policy which contains the required information and is regularly reviewed. | Pension Committee                       |
| 23. | Whether to obtain revision of employer's contribution rate if there are circumstances which make it likely a Scheme employer will become an exiting employer              | <b>R64(4)</b>     | LBH PF will decide each case on its merits, with advice from the Fund Actuary.                               | Corporate Director of Finance           |
| 24. | Decide whether to obtain a new rates and adjustments certificate if the Secretary of State amends the Benefits Regulations as part of the 'cost sharing' under <b>R63</b> | <b>R65</b>        | LBH PF will make this decision as it arises, with advice from the Fund Actuary.                              | Corporate Director of Finance           |

|     | Discretion  | Regulation                 | Policy  | Delegated authority for approval                    |
|-----|---|----------------------------|---|---|
| 25. | Decide the frequency of payments to be made over to the Fund by employers and whether to make an admin charge | R69(1)<br>L81(1)<br>L12(5) | <p>LBH PF has determined the interval for payment of employer contributions to be monthly (other than for employers who make advance payment of their contributions on 1 April). Payments are due monthly by 19<sup>th</sup> of the month (22<sup>nd</sup> if electronic) following deduction.</p> <p>However, if in exceptional circumstances an employer makes a request to defer payment of employer contributions, consideration to this will be given on a case-by-case basis. Factors which will be considered include but are not limited to; the overall financial security of the organisation making the request, the likelihood that deferring may lead to contributions not being paid within the year, the support of any guarantor or related local authority to the deferment. If a request is agreed, then deferred payments will be subject to interest at the underlying discount rate for the employer.</p> <p>LBH PF reserves the right to ask the Fund Actuary to consider the timing of deferred payments when determining the allocation of assets. This is so that any material increase in markets is not unfairly attributed to employers during a period of non-payment.</p> <p>Administration costs are considered by the actuary when setting employer contribution rates.</p> | Director of Pensions, Treasury & Statutory Accounts |
| 26. | Decide the form and frequency of information to accompany payments to the Fund                                | R69(4)<br>L81(5)           | Employers are required to complete a monthly remittance form with their payment showing a breakdown of contributions.   | HCC Team Manager – Finance                          |



|     | <b>Discretion</b>   | <b>Regulation</b>                | <b>Policy</b>   | <b>Delegated authority for approval</b>             |
|-----|---|----------------------------------|---|---|
| 27. | Whether to issue employer with notice to recover additional costs incurred as a result of the employer's level of performance   | <b>R70 and TP22(2)</b>           | LBH PF will work with employers to improve performance but if additional and disproportionate resources are deployed by LBH PF because of an employer's poor performance, the cost of the additional resources may be re-charged. | Director of Pensions, Treasury & Statutory Accounts |
| 28. | Whether to charge interest on payments by employers which are overdue   | <b>R71(1)<br/>L82(1)</b>         | LBH PF will charge interest on payments which are more than one month overdue.  | Director of Pensions, Treasury & Statutory Accounts |
| 29. | Decide whether to extend six-month period to lodge a stage one IDRPs to be heard by the administering authority   | <b>R74(4)</b>                    | LBH PF will not extend the 6-month period, unless the circumstances of the individual case warrant an extension.  | Director of Pensions, Treasury & Statutory Accounts |
| 30. | Decide procedure to be followed when exercising its IDRPs functions and decide the manner in which those functions are to be exercised  | <b>R74(6)<br/>R76(4)<br/>L99</b> | LBH PF has a documented and compliant IDRPs process.  | N/A   |
| 31. | Whether admin authority should appeal against employer decision (or lack of a decision)   | <b>R79(2)<br/>L105(1)</b>        | LBH PF would take the decision to appeal based on the merits of the individual case.  | Director of Pensions, Treasury & Statutory Accounts |
| 32. | Specify information to be supplied by employers to enable admin. authority to discharge its functions   | <b>R80(1)(b) &amp; TP22(1)</b>   | LBH PF provides employers with full guidance as to the information they must supply.  | N/A   |
| 33. | Whether to pay death grant due to a personal representative or anyone appearing to be beneficially entitled to the estate without need for grant of probate / letters of administration where payment is less than amount specified in the Administration of Estates (Small Payments) Act 1965. | <b>R82(2)<br/>A52(2)<br/>L95</b> | LBH PF will pay death grants that are under the amount specified in the Administration of Estates (Small Payments) Act 1965 without the need for grant of probate / letters of administration.                                    | N/A   |
| 34. | Whether, where a person (other than an eligible child) is incapable of managing their affairs, to pay the whole or part of that person's pension benefits to another person for their benefit.  | <b>R83<br/>A52A</b>              | LBH PF will decide who should receive payment of benefits, based on the circumstances of the individual case.   | Director of Pensions, Treasury & Statutory Accounts |

