

# Havering Pension Fund Annual Report March 2025



Pensions Regulator Registration Number: 10027841



Chair's Introduction .....	- 2 -
<b>Fund Management .....</b>	<b>- 3 -</b>
Risk Management .....	- 5 -
<b>Governance and Training.....</b>	<b>- 9 -</b>
<b>Financial Performance .....</b>	<b>16</b>
<b>Fund Account, Net Asset Statement and Notes .....</b>	<b>24</b>
<b>Investments and Funding .....</b>	<b>- 68 -</b>
Asset Pool .....	- 81 -
<b>Administration.....</b>	<b>- 86 -</b>
Scheme Administration Report .....	- 91 -
<b>Actuarial Statement .....</b>	<b>- 103 -</b>
<b>External Audit Opinion .....</b>	<b>- 105 -</b>
<b>Appendices.....</b>	<b>- 106 -</b>
Further Reading .....	- 106 -
Other useful contacts: .....	- 106 -
Glossary .....	- 107 -

# Chair's Introduction

As Chair of the Pension Committee, I am pleased to present the 2024/25 Pension Fund Annual Report, highlighting our activities and accomplishments over the past year.

As today's stewards of the Havering Pension Fund ("the Fund"), my colleagues on the Pensions Committee, the members of our Local Pension Board and the Fund Officers take their responsibilities to all stakeholders very seriously. This includes 22,634 scheme members and 65 active employers, ensuring that the scheme is managed locally with efficiency and effectiveness on their behalf.

The Fund's net asset value rose to £1,008m, an increase of 4.0% from 2023/24. Our long-term investment strategy continues to yield positive results, with annual returns of 3.64%, 2.38% over three and 6.99% over five years.

The Fund continues to have a close relationship with the London CIV, its asset pool. The Fund has already pooled £635.3m (64%) of its assets, and the London CIV has reported that Havering achieved a net saving of £0.69m in 2024/25 from enjoying the economies of scale of pooling.

The government's "Fit for the Future" reforms aim to enhance the efficiency and sustainability of public sector pension schemes. In alignment with these reforms, the Havering Pension Fund is committed to meeting the 31 March 2026 deadline to transfer all remaining assets to the London CIV pool management. This transition is a crucial step in ensuring that the Fund continues to benefit from the economies of scale, improved governance, and enhanced investment opportunities provided by the London CIV. Our dedication to these reforms underscores our commitment to delivering long-term value and sustainability for our members and stakeholders.

The Fund continues to fund its private market mandates in line with agreed commitments, with £13.9m deployed during the year.

The Committee will continue to deliver the work plan as set out in the [Business Plan](#). The Business Plan details the work undertaken by the Committee during 2024/25 and the plan of work for the forthcoming three years. The Business Plan is reviewed and updated annually. Any training and development undertaken is shown in the Business Plan. Also included within this report is an overview of the activities of the Pension Administration Team.

My committee colleagues and I remain steadfast in our determination to recruit new members, especially in those groups that are under-represented, invest responsibly, and provide excellent value for council tax payers, employers, and other stakeholders of the Fund.

I trust that this report is both clear and informative to Fund members and the public.



**Councillor John Crowder**  
**Chair of the Pensions Committee**

# Fund Management

Day to day management of the Fund is delegated to the authority's statutory section 151 officer.

The Pensions and Treasury team within Finance ensures that members of the Committee receive advice on investment strategy and monitoring of the investment managers. The team also reviews management arrangements and other issues as appropriate, as well as accounting for the activities of the Fund.

The Local Pension Partnership Administration (LPPA) is the main contact point for all member and employer scheme queries, employees who wish to join the scheme and for advice on procedures or complaints.

## Senior Officers Responsible for the Fund

Andrew Blake-Herbert	Chief Executive
Kathy Freeman	Strategic Director of Resources / Section 151 Officer
Sarah Bryant	Director of Exchequer & Transactional Services
Debbie Ford	Pension Fund Manager (Finance)

## Asset Pool for the Fund

Manager	Mandates	Website
London Collective Investment Vehicle (LCIV)	<ul style="list-style-type: none"> <li>Absolute Return Fund</li> <li>Global Alpha Paris Aligned Fund</li> <li>Global Bond Fund</li> <li>Passive Equity Progressive Paris Aligned Fund (PEPPA)</li> <li>Renewable Energy Fund</li> </ul>	<a href="http://Londonciv.org.uk">Londonciv.org.uk</a>
<b>Funds deemed pooled</b>		
Legal & General Investment Management (LGIM)	<ul style="list-style-type: none"> <li>Future World Fund</li> <li>Emerging Markets Fund</li> <li>Global Equity Fund</li> </ul>	<a href="http://LGIM.com">LGIM.com</a>
CBRE	<ul style="list-style-type: none"> <li>Global Property</li> </ul>	<a href="http://CBRE.com">CBRE.com</a>

## Investment Managers used by the Fund

Manager	Mandate	Website
JP Morgan	Infrastructure	<a href="http://JPMorgan.com">JPMorgan.com</a>
Stafford Capital	Infrastructure	<a href="http://StaffordCP.com">StaffordCP.com</a>
UBS	UK Property	<a href="http://UBS.com">UBS.com</a>
Churchill Asset Management	Private Debt	<a href="http://ChurchillAM.com">ChurchillAM.com</a>
Permira Credit Solutions	Private Debt	<a href="http://Permira.com">Permira.com</a>
Royal London Asset Management	Index Linked Bonds Multi Asset Credit	<a href="http://RLAM.com">RLAM.com</a>
Russell Investments	Currency Risk Management	<a href="http://RussellInvestments.com">RussellInvestments.com</a>

## Other Service Providers

Other organisations providing services to the Fund		
Service	Provider	Website
Actuary	Hymans Robertson LLP	<a href="http://Hymans.co.uk">Hymans.co.uk</a>
AVC Providers	<ul style="list-style-type: none"><li>Prudential</li><li>Standard Life</li></ul>	<a href="http://PrudentialPLC.com">PrudentialPLC.com</a> <a href="http://StandardLife.co.uk">StandardLife.co.uk</a>
Bankers	National Westminster Bank PLC	<a href="http://Natwest.com">Natwest.com</a>
Custodian and Performance Measurement	Northern Trust	<a href="http://NorthernTrust.com">NorthernTrust.com</a>
External Auditors	Ernst and Young LLP	<a href="http://EY.com">EY.com</a>
Investment Advisers	Hymans Robertson LLP	<a href="http://Hymans.co.uk">Hymans.co.uk</a>
Legal Advice	In house	<a href="http://Havering.gov.uk">Havering.gov.uk</a>
Performance Measurement	Pensions & Investment Research Consultants Limited (PIRC)	<a href="http://PIRC.co.uk">PIRC.co.uk</a>
Scheme Administrator	Local Pension Partnership Administration (LPPA)	<a href="http://LPPA.pensions.co.uk">LPPA.pensions.co.uk</a>

# Risk Management

## Risk Management Policy

The Administering Authority's policy on risk is to identify and mitigate risks to the Fund both in aggregate and at an individual level. Risks are identified and assessed in line with the Authority's risk management process and are documented within Service Plans.

## Committee Membership

Longevity in Committee membership is encouraged to maintain expertise. The Authority recommends that membership remains static for the elected member's term of office to ensure they are fully trained in pension matters, unless exceptional circumstances necessitate a change. Elected members are governed by the administering authority's code of conduct, which includes a process for declaring conflicts of interest.

## Risk Identification and Management

Risk is identified and managed within the following regularly reviewed statutory documents:

- [Risk register](#)
- [Funding strategy statement](#)
- [Investment strategy statement](#)
- [Governance compliance statement](#)

## Risk Register

The Risk Register identifies the key risks that the Pension Fund may face and the measures in place to mitigate those risks.

Seven key risks have been identified and recorded in the Risk Register, summarised as follows:

- Inaccurate three yearly actuarial valuations, resulting in insufficient funding to meet liabilities
- Incorrect or inappropriate Investment Strategy, leading to failure to meet strategic objectives by not reducing pension deficit
- Failure of investments to perform in line with growth expectations, resulting in potential financial loss
- Failure to comply with legislative requirements, damaging the Authority's reputation and leading to potential litigation
- Inability to manage the Pension Fund and associated services, negatively impacting service provision
- Failure to onboard or exit employers/members, impacting cash flow and leading to possible litigation
- Pension Fund Payment Fraud, damaging the Authority's reputation and leading to potential financial loss

It is recognised that it may not be possible to eliminate all risks but accepting and actively managing risk is crucial to the proper governance of the Fund.

The Risk Register is a 'live' document meaning all risks are continually reviewed to ensure they remain relevant and that controls are in place to manage risks where feasible. The Risk Register is a standing item on the Local Pensions Board (LPB) agenda for consideration and the LPB make recommendations to the Pensions Committee for updates.

This updated Risk Register was agreed by the Pensions Committee at its meeting on the 5 November 2024.

### **Risk Classification**

Risk can be classified into two measurements that need to be assessed to determine the scale of the risk:

- Likelihood – the possibility that a risk will occur
- Impact – the consequences if the risk were to occur

### **Mitigation and Benefits**

Several actions have been identified to enhance mitigations, aiming to reduce the likelihood, impact, and overall risk score.

The benefits of successful risk management include improved financial performance, better service delivery, and enhanced Fund governance and compliance.

### **Investment Risk**

The Fund utilises the services of an external Investment Adviser (Hymans Robertson) for advice on investment matters. The adviser attends quarterly committee meetings where investment performance is reported for the Fund and each individual fund manager.

The Fund Accounts discuss several risks that can affect the value of invested assets, including:

- **Price Risk:** The risk that the value of investments will fluctuate due to changes in market prices.
- **Currency Risk:** The risk that the value of investments will be affected by changes in exchange rates.
- **Interest Rate Risk:** The risk that the value of investments will change due to variations in interest rates.

### **Fund Managers including London CIV**

As a risk management tool, assurance is sought from the fund managers regarding their internal controls by reviewing their audited assurance reports. Any exceptions highlighted by the auditor are evaluated by officers.

### **Governance Risk**

The Fund engages an external Actuary (Hymans Robertson) to provide advice on setting employer contribution rates and bond rates. This support helps mitigate the risk of the Fund not receiving the appropriate income and financial protection.

### **Relationship with the Local Authority**

The Fund acknowledges that certain risks stem from its relationship with the administering authority, particularly where shared policies and resources are involved. To manage these risks, the Fund implements the following measures:

- **Risk Assessments:** regular risk assessments are conducted to identify potential issues arising from shared arrangements.
- **Training and Awareness:** Staff are trained to understand and manage risks associated with shared policies and resource
- **Contingency Planning:** Plans are developed to ensure continuity of operations in the event of disruptions to shared services or resources.

## **Cyber Risk**

As scheme administrator, LPPA places a high priority on data security and the protection of member information. LPPA holds a current Cyber Essentials Certificate and conducts regular penetration testing through a CREST-accredited provider. Any vulnerabilities identified are promptly addressed.

## **Benefits Administration Risks**

Key risks in benefits administration include the need to:

- Maintain accurate member records;
- Benefits are paid correctly and on time;
- Provide timely and accurate pension information.

Specific risk areas include late or incorrect benefit payments, data protection breaches, and non-compliance with disclosure requirements.

Fraud is also a significant concern and is partly mitigated through participation in the National Fraud Initiative (NFI).

Pension scams are an increasing threat. In response, LPPA has signed The Pensions Regulator's Pledge to Combat Pension Scams and issues appropriate communications to members requesting transfer quotes.

Potential consequences of these risks include regulatory fines, reputational damage, negative publicity, and increased audit scrutiny.

## **Third Party Risk**

This includes late contribution payments, inaccurate data submissions and overall performance by scheme employers. To mitigate the risks officers perform monthly monitoring of contributions and data quality.

## **Internal Audit Assurances**

Pension administration services are delegated to Lancashire County Council (LCC), which has appointed Local Pensions Partnership Administration (LPPA) to deliver day-to-day pension administration.

The Council relies on LPPA to provide assurances that risks are being adequately managed. LPPA have provided a copy of their AAF 01/20 Type 2 Report covering the period 1 April 2024 to 31 March 2025. This provides assurances that LPPA delivers services in compliance with the Pension Regulator General Code of Practice and public sector pension's legislation and has robust controls in place for the services provided to Havering Pension Fund.

## **Business Continuity Plan**

Services develop and maintain Business Continuity Plans (BCPs) to address disaster recovery and include contingency measures. The Exchequer & Transactional Services BCP, which supports pension payment services, identifies critical activities whose failure would result in an unacceptable loss of service and outlines measures to minimise risk and disruption.

