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A

Pensions Committee

To Members of the Committee:

Reeta Chamdal (Chair)
Kaushik Banerjee (Vice-Chair)
Stuart Mathers
Labina Basit
Colleen Sullivan

Date:	**WEDNESDAY 24 SEPTEMBER 2025**
Time:	**5.00 PM**
Venue:	**COMMITTEE ROOM 6 CIVIC CENTRE, HIGH STREET, UXBRIDGE UB8 1UW**
Meeting Details:	The public and press are welcome to attend and observe the meeting.

For safety and accessibility, security measures will be conducted, including searches of individuals and their belongings. Attendees must also provide satisfactory proof of identity upon arrival. Refusal to comply with these requirements will result in non-admittance.

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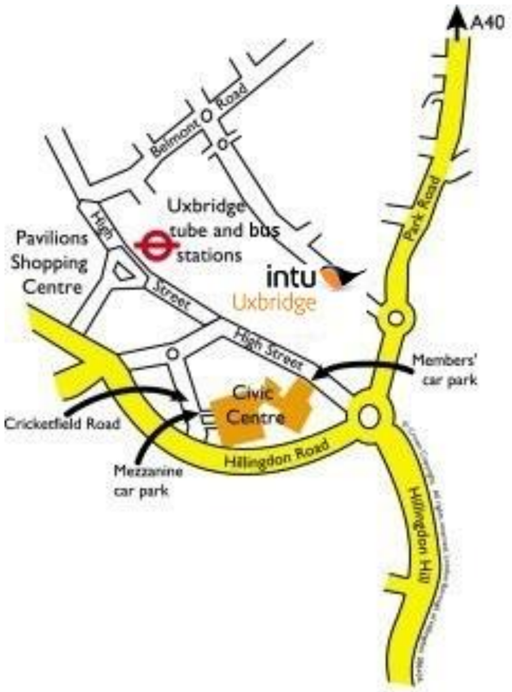

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Agenda

CHAIRMAN'S ANNOUNCEMENTS

PART I - Members, Public and Press

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That the reports in Part 2 of this agenda be declared not for publication because they involve the disclosure of information in accordance with Section 100(A) and Part 1 of Schedule 12 (A) to the Local Government Act 1972 (as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.

Minutes

PENSIONS COMMITTEE

3 June 2025

Meeting held at Committee Room 5 - Civic Centre

	Committee Members Present: Councillors Reeta Chamdal (Chair), Kaushik Banerjee (Vice-Chair), Keith Burrows, Stuart Mathers and Tony Burles **LBH Officers Present**: Pete Carpenter - Director, Pensions, Treasury & Stat Accounts Anisha Teji, Senior Democratic Services Officer Karl Pereira, Trainee Pension Fund Accountant **Also Present**: Marian George, Independent Adviser Andrew Singh, Isio Sunny Jheeta, Isio Jenny Buck – LCIV Tim Mpofu – LCIV Rodger Hackett – Chair of Pensions Board Tony Noakes – Member of Pensions Board
117.	**APOLOGIES FOR ABSENCE** *(Agenda Item 1)* There were no apologies for absence.
118.	**DECLARATIONS OF INTEREST IN MATTERS COMING BEFORE THIS MEETING** *(Agenda Item 2)* None.
119.	**MINUTES OF THE MEETING - 26 MARCH 2025 AND 8 MAY 2025** *(Agenda Item 3)* **RESOLVED: It was agreed that the minutes of the meetings on 26 March 2025 and 8 May 2025 be confirmed as an accurate record.**
120.	**TO CONFIRM THAT ITEMS MARKED PART I WILL BE CONSIDERED IN PUBLIC AND THOSE MARKED PART II WILL BE CONSIDERED IN PRIVATE** *(Agenda Item 4)* It was confirmed that agenda items 5 – 9 would be considered in Part I and agenda items 10 – 12 would be considered in Part II.
121.	**ADMINISTRATION REPORT** *(Agenda Item 5)* The Director of Pensions, Treasury & Statutory Accounts introduced the Pensions Administration & Performance report. An update was provided on the administration activities and performance of the

	Hillingdon Pension Fund, which is managed in partnership with Hampshire County Council (HCC) through the Hampshire Pension Service (HPS). HCC sent apologies for the meeting. It was reported that HCC had achieved 100% delivery against performance targets, with data quality scores increasing from 89% in 2023 to 92% in 2024. 99.38% of active benefit statements and 100% of deferred benefit statements were produced and published within the statutory deadline. Additionally, 50.09% of all members were registered on the Portal and there was a low number of complaints compared to the total membership and casework processed. The historic leavers backlog had been significantly reduced from 4,158 to 275. Regular project meetings and weekly monitoring of progress were ongoing, along with the development of online services and significant efforts to monitor and improve cyber security. The Committee noted HCC's decision to stop charges for ongoing work and the challenge of getting only 50% of employees signed up on the portal. The importance of electronic communication to expedite the process and resolve related issues efficiently was emphasised. The Committee acknowledged the report and the excellent work being undertaken. In response to questions around the measures in place to address the reduction in members and the lack of people on the portal, it was explained that there had always been challenges with pension funds, especially in getting information from overseas members. The Committee was reassured about the robustness of cybersecurity measures especially in light of recent cybersecurity incidents involving high profile companies **RESOLVED: That the Pensions Committee noted the administration update.**
122.	**INVESTMENT STRATEGY AND FUND MANAGER PERFORMANCE - PART I** *(Agenda Item 6)* The Director of Pensions, Treasury & Statutory Accounts introduced the Investments Strategy and Fund Manager Performance report and highlighted the dashboard produced collaboratively by officers. It was reported that the funding level remained unchanged this quarter at 127%, with liabilities decreasing by £10 million to £1.08 billion. Pensions assets decreased in value by 1.36% in the quarter of £1.40 billion resulting in a quarterly return of -1.4%, slightly below the benchmark. **RESOLVED: That the Pensions Committee noted the funding and performance update.**
123.	**RESPONSIBLE INVESTMENT** *(Agenda Item 7)* The Director of Pensions, Treasury & Statutory Accounts introduced the item on the Responsible Investments Update. The report provided information on how managers entrusted with the investing Pension Fund assets were implementing their Environmental, Social and Governance (ESG) policies and demonstrated their commitment to ensuring it was a cogent part of their investment process.

	The Committee heard about the active challenges faced by pension funds and the importance of fund managers implementing ESG policies as part of their investment processes was emphasised. Members also heard about the progress on the UK stewardship code project, policy updates and proxy voting statistics, noting that LGIM voted against management resolutions 23% of the time. Examples of proactive engagement by fund managers included actions taken by LGIM on Rio Tinto and LAPF on companies like Persimmon, Burberry and the London Stock Exchange Group. Members reflected on the progress made by mining companies like Rio Tinto in improving safety, environmental standards and workers' human rights, highlighting the pivotal role of pension funds in this advancement over the past three years. Concerns were expressed regarding voting not always aligning with their values. Further information was requested summarising the types of issues voted against, to better understand whether they were environmental, governance-related or other matters. **RESOLVED: That that the Pensions Committee:** **1. Noted the fund managers' ESG activities and compliance efforts.** **2. Noted LCIV & LAPFF activities.**
124.	**RISK REGISTER REPORT** *(Agenda Item 8)* The Director of Pensions, Treasury & Statutory Accounts introduced the item on the Pension Fund Risk Register. The Council's new risk management software, JCAD, had classified all risks into two categories: open and closed risks. The software allowed risks managed as day-to-day business to be retired but maintained in the background for easy reintroduction if needed. It was reported that there were 7 closed risks and 7 open risks and it was proposed that risk of liquidity on member dealings (PEN 10) be closed as it had been managed effectively without needing to sell investments to meet pension liabilities for the past ten years. Members queried the liquidity of assets, particularly in property, and the potential hurdles in changing strategies due to liquidity issues. The infancy of the changes was discussed, particularly regarding the rundown and transformation of properties. It was explained that the focus was on future meetings to decide on overall strategy and funding allocations, which might require significantly more money. It was noted that the funds' performance would differ from the past four to six years, necessitating decisions to move things forward. A plan outlining the current situation and future projections as part of the decision-making process was emphasised. It was noted by the Committee that the next Pensions Board meeting would discuss cybersecurity, following a major exercise two years ago to assess partners' cybersecurity measures. Consideration of updating the risk register and addressing specific risks, including the fund's ability to settle member payments was noted. **RESOLVED: That the Pensions Committee:** **1. 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.**

	2. Noted the revised format and agreed the retired risks and those which remained open. **3. Approved closure of PEN 10 - Liquidity on members dealings - risk that the fund is unable to settle member payments.**
125.	**GOVERNANCE** *(Agenda Item 9)* The Committee considered the Governance report which included the work plan and governance updates. The workplan outlined future discussion items and included an updated appendix and rescheduled policy review dates. The need for Members to understand their LGPS fiduciary role and comply with upcoming legislation requiring training was highlighted. A revised discretion policy for approval, noting a change in responsible officer titles was also noted. Despite delays in compliance with the general code of practice, there was a revised action plan aimed for compliance by March 2026. Officers highlighted the significant workload expected over the next nine months, including policy updates and transfers, and emphasised the importance of the Committee's work plan and governance updates. It was confirmed that new information would be sent to new Members of the Pensions Committee. **RESOLVED: That the Committee:** **1. Noted the dates for Pensions Committee meetings.** **2. Made suggestions for future agenda items, working practices and / or reviews.** **3. Noted Committee's Continuous Professional Development update** **4. Noted GCoP Update**
126.	**APPROVE RESTRICTED MINUTES FROM MEETING ON 26 MARCH 2025** *(Agenda Item 10)* **RESOLVED: That the Committee agreed the Part II minutes from the meeting on 26 March 2025 as an accurate record.**
127.	**INVESTMENT PART II - STRATEGY REVIEW AND MANAGER UPDATES** *(Agenda Item 11)* *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).* **RESOLVED: That the Committee noted the recommendation as detailed in the confidential report**
128.	**BUSINESS PLAN AND BUDGET 25/26 & BUDGET UPDATE 24/25** *(Agenda Item 12)* *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). **RESOLVED: That the Committee noted the recommendation as detailed in the confidential report**
	The meeting, which commenced at 5.00 pm, closed at 7.04 pm.