|     | <b>Discretion</b>   | <b>Regulation</b>   | <b>Policy</b>   | <b>Delegated authority for approval</b>                        |
|-----|---|---|---|--|
| 35. | Date to which benefits shown on annual benefit statement are calculated.  | <b>R89(5)</b><br><b>L106A(5)</b>  | LBH PF uses 31 March, but will revise this if regulatory requirements, administrative efficiency or best practice demand it.  | N/A  |
| 36. | Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS.   | <b>R100(6)</b>  | The Administering Authority will extend the limit where it is determined that maladministration has occurred because of affected employees not having been given any or sufficient details about the pension scheme of transfer option. | <b>Director of Pensions, Treasury &amp; Statutory Accounts</b> |
| 37. | Allow transfer of pension rights into the Fund.   | <b>R100(7)</b>  | LBH PF will allow transfers into the Fund.  | N/A  |
| 38. | Where member to whom <b>B10</b> applies (use of average of 3 years pay for final pay purposes) dies before making an election, whether to make that election on behalf of the deceased member.<br>Make election on behalf of deceased member with a certificate of protection of pension benefits i.e. determine best pay figure to use in the benefit calculations (pay cuts / restrictions occurring pre- 1.4.08.). | <b>TP3(6),</b><br><b>TP4(6)(c),</b><br><b>TP8(4),</b><br><b>TP10(2)(a),</b><br><b>TP17(2)(b)</b><br><b>TSch 1</b><br><b>L23(9)</b><br><b>B10(2)</b> | LBH PF will choose the pay figure that would yield the highest overall level of benefits for beneficiaries.   | HCC Team Manager – Member Services                             |
| 39. | Decide to treat child as being in continuous education or vocational training despite a break.  | <b>RSch 1 &amp;</b><br><b>TP17(9) B39</b><br><b>T14(3)</b>  | LBH PF will treat a child as being in continuous education or vocational training despite a break.  | N/A  |