LPPA provides services to multiple clients who expect well-planned and tested business continuity arrangements. All BCPs require LPPA to inform customers whenever a specific response plan is activated.

The primary aim of BCP arrangements is to minimise disruption to the Pension Service during incidents that interrupt normal service delivery. To achieve this, LPPA conducts business impact analyses, assesses the likelihood and impact of failures, and utilises specific or generic plans to manage critical failures. LPPA collaborates closely with suppliers to ensure their business continuity processes support the organisation in the event of a failure.

The Business Continuity Team comprises key staff who understand all aspects of the business, have decision-making authority, and fully grasp customers' needs and expectations.

All staff are briefed on business continuity arrangements, can be contacted at any time, and are equipped to work remotely.

# Governance and Training

## Governance Arrangements

The Pensions Committee is responsible for setting the Fund's investment strategy and monitoring its performance. In fulfilling these duties, the Committee receives advice from the Administering Authority, Havering and oneSource officers, the Fund's investment adviser, and, where appropriate, the actuary and performance measurement providers.

The Pensions and Treasury team within the Finance department supports the Committee by advising on investment strategy, monitoring fund managers, reviewing management arrangements, and maintaining the Fund's financial records.

The composition of the Pensions Committee at 31 March 2025 reflects the political balance of the Council. Voting membership is structured as follows:

### Labour Group



Cllr Mandy Anderson  
(Chair)

### Conservative Group



Cllr Joshua Chapman



Cllr Viddy Persaud

### Havering Residents' Group



Cllr Stephanie Nunn  
(Vice chair)



Cllr James Glass



Cllr Jacqueline Williams

## Other Members

Trade Union Observer (Non-voting) – Derek Scott (Unison),

Trade Union Observer (Non-voting) – (Vacant)

Admitted/Scheduled Body Representative x 1(voting) (Vacant)

## Attendance at Pensions Committee meetings

All Pensions Committee agendas and public minutes can be found on the Authority's website [Havering - Pensions Committee](#). The Committee requires 3 members in attendance to be quorate.

The list of committee members shown in the attendance table differs from the current membership as shown on the [Havering.gov](http://Havering.gov) website due to changes in elected representatives during the year. Committee appointments are linked to elected member roles, any changes following elections or council decisions are reflected in the committee's composition over time.

**Table: Committee attendance 2024/25**

Pension Committee	25/06/24	01/10/24	05/11/24	10/12/24	18/03/25
Councillor Mandy Anderson	✓	x	✓	✓	x
Councillor Joshua Chapman	✓	x	x	✓	x
Councillor James Glass	x	x	✓	x	x
Council Stephanie Nunn	✓	✓	*S1	x	✓
Councillor Viddy Persaud	✓	✓	✓	✓	*S2
Councillor Jacqueline Williams	✓	✓	✓	✓	✓
Trade Union Observer - Derek Scott	✓	x	x	x	x
Trade union observer (vacant)					
Employer Representative (vacant)					

V Joined virtually

\*S1 Apologies, sent substitute member Cllr Robby Misir

\*S2 Apologies, sent substitute member Cllr Dilip Patel

## The Functions delegated to the Pensions Committee

### Pension fund

- To consider and agree the investment strategy and statement of investment principles for the pension fund and subsequently monitor and review performance.

### Advisers and investment managers

- Authorise staff to invite tenders and to award contracts to actuaries, advisers and fund managers and in respect of other related investment matters.
- To appoint and review the performance of advisers and investment managers for pension fund investments.

### Other Non-executive matters

- To take decisions on those matters not to be the responsibility of the Executive under the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 relating to those matters concerning the Local Government Pension Scheme.

## Summary of Work Undertaken by Pensions Committee in 2024/25

**Equity Review:** An equity review was conducted to ensure appropriate allocation for the Fund, resulting in:

- -2.5% allocation to active equities
- +2.5% allocation to passive equities

**Cash Policy Review:** The cash policy was reviewed and surplus cash balances were deployed to underweight asset classes;-

- +1.3% to bonds
- +2.7% to index linked bonds

**Global Real Estate Management:** The Fund engaged London CIV to transfer management of the CBRE Indirect Real Estate to their care, benefiting from savings achieved through economies of scale.

**Governments Pension Investment Review:** The Fund is working very closely with the London CIV to progress the transition of the remaining assets onto the London CIV platform to meet the 31 March 2026 deadline set by the Governments Pension Investment Review.

The Fund paid £14m of committed capital for the Private Debt and Infrastructure mandates during the year to 31 March 2025. Leaving a balance of £37m still to be deployed.

**Climate Considerations:** The Fund completed its annual collection and analysis of climate metrics in line with Fund's Climate Action Plan/Risk Policy and the Task Force on Climate-Related Financial Disclosures ("TCFD") framework, concluding in the publication of its latest report

### The Functions of the Local Pension Board

- Assist the Administering Authority as Scheme Manager; –
  - securing compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme and any statutory pension scheme that is connected with it;
  - securing compliance with requirements imposed in relation to the scheme and any connected scheme by the Pensions Regulator;
  - such other matters as the scheme regulations may specify.

The Board consists of 3 Scheme employer representatives and 3 scheme member representatives.

Employer representatives	Scheme Member representatives
Andrew Frater Empower Learning Academy Trust	Mark Holder
Clea Holmes Success for All Education Trust	Yasmin Ramjohn
Joanne Sladen Hornchurch Academy Trust	Dionne Weekes

**Independent Chair:** Jonathan Bunt

**Attendance at Local Pension Board meetings:**

All Local Pension Board agendas and public minutes can be found on the Authority's website [Havering - Local Pension Board](#)

**Table: Local Pension Board attendance 2024/25**

<b>Board Member</b>	<b>04/06/24</b>	<b>17/09/24</b>	<b>03/12/24</b>
Jonathon Bunt	✓	✓	✓
Denise Broom*	A	n/a	n/a
Clea Holmes**	n/a	✓	✓
Andrew Frater	✓	A	✓
Mark Holder	✓	✓	✓
Yasmin Ramjohn	✓	✓	✓
Joanne Sladen	A	✓	✓
Dionne Weekes	✓	✓	x

\* Denise resigned from the Board following the June meeting

\*\*Clea Homles joined the Local Pension Board at the September meeting

A – apologies received

The Local Pension Board produces a separate annual report setting out the work undertaken [Havering LGPS Pension Administration](#)

### **Conflicts of Interest**

The Fund has a detailed Conflict of Interest Policy that outlines how conflicts should be managed. This policy ensures that all members of the Pension Board are aware of their duty to act independently and uphold high ethical standards.

Members of the Pension Board are required to declare any personal or financial interests that could potentially conflict with their responsibilities. These declarations are reviewed regularly to ensure transparency.

Regular training sessions are conducted to ensure that all board members understand what constitutes a conflict of interest and how to manage it. This helps in maintaining a high level of awareness and compliance.

Any identified conflicts of interest are documented and monitored. The Fund maintains records of all declared interests and the actions taken to manage them. This information is included in annual reports to ensure accountability.

The Fund complies with the Local Government Pension Scheme Regulations and the Public Service Pensions Act, which set out legal requirements for managing conflicts of interest.

The Fund adopts a [Business Plan/Report](#), outlining the work undertaken by the Pensions Committee during 2024/25, as well as the planned activities of work the year ahead and beyond. This document also includes a Training and Development Plan, which is aligned with the topics covered at Committee meetings to ensure members receive relevant and timely learning opportunities.

## Freedom of Information Requests

Subject of enquiry	No of requests
Annual Reports	1
Hedge Funds, Investments, Net Returns	1
Maersk Exposure	1
Market Values, Companies Invested In	1
Pensions as a % of council Tax	1
Private Equity, Venture Capital, Commitments	4
Shares, Investment Funds/Portfolio	1
Transfers Out	1
Military and Defence, direct / indirect investments	1
<b>Grand Total</b>	<b>12</b>

## Knowledge and Skills Framework

The new single Code of Practice, replacing TPR Code No.14, came into force on 28 March 2024. It requires members of the Pension Committee and Local Pension Board members to demonstrate an appropriate level of knowledge and understanding to effectively carry out their roles.

The London Borough of Havering Pension Fund supports the CIPFA's Knowledge and Skills Code and has adopted the updated framework as part of its training programme. In line with the Council's constitution, Pension Committee members must complete training within six months of their appointment. Failure to do so disqualifies them from participating in decision-making. To maintain continuity and expertise, long-term membership is encouraged, and the Council recommends that PC membership remains unchanged for the duration of the term, except in exceptional circumstances.

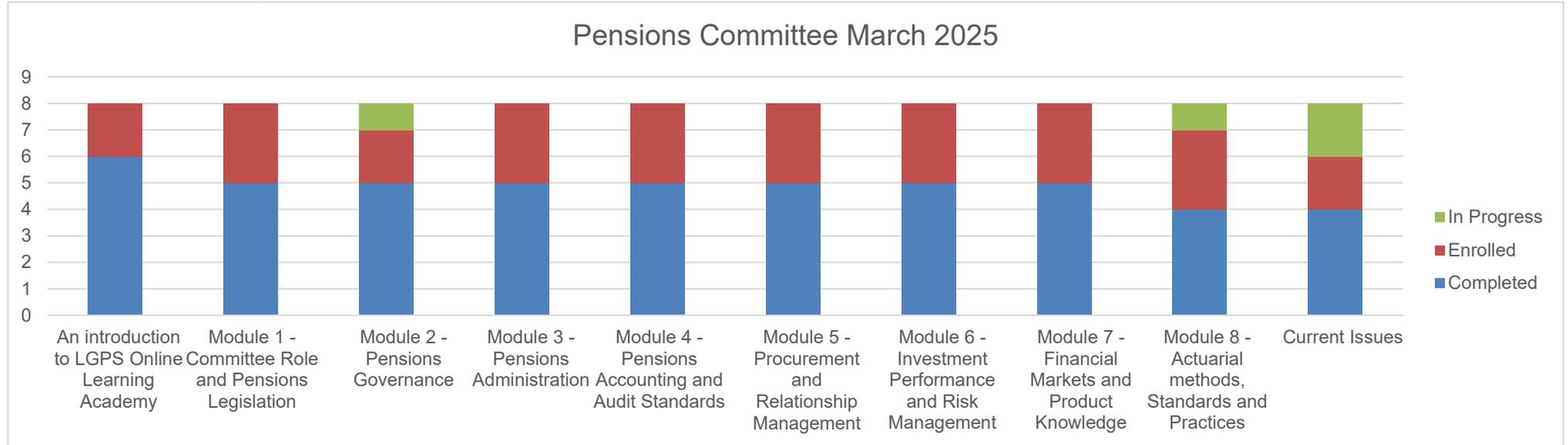
To meet the "qualitative test" under MiFID II, the committee must demonstrate sufficient expertise, experience, and knowledge. Investment Firms assess these criteria to ensure the Committee can make informed investment decisions and understand associated risks before granting professional client status. All election requests from existing investment service providers have been approved.

A training budget of £10,000 has been agreed, subject to annual review. All training costs are met by the Pension Fund.

**PENSION COMMITTEE TRAINING 2024/25**

<b>Date</b>	<b>Good Governance/CIPFA Framework category</b>		<b>Topic</b>	<b>Attended By</b>	<b>Duration</b>
2024/25 Committee Dates	ALL	ALL	Various – see Appendix A of the <a href="#">Business Plan</a>	Pensions Committee	9 hours 15 minutes
25 June 2024	Governance	Management Accounting	Havering Pension Fund Accounts 2024/25	Cllr Mandy Anderson (Chair) Cllr Stephanie Nunn Cllr Jacqueline Williams Cllr Joshua Chapman	30 minutes
31 October 2024	ALL	ALL	New member induction	Cllr Robby Misir	1 hour

The Fund also subscribes to Hyman's LGPS Online Learning Academy. Members of the Pension Committee and Local Pension Board have completed the following modules.



# Financial Performance

The Pensions Committee is supported by the Administering Authority's Finance and Administration services. The associated costs are reimbursed to the Administering Authority by the Fund. The costs are included within the Management expenses as reported in the Pension Fund Statement of Accounts. Medium term estimates for management costs, as set out in the Business Plan, are detailed later in this report.

## Pensions Administration

The Pensions Administration is delivered through a delegated arrangement and is supplied by Local Pensions Partnership Administration (LPPA), a joint venture between Lancashire County Council and London Pensions Fund Authority.

Pensions Administration also includes a post for the Projects and Contracts Manager, who is responsible for the monitoring of the pension's administration contract and ad hoc projects.