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Pensions Administration & Performance	Item 5
Committee	Pensions Committee
Contact Officers	Pete Carpenter - Finance Tunde Adekoya – Finance
Papers with this report	None

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

This briefing summarizes the key highlights from the August 2025 Hillingdon Partnership Report.

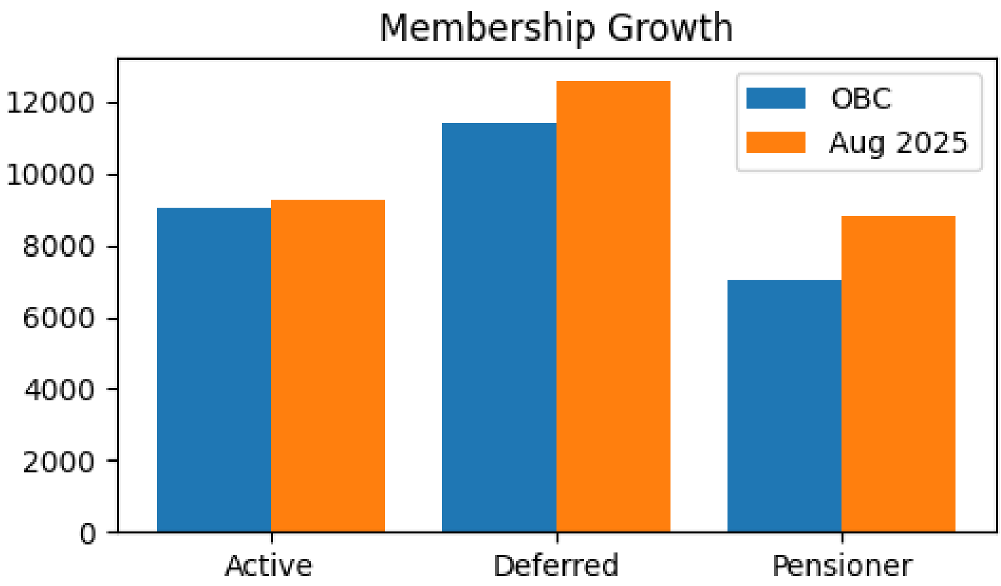
Key Takeaways
- Membership has grown by nearly 18% since onboarding, indicating strong scheme engagement.
- 100% of administration cases were completed within SLA timelines, reflecting operational efficiency.
- Over half of members are registered on the portal, showing good digital adoption.
- End of Year: 99.99% of deferred benefit statements produced and 99.55% of Active.
- Only 42 historic leaver cases remain unprocessed, down from over 4,000.
- Member communication volumes are high, with over 3,000 calls and 200+ digital messages handled.
- McCloud underpin calculations are complete for deferred and pensioner members.
- Audit results show substantial assurance in key areas like member death payments.
- Communications: Timely updates issued to employers and members.
- Feedback: 6 compliments, 1 complaint received.

Membership

Membership in the Local Government Pension Scheme has grown by 17.8% since the start of the partnership, with notable increases in deferred and pensioner categories.

Membership Growth

	Active*	Deferred	Pensioner	Preserved Refunds**	Total
OBC	*9,020*	*11,400*	*7,036*	-	*27,456*
August 2025	9,264	12,574	8,787	1,723	**32,348**
Growth	***2.71%***	***10.30%***	***24.89%***	**-**	***17.82%***



Administration

Administration performance remains strong, with 100% of cases completed within service level agreements.

The table below shows performance from 1st August – 31st August 2025. The service level agreement (SLA) for all casework is 15 working days, except for deferred benefits which are processed in 30 working days, and re-joiners which are processed in 20 working days.

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 to complete process*	*Total Cases (previous month)*	*% completed on time (previous month)*
Active Retirement	4	8	0	0	0	0	12	100%	6	*17*	*100%*
Deferred Retirement	5	24	5	0	0	0	34	100%	8	*31*	*100%*
Estimates	4	17	2	0	0	0	23	100%	7	*37*	*100%*
Refunds	0	7	1	0	0	0	8	100%	10	*10*	*100%*
Deferred Benefits	0	0	0	0	71	0	71	100%	28	*67*	*100%*
Interfunds and Transfers In	9	0	4	0	0	0	13	100%	5	*11*	*100%*
Interfunds and Transfers Out	1	10	5	0	0	0	16	100%	10	*23*	*100%*
Divorce Quotes	0	3	2	0	0	0	5	100%	9	*5*	*100%*
Divorce Actuals	0	0	0	0	0	0	0	100%	0	*0*	*100%*
Rejoiners/Aggregation	1	0	5	2	0	0	8	100%	13	*15*	*100%*
Deaths	12	1	2	0	0	0	15	100%	3	*15*	*100%*
GRAND TOTAL	36	70	26	2	71	0	205	**100%**		***231***	***100%***

The table below shows outstanding work as of 31st August 2025. The time outstanding reflects the time from date of receipt of the initiating request, and includes time whilst cases are on hold pending further information. Work which has been pended is monitored by the team and is also pushed for review by the system at pre-determined intervals. This means that all pending casework is regularly reviewed, and actions taken to ensure it can be moved and processed.

Time Outstanding								
Type of Case	0-5 days	6-10 days	11-15 days	16-20 days	21-30 days	31+ days	Total	*Total Outstanding (previous month)*
Active Retirement	1	2	3	0	1	3	10	*6*
Deferred Retirement	5	1	7	0	7	15	35	*31*
Estimates*	6	5	11	5	6	62	95	*97*
Refunds	0	1	0	0	0	1	2	*2*
Deferred Benefits	8	6	14	7	29	63	127	*148*
Interfunds and Transfers In	2	0	3	2	3	92	102	*107*
Interfunds and Transfers Out	3	1	5	1	1	9	20	*23*
Divorce Quotes	0	1	0	0	0	3	4	*4*
Divorce Actuals	0	0	0	0	0	0	0	*0*
Rejoiners/Aggregation	6	3	7	7	6	40	69	*52*
Deaths	1	1	3	1	4	40	50	*55*
GRAND TOTAL	**31**	**19**	**50**	**23**	**56**	**325**	**504**	***519***

*Estimates include all 'quote' calculations for retirement, transfers, divorce, refunds, dependants quotes and interfunds.

Member Portal

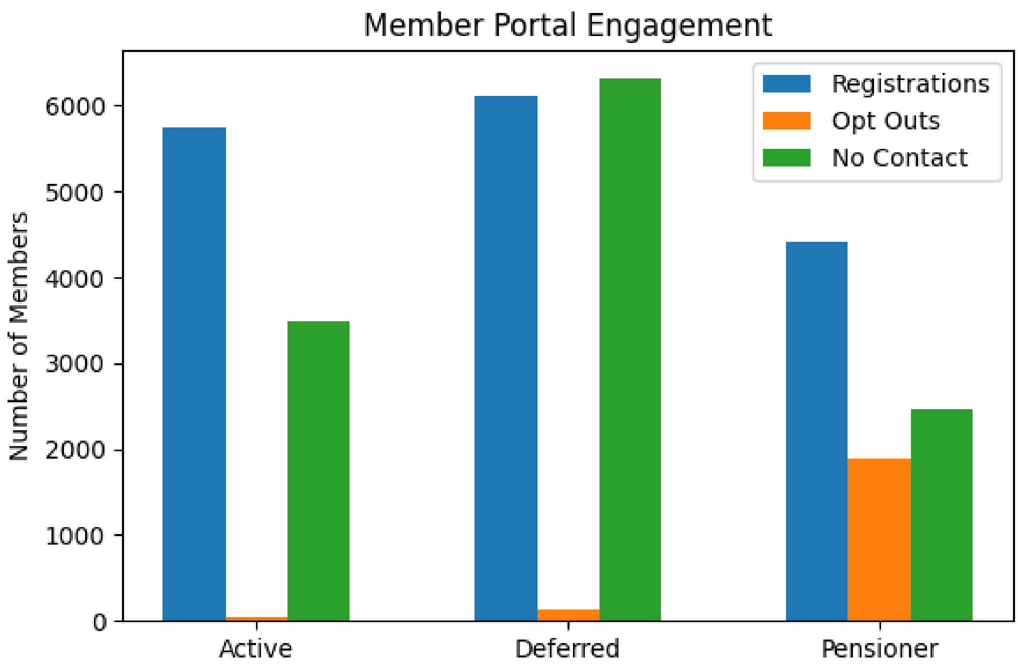
Portal engagement continues to improve with over 53% of members registered.

Active, Deferred, Preserved Refund and Pensioner members of the Hillingdon Local Government pension scheme can register for our Member Portal and update their personal details, death grant nominations, and bank details; securely view annual benefit statements, pay slips and P60's; run online voluntary retirement estimates; and complete their membership option, retirement declaration and refund claim forms online.

The table below shows the total number of current registrations for each status as of 31st Augus 2025.

Member Portal Engagement

Status	Registrations to date	% of total membership	Registrations to 31/07/2025	% of total membership
Active	5,757	62.14%	5,733	61.90%
Deferred	6,177	49.13%	6,116	48.66%
Pensioner	4,469	50.86%	4,414	50.37%
TOTAL	**16,403**	**53.56%**	**16,263**	**53.16%**



Annual returns and Employer Performance

- 554 member queries had been raised during the process including starter, leaver notifications. 45 of these queries are still to be resolved, with most Partnership Learning now resolved.
- HPS have benchmarked annual return employer performance outcomes for all employers, with a draft report to be sent to LBHPF along with draft employer performance letters for review. The table summary below shows how employers have been benchmarked in 2025:

	2024			2025		
Rating	**Green**	**Amber**	**Red**	**Green**	**Amber**	**Red**
Return received	**30 April or before**	**Between 1 and 31 May**	**1 June or after**	**30 April or before**	**Between 1 and 31 May**	**1 June or after**
No. of employers	97	15	3	107	9	0
% represented	84.4%	13%	2.6%	92%	8%	0%
	No reconciliation issues	**Minor reconciliation issues/quickly resolved**	**Major reconciliation issues and/or slow/failed to respond**	**No reconciliation issues**	**Minor reconciliation issues/quickly resolved**	**Major reconciliation issues and/or slow/failed to respond**
No. of employers	113	1	1	101	13	2
% represented	98.2%	0.9%	0.9%	87%	11%	2%
	Data quality good	**Minor data quality issues, quickly resolved**	**Major data quality issues and/or slow/failed to respond**	**Data quality good**	**Minor data quality issues, quickly resolved**	**Major data quality issues and/or slow/failed to respond**
No. of employers	18	31	66	37	55	24
% represented	16%	27%	57%	32%	47%	21%

2025 End of Year timetable

We have agreed the timeline for the 2025 year-end processes. The table below details the key milestones and dates we will be working to.