|     | <b>Discretion</b>   | <b>Regulation</b>  | <b>Policy</b>  | <b>Delegated authority for approval</b> |
|-----|---|--|--|---|
| 40. | Decide evidence required to determine financial dependence of cohabiting partner on scheme member or financial interdependence of cohabiting partner and scheme member.   | <b>RSch 1 &amp; TP17(9)(b) B25</b>                             | LBH PF will decide the evidence required to determine financial dependence, based on guidance and best practice. For most cases, utility bills, bank statements or mortgage documentation in joint names will be accepted.   | HCC Team Manager - Member Services      |
| 41. | Decide policy on abatement of pensions following re-employment, including the pre-April 14 element for post 14 leavers.   | <b>TP3(13) &amp; A70(1)* &amp; A71(4)(c) T12 L109 L110(4)b</b> | The Administering Authority has decided <b>not</b> to suspend or reduce pre 2014 pension payments following re-employment.   | N/A                                     |
| 42. | Extend period for capitalisation of added years contract  | <b>TP15(1)(c) &amp; TSch1 &amp; L83(5)</b>                     | If applicable, LBH PF will not extend the time limit for applications to pay off added years contracts.  | N/A                                     |
| 43. | Outstanding employee contributions can be recovered as a simple debt or by deduction from benefits  | <b>A45(3) L89(3)</b>   | LBH PF will look at each case on its merits but will usually recover as a deduction from benefits.   | LBH Pension Services                    |
| 44. | Whether to pay the whole or part of a child's pension to another person for the benefit of that child.  | <b>B27(5) L47(2) G11(2)</b>                                    | All pensions due to children under 16 will be paid to another person for the benefit of the child. After age 16, LBH PF will normally pay to the child, unless the circumstances of the individual case mean that the payments should continue to be made to another person. | N/A                                     |
| 45. | Extend normal 12-month period following end of relevant reserve forces leave for "Cancelling notice" to be submitted by a councillor member requesting that the service should not be treated as relevant reserve forces service. | <b>L17(4),(7),(8), &amp; L89(4) &amp; Sch 1</b>                | LBH PF will not extend the 12-month period.  | N/A                                     |
| 46. | Select appropriate final pay period for deceased non-councillor member (leavers post 31.3.98. / Pre 1.4.08.).   | <b>L22(7)</b>  | LBH PF will choose the appropriate pay period that would yield the highest overall level of benefits for beneficiaries.  | HCC Team Manager - Member Services      |

|     | <b>Discretion</b>   | <b>Regulation</b>                       | <b>Policy</b>  | <b>Delegated authority for approval</b>                        |
|-----|---|---|--|--|
| 47. | Apportionment of children's pension amongst eligible children (children of councillor members and children of post 31.3.98 / pre-1.4.08. leavers).  | <b>L47(1)</b><br><b>G11(1)</b>          | LBH PF will apportion children's pension equally amongst eligible children.  | N/A  |
| 48. | Commute benefits due to exceptional ill-health (councillor members, pre 1.4.08. leavers and pre-1.4.08. Pension Credit members).  | <b>L50 and</b><br><b>L157</b>           | LBH PF will commute benefits due to exceptional ill health, provided regulatory conditions are met.  | N/A  |
| 49. | Retention of CEP where member transfers out (councillors and pre-1.4.08. leavers).  | <b>L118</b>                             | CEP will be paid with transfers out rather than being retained in the Fund.  | N/A  |
| 50. | Discharge Pension Credit liability (in respect of Pension Sharing Orders for councillors and pre-1.4.08. Pension Sharing Orders for non-councillor members).  | <b>L147</b>                             | LBH PF will discharge its liability by conferring pension credit rights on the person entitled to the pension credit.  | N/A  |
| 51. | Whether to pay spouse's pensions for life for pre 1.4.98 retirees / pre 1.4.98 deferred members who die on or after 1.4.98. (rather than ceasing during any period of remarriage or co-habitation). | <b>F7</b>                               | LBH PF will pay spouse's LGPS pensions for life.   | N/A  |
| 52. | Agree to pay annual compensation on behalf of employer and recharge payments to employer.   | <b>DC31(2)</b>                          | LBH PF will pay compensation on behalf of an employer, subject to acceptable recharge arrangements.  | <b>Director of Pensions, Treasury &amp; Statutory Accounts</b> |
| 53. | Whether to agree to that an admission agreement may take effect on a date before the date on which it is executed.  | <b>RSch2, Part</b><br><b>3, para 14</b> | As set out in the Employer Policy, LBH PF requires employers to notify the Fund of any outsourcing as soon as possible and complete an admission agreement with sufficient time before the contract start date. However, each case will be decided on its merits, with advice from the Fund Actuary. | <b>Director of Pensions, Treasury &amp; Statutory Accounts</b> |
| 54. | Whether to extend the period beyond 6 months from the date an Employer ceases to be a Scheme Employer, by which to pay an exit credit   | <b>R64 (2ZA)</b>                        | As set out in the Employer Policy, LBH PF will agree a later date with an employer if circumstances mean that an exit credit cannot be paid within 6 months of the employer exiting the Fund.  | <b>Director of Pensions, Treasury &amp; Statutory Accounts</b> |