## Accountancy and Investment support

The Pensions team within Finance Service supports the Pension Fund and consists of 2.4 full time equivalent posts (3 officers). The team ensures that committee members receive advice on investment strategy and the monitoring of fund managers. They are also responsible for accounting for the Fund's activities and addressing other relevant matters.

In line with the Chartered Institute of Public Finance & Accountancy (CIPFA) LGPS guidance on management costs, management expenses are shown split between three cost categories as follows:

## Administrative Expenses

Includes all staff costs associated with Pensions Administration, including Payroll.

	<b>2024/25 Estimate £000</b>	<b>2024/25 Actual £000</b>	<b>Variance £000</b>	<b>Variance %</b>
Administration & Processing	908	996	88	10
Other Fees (Levies)	16	8	(8)	(50)
Other Costs (interest)	125	-	(125)	(100)
<b>TOTAL</b>	<b>1,049</b>	<b>1,004</b>	<b>(45)</b>	<b>(4)</b>

- Administration & processing costs include the Pension Administration Contract LPPA, Project & Contract manager, payroll & legal charges and ad hoc project costs.
- Increase in interest payments costs have been moved to leavers costs

### **Investment Management Expenses**

Includes expenses incurred in relation to the management of Fund assets.

	<b>2024/25 Estimate £000</b>	<b>2024/25 Actual £000</b>	<b>Variance £000</b>	<b>Variance %</b>
Fund Manager Fees	4,000	3,606	(394)	(10)
Performance Related Fees	160	32	(128)	(80)
Transaction costs	335	597	262	78
Custodian Fees	35	29	(6)	(17)
<b>TOTAL</b>	<b>4,530</b>	<b>4,264</b>	<b>(266)</b>	<b>(6)</b>

- Fees are calculated based on market values under management and therefore increase or reduce as the value of investments change.

### **Oversight and Governance**

This category captures all costs that fall outside of the other two categories and include legal, advisory, actuarial and training costs. Staff costs associated with the financial reporting and support services to the Committee are included here.

	<b>2024/25 Estimate £000</b>	<b>2024/25 Actual £000</b>	<b>Variance £000</b>	<b>Variance %</b>
Financial Services	240	194	(46)	(19)
Actuarial Fees	60	35	(25)	(42)
Audit Fees	90	114	24	27
Member Training (inc. LPB)	10	15	5	50
Advisor Fees	80	110	30	38
London CIV	100	97	(3)	(3)
Local Pension Board	10	9	(1)	(10)
Pensions Committee	40	27	(13)	(33)
Performance Measurement services	45	54	9	20
Other Fees	16	17	1	6
<b>TOTAL</b>	<b>691</b>	<b>672</b>	<b>(19)</b>	<b>(3)</b>

- Audits delays have meant that some charges from earlier years were calculated and approved by the PSAA. Increases are due to increased testing to meet new audit requirements

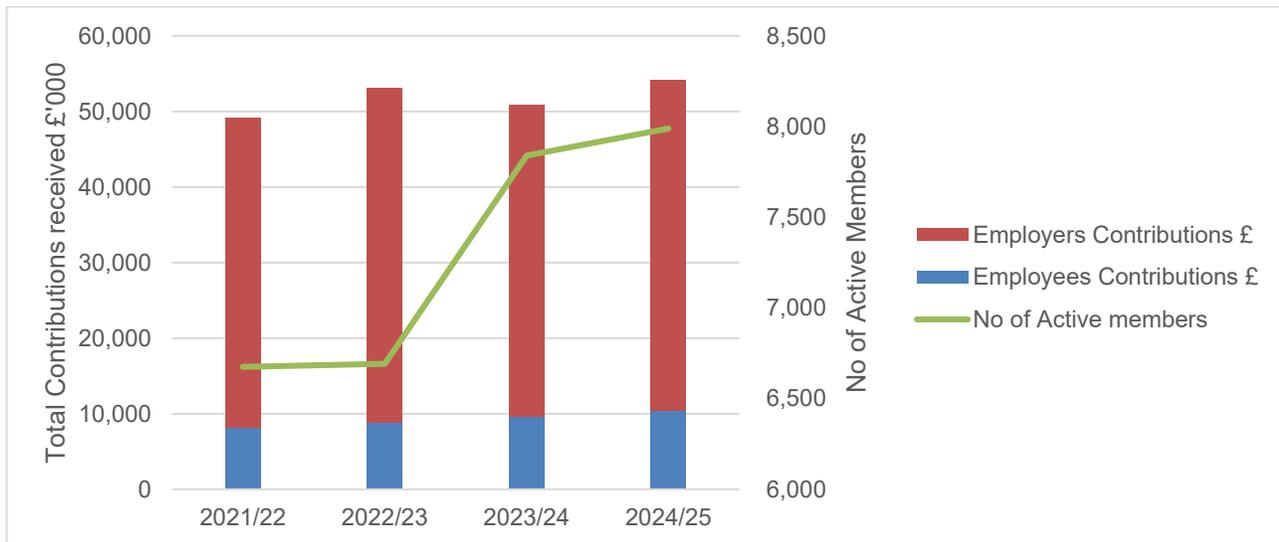
### **Total Management Expenses**

	<b>2024/25 Estimate £000</b>	<b>2024/25 Actual £000</b>	<b>Variance £000</b>	<b>Variance %</b>
<b>OVERALL MANAGEMENT EXPENSES TOTAL</b>	<b>6,270</b>	<b>5,940</b>	<b>(330)</b>	<b>(5)</b>

### **Analysis of Major Categories of Income and Expenditure**

## Contributions

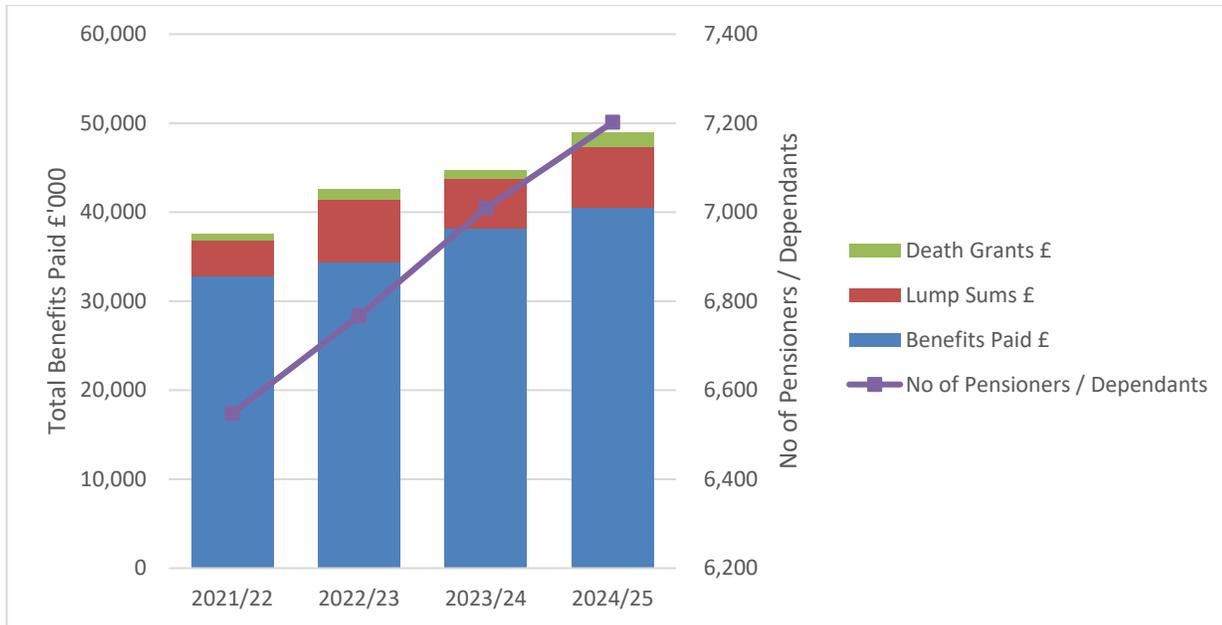
	2021/22	2022/23	2023/24	2024/25
Employees Contributions £	8,111	8,831	9,610	10,440
Employers Contributions £	41,001	44,280	41,250	43,762
No of Active members	6,675	6,692	7,840	7,989



In 2023/24, the Council made the decision to cease paying voluntary contributions on agency expenses. This policy change contributed to a modest decline in the total contributions collected during the year. Additionally, the number of active members saw a slight increase, which was largely due to a backlog of leaver forms that had accumulated while the scheme administrator, LPP, transitioned to a new software provider. This temporary inflation in membership figures reflects an administrative delay rather than a genuine growth in scheme participation.

## Benefits Paid

	2021/22	2022/23	2023/24	2024/25
Benefits Paid £	32,880	34,423	38,121	40,540
Lump Sums £	3,923	6,946	5,561	6,746
Death Grants £	748	1,161	1,014	1,652
No of Pensioners / Dependants	6,548	6,767	7,009	7,202



As a maturing pension scheme, we continue to see a steady increase in the number of pensioners and dependants, which naturally leads to a rise in the total benefits paid each year. This trend reflects the demographic shift within the scheme as more members reach retirement age.

Annual pension increases are linked to the Consumer Prices Index (CPI), as determined by HM Treasury. These adjustments are designed to preserve the purchasing power of pensions in line with inflation, ensuring that members' benefits remain adequate in the face of rising living costs.

## Per member inflow and outflow analysis

	2021/22	2022/23	2023/24	2024/25
Inflows <b>£000</b>	53,316	56,140	57,182	59,074
Active members <b>No #</b>	6,675	6,692	7,840	7,989
Inflow per active member <b>£</b>	7,987	8,389	7,294	7,394
Year on year movement <b>%</b>	-2%	5%	-13%	1%

Outflows <b>£000</b>	42,169	46,438	49,157	55,136
Pensioners and dependants <b>No #</b>	6,548	6,767	7,009	7,202
Outflow per pension member <b>£</b>	6,440	6,862	7,013	7,656
Year on year movement <b>%</b>	-51%	7%	2%	9%

## Significant changes to non-investment assets

2023/24 £000		2024/25 £000	Variance %
24,163	Cash deposit with LB Havering	16,163	-67%

£10m previously held with LBH treasury was withdrawn and reallocated to our fund investment managers as part of a portfolio rebalancing exercise.

## Table: age profile of members as at 31 March 2025

Age band	Active	Beneficiary	Deferred	Pensioner	Total
11-15	-	7	-	-	7
16-20	97	9	17	-	123
21-25	310	5	137	-	452
26-30	435	1	342	-	778
31-35	617	1	540	-	1,158
36-40	853	3	764	-	1,620
41-45	1,169	4	897	-	2,070
46-50	1,137	6	1,012	5	2,160
51-55	1,193	17	1,368	24	2,602
55-60	1,151	44	1,368	367	2,930
6-10	-	7	-	-	7
61-65	791	52	751	927	2,521
66-70	200	75	191	1,474	1,940
71-75	34	121	50	1,292	1,497
76-80	1	149	4	1,085	1,239
81-85	-	152	2	598	752
86-90	1	139	-	351	491
91-95	-	76	-	145	221
96-100	-	22	-	34	56
101-105	-	1	-	9	10
<b>Total</b>	<b>7,989</b>	<b>891</b>	<b>7,443</b>	<b>6,311</b>	<b>22,634</b>

## Cash Flow Management

Effective cash flow management is vital to the smooth operation of the pension scheme, ensuring the Fund can consistently meet its benefit payment obligations. The Fund's working cash flows are closely monitored, with monthly updates provided to the Section 151 Officer and quarterly reports submitted to the Pensions Committee.

The table below highlights operational cash flows. While there is a notable decline in available operational cash, it is important to note that this forecast does not include investment income, which when combined with contributions from scheme employees and employers, is more than sufficient to cover the Fund's commitments. Further information regarding investment income is available in Note 11 of the Statement of Accounts.

	ACTUALS	FORECAST		
	Year to 31/03/2025 £000	Year to 31/03/2026 £000	Year to 31/03/2027 £000	Year to 31/03/2028 £000
Balance b/f	24,276	16,468	16,987	10,410
Benefits paid	(34,584)	(35,234)	(36,940)	(36,658)
BACS expenses*	(13,337)	(14,560)	(14,871)	(15,168)
Lump sums by faster payment	(3,935)	(4,235)	(4,319)	(4,319)
Transfers in	4,895	9,421	9,421	9,421
Contributions received**	47,329	39,132	39,132	40,306
Pension strain	291	-	-	-
Transferred to LBH for treasury investment	1,532	-	-	-
Transfer to Northern Trust for asset investment	(10,000)	-	-	-
<b>Balance c/f</b>	<b>16,468</b>	<b>16,987</b>	<b>10,410</b>	<b>3,992</b>

\* BACS expenses includes some grants ie lump sums made to members

\*\* Contributions received from LBH are net of pension payroll deductions (eg HMRC)

## Contributions to the Fund

Employees pay a tiered contribution based on actual pensionable pay between 5.5% and 12.5%, or half this rate for 50/50 section members.