Due completion	**Task**
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.

Due completion	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.

Benefit Statements

Deferred Benefit Statements – The production of deferred benefit statements has been ongoing, throughout August, and the 31 August position is as follows.

Total Number of Statements Required	Total Number of Statements Produced	Total Number of Statements Missing	Percentage of Statements Produced
12,573	12,572	1	99.99%

Active Benefit Statements – The production of active benefit statements has been ongoing, throughout August, and the 31 August position is as follows.

Total Number of Statements Required	Total Number of Statements Produced	Total Number of Statements Missing	Percentage of Statements Produced
9,256	9,214	42	99.55%

The numbers above include all members – those that are in scope for the McCloud Remedy, and those out of scope. For those in scope, a guaranteed amount (the underpin) has been calculated and is included in the information provided.

As of 31 August 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
Total unprocessed leavers	**4,158**
Leavers processed, and records finalised by HPS	3,916
*Leavers processed in the last month**	*3*
Outstanding leavers to be processed	**242**

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

McCloud Update

HPS have completed the retrospective calculation of the underpin for all deferred members, with a 'Provisional Guarantee Amount' being recorded on each of their pension records. Of the 2,399 deferred members in scope for the McCloud Remedy, 307 are entitled to a provisional guaranteed amount (underpin) at their date of leaving.

HPS have also finished running the bulk process for pensioner members who retired prior to 1 October 2023, which has initially identified that of the 1,608 in scope for the McCloud Remedy, 320 are entitled to a guaranteed amount and an increase in the benefits being paid to them. However, we have found that several of the calculations are overstating the underpin due to issues with data quality and incorrect service records, so we are currently reviewing, and where necessary amending, each record to ensure that a guaranteed amount is not paid if it is not due to the member.

We are also working on producing a report which will identify the number of active members with a guaranteed amount, however as this calculation is carried out as part of producing the benefit statement, the figures are not stored on the members pension record, which makes reporting difficult.

Software Development

Member Portal – HPS have enhanced the online forms listed below with a save and review feature, which allows members to save their progress, come back to the form later, and review the information they have provided before submitting to us.

- Retirement Declaration Form
- Membership Option Form
- Divorce Quote request
- McCloud Pension History Form
- Refund Claim Form

Google Analytics – HPS have nearly finished the configuration of Google Analytics, so they can further understand how members use their Member Portal and expect to have some useful insight by the end of September. They hope to build on the initial analysis and will be working with Civica and our IT department to understand the reporting options.

Audit

The Southern Internal Audit Partnership (SIAP) provides the internal audit function for Hampshire. The position of our 2025/26 pension audits are as follows.

Audit Area	Timing
Member deaths Provide assurance that any payments related to deceased members are calculated correctly and paid promptly to the correct recipient with the risk of overpayments minimized.	Substantial rating confirmed.
Pension transfers 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.	In progress
Pensions payroll and benefit calculations Annual review to provide assurance that HPS' systems and controls ensure that: • Lump sum and on-going pension payments are calculated correctly, are valid and paid to the correct recipients. • All changes to on-going pensions are accurate and timely. • Pension payroll runs are accurate, complete, timely and secure with all appropriate deductions made and paid over to the relevant bodies.	Quarter 3/4
Cyber Security 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

Employer and Member Communications

Employer communications – There were two employer communication issued in August 2025. The first was in relation to the agreed Local Government pay award. The second was to notify employers that the annual benefit statements were now available for their staff to view on the Member Portal.

Member communications – There were one member communication issued in August 2025, this was sent to deferred members notifying them that they ABS was available on the Member Portal.

Data Protection Breaches – We have not identified any data protection breaches in August 2025.

Compliments and Complaints

We received one complaint in August from a member of the LBH LGPS.

We received 6 compliments in August from members of the LBH LGPS.

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.

Agenda Item 6

INVESTMENT STRATEGY and FUND MANAGER PERFORMANCE (Part I)	ITEM 6

Committee	Pensions Committee
Officer Reporting	Pete Carpenter, Finance Tunde Adekoya, Finance
Papers with this report	LCIV Executive Summary 30 June 2025 Hymans Interim Valuation Report 30 June 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 30 June 2025 for review and comment.

RECOMMENDATIONS

It is recommended that Pensions Committee:

1. **Note the funding and performance update.**

Summary of Key Insights to LCIV Executive Report

Funding & Liabilities:
Funding Level: Increased to 136%, up from 128% in March 2025.
Deficit/Surplus: Surplus of £380m, up from £171m.
Liabilities: Decreased by £20m over the quarter.
Assets: Increased to £1.46bn, a 3.96% rise in market value.

Investment Performance
Quarterly Return: 4.0%, matching the benchmark.
1-Year Return: 6.6% vs benchmark 6.9%.
5-Year Return: 6.1%, slightly below benchmark 6.6%.
Since Inception: 6.8%, in line with benchmark.

Manager Contributions

Top contributors:
LGIM – World Developed Equity: +1.58%
LGIM – Future World Fund: +1.35%
LCIV Global Alpha Growth Paris Aligned: +0.44%
LCIV Infrastructure Fund: +0.41%

Negative contributors:
Blackstone Dislocation Fund: -0.06%
Adam Street (Private Equity): -0.06%

Manager Monitoring & Assessment
Baillie Gifford (Global Alpha Growth): Skills score 2 – positive changes noted, further review in Nov 2025.
LCIV Global Equity Value Fund: Skills score 1 – underperforming, flagged for improvement.
LCIV Absolute Return Fund: Skills score 2, Value score 4 – concerns about achieving objectives.

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.

Quarterly Executive Summary

31 March 2025 - 30 June 2025

1 Funding and Liabilities

136%

The Funding level increased by 8% this quarter

£1.06bn

The liabilities decreased by £20m over the quarter.

Source: Hymans actuarial data.

2 Pension Assets

1.46bn

market value this quarter.

3.96%

increase in market value this quarter

Source: Northern Trust custody data

3 Investment Performance

4.0%

The Fund returned 4.0% this quarter.

0.0%

The Fund underperformed its benchmark by 0.0% this quarter

Source: Northern Trust custody data

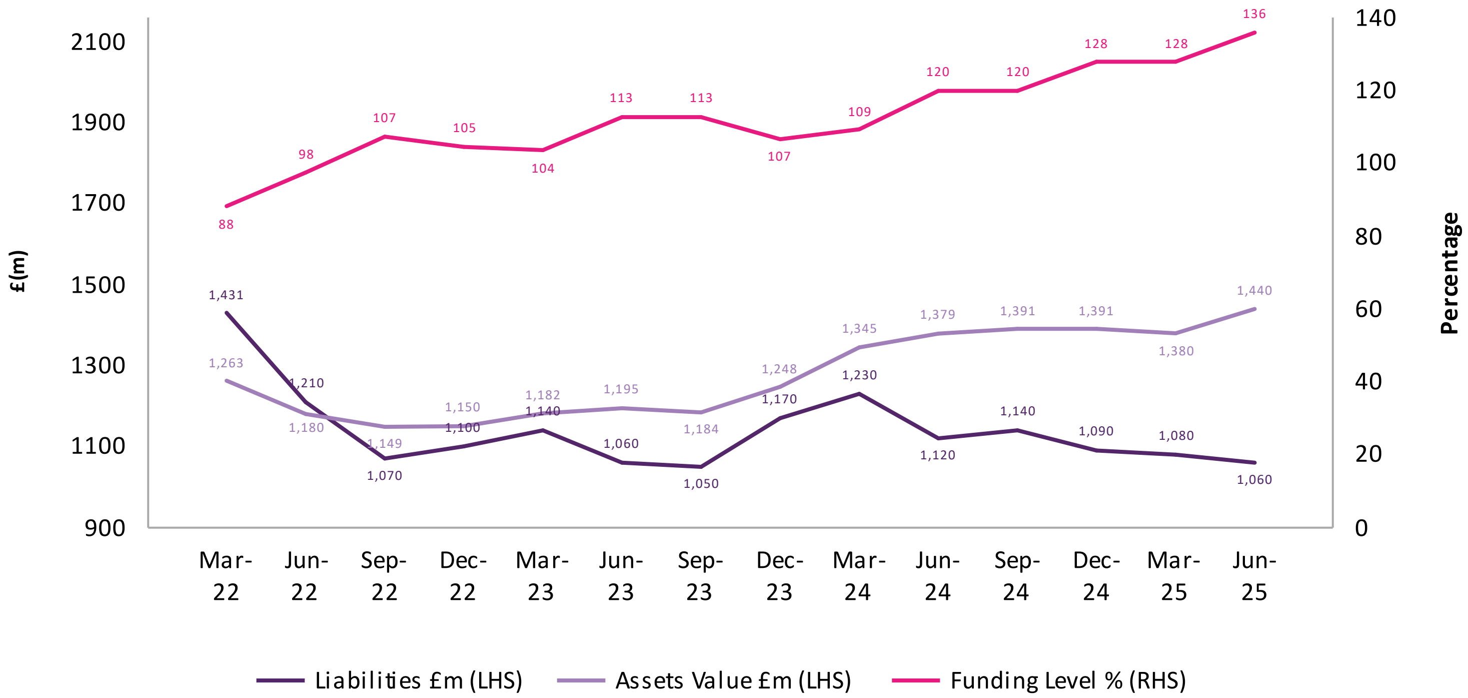
Assumptions to calculate liabilities	31 Mar 2022	30 Jun 2025
Funding Level (%)	88	136
Deficit/Surplus (£m)	(171)	380
Funding basis	Ongoing	Ongoing
Discount rate (%p.a.)	4.1	6.3
Pension increases (%p.a.)	2.7	2.3

- Salary increases are assumed to be 0.5% above pension increases, plus an additional promotional salary scale.
- Discount rate methodology: Expected returns on the entire strategy over 20 years with a 70% likelihood.
- Pension increase methodology: Expected CPI inflation over 20 years with a 50% likelihood.

Source: Hymans actuarial data.