|     | <b>Discretion</b>   | <b>Regulation</b> | <b>Policy</b>  | <b>Delegated authority for approval</b>                        |
|-----|---|-------------------|--|--|
| 55. | To determine the amount of an exit credit, which may be zero  | <b>R64 (2ZAB)</b> | LBH PF will determine the amount of any exit credit to be paid in accordance with the terms set out in the Funding Strategy Statement.   | <b>Director of Pensions, Treasury &amp; Statutory Accounts</b> |
| 56. | Whether to suspend (by way of issuing a suspension notice) for up to 3 years an employer's obligation to pay an exit payment where the employer is again likely to have active members within the specified period of suspension. | <b>R64(2A)</b>    | LBH PF will exercise this discretion in relation to Town or Parish Councils. Any other circumstance will be considered on its merits with advice from the Fund Actuary.  | <b>Director of Pensions, Treasury &amp; Statutory Accounts</b> |
| 57. | To decide whether it is legally able to offer voluntary scheme pays and, if so, to decide the circumstances (if any) upon which it would do so.   | <b>RPS 2</b>      | LBH PF will allow a request for Voluntary Scheme Pays (VSP) where the tax charge is over £1,000 in relation to an excess over the standard annual allowance. Any request for VSP below this minimum will be considered on a case-by-case basis with regard for the administration cost of administering a small pension debit. In addition, LBH PF will allow a request for VSP in relation to a tax charge of £1,000 or more which has arisen in relation to an excess over a tapered annual allowance over the standard annual allowance if the total tax charge is more than £1,000). | <b>Director of Pensions, Treasury &amp; Statutory Accounts</b> |

**Key to regulations:**

| <b>Prefix</b> | <b>Regulation</b>  |
|---------------|--|
| <b>R</b>      | Local Government Pension Scheme Regulations 2013   |
| <b>TP</b>     | Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014                    |
| <b>A</b>      | Local Government Pension Scheme (Administration) Regulations 2008  |
| <b>B</b>      | Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007                            |
| <b>T</b>      | Local Government Pension Scheme (Transitional Provisions) Regulations 2008   |
| <b>L</b>      | Local Government Pension Scheme Regulations 1997 (as amended)  |
| <b>None</b>   | Local Government Pension Scheme Regulations 1995   |
| <b>DC</b>     | Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 |
| <b>RPS</b>    | The Registered Pension Schemes (Modification of Scheme Rules) Regulations 2011                                       |



London Borough of Hillingdon Pension Fund  
General Code of Practice Action Plan 2025/6

| Project Stage          | Action/task   | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | Jan-25 | Feb-25 | Mar-25 | Apr-25 | May-25 | Jun-25 | Jul-25 | Aug-25 | Sep-25 | Oct-25 | Nov-25 | Dec-25 | Jan-26 | Feb-26 | Mar-26 |
|------------------------|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Project Initialisation | 1 Evaluate compliance checkers on the market.                                 |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
|                        | 2 Research how other funds are tackling the their implementation of the GCOP. |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
|                        | 3 Purchase compliance checker   |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
|                        | 4 Determine which of the 51 modules apply to the fund                         |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Governing Body         | 5 PB & PC Recruitment Process In Place  |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
|                        | 6 Regular review of PC & PB membership  |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
|                        | 7 Resignation and Removal of PB members                                       |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
|                        | 8 Knowledge & Skills Policy covering expectations of code                     |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
|                        | 9 Documented Policies on appointment of advisers                              |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
|                        | 10 Is above Policy approved by PC   |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Administration         | 11 Own Risks (Best Practise)  |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
|                        | 12 EDI Policy   |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
|                        | 13 Fund Specific Cyber Policy   |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
|                        | 14 Specific Cyber Incident report Plan  |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
|                        | 15 Cyber Hygiene Guidelines (Remote working)                                  |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |

- Scheduled tasks Completed
- Some requirements/actions still outstanding
- Yet to produce compliance document
- Not compliant

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