**Table: 2024/25 Employee contribution rates**

Band	Actual Gross Pensionable Pay for an employment	Contribution Rate for that employment	
		Main Section	50/50 Section
		%	%
	£		
1	Up to 17,600	5.50	2.75
2	17,601 to 27,600	5.80	2.90
3	27,601 to 44,900	6.50	3.25
4	44,901 to 56,800	6.80	3.40
5	56,801 to 79,700	8.50	4.25
6	79,701 to 112,900	9.90	4.95
7	112,901 to 133,100	10.50	5.25
8	133,101 to 199,700	11.40	5.70
9	199,701 or more	12.50	6.25

The Fund's Actuary is required to assess the solvency of the Fund at least once every three years. This valuation considers both the overall funding position and the position of each individual employer within the Fund.

Details of the financial and demographic assumptions used in the most recent valuation are available in the [2022 Valuation Report](#), which can be accessed via the Havering Pension Fund page on the Authority's website.

**Table: Employer contribution rates**

Year	Employers Contribution Rates (% of pensionable pay)
2023/24	Range from NIL to 41%
2024/25	Range from NIL to 41%
2025/26	Range from NIL to 41%

Contributions by employers with external payrolls is monitored on a monthly basis by the Havering Pensions Administration Team. The Authority receives a breakdown of individual employee and employer contributions, which is reconciled against the receipts.

New employers receive written guidance and confirmation of the relevant timescales for making payments. Before joining the scheme, they are informed of the applicable employer contribution rate and, if appropriate, the required bond level.

Employers admitted before 1 January 2024 had to purchase a bond or provide a guarantee to protect the Fund against default payments. There are currently 14 active admitted bodies in the fund. From 1 January 2024, new admissions will operate on a pass-through basis, where the letting authority retains most of the risk, eliminating the need for a bond or guarantor. Details are available in the Admissions Policy and Funding Strategy Statement on the Havering website.

Pension overpayments, recoveries, and amounts written off, including results from the biennial National Fraud Initiative, are regularly reviewed.

**Table: Overpayment recovery analysis**

Year debt raised	Amount of debt raised £	Debt collected £	Debt outstanding £
2019/20	23,608	18,125	5,474
2020/21	26,495	9,503	16,992
2021/22*	34,915	4,237	30,678
2022/23	16,420	5,468	10,952
2023/24	23,311	12,313	10,998
2024/25	29,785	18,617	11,168

\* Mortality screening identified a number of pensions in payment in respect of deceased members. This led to a number of backdated overpayments where invoices have been issued to the next of kin's last known address. As these are historic cases, the contact information is sometimes out of date and recovery is proving difficult.

The [Overpayment Recovery Policy](#) allows for the automatic write-off of pension overpayments under £250 net following the death of a pensioner or dependent member, provided no ongoing dependent pension is payable.

The total debt automatically written off during 2024/25, in line with the policy, was £6,284.83 (£1,529.98 in 2023/24) covering 72 different cases (19 in 2023/24), which is an average of £87.29 per case (£80.53 in 2023/24), and for the first time since the policy was introduced, falls above the expected average of £5,000 per annum. The increase is due to a number of cases completed during this reporting year where the death occurred in a previous year.

Every 2 years the Authority participates in the National Fraud Initiative (NFI) to identify deceased LGPS members and unknown pension abatements. The latest NFI exercise was in September 2023. Additionally, LPPA uses the 'Tell Us Once' service, monitored daily, and conducts monthly mortality screenings.

**Table: Late Contributions**

Year	No of late contributions	No of employers making late contributions
2022/23	9	4
2023/24	11	6
2024/25	11	4

None of the late contribution receipts were deemed material; therefore, no charges were applied.

The fund has a range of Administration policies, including the Charging Policy which can be accessed via the following link: [LGPS Pension Administration | London Borough of Havering](#)

## Fund Account, Net Asset Statement and Notes

2023/24 £000	FUND ACCOUNT	Notes	2024/25 £000
	<b>Dealings with members, employers and others directly involved in the fund</b>		
50,860	Contributions receivables	7	54,202
6,321	Transfers in from other pension funds		4,872
<b>57,181</b>			<b>59,074</b>
(44,696)	Benefits	8	(48,938)
(4,461)	Payments to and on account of leavers	9	(6,198)
<b>(49,157)</b>			<b>(55,136)</b>
<b>8,024</b>	<b>Net additions from dealings with members</b>		<b>3,938</b>
(6,130)	Management expenses	10	(5,943)
<b>1,894</b>	<b>Net additions/(deductions) including fund management expenses</b>		<b>(2,005)</b>
	<b>Returns on investments</b>		
18,327	Investment income	11	20,118
53,525	Profit and losses on disposal of investments and changes in the market value of investments	12a	20,829
<b>71,852</b>	<b>Net returns on investments</b>		<b>40,947</b>
<b>73,746</b>	<b>Net increase in the net assets available for benefits during the year</b>		<b>38,942</b>
895,752	Opening net assets of the Fund at start of year		969,498
<b>969,498</b>	<b>Closing net assets of the Fund at end of year</b>		<b>1,008,440</b>

2023/24 £000	NET ASSET STATEMENT	Notes	2024/25 £000
150	Long term investments - London CIV shareholding	12	150
946,100	Investment Assets	12	992,902
(449)	Investment Liabilities	12	(1,162)
<b>945,801</b>	<b>Total net investments</b>		<b>991,890</b>
24,707	Current Assets	20	17,306
(1,010)	Current Liabilities	21	(756)
<b>969,498</b>	<b>Net assets of the Fund available to fund benefits at end of the reporting period</b>		<b>1,008,440</b>

The financial statements summarise the transactions and the net assets of the London Borough of Havering Pension Fund ("the Fund"). They do not take account of obligations to pay pensions and other benefits which fall due after the financial year end. The actuarial present value of promised retirement benefits, valued on an International Accounting Standard IAS19 basis is disclosed at Note 19 of these accounts.

# Notes to the Pension Fund Accounts

## 1 Description of the Fund

The Havering Pension Fund ("the Fund") is part of the Local Government Pension Scheme (LGPS) and is administered by the London Borough of Havering. Responsibility for management of the Pension Fund has been delegated to the Pensions Committee and the day to day operations of the Fund have been delegated to the Statutory Section 151 officer.

### a) General

The scheme is governed by the Public Service Pensions Act 2013. The Fund is administered in accordance with the following secondary legislation:

- The LGPS Regulations 2013 (as amended),
- The LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended),
- The LGPS (Management and Investment of Funds) Regulations 2016.

The Fund is a contributory defined benefits scheme which provides pensions and other benefits for pensionable employees of Havering Council and a range of other scheduled and admitted bodies. Teachers, are not included as they come within another national pension scheme.

The Fund is overseen by the London Borough of Havering Pensions Committee and the Local Pension Board.

### b) Membership

Membership of the LGPS is voluntary and employees are free to choose whether to join the scheme, remain in the scheme or make their own personal arrangements outside the scheme.

Organisations participating in the Fund include:

- Scheduled bodies, which are local authorities and similar bodies whose staff are automatically entitled to be members of the Fund.
- Admitted bodies, which are other organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.
- Designated bodies, which are non-community schools, whose employer has changed from the administering authority to a board of governors. Designated body status allows continued membership in the LGPS for non-teaching staff at non-community schools. These have been accounted for within London Borough of Havering

There are 65 employer organisations with active members within the Havering Pension Fund including the administering authority.

The membership profile is detailed below:

31-Mar-24		31-Mar-25
<b>59</b>	<b>Number of employers with active members</b>	<b>65</b>
	<b>Number of employees in scheme</b>	
5,205	London Borough of Havering	5,271
2,523	Scheduled bodies	2,566
112	Admitted bodies	152
<b>7,840</b>	<b>Total</b>	<b>7,989</b>
	<b>Number of pensioners and dependants</b>	
6,437	London Borough of Havering	6,555
534	Scheduled bodies	608
38	Admitted bodies	39
<b>7,009</b>	<b>Total</b>	<b>7,202</b>
	<b>Deferred pensioners</b>	
5,564	London Borough of Havering	5,926
1,197	Scheduled bodies	1,475
39	Admitted bodies	42
<b>6,800</b>	<b>Total</b>	<b>7,443</b>
<b>21,649</b>	<b>Total number of members in pension scheme</b>	<b>22,634</b>

### c) Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the Fund in accordance with the LGPS Regulations 2013 and range from 5.5% to 12.5% of pensionable pay for the year ended 31 March 2025. Employer contributions are set based on triennial actuarial funding valuations as at 31 March 2022. Current employer contribution rates range from 0% to 41.0% of pensionable pay.

### d) Benefits

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service. From 1 April 2014, the LGPS became a Career Average Revalued Earnings (CARE) scheme, whereby members accrue benefits based on their average salary over their entire career, with each year's pension revalued to account for inflation (Consumer Prices Index).

A range of other benefits are also provided including early retirement, disability pensions and death benefits, as explained on the LGPS website <https://www.lgpsmember.org/>

## 2 Basis of Preparation

The Statement of Accounts summarise the Fund's transactions for the 2024/25 financial year and its position at year end, 31 March 2025. The accounts have been

prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 "(the Code)" which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector, and Guidance on Investment Valuations issued by the Pensions Research Accountants Group (PRAG).

The accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits. They do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year nor do they take into account the actuarial present value of promised retirement benefits. The Code gives administering authorities the option to disclose this information in the net asset statement, in the notes to the accounts or by appending an actuarial report prepared for this purpose. The Fund has opted to disclose this information in Note 19.

The administering authority is satisfied that Havering Pension Fund is a going concern and the financial statements for 2024/25 have been prepared on a going concern basis as follows:

Investment returns were +3.64% in 2024/25 and +2.38% over the three years to 31 March 2025. Invested asset values have increased by £38.9m over the year.

There is sufficient flexibility in the investment strategy to be able to respond to short term market fluctuations. The Fund is comparatively low risk with smaller proportion of its assets held in volatile equities.

At the latest triennial valuation, March 2022, the Fund was assessed as 80% funded. A significant improvement on the funding level of 70% at 31 March 2019 and includes a recovery period necessary to make good any potential increases in the funding deficit. It is important to remember that that the Fund does not need to be 100% funded to be a going concern, it simply needs to be able to meet benefit obligations each month as they fall due. The Fund held cash of £31.7m at the Balance Sheet date, equivalent to 3% of the fund assets. In addition, the Fund held £722m in Level 1 and Level 2 investment assets which could be realised within 3 months if required. Based upon review of its operational cash flow projections the Fund is satisfied it has sufficient cash to meet its obligations to pay pensions, for at least 12 months from the date of authorisation of these accounts, without the need to sell any investments.

### **3 Summary of Significant Accounting Policies Fund Account – revenue recognition**

#### **a) Contribution income**

Normal contributions are accounted for on an accruals basis as follows:

- Employee contribution rates are set in accordance with LGPS regulations, using common percentage rates for all that arise according to pensionable pay
- Employer contributions are set at the percentage rate recommended by the Fund actuary for the period to which they relate

Employer deficit funding contributions are accounted for on the due dates on which they are payable under the schedule of contributions set by the scheme actuary or on receipt if earlier than the due date.

Additional employers' contributions in respect of ill-health and early retirements (augmentation) are accounted for in the year the event arose. Any amount due in the year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long term financial assets.

#### **b) Transfers to and from other schemes**

Transfers in and out relate to members who have either joined or left the fund.

Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged.

Bulk (group) transfers are accounted for in accordance with the terms of the transfer agreement. The date set for the transfer of assets and liabilities is the date it becomes recognised in the fund account.

#### **c) Investment Income**

##### ***i) Interest Income***

Interest income is recognised in the Fund as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination.

##### ***ii) Dividend Income***

Dividend income is recognised on the date the shares are quoted as ex-dividend. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as a current financial asset.

**iii) Distribution from Pooled Funds**

Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as a current financial asset.

**iv) Property - Related Income**

Property related income consists primarily of rental income and is recognised at the date of issue.

**v) Movement in the Net Market Value of Investments**

Changes in the net market value of investments are recognised as income and comprise all realised and unrealised profits/losses during the year.

**Fund Account – Expense Items**

**d) Benefits payable**

Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the Net Assets Statement as current liabilities, providing the payment has been approved.

**e) Taxation**

The Fund is a registered public service scheme under section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a fund expense as it arises.