Funding Level

By Progression

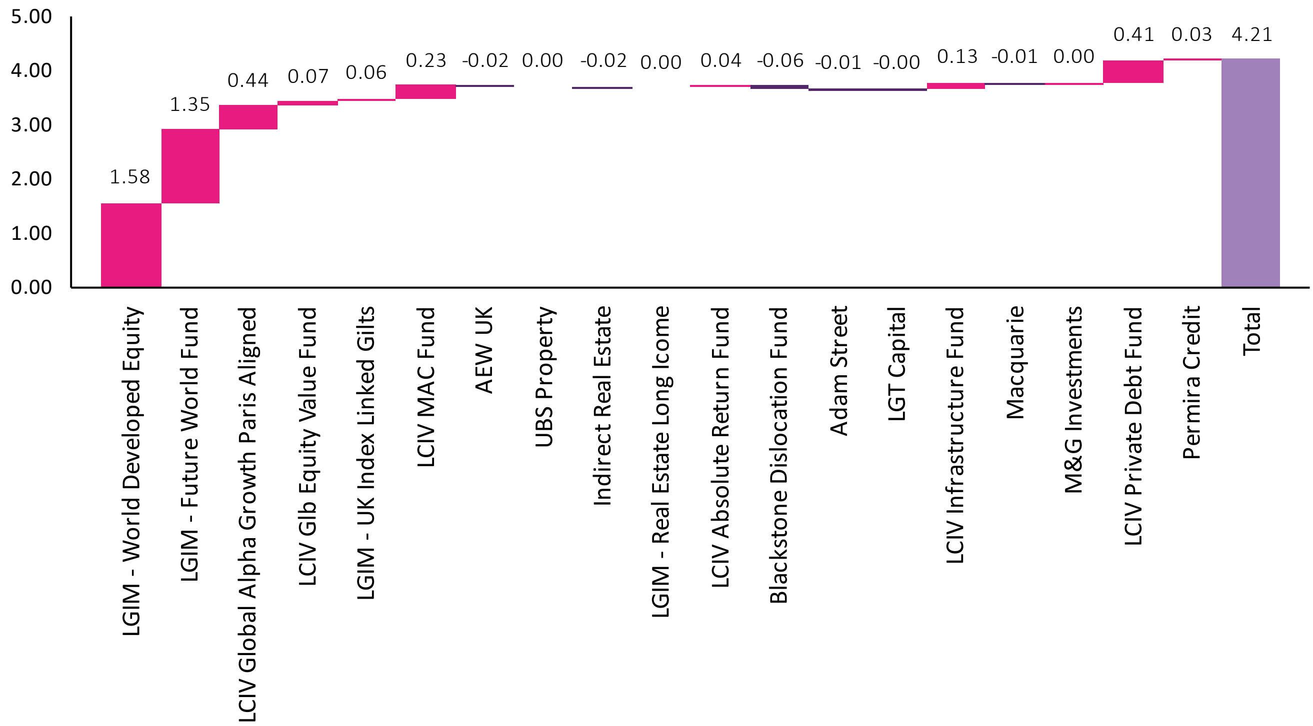


Source: Hymans actuarial data.

Performance: Total Fund vs Benchmark

Source: Northern Trust custody data as of 30 June 2025.
Returns are gross of fees and annualised for periods greater than 1 year.

Manager Contribution to Total Return - Q2 2025



Source: Northern Trust custody data as of 30 June 2025.
Returns are gross of fees.

Commentary

Economies and Markets Update – Q2 2025

The second quarter of 2025 was yet again characterised by tariffs and geopolitical conflicts. Despite President Trump's promises to end the wars in Russia/Ukraine and in Israel as well as the ongoing dispute between India and Pakistan, things escalated mid quarter as Israel bombed nuclear sites in Iran with the US engaging as well. Markets initially reacted, mainly due to concerns around potential supply shortages if the Strait of Hormuz would be blocked but settled down quickly as it became clear that the escalation of the conflict was short lived.

Following President Trump's announcement of substantial tariffs for all countries, he backtracked over the course of the quarter by deferring most tariffs and negotiating a handful of bilateral trade deals, including with the UK. Whilst tariffs remain higher than before the announcement, the deals reached mean that the economic impact will be less painful than feared. The tariff programme was also challenged by courts in the US but eventually got passed by both the Congress and the House.

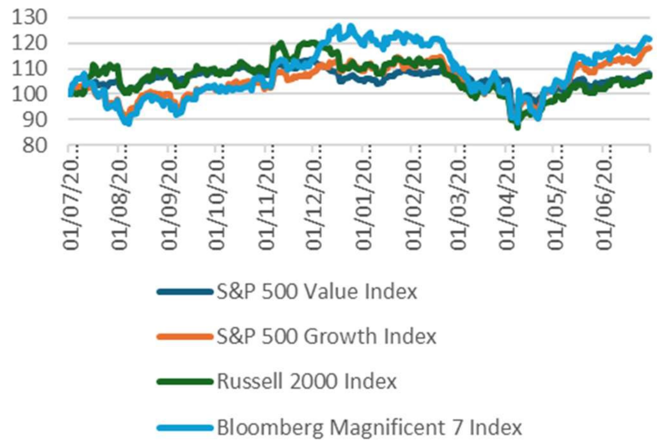
Despite tariff uncertainties central bank action was limited over the quarter. The US Fed remained in a "wait-and-see" mode but is expected to cut rates further in the latter half of 2025. Economic data, including labour market conditions, has held up reasonably well despite the uncertainties mentioned above, whilst the inflationary impact of tariffs has not yet started to feed through.

In the UK and in Europe, the Bank of England and the ECB cut rates by 25bps during the quarter to 4.25% and 2% respectively as was widely expected with further cuts likely as the year progresses, depending on the trend in inflation.

Equities

At the start of the quarter equity markets weakened sharply due to tariff concerns with the S&P 500 down more than 10%. At the low point in April, the index was down about 20% from the peak achieved in mid-February. However, equity markets recovered quickly, and the S&P 500 Index ended the quarter at all-time highs again.

US equity market performance by style (rebased to 100 on 1 July 2024)



Source: Bloomberg, 30 June 2025

The outperformance of value stocks that was seen in the first quarter of the year reversed with growth stocks and the 'Magnificent 7' dominating yet again into the end of June. Small cap equities rebounded slightly but continued to underperform their larger peers.

Regional performance of equity markets

Region	Average % weight in MSCI WorldIndex	Q22025Return	% Contribution to Indexreturn
Asia Pacific	8.20	5.76	0.46
NorthAmerica	74.64	5.01	3.77
WesternEurope	16.92	5.34	0.88
Regional performance of equities: Q2 2025 (GBP terms, based on MSCI Country)			

Source: Bloomberg, 30 June 2025

After years of dominance of U.S. equity markets, which ended abruptly in Q1, performance in the second quarter was more evenly distributed in Sterling terms in parts due to further sharp declines in the U.S. Dollar, as can be seen in the table above.

Equity market performance by sector

Performance by sector varied substantially with tech and communication services dominating and value sectors such as energy lagging; very much a mirror image of what was seen in Q1.

Sector	Average % weight in MSCI World Index	Q2 2025 Return	% Contribution to Index Return
Communication Services	8.14	12.22	0.98
Consumer Discretionary	10.28	4.28	0.45
Consumer Staples	6.44	-2.47	-0.16
Energy	3.66	-10.32	-0.46
Financials	17.15	3.78	0.65
Health Care	10.26	-9.54	-1.12
Industrials	11.32	8.37	0.94
Information Technology	24.57	16.09	3.87
Materials	3.34	0.19	0.00
Real Estate	2.12	-2.54	-0.06
Utilities	2.71	2.19	0.06

Sector performance of equities: Q2 2025 (GBP terms, based on MSCI classifications and the MSCI World Index)

Fixed Income and Currencies

The U.S. Dollar continued its downward trend against all major currencies. Market participants are questioning whether this could mark the end of the U.S. dominance that was in place for decades. Capital flows indicate that investors have started to reallocate some of their investments away from the U.S. into other currencies, stores of value, such as gold and other precious metals, and even more speculative instruments, such as Bitcoin.

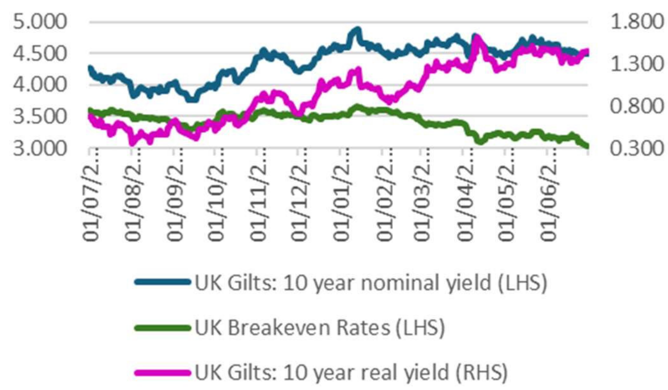
Trade-weighted U.S. Dollar

Source: Bloomberg, 30 June 2025

Bond yields traded in a narrow range over the quarter. After a blip in early April in a flight to safety following Trump's tariff announcements, yields on U.S. Treasury bonds rose again and ended the quarter only slightly higher from where they started.

Prices in UK Gilts followed US Treasuries very closely until the end of the quarter when concerns around Rachel Reeves's future led to a sell off, with Gilt yields spiking by more than 0.1% in the matter of a day. After confirmation that Reeves had the backing of the Prime Minister markets calmed down again without any lasting damage to the functioning of the market.

UK Gilts: 10 year nominal and breakeven rates and real yields



Source: Bloomberg, 30 June 2025

Credit spreads followed risk appetite closely as well: they spiked briefly at the start of the quarter when equities fell but recovered back to more normal levels and remain close to the lows seen this year. The premium paid to hold investment grade and high yield corporate debt is at the low end of historic ranges.

Investment Manager Monitoring

In Q2, LCIV completed its review of the LCIV Global Alpha Growth Fund and the LCIV Global Alpha Growth Paris Aligned Fund, both managed by Baillie Gifford. The portfolio management team is very experienced and well supported by an impressive internal network of investors. The investment manager has implemented changes to stock selection, portfolio construction and risk management processes to address concerns raised in previous reviews. These are positive steps, but more evidence that they will have a sustainable impact on the performance of the Sub-funds needs to be seen. We have ratified a Skills score of '2', with an undertaking to review progress again in November 2025.

In Q3, we will complete a review of the LCIV MAC Fund managed by CQS and PIMCO.

.

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
Global Equities	**55.9**									
LGIM - Global Equities	23.2	6.9	6.9	10.4	10.9	14.3	14.6	9.7	9.9	31 Oct 2016
LGIM - Future World Fund	23.1	5.9	5.8	7.9	7.6	13.5	13.2	10.3	10.1	23 Sep 2020
LCIV Global Equity Value Fund	4.9	1.5	5.4	0.0	0.0	0.0	0.0	0.5	4.7	28 Oct 2024
LCIV Global Alpha Growth Paris Aligned Fund	4.7	9.6	5.7	7.1	10.1	10.6	16.7	1.2	12.9	22 Apr 2021
Property	**13.2**									
LCIV/CBRE Indirect Real Estate	12.6	0.0	0.0	0.0	0.0	0.0	0.0	(0.2)	(0.2)	25 Apr 2025
AEW UK	0.6	(2.6)	1.5	1.3	6.8	(0.9)	(4.1)	6.0	5.1	30 Jun 2014
Multi-Asset Credit	**9.5**									
LCIV MAC Fund	9.5	2.5	2.1	8.7	9.1	7.5	9.0	7.3	8.9	26 May 2022
Index Linked Gilts	**6.8**									
LGIM - UK ILG	6.8	0.9	0.9	(5.2)	(5.2)	(7.8)	(7.8)	(2.5)	(2.4)	22 Feb 2017
Infrastructure	**4.9**									
LCIV Infrastructure Fund	4.4	2.9	1.8	9.2	7.6	10.9	7.5	5.9	5.6	14 Nov 2019
Macquarie	0.6	(1.7)	1.8	(0.6)	7.6	14.5	7.5	9.5	4.4	30 Sep 2010
Private Debt	**4.8**									
LCIV Private Debt Fund	4.1	9.9	1.5	11.0	6.0	10.3	6.0	8.2	6.0	16 Nov 2021
Permira	0.7	3.8	2.0	9.5	8.6	10.1	8.5	7.9	5.7	30 Nov 2014
M&G Investments	0.0	1.6	2.0	(30.5)	8.6	(18.4)	8.5	1.0	5.4	31 May 2010
Diversified Growth	**2.4**									
LCIV Absolute Return Fund	2.4	1.7	1.1	5.3	4.9	1.6	4.5	4.8	1.5	28 May 2010
Opportunistic Dislocation	**2.2**									
Blackstone Dislocation Fund	2.2	(2.9)	3.6	(1.8)	15.3	0.0	0.0	(0.2)	15.3	27 Mar 2024
Private Equity	**0.2**									
Adam Street	0.1	(9.1)	6.2	(22.3)	11.5	(14.4)	17.4	5.3	0.0	31 Jan 2005
LGT	0.1	(2.7)	6.2	3.0	11.5	0.2	17.4	9.8	0.0	31 May 2004

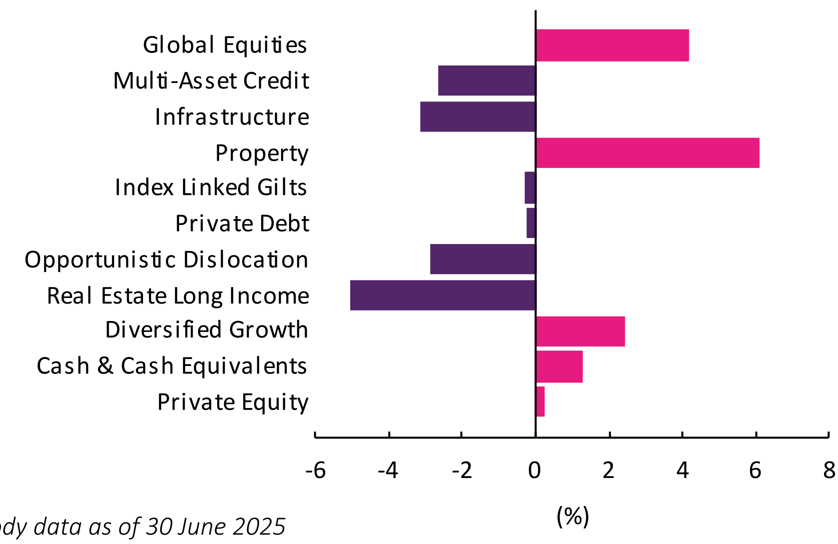
Source: Northern Trust custody data as of 30 June 2025
Returns are gross of fees and annualised for periods greater than 1 year.

Asset Allocation

Asset Class	Strategic Asset Allocation (%) 31 December 2023	Actual Asset Allocation (%) 31 March 2025	Actual Asset Allocation (%) 30 June 2025	Change in Asset Allocation (%) Quarter on Quarter	Actual Asset Allocation (%) 30 June 2025 vs Strategic Asset Allocation (%)
Global Equities	51	54	55	1	+4
Multi-Asset Credit	12	9	9	(0)	-3
Infrastructure	8	5	5	(0)	-3
Property	7	11	13	3	+6
Index Linked Gilts	7	7	7	(0)	-0
Private Debt	5	5	5	(0)	-0
Opportunistic Dislocation	5	2	2	1	-3
Real Estate Long Income	5	3	0	(3)	-5
Diversified Growth	0	3	2	(0)	+2
Cash & Cash Equivalents	0	1	1	1	+1
Private Equity	0	0	0	(0)	+0

Source: Northern Trust custody data as of 30 June 2025

Actual Asset Allocation
vs Target Allocation by Asset Class As of 30 June 2025



Source: Northern Trust custody data as of 30 June 2025

Asset Allocation Changes - Q2 2025

Asset Class	Market Value 31 March 2025 (£'m)	Net contribution* (£'m)	Income (£'m)	Appreciation (£'m)	Market Value 30 June 2025 (£'m)
Global Equities	764	(5)	-	47	**806**
Property	148	46	1	(4)	**191**
Multi-Asset Credit	133	-	-	3	**137**
Index Linked Gilts	98	-	-	1	**98**
Infrastructure	69	-	1	1	**71**
Private Debt	68	(4)	3	3	**70**
Diversified Growth	39	(5)	-	1	**35**
Opportunistic Dislocation	24	9	5	(6)	**32**
Cash & Cash Equivalents	10	9	-	-	**18**
Private Equity	3	-	-	-	**3**
Real Estate Long Income	49	(49)	-	1	**-**
Total	**1,405**	**-**	**10**	**46**	**1,460**

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.*

Assessment Framework
As of 30 June 2025

ACS Sub-Fund	LCIV Global Alpha Growth Paris Aligned Fund	LCIV Global Equity Value Fund	LCIV Absolute Return Fund
Investment Manager	**Baillie Gifford**	**Wellington**	**Ruffer**
Skills tests			
Resourcing			
Investment process			
Responsible investment and engagement			
Risk Management			
Enabling tests			
Business Management			
Strategy Execution			
Skills proposition: overall rating	2	1	2
Value proposition: rating	3	N/A	4

Private Markets Fund	LCIV Infrastructure Fund	LCIV Private Debt Fund	LCIV Private Debt Fund
Investment Manager	**Stepstone**	**Churchill**	**Pemberton**
Skills tests			
Resourcing			
Strategy and investment process			
RI and engagement			
Risk management			
Deployment			
Business Management			
Skills proposition: overall rating			
Value proposition: rating			

Source: London CIV.

Value Proposition: Rating of Sub-Funds		Skills Proposition: Overall Rating of investment managers
Rating	**Key / Definition**	**Key / Definition**
1	Achieving objectives. Formal annual reviews of Skills factors and regular monitoring cadence and intensity.	Best in class capabilities, robust investment, RI and risk management processes. Expected to achieve objectives. Add to Prospects list, prioritise for selection for LCIV funds.
2	Not achieving objective, underperforming benchmark or reference index; Areas of potential improvement flagged and monitored through regular updates and formal annual reviews of Skills factors.	Strong capabilities and processes, room for improvement in certain criteria which are flagged and monitored. Expected to achieve objectives. Eligible for Prospects lists and LCIV funds.
3	Not achieving objective, underperforming benchmark or reference index, trend in rolling 3 and 5-year relative performance * is improving; in-depth review of Skills factrors triggered and repeated every 6 months (at least). Monitoring intensified. Action points and milestones agreed. EIC reviews progress every quarter.	Skill assessment identifies shortcomings which could hinder achievement of objectives. Position at risk. Not eligible for Prospects lists, selection for LCIV funds or allocations of additional capital. Monitoring intensified. Action points and milestones agreed with investment manager and communicated to investors. EIC reviews progress every quarter.
4	Not achieving objective, underperforming benchmark or reference index, trend in rolling 3 and 5-year relative performance * is static or negative; Skills factors reassessed and challenged by EIC. Actions and milestones agreed and communicated to investors.	Serious concerns about capabilities and/or execution of key processes. Not expected to achieve objectives. Initiate manager termination process.

* Since inception data used if performance record does not extend to 3 or 5 years.