**f) Management Expenses**

**i) Administrative Expenses**

All staff costs of the pensions' administration team are recharged to the Fund. Associated management, accommodation and other overheads are apportioned to the Fund in accordance with Council policy and charged as expenses to the Fund.

**ii) Oversight and Governance Costs**

All costs associated with governance and oversight are separately identified and recharged to the Fund and charged as expenses to the Fund.

### **iii) Investment Management Fees**

Investment management expenses are charged directly to the Fund as part of management expenses and are not included in, or netted off from, the reported return on investments. Where fees are netted off quarterly valuations by investment managers, these expenses are shown separately in Note 10a and grossed up to increase the change in value of investments.

Fees charged by external investment managers and custodian are set out in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change.

The cost of obtaining investment advice from external consultants is included in investment management charges.

Officers' time spent on investment management functions are also charged to the fund.

### **g) Lifetime Allowances**

Members are entitled to request the Fund pays their tax liabilities due in respect of annual allowance and lifetime allowance in exchange for a reduced pension.

Where the Fund pays member tax liabilities direct to HMRC it is treated as an expense in the year in which the payment occurs.

## **Net Assets Statement**

### **a) Financial Assets**

Financial assets are included in the net assets statement on a fair value basis as at the reporting date. A financial asset is recognised in the net assets statement on the date the Fund becomes party to the contractual acquisition of the asset. From this date any gains or losses arising from changes in the fair value of assets are recognised by the Fund. Any amounts due or payable in respect of trades entered but not yet complete at 31 March each year are accounted for as financial instruments held at amortised cost and reflected in the reconciliation of movements in investments and derivatives in Note 12a.

The values of investments as shown in the Net Assets Statement have been determined at fair value in accordance with the requirements of the code and IFRS13 (see Note 14). For the purposes of disclosing levels of fair value hierarchy, the Fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016).

### **b) Foreign Currency Transactions**

Dividends, interest and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of transaction. End of year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, market values of overseas investments and purchases and sales outstanding at the end of the reporting period.

**c) Derivatives**

The Fund uses derivative financial instruments to manage its exposure to specific risks arising from its investment activities. The Fund does not hold derivatives for speculative purposes.

Derivative contract assets are fair valued at bid prices and liabilities are fair valued at offer prices. Changes in the fair value of derivative contracts are included in the change in market value.

The future value of forward currency contracts is based on market forward exchange rates at the year end date and determined as the gain or loss that would arise if the outstanding contract was matched at the year end with an equal and opposite contract.

**d) Cash and Cash Equivalents**

Cash comprises cash in hand (Fund's Bank account) and includes amounts held by the Fund's external managers.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

**e) Financial Liabilities**

A financial liability is recognised in the net assets statement on the date the Fund becomes legally responsible for that liability. The Fund recognises financial liabilities relating to investment trading at fair value and any gains or losses arising from changes in the fair value of the liability between contract date, the year-end date and the eventual settlement date are recognised by the fund account as part of the change in value of investments.

**f) Actuarial Present Value of Promised Retirement Benefits**

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of IAS 19 and relevant actuarial standards. As permitted under the Code, the fund has opted to disclose the actuarial present value of promised benefits by way of a note to the Net Asset Statement (Note 19).

**g) Additional Voluntary Contributions**

The fund provides an additional voluntary contribution (AVC) scheme for its members, the assets of which are invested separately from those of the pension fund. AVCs are not included in the accounts in accordance with Section 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 but are disclosed for information in Note 22.

#### **h) Contingent assets and contingent liabilities**

A contingent asset arises where an event has taken place giving rise to a possible asset whose existence will only be confirmed or otherwise by the occurrence of future events.

A contingent liability arises where an event has taken place prior to the year-end giving rise to a possible financial obligation whose existence will only be confirmed or otherwise by the occurrence of future events. Contingent liabilities can also arise in circumstances where a provision would be made, except that it is not possible at the balance sheet date to measure the value of the financial obligation reliably.

Contingent assets and liabilities are not recognised in the net assets statement but are disclosed by way of narrative in Note 25.

#### **4 Critical Judgements in Applying Accounting Policies Pension Fund Liability**

The Pension Liability is calculated every three years by the appointed actuary, with annual updates provided to the admitted and scheduled bodies in the Fund, as requested, in the intervening years. The methodology used in the annual updates is in line with accepted guidelines.

This estimate is subject to significant variances based on the changes to the underlying assumptions which are agreed with the actuary and are summarised in Note 18.

Actuarial revaluations are used to set future contribution rates and underpin the Fund's most significant investment management policies, for example in terms of the balance struck between longer term investment growth and short term yield/return.

## 5 Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts. Estimates and assumptions take account of historical experience, current trends and future expectations. However, actual outcomes could be different from the assumptions and estimates made.

The items in the net asset statement for which there is a risk of material adjustment in the forthcoming year are as follows:

Item	Uncertainties	Effect if Actual Results differ from Assumptions	Approximate monetary amount (£m)
Actuarial present value of promised retirement benefits (Note 19)	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, and expected returns on Fund's assets. A firm of consulting actuaries is engaged to provide the Fund with expert advice about the assumptions to be applied	<p>The effects on the present value of promised retirement benefits of changes in actuarial assumptions can be significant. Changes in assumptions could have the approximate following impacts on the Fund's employer liability as follows:</p> <p>0.1% p.a. decrease in the Real Discount Rate could result in an increase of 2%</p> <p>0.1% p.a. increase in the Pension Increase Rate (CPI) could result in an increase of 2%</p> <p>0.1% p.a increase in the Salary Increase Rate could result in a 0% increase</p> <p>1 Year increase in member life expectancy could result in a 4% increase</p>	<p>15</p> <p>15</p> <p>1</p> <p>37</p>
Level 3 Investments (Note 15a)	Level 3 investments can be determined by Fund Managers in accordance with guidelines and principles set out in the International Private Equity and Venture Capital Valuation Guidelines 2012. These investments are not publicly listed and as	Level 3 investments total £270m, which represents 27% of the total Fund value of £1,008m.	Sensitivity Analysis shows that the £270m valuation could decrease or

Item	Uncertainties	Effect if Actual Results differ from Assumptions	Approximate monetary amount (£m)
	such there is a degree of estimation involved in the valuation.		increase within the range of £254m and £284m

## **6 Events after the Reporting Date**

The Statement of Accounts is adjusted to reflect events after the balance sheet date, both favourable and unfavourable, that occur between the end of the reporting date and the date when the Statement of Accounts is authorised for issue. Adjustments are made that provide evidence of conditions that existed at the end of the reporting period unless deemed insignificant to the true and fair value of the Fund's assets and liabilities. Those events taking place after the date of authorisation for issue will not be reflected in the statement of accounts. There are no events after the reporting date that needs to be disclosed as part of the financial statement.

## 7 Contributions Receivable

### By category

2023/24 £000		2024/25 £000
	<b>Employees' contributions</b>	
	<b>Normal:</b>	
7,454	London Borough of Havering	7,907
2,003	Scheduled Bodies	2,280
146	Admitted Bodies	245
	<b>Additional contributions:</b>	
7	London Borough of Havering	7
-	Scheduled Bodies	1
<b>9,610</b>	<b>Total Employees' Contribution</b>	<b>10,440</b>
	<b>Employers' contributions</b>	
	<b>Normal:</b>	
20,088	London Borough of Havering	21,320
7,034	Scheduled bodies	7,812
616	Admitted bodies	968
	<b>Secondary contributions:</b>	
	<b>Employer contribution to deficit</b>	
12,821	London Borough of Havering *	13,033
269	Scheduled bodies	278
4	Admitted bodies	11
	<b>Employer reduction to surplus **</b>	
(39)	Scheduled bodies	(36)
(31)	Admitted bodies	(31)
	<b>Augmentation</b>	
488	London Borough of Havering	291
-	Scheduled bodies	116
<b>41,250</b>	<b>Total Employers' Contributions</b>	<b>43,762</b>
<b>50,860</b>	<b>Total Contributions Receivable</b>	<b>54,202</b>

\* The London Borough of Havering deficit figure reflects additional contributions made by the Council to the Pension Fund. These consist £0m 24/25 (23/24 0.065m) voluntary planned contributions.

\*\* Since the 2022 valuation performed by the actuary there are a number of employers with an accounting surplus. These employers have a negative contribution rate.

### By authority

2023/24 £000		2024/25 £000
40,858	London Borough of Havering	29,525
9,267	Scheduled bodies	10,450
735	Admitted Bodies	1,193
<b>50,860</b>	<b>Total Contributions Receivable</b>	<b>41,168</b>

## 8 Benefits Payable

**By category**

2023/24 £000		2024/25 £000
	<b>Pensions</b>	
36,105	London Borough of Havering	38,152
1,787	Scheduled Bodies	2,137
229	Admitted Bodies	251
<b>38,121</b>	<b>Pensions Total</b>	<b>40,540</b>
	<b>Commutation and Lump Sum Retirements</b>	
4,656	London Borough of Havering	5,347
895	Scheduled Bodies	1,253
10	Admitted Bodies	146
<b>5,561</b>	<b>Commutation and Lump Sum Retirements Total</b>	<b>6,746</b>
	<b>Lump Sum Death Benefits</b>	
787	London Borough of Havering	1,467
227	Scheduled Bodies	185
<b>1,014</b>	<b>Lump Sum Death Benefits Total</b>	<b>1,652</b>
<b>44,696</b>	<b>Total Benefits Payable</b>	<b>48,938</b>

**By authority**

2023/24 £000		2024/25 £000
41,548	London Borough of Havering Scheduled Bodies	44,966
2,909	Admitted Bodies	3,575
239		397
<b>44,696</b>	<b>Total Benefits Payable</b>	<b>48,938</b>

## 9 Payments To and On Account of Leavers

2023/24 £000		2024/25 £000
42	Return of Contributions Transfer Values Paid Out	90
4,294	Interest Paid on Short Term Borrowing	5,918
125		190
<b>4,461</b>	<b>Payments to and on Account of Leavers</b>	<b>6,198</b>

## 10 Management Expenses

### By category

2023/24 £000		2024/25 £000
821	Administrative Costs	1,004
4,584	Investment Management Expenses	4,264
628	Oversight and Governance Costs	552
90	Oversight and Governance - External Audit costs	114
7	Local Pension Board	9
<b>6,130</b>	<b>Total Management Expenses</b>	<b>5,943</b>

This analysis of the costs of managing the Fund during the period has been prepared in accordance with CIPFA guidance.

In addition to these costs, indirect costs are incurred through the bid-offer spread on investments sales and purchases. These are reflected in the cost of investment acquisitions and in the proceeds from the sales of investments (see Note 12a).

The management expenses disclosed above include all investment management expenses directly incurred by the Fund including those charged on pooled fund investments.

## 10a Investment Management Expenses

2024/25	Management fees	Performance Related fees	Transaction cost	2024/25 Total
	£000	£000	£000	£000
Bonds	280	-	11	291
Infrastructure	862	-	-	862
Global Equity	1,512	-	123	1,635
<b>Other Investments</b>		-	-	
Pooled Property	378	32	145	555
Private Debt	536	-	318	854
Derivatives - Forward Currency Contracts	37	-	-	37
	<b>3,605</b>	<b>32</b>	<b>597</b>	<b>*4,234</b>
Custody fees				29
Performance Measurement fees				-
<b>Investment Management Expenses</b>				<b>4,263</b>

\* Includes £1.546m charged for assets in the London CIV asset pool (£1.578m in 2023/24)

2023/24	Management fees	Performance Related fees	Transaction cost	2023/24 Total
	£000	£000	£000	£000
Bonds	191	0	1	192
Diversified Growth Funds	145	0	112	257
Infrastructure	873	72	0	945
Global Equity	1,556	0	122	1,678
<b>Other Investments</b>				
Pooled Property	525	128	126	779
Private Debt	670	0	0	670
Derivatives - Forward Currency Contracts	35	0	0	35
	<b>3,995</b>	<b>200</b>	<b>361</b>	<b>*4,556</b>
Custody fees				28
Performance Measurement fees				38
<b>Investment Management Expenses</b>				<b>4,622</b>

\* Includes £1.578m charged for assets in the London CIV asset pool (£1.954m in 2022/23)

## 11 Investment Income

### By category

<b>2023/24</b>		<b>2024/25</b>
<b>£000</b>		<b>£000</b>
14,660	Pooled investments - unit trusts and other managed funds	16,653
507	Bonds	249
173	Fixed income	-
1,453	Pooled property investments	1,540
-	Income from derivatives (foreign exchange gains/(losses))	110
1,427	Interest on cash deposits	1,510
107	Other income*	56
<b>18,327</b>	<b>Investment Income</b>	<b>20,118</b>

\* Fees and charges income

## 12 Analysis of Investments

2023/24 £000		2024/25 £000
150	<b>Investment Assets</b> LCIV Shareholding	150
<b>150</b>		<b>150</b>
23,819	<b>Bonds</b> Index-linked securities	47,048
<b>23,819</b>		<b>47,048</b>
113,102	<b>Pooled Investment</b> Fixed interest unit trust	118,674
110,253	Infrastructure	111,308
509,812	Global equity	538,059
<b>733,167</b>		<b>768,041</b>
81,318	<b>Other Investments</b> Pooled property	82,032
84,551	Private debt	76,198
<b>165,869</b>		<b>158,230</b>
334	Derivatives - forward currency contracts	3,317
22,822	Cash deposits managers	15,281
-	Amounts receivable for sales	871
89	Investment income due	114
<b>23,245</b>		<b>19,583</b>
<b>946,250</b>	<b>Total Investment Assets</b>	<b>993,052</b>
	<b>Investment Liabilities</b>	
(449)	Derivatives - forward currency contracts	(376)
-	Amounts payable for purchases	(786)
<b>(449)</b>	<b>Total Investment Liabilities</b>	<b>(1,162)</b>
<b>945,801</b>	<b>Total Net Investments</b>	<b>991,890</b>

## 12a Reconciliation of movements in investments and derivatives

	Market Value at 31 March 2024	In year purchases and derivative payments	In year sales and derivative receipts	Change in Market Value	Market Value at 31 March 2025
	£000	£000	£000	£000	£000
Index-linked Securities	23,819	88,869	(61,980)	(3,659)	47,049
Pooled Investment Vehicles	733,317	46,785	(31,765)	19,854	768,191
Other Investments	165,869	10,270	(17,197)	(712)	158,230
	<b>923,005</b>	<b>145,924</b>	<b>(110,942)</b>	<b>15,483</b>	<b>973,470</b>
Derivatives – forward currency contracts	(115)	8,831	(11,247)	5,472	2,941
	<b>922,890</b>	<b>154,755</b>	<b>(122,189)</b>	<b>20,955</b>	<b>976,411</b>
<b>Other Investment Balances:</b>					
Cash Deposits (fund managers)	22,822			(178)	15,281
Investment income due	89			52	985
Amounts payable for purchases	-			-	(786)
	<b>945,801</b>			<b>20,829</b>	<b>991,891</b>

	Market Value at 31 March 2023	In year purchases and derivative payments	In year sales and derivative receipts	Change in Market Value	Market Value at 31 March 2024
	£000	£000	£000	£000	£000
Fixed Interest Securities	351	736	(1,097)	10	0
Index-linked Securities	26,737	8,352	(7,786)	(3,484)	23,819
Pooled Investment Vehicles	671,330	29,052	(22,998)	55,934	733,317
Other Investments	166,982	11,350	(8,509)	(3,954)	165,869
	<b>865,400</b>	<b>49,490</b>	<b>(40,390)</b>	<b>48,505</b>	<b>923,005</b>
Derivatives – forward currency contracts	1,551	6,042	(12,873)	5,165	(115)
	<b>866,951</b>	<b>55,532</b>	<b>(53,263)</b>	<b>53,670</b>	<b>922,890</b>
<b>Other Investment Balances:</b>					
Cash Deposits (fund managers)	12,066			(148)	22,822
Investment income due	185			-	89
Spot FX	-			3	-
	<b>879,202</b>			<b>53,525</b>	<b>945,801</b>

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

Purchases and Sales of derivatives (forward current contracts) are recognised in the note above for contracts settled during the period are reported on a gross basis as gross receipts and payments.

Transaction costs are included in the cost of purchases and sale proceeds. Transaction costs include costs charged directly to the scheme such as fees, commissions, stamp duty and other fees. Transaction costs incurred during the year amounted to £0.597m (2023/24 £0.361m). In addition to the transaction costs disclosed above, indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles.

## 12b. Investments analysed by Fund Manager

Value 31 March 2024		Manager Mandate		Value 31 March 2025	
£000	%			£000	%
<b>Investments managed by London CIV asset Pool:</b>					
150	0.02	London CIV	Equities Unquoted	150	0.02
108,928	11.52	Ruffer	Absolute Return Fund	126,164	12.72
14,161	1.50	Foresight, Blackrock, Quinbrook & Stonepeak	Infrastructure Renewables	17,995	1.81
157,289	16.63	Baillie Gifford	Global Alpha Growth Paris Aligned Fund	133,802	13.49
55,522	5.87	State Street Global Advisors	Passive Equity Progressive Paris Aligned (PEPPA)	58,880	5.94
47,433	5.01	PIMCO	Global Bonds	47,854	4.82
<b>383,483</b>	<b>40.55</b>			<b>384,845</b>	<b>38.80</b>
<b>PLUS Investments aligned with London CIV asset pool:</b>					
188,073	19.89	Legal & General Investment Management (LGIM)	Passive Global Equities/ Emerging Markets/Future World	219,214	22.10
32,451	3.43	CBRE	Global Pooled Property	31,281	3.15
<b>604,007</b>	<b>63.87</b>	<b>London CIV Total</b>		<b>635,340</b>	<b>64.05</b>
<b>Investments managed outside of the London CIV asset Pool:</b>					
65,787	6.96	Royal London Multi Asset Credit	Fixed Interest Unit Trust	70,821	7.14
23,819	2.52	Royal London Index Linked Bonds	Investment Grade Bonds	47,489	4.79
48,866	5.17	UBS Property	Pooled Property	50,751	5.12
19,852	2.10	Stafford Capital SISF II	Overseas Pooled Infrastructure	17,664	1.78
25,435	2.69	Stafford Capital SISF IV	Overseas Pooled Infrastructure	26,117	2.63
50,808	5.37	JP Morgan	Overseas Pooled Infrastructure	49,725	5.01
17,449	1.84	Churchill II	Overseas Pooled Private Debt	12,224	1.23
17,123	1.81	Churchill IV	Overseas Pooled Private Debt	16,294	1.64
30,098	3.18	Permira PCS4	Overseas Pooled Private Debt	18,841	1.90
20,434	2.16	Permira PCS5	Overseas Pooled Private Debt	28,838	2.91
3,699	0.38	Russell Investments	Currency Management	3,926	0.40
18,424	1.95	Other	Other	13,860	1.40
<b>341,794</b>	<b>36.13</b>			<b>356,550</b>	<b>35.95</b>
<b>945,801</b>	<b>100.00</b>	<b>Total Fund</b>		<b>991,890</b>	<b>100.00</b>

## 12c. Assets with greater than 5% holding

The following investments represent more than 5% of the net assets of the Fund:

<b>Market Value 31 March 2024</b>	<b>% of Total Fund</b>	<b>Security</b>	<b>Market Value 31 March 2025</b>	<b>% of Total Fund</b>
<b>£000</b>			<b>£000</b>	
157,289	16.63	London CIV Baillie Gifford Global Alpha Paris Aligned Fund	133,802	13.27
108,928	11.52	London CIV Ruffer Absolute Return Fund	126,164	12.52
107,757	11.39	LGIM Future World Fund	133,667	13.26
65,670	6.94	Royal London Multi Asset Credit Pooled Fund	70,821	7.03
55,522	5.87	London CIV Pooled Passive Equity Progressive Paris Aligned (PEPPA)	58,880	5.84
48,866	5.17	UBS Property	50,751	5.04
50,808	5.37	JP Morgan infrastructure	49,725	4.93
<b>594,840</b>	<b>62.89</b>	<b>Total Fund</b>	<b>623,810</b>	<b>61.89</b>

## 12d. Stock Lending

We do not carry out stock lending directly. We are investors of a pooled fund with the passive equity manager, LGIM, who carry out stock lending as part of the Fund's activities. Stock Lending occurs in limited number of overseas equities index funds.

The Stock Lending programme is managed and administered by the custodian of the funds (Citibank) within the risk control parameters set by LGIM. The programme has been operating for over 10 years and enjoys an indemnity from Citibank. Stock lending is only undertaken with counterparties who have satisfied the requirements in terms of market capability and minimum credit standing.

All income arising from stock lending less the custodian/administrator's costs are credited to the funds lending the stocks. LGIM does not receive any revenue from the stock lending. As at 31 March 2025, the value of quoted equities on loan was £194.5m (31 March 2024 £163.4m) These equities continue to be recognised in the fund's financial statements.

## 13 Analysis of derivatives

### Objectives and policies for holding derivatives

Most of the holdings in derivatives are to hedge liabilities or hedge exposure to reduce risk in the Fund. Derivatives may be used to gain exposure to an asset more efficiently than holding the underlying asset. The use of derivatives is managed in line with the investment management agreement agreed between the Fund and various investment managers.

### Forward foreign currency

The Fund currently has exposure to forward currency contracts and the purpose of this is to reduce the Fund's exposure to fluctuations in exchange rates. The Fund managers who use forward currency contracts are Royal London and Russell. A breakdown of forward contracts held by the Fund as at 31 March 2025 and prior year is shown below:

Settlement	Currency Bought	Local Value	Currency Sold	Local Value	Asset Value (Unrealised Gain)	Liability Value (Unrealised Loss)
		000		000	£000	£000
One to six months	GBP	56,803	EUR	(67,793)	44	(219)
One to six months	GBP	68,136	USD	(86,982)	823	(80)
One to six months	GBP	5,126	AUD	(10,368)	117	(0)
One to six months	EUR	6,542	GBP	(5,497)	9	(6)
One to six months	USD	5,702	GBP	(4,453)	5	(40)
Up to one month	GBP	38,107	USD	(46,798)	1,847	-
Up to one month	GBP	2,809	AUD	(5,521)	143	-
Up to one month	GBP	24,309	EUR	(28,609)	329	-
Up to one month	USD	558	GBP	(453)	-	(20)
Up to one month	AUD	471	GBP	(236)	-	(9)
Up to one month	EUR	162	GBP	(136)	-	(0)
One to six months	AUD	363	GBP	(177)	-	(2)
<b>Open forward currency contracts at 31 March 2025</b>					<b>3,317</b>	<b>(376)</b>
<b>Net forward currency contracts at 31 March 2025</b>						<b>2,941</b>
<b>Open forward currency contracts at 31 March 2024</b>					<b>334</b>	<b>(449)</b>
<b>Net forward currency contracts at 31 March 2024</b>						<b>(115)</b>

## 14 Fair Value Basis of Valuation

The basis of the valuation of each class of investment asset is set out below. All assets have been valued using fair value techniques based on the characteristics of each instrument, where possible using market based information.

There has been no change in the valuation techniques used during the year.

Asset and Liability valuations have been classified into three levels, according to the quality and reliability of information used to determine fair values.

### Level 1

Where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities, comprising quoted equities, quoted fixed securities, quoted index linked securities and unit trusts.

### Level 2

Where quoted market prices are not available or where valuation techniques are used to determine fair value based on observable data.