Disclaimer

Important information

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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 (31 March 2025) £m	Net Contributions £m	Income £m	Fees £m	Appreciation £m	Market Value (30 June 2025) £m	Weights (%) (31 March 2025)	Weights (%) (30 June 2025)	Change in weights (%)	Strategic Asset Allocation (%) 31 Dec 2023	Asset Allocation vs Strategic Asset Allocation (%) 31 Dec 2023
Global Equities	**764**	**(5)**	**-**	**-**	**47**	**806**	**54**	**55**	**0.79**	**51**	**4**
LCIV Global Alpha Growth Paris Aligned Fund	61	-	-	-	6	67	4	5	0.24		
LCIV Global Equity Value Fund	69	-	-	-	1	70	5	5	-0.12		
LGIM - Future World Fund	315	-	-	-	19	334	22	23	0.42		
LGIM - Global Equities	318	(5)	-	-	21	335	23	23	0.26		
Index Linked Gilts	**98**	**-**	**-**	**-**	**1**	**98**	**7**	**7**	**-0.21**	**7**	**-**
LGIM - UK ILG	98	-	-	-	1	98	7	7	-0.21		
Multi-Asset Credit	**133**	**-**	**-**	**-**	**3**	**137**	**9**	**9**	**-0.13**	**12**	**(3)**
LCIV MAC Fund	133	-	-	-	3	137	9	9	-0.13		
Property	**148**	**46**	**1**	**-**	**(4)**	**191**	**11**	**13**	**2.54**	**7**	**6**
AEW UK	75	(62)	-	-	(4)	9	5	-	-4.72		
LCIV/CBRE Indirect Real Estate	-	182	-	-	-	182	-	12	12.44		
UBS Property	73	(74)	1	-	1	-	5	-	-5.18		
Real Estate Long Income	**49**	**(49)**	**-**	**-**	**1**	**-**	**3**	**-**	**-3.48**	**5**	**(5)**
LGIM - LPI Income Property	49	(49)	-	-	1	-	3	-	-3.48		
Diversified Growth	**39**	**(5)**	**-**	**-**	**1**	**35**	**3**	**2**	**-0.41**	**-**	**2**
LCIV Absolute Return Fund	39	(5)	-	-	1	35	3	2	-0.41		
Private Equity	**3**	**-**	**-**	**-**	**-**	**3**	**-**	**-**	**-0.03**	**-**	**-**
Adam Street	2	-	-	-	-	2	-	-	-0.02		
LGT	1	-	-	-	-	1	-	-	-0.01		
Infrastructure	**69**	**-**	**1**	**-**	**1**	**71**	**5**	**5**	**-0.06**	**8**	**(3)**
LCIV Infrastructure Fund	60	2	1	-	1	63	4	4	0.07		
Macquarie	10	(1)	-	-	-	8	-	-	-0.13		
Private Debt	**68**	**(4)**	**3**	**-**	**3**	**70**	**5**	**5**	**-0.06**	**5**	**-**
LCIV Private Debt Fund	56	(2)	2	-	3	60	4	4	0.07		
M&G Investments	0	-	-	-	-	-	-	-	-0.00		
Permira	11	(2)	-	-	-	10	-	-	-0.14		
Cash & Cash Equivalents	**10**	**9**	**-**	**-**	**-**	**18**	**-**	**1**	**0.55**	**-**	**1**
Non-custody	10	9	-	-	-	18	-	1	0.55		
Opportunistic Dislocation	**24**	**9**	**5**	**-**	**(6)**	**32**	**2**	**2**	**0.50**	**5**	**(3)**
Blackstone Dislocation Fund	24	9	5	-	(6)	32	2	2	0.50		
Total	1,405	-	10	-	46	1,460	100	100			

Source: Northern Trust custody data as of 30 June 2025

London Borough of Hillingdon Pension Fund

Funding update report at 30 June 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 30 June 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.

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

Surplus/(deficit)
£0.38bn
+£0.54bn vs last valuation

Funding level
136%
+47% vs last valuation

Required return
4.7%
-0.2% vs last valuation

Return likelihood
90%
+29% vs last valuation

Results

Funding position update

The table on this page shows the estimated funding position at 30 June 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).

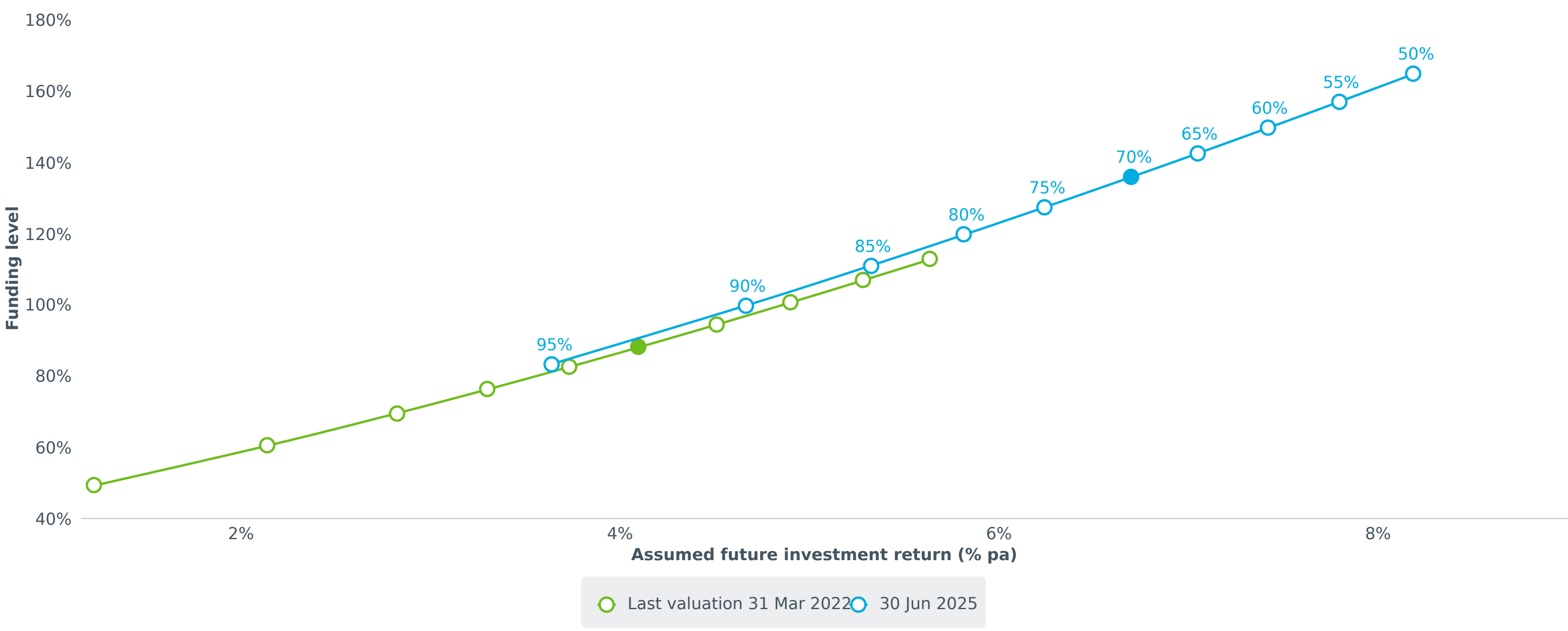
Please note that the asset value at 30 June 2025 shown in this report may differ to the actual asset value at that date. The asset value in this report is an estimate based on a rollforward from 31 March 2022 using estimated cashflows (see section A2) and estimated investment returns (see section A3). 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	30 June 2025
	Assets	1.26	1.44
Liabilities	Active members	0.39	0.32
	Deferred pensioners	0.37	0.24
	Pensioners	0.67	0.50
	Total liabilities	1.43	1.06
	Surplus/(deficit)	(0.17)	0.38
	Funding level	88%	136%
	Required return (% pa)*	4.9%	4.7%
	Likelihood of achieving this return	60%	90%

** 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 30 June 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 30 June 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 30 June 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)
Active members	8,691	53.2	23,167	152,450
Deferred pensioners	12,903	53.1	20,151	
Pensioners and dependants	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 30 June 2025.

Estimated cashflows (£k)	31 March 2022 to 30 June 2025
Employer contributions	141,187
Employee contributions	35,284
Benefits paid	175,257

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/ index	From	To	Return
Whole fund	Actual	1 April 2022	30 June 2025	13.78%

The total investment return for the whole period is 13.78%.

A.4 Financial assumptions

Assumption	31 March 2022	30 June 2025
Funding basis	Ongoing	Ongoing
Discount rate (% pa)	4.1%	6.7%
Pension increases (% pa)	2.7%	2.1%

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 30 June 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 30 June 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 30 June 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 30 June 2025 was 1.0% pa lower then the liabilities on the Ongoing basis at that date would increase by 16.7%.

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

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 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 assumptionss.

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 6 August 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 6 August 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.

During periods of high market volatility, actual asset returns may differ more significantly from the market index returns we use to estimate them from day to day. This means that estimated asset values will be less reliable in such periods, particularly at dates not coinciding with periods of known returns. If you want to make a decision based on your current funding position, we strongly recommend you get an up to date valuation from your asset manager and speak to your Hymans Robertson LLP consultant.

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.

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 Q2 2025 – Shared drive LAPFF Engagement Report Q2 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 Q2, 2025					
LCIV	**Meetings**	**Resolutions**	**Votes With**	**Against**	**Abstention/non-voting**
Jun-25					
LCIV - Ruffer	108	1,607	1,384	141	82
LCIV - Baillie Gifford	63	920	732	116	72
LCIV - Wellington	93	1,402	1,191	151	60
	264	**3,929**	**3,307**	**408**	**214**
%			**84.17**	**10.38**	**5.45**
LGIM	**Meetings**	**Resolutions**	**Votes With**	**Against**	**Abstention**
Jun-25	8,076	88,719	66,599	22,021	99
	8,076	**88,719**	**66,599**	**22,021**	**99**
%			**75.07**	**24.82**	**0.11**

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 25% of voting opportunities and supported resolutions on approximately 75% 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 84% of voting opportunities and about 10% against the resolutions proposed by company managements. Abstentions for LGIM and LCIV were 0.11% and 5.45% 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

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
AGM Focus: Oil & Gas (Equinor, Shell & BP)

Identify
LGIM believe that climate change represents a financially material and systemic long-term risk to our clients' portfolios. Its stewardship approach to engaging with oil and gas companies regarding the transition to net zero is centred on mitigating systemic risks for its clients by advocating for and supporting companies in their decarbonisation journey, as they seize the long-term value creation opportunities related to the energy transition.
Voting continues to be a crucial cog in the wheel of such engagement, signifying expectations to the market and to the company. In the 2025 AGM season, LGIM pre-declared vote intentions on three oil and gas companies: BP, Equinor and Shell. LGIM explored the background to its voting decisions on these companies, individually and in comparison, with each.

Engage

Equinor
Having published detailed expectations for the oil and gas sector regarding the climate transition, LGIM continue to use these as a framework in its engagements and assessments of companies' commitments, disclosures, and the credibility of their climate transition plans. Decision to vote against Equinor's Energy Transition Plan stemmed from the financial risks associated with its plans to expand oil and gas production internationally, and the potential impact on the company's ability to meet its net-zero targets.

BP
Our longstanding engagement with BP on the energy transition illustrates the challenges of matching ambition with action, and the pivotal role of governance. Having been able to support BP's climate transition plan in 2022, subsequent changes in strategy, combined with the decision to withhold a shareholder vote, led us to vote against the re-election of the Chair in 2023—and again in 2025 on similar grounds. The pre-declaration of our 2025 vote drew attention to governance; while the company Chair Helge Lund's resignation had already been announced we felt that a clearer, swifter timeframe for his departure would be more conducive to the progress of an orderly transition than the extended timeframe initially posited.