### Level 3

Where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

The Valuation basis for each category of investment asset is set out below:

Description of asset	Value hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Market quoted investments	Level 1	Published bid market price ruling on the final day of the accounting period	Not required	Not required
Quoted bonds	Level 1	Fixed interest securities are valued at a market value based on current yields	Not required	Not required
Pooled quoted investments	Level 2	Published bid market price ruling on the final day of the accounting period	Not required	Not required
Pooled unquoted investments	Level 2	Developed using market data	No material difference between the value of assets & liabilities and their fair value	Not required

Description of asset	Value hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Forward foreign exchange derivatives	Level 2	Market forward exchange rates at the year-end	Exchange rate risk	Not required
UK Pooled instruments property funds	Level 3	Valuations carried out by the property funds external valuers, Knight Frank LLP	Market value in accordance with the "RICS" Appraisal and Valuation standards	Valuations could be affected by significant differences in rental value and rental growth
Overseas Pooled instruments property funds (CBRE)	Level 3	The valuation function is performed by the Alternative Investment Fund Manager (AIFM) in accordance with the AIFMD	A Pricing Committee, composed of senior members of the AIFM, is in place, who meet quarterly and is responsible for overseeing proposed adjustments to the value of investments	Valuations could be affected by significant differences in rental value and rental growth. There may be a timing difference between the date of the last reported underlying property valuation and the date of the Funds financial statements, during which the underlying property valuation may have increased or decreased by a significant amount

Description of asset	Value hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Overseas Pooled instruments Infrastructure Funds (JP Morgan)	Level 3	Estimated fair values are determined by the Advisor at valuation date and independently appraised and adjusted on a quarterly basis.	Three valuation techniques can be used, the market, income or cost approach. The appropriateness of each approach depends on the type of asset or business being valued.	Risks to the valuation involve a number of local, national and international economic conditions. Timing difference between the date of the last reported valuation and the date of the Funds financial statements means that valuations may have increased or

Description of asset	Value hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
				decreased by a significant amount
Overseas Pooled instruments Infrastructure Funds (Stafford Capital)	Level 3	Fair Value is determined by the Fund manager in accordance with guidelines and principles set out by International Private Equity and Venture Capital Valuations.	Fair Value is determined by the Fund manager in accordance with guidelines and principles set out by International Private Equity and Venture Capital Valuations.	Risks to the valuation involve a number of local, national and international economic conditions. Timing difference between the date of the last reported valuation and the date of the Funds financial statements means that valuations may have increased or decreased by a significant amount
Overseas Pooled instruments Private Debt (Churchill)	Level 3	Valuations undertaken quarterly and determined by the Investment Manager. To determine the value the manager relies on guidance by various regulatory and industry organisations and authorised to use independent third party pricing services and valuation firms.	Unobservable inputs are determined by the Investment Manager and shall take into account items that it reasonably believes would impact the valuation (such as expenses and reserves).	Significant increases (decreases) in discount yields could result in lower (higher) fair value measurement. Timing difference between the date of the last reported valuation and the date of the Funds financial statements means that valuation may have increased or decreased by a significant amount.
Overseas/UK Pooled instruments Private Debt (Permira)	Level 3	Fair Value is determined by the AIFM based on advice from Portfolio Manager and based on the International Private Equity and Venture Capital guidelines or other standards agreed	Unobservable inputs are determined by the Investment Manager.	Use of estimates and changes in assumptions may have significant impact on the valuations. Timing difference between the date of the last reported valuation and

Description of asset	Value hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
		by the Senior Fund Advisory Committee.		the date of the Fund's financial statements means that valuation may have increased or decreased by a significant amount.
Overseas/UK Pooled instruments Renewable Infrastructure	Level 3	Fair Values are calculated in whole or in part using techniques based on assumptions using Investment Association Statement of Recommended Practice (IA SORP)	Unobservable inputs are determined by the Investment Manager.	Use of estimates and changes in assumptions may have significant impact on the valuations. Timing difference between the date of the last reported valuation and the date of the Fund's financial statements means that valuation may have increased or decreased by a significant amount.

### Sensitivity of assets valued at level 3

Having analysed historical data and current market trends, and consulted with independent performance measurement service, the fund has determined that the valuation methods described above are likely to be accurate to within the following ranges, and has set out below the consequent potential impact on the closing value of investments held at 31 March 2025.

	Assessed valuation range (+/-)	Value at 31 March 2025	Value on increase	Value on decrease
	%	£000	£000	£000
Private Debt	4.70	76,198	79,779	72,616
Pooled Property	6.10	82,032	87,036	77,028
Infrastructure	6.00	111,308	117,986	104,629
<b>Total</b>		<b>269,538</b>	<b>284,801</b>	<b>254,273</b>

	Assessed valuation range (+/-)	Value at 31 March 2024	Value on increase	Value on decrease
	%	£000	£000	£000
Private Debt	6.99	84,551	90,461	78,641
Pooled Property	7.19	81,318	87,164	75,471
Infrastructure	5.71	110,252	116,548	103,957
<b>Total</b>		<b>276,121</b>	<b>294,173</b>	<b>258,069</b>

## 15 Fair Value Hierarchy

The following tables provides an analysis of the financial assets and liabilities of the Pension Fund grouped into Levels 1 to 3, based on the level at which fair value is observable.

	Quoted Market price	Using observable inputs	With significant unobservable inputs	
Values at 31 March 2025	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets at fair value through profit and loss	63,314	659,825	269,538	992,676
Financial liabilities at fair value through profit and loss	(786)	-	-	(786)
<b>Net Financial Assets</b>	<b>62,528</b>	<b>659,825</b>	<b>269,538</b>	<b>991,890</b>

	Quoted Market price	Using observable inputs	With significant unobservable inputs	
Values at 31 March 2024	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets at fair value through profit and loss	259,541	410,254	276,121	945,916
Financial liabilities at fair value through profit and loss	-	(115)	-	(115)
<b>Net Financial Assets</b>	<b>259,541</b>	<b>410,139</b>	<b>276,121</b>	<b>945,801</b>

The administering authority has not entered into any financial guarantees that are required to be accounted for as financial instruments.

### 15a Reconciliation of Fair Value Measurement within Level 3

	Market Value 31 March 2024	Purchases	Sales	2024/25 Total	Realised gains / losses	Market Value 31 March 2025
	£000	£000	£000	£000	£000	£000
Infrastructure	110,253	6,709	(4,152)	616	(2,118)	111,308
Pooled Property	81,318	0	0	0	715	82,033
Private Debt	84,551	10,270	(16,997)	68	(1,695)	76,197
<b>Total</b>	<b>276,122</b>	<b>16,979</b>	<b>(21,149)</b>	<b>684</b>	<b>(3,098)</b>	<b>269,538</b>

Unrealised and realised gains and losses are recognised in the profit and losses on disposal and changes in the market value of investments line of the fund account

There were no transfers between levels.

## 16 Financial Instruments

### 16a Classification of financial instruments

The following table analyses the carrying amounts of financial instruments by category and net asset statement heading. No financial instruments were reclassified during the accounting period.

31 March 2024				31 March 2025		
Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost		Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost
£000	£000	£000		£000	£000	£000
			<b>Financial Assets</b>			
150	-	-	Long Term Investments Bonds -	150	-	-
23,819	-	-	Index linked securities	47,048	-	-
334	-	-	Derivative contracts	3,317	-	-
733,167	-	-	Pooled investment Vehicles	768,041	-	-
84,551	-	-	Private Debt	76,198	-	-
81,318	- 47,099	-	Property	82,032	-	-
-	89	-	Cash	-	31,749	-
-	99	-	Other Investment Balances	-	985	-
-	-	-	Debtors	-	18	-
<b>923,339</b>	<b>47,287</b>	<b>-</b>	<b>Financial Assets Total</b>	<b>976,786</b>	<b>32,752</b>	<b>-</b>
			<b>Financial Liabilities</b>			
- (449)	-	-	Other Investment Balances	- (376)	-	(786)
-	-	-	Derivative contracts	-	-	-
	-	(1,008)	Creditors		-	(608)
<b>(449)</b>	<b>0</b>	<b>(1,008)</b>	<b>Financial Liabilities Total</b>	<b>(376)</b>	<b>0</b>	<b>(1,394)</b>
<b>922,890</b>	<b>47,287</b>	<b>(1,008)</b>	<b>Grand total</b>	<b>976,410</b>	<b>32,752</b>	<b>(1,394)</b>
	<b>969,169</b>				<b>1,007,768</b>	

## 16b Net Gains and Losses on Financial Instruments

2023/24 £000		2024/25 £000
53,525	Financial assets	20,829
53,525	<b>Fair value through profit and (loss)</b>	<b>20,829</b>

## 17 Nature and Extent of Risks Arising from Financial Instruments

### Risk and Risk Management

The Fund's primary long-term risk is that the Fund's assets will fall short of its liabilities (i.e. promised benefits payable to members). Therefore the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows. The Fund manages these investment risks as part of its overall pension fund risk management programme.

Responsibility for the Fund's risk management strategy rests with the pension fund committee. Risk management policies are established to identify and analyse the risks faced by the authorities' pensions operations. Policies are reviewed regularly to reflect changes in activity and in market conditions.

#### (a) Market risk

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix.

The objective is to identify, manage and control market risk exposure within acceptable parameters, whilst optimising investment return.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the pension fund and its investment advisors undertake appropriate monitoring of market conditions and benchmark analysis.

#### Other Price Risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.

The Fund is exposed to share and derivative price risk. The Fund's investment managers mitigate this risk through diversification, and the selection of securities and other financial instruments is monitored to ensure it is within limits specified in the fund investment strategy.

### Other Price Risk – Sensitivity Analysis

Following analysis of historical data and expected investment return movements during the financial year, in consultation with Pensions & Investments Research Consultants (PIRC), it has been determined that the following movements in market price risk are reasonably possible for 2024/25, assuming that all other variables, in particular foreign exchange rates and interest rates, remain the same:

Asset Type	Value as at 31 March 2025 £000	Potential market movements %	Value on Increase £000	Value on Decrease £000
Pooled Equities	538,208	12.09	603,277	473,139
Fixed income	165,723	9.67	181,748	149,697
Infrastructure	111,308	6.03	118,020	104,596
Pooled Property	82,032	6.07	87,015	77,049
Private Debt	76,198	4.69	79,772	72,624
Cash	18,421	1.61	18,718	18,124
<b>Total</b>	<b>991,890</b>		<b>1,088,550</b>	<b>895,229</b>

Asset Type	Value as at 31 March 2024 £000	Potential market movements %	Value on Increase £000	Value on Decrease £000
Pooled Equities	687,758	12.49	773,659	601,857
Pooled Overseas Unit Trusts	130,110	6.99	139,205	121,015
Pooled Property	81,318	7.19	87,164	75,471
Total Bonds	23,819	5.65	25,164	22,473
Cash	22,796	0.85	22,990	22,602
<b>Total</b>	<b>945,801</b>		<b>1,048,182</b>	<b>843,418</b>

### Interest Rate Risk

The Fund recognises that interest rates can vary and can affect both income to the Fund and the carrying value of fund assets, both of which affect the value of the net assets available to pay benefits. A 100 basis point (BPS) movement in interest rates is consistent with the level of sensitivity applied as part of the Fund's risk management strategy.

### Interest Rate Risk Sensitivity Analysis

The analysis that follows assumes all other variables, in particular exchange rates, remain constant, and shows the effect in the year on the net assets available to pay benefits of a +/- 100 BPS (1%) change in interest rates. The analysis demonstrates that a 1% increase in interest rates will not affect the interest received on fixed interest assets but will reduce their fair value, and vice versa. Changes in interest rates do not impact on the value of cash and cash equivalent balances but they will affect the interest income received on those balances.

### Assets exposed to Interest Rate Risk

Assets exposed to interest rate risk	Asset Values as at 31 March 2025 £000	Potential movement on 1% change in interest rates £000	Value on increase £000	Value on Decrease £000
Bond Securities	47,143	471	47,615	46,672
Cash and Cash Equivalents	15,299	153	15,452	15,146
Cash Balances	16,163	162	16,325	16,001
<b>Total Change in Asset Value</b>	<b>78,605</b>	<b>786</b>	<b>79,391</b>	<b>77,819</b>

Assets exposed to interest rate risk	Asset Values as at 31 March 2024 £000	Potential movement on 1% change in interest rates £000	Value on increase £000	Value on Decrease £000
Bond Securities	23,819	238	24,057	23,581
Cash and Cash Equivalents	22,822	228	23,050	22,594
Cash Balances	24,276	243	24,519	24,034
<b>Total Change in Asset Value</b>	<b>70,917</b>	<b>709</b>	<b>71,626</b>	<b>70,209</b>

## Currency Risk

Currency risk represents the risk that fair value of future cash flows will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on any cash balances and investment assets not denominated in UK sterling.

Following analysis of historical data in consultation with PIRC, it has been determined that a likely volatility associated with foreign exchange rate movements is 6.5% over a rolling 36 month period.

This analysis assumes that all other variables, in particular interest rates, remain constant.

A 6.5% strengthening and weakening of the pound against the various currencies in which the Fund holds investments would increase or decrease the net assets available to pay benefits as follows:

### Currency Risk – Sensitivity Analysis

<b>Assets exposed to currency risk</b>	<b>Asset Values as at 31 March 2025 £000</b>	<b>Potential Market movement 6.50%</b>	<b>Value on increase £000</b>	<b>Value on Decrease £000</b>
Overseas Pooled	153,816	9,998	163,814	143,818
Overseas Cash	11,632	756	12,388	10,876
<b>Total change in assets</b>	<b>165,448</b>	<b>10,754</b>	<b>176,202</b>	<b>154,694</b>

<b>Assets exposed to currency risk</b>	<b>Asset Values as at 31 March 2024 £000</b>	<b>Potential Market movement 5.55%</b>	<b>Value on increase £000</b>	<b>Value on Decrease £000</b>
Overseas Pooled	162,561	9,022	171,583	153,539
Overseas Cash	13,333	740	14,073	12,593
<b>Total change in assets</b>	<b>175,894</b>	<b>9,762</b>	<b>185,656</b>	<b>166,132</b>

**(b) Credit Risk**

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's assets and liabilities.

In essence the Fund's entire investment portfolio is exposed to some form of credit risk. However, the selection of high quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner.