Shell
The filing of [shareholder] Resolution 22 enabled LGIM to engage in a series of highly technical and detailed discussions with the company. The primary focus in its engagement has been on understanding the balance sheet risks associated with the company's growing exposure to liquified natural gas ('LNG'), and on ensuring the company demonstrates business resilience across multiple climate transition scenarios. After careful consideration, LGIM did not support Resolution 22; they

received clear commitments that the company will enhance its reporting in line with L&G's expectations—specifically, providing detailed disclosures on stranded asset risks and financial resilience related to Shell's growing exposure to LNG.
These gaps were key reasons they were unable to support the company's climate transition strategy at its 2024 AGM.

Outcome
Majority owned by the Norwegian government, Equinor received a high level of support for its transition plan. Nevertheless, LGIM expect companies to establish robust emissions targets with clear, time-bound milestones, demonstrating alignment with net-zero goals through transparent disclosures, and showcasing financial resilience against relevant outcomes. LGIM will continue to engage with the company on our concerns, as highlighted above, to encourage steps towards our expectations.

The high level of dissent for the BP resolution, especially because the Chair was already known to be stepping down, was well-publicised, and demonstrated broader investor concerns with the company's strategy and governance, and desire for speedier action.

At Shell, the high level of support for Resolution 22 is indicative of increasing shareholder support for greater climate transparency; in our conversations with the company, LGIM are confident that further steps will be taken and will carefully consider their forthcoming disclosures. The non-linear demands of the energy transition are complex to navigate, and the profitability of lower carbon sources alongside uncertain demand trajectories place a significant pressure on oil and gas companies to demonstrate forward-looking resilience across multiple climate transition scenarios and potential outcomes. As investors, LGIM continue to prioritise 'decision-useful' information, clarity and disclosures so that we can fully understand the risks and opportunities that companies are positioned to take, and to what extent these are priced into the market.

Society

People and health: AMR: insights on-site with GlaxoSmithKline (GSK)

Identify
COVID-19 demonstrated the global economic and social destruction wrought by a viral pandemic. Antimicrobial resistance ('AMR'), whereby antibiotics become less effective over time through evolution of microbials to survive treatment, is a potential pandemic of the future. It has been identified by the World Health Organisation as "one of the top global public health and development threats".

Engage
In May, LGIM went on an exploratory visit to GSK's manufacturing site in Worthing, on the English coast. Worthing is the first UK site to be BSI-certified (British Standards Institute)22 in accordance with Antibiotic Manufacturing standard, which was developed by BSI and the AMR Industry Alliance in 2022. The standards outline best

practice controls and methods for the responsible manufacturing of antibiotics in the global supply chain. LGIM were given an in-depth guided tour of the manufacturing site which allowed them to observe and participate in the numerous safety procedures to ensure no contamination takes place between different areas of the site, as well as steps taken to avoid any external contamination. The opportunity to visit manufacturing sites provide hands-on, real insight into how GSK ensure adherence to the Antibiotic Manufacturing standards. LGIM also had the possibility to have in-depth conversations with employees onsite.

Outcome
The site visit enabled LGIM to:
• Gain insight into the real actions that pharmaceutical companies can take, through their processes and oversight, to mitigate and monitor AMR.
• Demonstrate to GSK the financial materiality of this issue to investors, and the role of the pharmaceutical industry alongside other sectors in combatting AMR
• Strengthen our relationship with the company through in-depth dialogue

Understanding the actions that companies can take helps inform LGIM expectations and, in conversations with other sectors and broader stakeholders on AMR, understand both the potential and the limitations of each protagonist.

Governance

Governance in Japan: improvements in timely disclosures
Identify and engage
In 2020, LGIM wrote about two key challenges in Japan's AGM season: the heavy concentration of AGMs in June, and persistent delays in publishing the Yuho (an annual securities report which is a comprehensive source of information for investors). If companies wait until just before the AGM to publish the Yuho, investors do not have sufficient time to absorb critical information on corporate governance, capital allocation, and risk factors before voting. In addition to publishing its views and practical steps for improvement, they have engaged on this topic with companies, policymakers, and the media, both directly and alongside peers such as ICGN and ACGA.

Outcome and next steps
According to new data from Japan's Financial Services Agency (FSA), more than half of companies with March fiscal year-ends had plans (as of May) to publish their Yuho before their AGMs, up from just 1.8% last year. This change, most recently spurred by a March 2025 call from the Japanese finance minister, could mark a real break from the past, when over 80% of companies released their Yuho on the day of the AGM or the day after, undermining shareholders' ability to make informed voting decisions. Still, only a small fraction of firms currently meets the benchmark of releasing reports at least three weeks ahead, and a large number still plan to publish just the day before.

With sustainability disclosures in alignment with ISSB standards set to become part of the Yuho and mandatory for many companies in coming years, the case for earlier publication will only grow stronger. Phased mandatory adoption is expected to begin from 2027 for large prime market companies, expanding to all prime-listed firms in the 2030s. This raises the bar for timing, coordination, and assurance across reporting processes. For prime market firms, especially those with global shareholders, we believe early and robust disclosure is therefore essential not just for good governance, but for credibility on sustainability.

LAPFF

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

Below are three examples of their engagement activities in Q2 2025.

Environmental

BP & Shell

Objective: Both BP and Shell have retreated from transition towards renewables. During continued engagement with Shell and BP, LAPFF's approach has remained to test oil and gas companies beyond claims of social decarbonisation based on existing business models, to challenge the viability of the current business. This expectation, based on LAPFF policy, is that the demand for hydrocarbons will be reduced in aggregate terms; and that demand will be met by the lowest cost producers.

Achieved Shell: LAPFF engaged with the Australasian Centre for Corporate Responsibility (ACCR) which tabled a shareholder resolution for the 2025 Shell AGM in conjunction with Brunel Pension Partnership, Greater Manchester Pension Fund and Merseyside Pension Fund. The resolution focused on the expansion of LNG as the implied demand/supply exceeds International Energy Authority (IEA) projections. LAPFF issued an alert recommending support for the shareholder resolution. The resolution achieved more than 20% votes in support, which is significant for a shareholder led resolution.

Achieved BP: BP had been regarded as at the better end of the sector in recognising climate change as an issue but faces the same competitive and structural pressures set out above. However, in February 2025 BP announced a "reset" which meant that it was abandoning key parts of its strategy of being an integrated energy company. BP announced it will be increasing production in oil and gas to between 2.3 million and 2.5 million barrels of oil equivalent a day by 2030 and raise spending to $10 billion a year, about 20 per cent higher than previous levels. LAPFF's policy of managed decline is more relevant given that engagement to date has not achieved positive outcomes. The issues with BP are now governance matters. LAPFF issued an alert which recommended a vote against the Chair, Helge Lund. As with Shell, the LAPFF alert was in line with a significant number of shareholders, and the result of the AGM was 24% of votes cast against the re-appointment of the Chair.

Social

Moncler & LVMH Moët

Hennessy Louis Vuitton

Objective: In 2024, LAPFF raised concerns that the luxury goods sector receives less scrutiny on human rights and supply chain management than high street apparel. A common misconception persists that higher prices guarantee better conditions and pay for workers, and therefore limited exposure to human rights risks for investors. Following initial engagements in 2024, LAPFF has pursued further dialogue to promote stronger risk management and proactive action. Prior to the European Commission's proposed Omnibus Package (announced 26 February 2025), LAPFF wrote to companies to underline the importance of maintaining high standards. The Forum remains committed to ensuring that regulatory changes do not weaken oversight of human rights in the luxury sector. It continues to engage with brands as they adapt to an uncertain regulatory environment, pressing them to maintain robust human rights and supply chain standards and practices.

Achieved: During Q2 LAPFF met with LVMH Moët Hennessy Louis Vuitton (LVMH) and Moncler to discuss human rights risks in the respective supply chains. LVMH has made notable improvements in both its practices and disclosures since LAPFF last met with the company in March 2024. This year marks the first time that LVMH has produced a Corporate Sustainability Reporting Directive (CSRD) compliant report, which it appeared keen to promote despite the current uncertainties surrounding the regulation amidst the EU's Omnibus Directive. The company significantly increased the number of audits it conducted over the past year. This appeared to follow the group's Dior subsidiary being placed under court administration in June 2024 following the uncovering of illegal working conditions at suppliers, including staff lacking contracts and proper accommodation.
Moncler had also made notable progress in its disclosures since LAPFF met the company in 2024. It too has published its first CSRD-aligned report alongside a first iteration of its key raw materials risk report, providing valuable insight into how Moncler is assessing risks for certain materials.

Governance

Executive Pay
Standard Chartered

Objective: In response to recent disclosures of significant increases in CEO and top executive pay among widely held LAPFF companies, the Forum initiated a series of engagements to scrutinise the basis for high levels of executive compensation. These dialogues were aimed at better understanding how the revised executive pay structures of these companies align with long-term corporate performance goals and the treatment of the broader workforce, particularly considering the ongoing cost of living crisis. LAPFF also sought clarity on how companies are addressing shareholder concerns surrounding pay fairness, value creation, and transparency.

Achieved: LAPFF met with Standard Chartered to discuss the proposed boost to its chief executive's pay. The proposed package could reward the CEO £13.1m. The company is seeking to overhaul its compensation plan following the UK regulator scrapping a long-standing cap on bonuses. Since 2014, an EU bonus cap for bankers has been in place which had limited bonus pay to twice fixed salary, this was in response to the 2008 global financial crisis. Standard Chartered defended the increase in executive payouts by citing the broader peer group, a limited pool of leaders with appropriate expertise, and a deliberate shift towards performance linked remuneration. While acknowledging the lack of a perfect benchmark, the bank stated it had consulted over half of its shareholder register, including proxy advisers, and received broad support.

FINANCIAL IMPLICATIONS
ESG initiatives included within the Pension Fund budget.

LEGAL IMPLICATIONS
Legal implications are included in the report.

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Pension Fund Risk Register	Item 8

Committee	Pension Committee
Officer Reporting	Pete Carpenter - Finance 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**

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

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 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 six 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.

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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Risk Ref	Risk Title and Description	Causes	Consequences	Status	Risk Owner	Review Date	Risk Category	Last Review Date	Last Reviewed By	Review Comments	Directorate	Service	Risk Type	Created Date	Controlled Profile	Controlled Rating	Uncontrolled Profile	Uncontrolled Rating
PENS0009	PEN 9 - Liquidity on asset management - risk of failure to liquidate assets or meet drawdown calls	Lack of notice given for drawdown Poor cashflow management	Unable to meet trades Financial penalties Overdraft fees	Static	Tunde Adekoya	28/10/2025	Financial	28/07/2025 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	30/05/2024	F1	4	E1	8
PENS0011	PEN 11 - Failure of the pool in management of funds / access to funds	Lack of interest in common fund launch Poor CIV governance Government intervention	Lack of diversity in investment Inability to meet pooling requirement Unable to meet any changing in ISS requirements	Static	Tunde Adekoya	04/11/2025	Financial	04/08/2025 01:00	Tunde Adekoya	Risk Reviewed - No Changes Required PEN 11 - Failure of the pool in management of funds / access to funds	Finance Directorate	Pensions, Treasury & Statutory Accounts	Operational	30/05/2024	E1	8	E1	8
PENS0017	PEN 12 - Failure of the Fund’s governance to comply with statutory requirements	New General CoP needs gap analysis and rectification GMP moral vs regulatory requirement Knowledge gaps resulting in ineffectiveness of Committee and/or Board	Actions taken against the Fund by TPR for non code compliance Not delivering best practice in accordance with the new code TPR/DLUHC action taken against the Fund for not GMP non compliance Poor decisions and/or oversight by Committee/Board members	Static	Tunde Adekoya	04/11/2025	Statutory Service Provision	04/08/2025 01:00	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	30/05/2024	E4	2	D3	6
PENS0015	PEN 14 - Failure of employers to deliver accurate and timely employee administration information	Poor outsource contract management by employers Poor performance of outsourced service providers Inadequate payroll reporting by Hillingdon Council Lack of ownership by employers	and subsequent ramifications (Fines) Incorrect pensions being paid Pensions payment not processed efficiently Additional pension administration costs	Static	Tunde Adekoya	04/11/2025	Statutory Service Provision	04/08/2025 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	30/05/2024	F4	1	A3	12
PENS0024	PEN 7 - Cyber Security	Inappropriate cyber protection, ongoing management and contingency planning leading to vulnerabilities.	Los of data Ransom demands Non delivery of statutory service	Static	Tunde Adekoya	01/12/2025	IT & Technology	01/09/2025 01:00	Tunde Adekoya	Risk Reviewed - No Changes Required PEN 7 - Cyber Security	Finance Directorate	Pensions, Treasury & Statutory Accounts	Operational	30/05/2024	E1	8	E1	8
PENS0016	PEN 13 - Key officer risk	Small team with specialist knowledge in each role. Limited capacity for succession	Non delivery of service statutory requirements Agency staff costs to cover any	Static	Tunde Adekoya	04/11/2025	Statutory Service Provision	04/08/2025 01:00	Tunde Adekoya	Risk Reviewed - No Changes Required PEN 13 - Key officer risk	Finance Directorate	Pensions, Treasury & Statutory	Operational	30/05/2024	E4	2	B3	10

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Risk Ref	Risk Title and Description	Causes	Consequences	Status	Risk Owner	Review Date	Risk Category	Last Review Date	Last Reviewed By	Review Comments	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. Incorrect asset allocation. Underperforming fund managers.	Reduced asset value. Reduced funding level. Increase in employer contributions.	Closed/Tolerated	Tunde Adekoya		Financial				Finance Directorate	Pensions, Treasury & Statutory Accounts	Operational	29/05/2024	12	D1	12	D1	12
PENS0021	PEN 02 - Inappropriate long-term investment strategy	Incorrect asset allocation and fund manage	Increased employer contributions.	Closed/Tolerated	Tunde Adekoya		Financial				Finance Directorate	Treasury & Statutory Accounts	Operational	29/05/2024	12	E1	8	D1	12
PENS0019	PEN 03 - Active investment manager under-performance relative to benchmark	Incorrect manager decisions Incorrect market environment for their Strategy Key staff loss	Reduced investment returns vs passive strategy Lower returns / funding level Increased employer contributions	Closed/Tolerated	Tunde Adekoya		Financial				Finance Directorate	Pensions, Treasury & Statutory Accounts	Operational	29/05/2024	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. Incorrect BoE actions to rectify	Increased pension payments / cashflow negative Reduced asset values & increased negative actuarial assumptions reduce funding level Discount rate may be higher which could improve funding level	Closed/Tolerated	Tunde Adekoya		Financial				Finance Directorate	Pensions, Treasury & Statutory Accounts	Operational	29/05/2024	12	E1	8	D1	12
PENS0018	PEN 05 - Pensioners living longer	Improvements in longevity	Pension costs exceeding forecast Reduced funding level	Closed/Tolerated	Tunde Adekoya		Financial				Finance Directorate	Pensions, Treasury & Statutory Accounts	Operational	30/05/2024	6	E2	6	E2	6
PENS0025	PEN 06 - Poor Performance of Outsourced Administrator	Poor service delivery of outsource partner Poor contract management Lack of action when improvements required	Non delivery of pension payments Non compliance with pension regulations	Closed/Tolerated	Tunde Adekoya		Statutory Service Provision				Finance Directorate	Pensions, Treasury & Statutory Accounts	Operational	30/05/2024	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 enviror	Reduced asset value Reduced funding level	Closed/Tolerated	Tunde Adekoya		Financial				Finance Directorate	Pensions, Treasury & Statutory Accounts	Operational	30/05/2024	0		0		0
PENS0010	Pen 10 - Liquidity on members dealings - risk that the fund is unable to settle member payments	Cashflow negative (Payments greater than income) Poor cashflow management	Non payment of pensions Negative impact on pensioners Reputational damage Fines	Closed/Tolerated	Tunde Adekoya	01/12/2025	Financial	01/09/2025 01:00	Tunde Adekoya	Risk Reviewed - No Changes Required Pen 10 - Liquidity on members dealings - risk that the fund is unable to settle member payments	Finance Directorate	Pensions, Treasury & Statutory Accounts	Operational	30/05/2024	4	E3	4	E3	4

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GOVERNANCE Part I Item 9

Committee	Pensions Committee
Officer Reporting	Pete Carpenter, Finance Tunde Adekoya, Finance
Papers with report	Pension Committee Workplan Pension Committee Training Log

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. **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 – March 26
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.

Agreed future meeting dates:
09 December 2025
24 March 2026

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 2025/26
Attached to this paper is the updated training log for all Pensions Committee members detailing training undergone during 2025/26.

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.

The Cyber Policy is currently being rewritten with the assistance of AON to ensure it is specific to the London Borough of Hillingdon Pension Fund as requested by committee at the December 2024 meeting. A revised version will be presented to Pensions Committee at the next meeting in December 2025.

A Cyber Hygiene guideline will also be developed by Aon alongside the Cyber policy and training on the objectives of the guidelines will be provided to both Pensions Committee and Board by AON.

FINANCIAL IMPLICATIONS
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.

London Borough of Hillingdon Pension Fund - Pensions Committee agenda plan

	Frequency	Last review	Sep-25	Dec-25	Mar-26	Jun-26
Policies						
Governance Policy & Compliance Statement inc Governance						
Compiance Statement		Dec-23			Y	
Conflicts of Interests Policy		Mar-23			Y	
Risk Management Policy		Mar-22		Y		
Procedure for Reporting Breaches of the Law		Oct-24				
Funding Strategy Statement		Mar-23	Y	Y		
Investment Strategy Statement	At least every	Dec-23		Y		
Responsible Investment Policy	3 years	Mar-23			Y	
Training Policy		Dec-23			Y	
Pensions Administration Strategy		Mar-24				
Scheme pays policy		Dec-23				
Internal Disputes Resolution Procedure (IDRP) Employees Guide		Oct-22		Y		
Communications Policy		Sep-24				
Discretions Policy		Jun-22				
Pensions Administration						
Pensions Administration Performance	Quarterly		Y	Y	Y	Y
Breaches, Complaints and Appeals	Annually					
Pension Board Annual Report	Annually				Y	
Funding						
Actuarial Valuation	Every 3 years	Mar-23			Y	
Investment						
Review of Investment Strategy	Every 3 years	Jun-23		Y		
Investment update and manager review	Quarterly		Y	Y	Y	Y
Responsible Investment Update	Quarterly		Y	Y	Y	Y
Climate Risk Dashbaord (TCFD)	Every 3 years	Mar-22	Y			

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		Pensions Committee Members					Advisers & Actuary			
DATE	**DETAILS**	**Cllr Reeta Chamdal**	**Cllr Kaushik Banerjee**	**Cllr Stuart Mathers**	**Cllr Coleen Sullivan**	**Cllr Labina Basit**	**Marian George**	**Craig Alexander**	**Andrew Singh**	**Sunny Jheeta**
13/05/2025	London CIV Investment Review	0.75								
13/05/2025	Pensions Chair SAB meeting	1.5								
15/05/2025	Triennial Valuation Training - Hymans Robertson	2	2	2			2	2	2	2
10/06/2025	Hymans Robertson - "Fit for the future webinar		1							
11/06/2025	LCIV Baillie Gifford - Manager Update	1								
09/07/2025	LAPFF Business Meeting			2						
16/07/2025	LCIV AGM	2								
18/07/2025	Pension fund Investment Forum - By Isio	2	2	2			2		2	2
31/07/2025	London CIV Private Market Investment Review Webinar	2.5								
05/08/2025	London CIV Fixed Income & Multi Asset Webinar	1								
	Total Training Hours 2025/26	**12.75**	**5**	**6**	**0**	**0**	**60.1**	**15**	30	30
	CIPFA Knowledge & Skills Framework 7 Modules (Completed) 14 Hours	*	*	*	**	**				
***Required Minimum PB Annual Training Hours (14 Hours)**		14	14	14	14	14				

*Completed Knowledge and Skills training prior to 2024/25.
**Cllrs Sullivan and Basit joined Pension Committee on 11 July 2025 – training to be completed.

Keys

- Meets Prorata Annual Requirement
- On track to Prorata Annual Requirement
- Did Not Meet Requirement

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