Credit risk may also occur if an employing body not supported by central government does not pay contributions promptly, or defaults on its obligations. The Fund has not experienced any actual defaults in recent years and the current practice is to obtain a guarantee before admitting new employers so that all pension obligations are covered in the event of that employer facing financial difficulties.

Cash not needed to settle immediate financial obligations are invested by the administering authority in accordance with the Treasury Investment Strategy. The Treasury Investment Strategy sets out the criteria for investing and selecting investment counterparties and details the approach to managing risk.

**(c) Liquidity Risk**

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund therefore takes steps to ensure that it always has adequate cash resources to meet its commitments.

The Fund's cash holding under its treasury management arrangements as at 31 March 2025 was £16.163m (31 March 2024 £24.163m). The Fund has immediate access to its cash holdings that are invested by the Authority and periodic cash flow forecasts are prepared to manage the timing of the Fund's cash flows. The appropriate strategic level of cash balances to be held forms part of the Fund's cash management policy and in line with the Fund's investment strategy holds assets that are considered readily realised.

The Fund defines liquid assets as assets that can be converted to cash within three months. Illiquid assets are those assets which will take longer than three months to convert into cash. As at 31 March 2025 the value of liquid assets was £739m, which represented 73% of the total Fund (31 March 2024 £670m, which represented 72% of the total fund assets).

**(d) Refinancing Risk**

The key risk is that the Fund will be bound to replenish a significant proportion of its pension fund financial instruments at a time of unfavourable interest rates. The administering authority does not have any financial instruments that have a refinancing risk as part of its investment strategies.

## **18 Funding Arrangements Actuarial Statement for 2024/25**

This statement has been prepared in accordance with Regulation 57(1) (d) of the Local Government Pension Scheme Regulations 2013. It has been prepared at the request of the administering authority of the Fund for the purpose of complying with the aforementioned regulation.

### **Description of Funding Policy**

The Funding policy is set out in the Administering Authority's Funding Strategy Statement (FSS) dated January 2024. In summary, the key funding objectives are as follows:

- take a prudent long-term view to secure the regulatory requirement for long-term solvency, with sufficient funds to pay benefits to members and their dependants;
- use a balanced investment strategy to minimise long-term cash contributions from employers and meet the regulatory requirement to members and their dependants
- where appropriate, ensure stable contribution rates;
- reflect different employers' characteristics to set their contribution rates, using a transparent funding strategy; and
- use reasonable measures to reduce the risk of an employer defaulting on its pension obligations.

The FSS sets out how the administering authority seeks to balance the conflicting aims of securing the solvency of the Fund and keeping employer contributions stable.

### **Funding Position as at the last formal funding valuation**

The most recent actuarial valuation carried out under Regulation 62 of the Local Government Pension Scheme Regulations 2013 was as at 31 March 2022. This valuation revealed that the Fund's assets, which at 31 March 2022 were valued at £920 million, were sufficient to meet 80% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting deficit at the 2022 valuation was £229 million.

Each employer had contribution requirements set at the valuation, with the aim of achieving full funding within a time horizon and probability measure as per the FSS. Individual employers' contributions for the period 1 April 2023 to 31 March 2026 were set in accordance with the Fund's funding policy as set out in its FSS.

### **Principal Actuarial Assumptions and Method used to value the liabilities**

Full details of the methods and assumptions used are described in the 2022 valuation report and FSS.

### **Method**

The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date, and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership.

## Assumptions

A market-related approach was taken to valuing the liabilities, for consistency with the valuation of the Fund assets at their market value.

The key financial assumptions adopted for the 2022 valuation were as follows:

<b>Financial assumptions</b>	<b>31 March 2022</b> %
Discount Rate for Period	3.5
Salary increases assumption	3.4
Benefit increase assumption (CPI)	2.7

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on the Fund's VitaCurves with improvements in line with the Continuous Mortality Investigation (CMI) 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of 1.50% p.a. Based on these assumptions, the average future life expectancies at age 65 are as follows:

	<b>Males</b>	<b>Females</b>
Current Pensioners	21.7 years	24.3 years
Future Pensioners*	22.6 years	25.8 years

\* Aged 45 at the 2022 Valuation

Copies of the 2022 valuation report and FSS are available on request from the administrating authority to the Fund.

## Experience over the period since 31 March 2022

Markets were disrupted by the ongoing war in Ukraine and inflationary pressures in 2022 and 2023, impacting on investment returns achieved by the Fund's assets. Asset performance improved in 2024 and early 2025; however the recent increase in US tariffs on imports has caused significant market volatility. The peak of this market volatility was experienced immediately after 31 March 2025, however, generally lower than expected asset returns were experienced in the month immediately prior to this.

High levels of inflation in the UK (compared to recent experience) have resulted in higher than expected LGPS benefit increases of 10.1% in April 2023 and 6.7% in April 2024. However, inflation has reduced towards historical levels and the Bank of England's target (2% pa), with LGPS benefits increasing by 1.7% in April 2025.

There has been a significant shift in the wider economic environment since 2022, resulting in generally higher expected future investment returns and a reduction in the value placed on the Fund's liabilities. Overall, the funding position is likely to be stronger than at the previous formal valuation at 31 March 2022.

The next actuarial valuation will be carried out as at 31 March 2025, and will be finalised by 31 March 2026. The FSS will also be reviewed at that time, and a revised version will come into effect from 1 April 2026.

## 19 Actuarial Present Value of Promised Retirements

If an actuarial valuation has not been prepared at the date of the financial statements, IAS26 requires the most recent valuation to be used as a base and the date of the valuation disclosed. The valuation should be carried out using assumptions in line with IAS19 and not the Fund's funding assumptions.

31 March 2024	Year Ended	31 March 2025
£m		£m
(1,074)	Present Value of Promised Retirement Benefits	(936)
969	Fair Value of Scheme assets (bid Value)	1,008
<b>(105)</b>	<b>Net Liability</b>	<b>72</b>

The promised retirement's benefits at 31 March 2025 have been projected using a roll forward approximation from the latest formal funding valuation as at 31 March 2022. The approximation involved in the roll forward model means that the split of benefits between the classes of members may not be reliable. However the actuary is satisfied that the total figure is a reasonable estimate of the actuarial present value of benefit promises.

The above figures include both vested and non-vested benefits, although the latter is assumed to have a negligible value. Further, the actuary has not made any allowance for unfunded benefits.

It should be noted that the above figures are appropriate for the administering authority only for preparation of the pension fund accounts. They should not be used for any other purpose (i.e. comparing against liability measures on a funding basis or a cessation basis).

### Assumptions

The assumptions used are those adopted for the Administering Authority's IAS19 report and are different as at 31 March 2025 and 31 March 2024. It is estimated that the impact of the change in financial assumptions to 31 March 2025 is to decrease the actuarial present value by £168m. It is estimated that the impact of the change in demographic and longevity assumptions is to decrease the actuarial present value by £2m.

### Financial assumptions

The actuary's recommended financial assumptions are summarised below:

31 March 2024	Year Ended (% p.a)	31 March 2025
% p.a.		% p.a.
2.80	Pension Increase Rate (CPI)	2.80
3.50	Salary Increase Rate	3.50
4.80	Discount Rate	5.80

### Demographic assumptions

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2023 model, with a 15% weighting of 2023 (and 2022) data, 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	<b>Males</b>	<b>Females</b>
Current Pensioners	21.1 years	23.8 years
Future Pensioners (assumed to be aged 45 at the latest valuation)	22.0 years	25.3 years

### Sensitivity Analysis

CIPFA guidance requires the disclosure of the sensitivity of the results to the methods and assumptions used. The sensitivities regarding the principal assumptions used to measure the liabilities are set out below:

<b>Change in assumptions at 31 March 2025</b>	<b>Approximate % increase to promised retirement benefits</b>	<b>Approximate monetary amount (£m)</b>
0.1% p.a. decrease in the Discount Rate	2%	15
1 year increase in member life expectancy	4%	37
0.1% p.a. increase in the Salary Increase Rate	0%	1
0.1% p.a. increase in the Pension Increase Rate (CPI)	2%	15

## 20 Current Assets

2023/24 £000		2024/25 £000
70	Contributions due - employers	199
261	Contributions due - employees	621
113	Pension Fund Bank Account	305
24,163	Cash deposit with LB Havering	16,163
99	Receivables control account	18
<b>24,706</b>	<b>Current Assets</b>	<b>17,306</b>

## 21 Current Liabilities

2023/24 £000		2024/25 £000
(447)	Benefits Payable	(148)
(270)	Sundry Creditors	(330)
(293)	Holding Accounts	(278)
<b>(1,010)</b>	<b>Current Liabilities</b>	<b>(756)</b>

## 22 Additional Voluntary Contributions

Contributions Paid	Market Value	AVC Provider	Market Value	Contributions Paid
2023/24 £000	2023/24 £000		2024/25 £000	2024/25 £000
47	807	Prudential	784	32
-	97	Standard Life	86	-

## 23 Agency Services

The Fund pays discretionary awards to the former employees of Havering. The amounts paid are not charged to the pension fund.

2023/24 £000		2024/25 £000
1,330	Payments on behalf of Havering Council	1,364

## 24 Related Party Transactions

The Fund is required to disclose material transactions with bodies or individuals that have the potential to control or influence the Fund, or to be controlled or influenced by the Fund.

The Fund is administered by the London Borough of Havering. During the reporting period, the council incurred costs of £1.216m (2023/24 £1.077m) in relation to the administration and management of the fund and was reimbursed by the Fund for these expenses.

As the largest employer in the Fund, the administering authority contributed in 2024/25 £34.644m (2023/24 £33.396m) to the Pension Fund in respect of

employer's contributions. All amounts due to the Fund were settled within the year.

Part of the Pension Fund internal cash holdings are invested on the money markets by the treasury management operations of London Borough of Havering, through a service level agreement. As at 31 March 2025 cash holdings totalled £16.163m (2023/24 £24.163m), earning interest over the year of £1.025m (2023/24 £0.989m).

The Fund is a minority shareholder in the London CIV Pool limited, and shares valued at £0.150m at 31 March 2025 (2023/24 £0.150m) included as long term investments in the net asset statement. London CIV manage a divers portfolio of pension fund investments, as detailed in Note 12b. During 2024/25 the Fund incurred costs of £1.546m were charged to the Fund by the London CIV in respect of investment management services (2023/24 £1.578m).

### **Governance**

Responsibility for management of the Fund has been delegated to the Pensions Committee and the day to day operations of the Fund have been delegated to the Statutory Section 151 officer and the Managing Director of oneSource.

No members of the Pension Fund Committee are in receipt of pension benefits from the Havering Pension Fund.

Each member of the Pensions Committee and Local Pension Board are required to declare their interests at each meeting.

During the year no Member or Council officer with direct responsibility for Fund issues has undertaken any declarable material transactions with the Pension Fund.

The members of the Pensions Committee receive an attendance allowance for each meeting and these costs are included within Note 10.

The members of the Local Pension Board receive an attendance allowance for each meeting and these costs are included within Note 10.

### **24a Key Management Personnel**

Paragraph 3.9.4.4 of the Code exempts local authorities from the key management personnel disclosure requirements of IAS24, on the basis that the disclosure requirements for officer remuneration and members allowances detailed in section 3.4 of the Code (which are derived from the requirements of Schedule 1 of The Accounts and Audit Regulations 2015 satisfy the key management personnel disclosure requirements of paragraph 16 of IAS 244. This applies in equal measure to the accounts of the Havering Pension Fund.

The disclosures required by the above legislation can be found in the main accounts of Havering Council.

## **25 Contingent Liabilities and Contractual Commitments**

Outstanding capital commitments (investments) at 31 March 2025 were £36.63m (31 March 2024 £50.24m). These commitments relate to outstanding capital call payments due on unquoted limited partnership funds held in Private Debt and Infrastructure parts of the portfolio. The amounts 'called' by these funds are irregular in both size and timing.

Following the Freedom and Choice provisions announced in the 2014 Budget, the Pension Fund has seen some enquiries from members about transferring benefits out of the LGPS. There are potential liabilities of £0.402m (2023/24 £0.003m) in respect of individuals transferring out of the Pension Fund upon whom the Fund is awaiting final decisions. Information is not available which shows how much of this is attributable to Freedom and Choice provisions.

Five admitted bodies in the Pension Fund hold insurance bonds or guarantees in place to guard against the possibility of being unable to meet their pension obligations. These bonds total £2.587m and are drawn down in favour of the Pension Fund. Payment will only be triggered in the event of employer default.

One admitted body, awaiting entry into the Fund, is subject to a pending legal agreement, they will hold a bond or guarantee totaling £0.010m.

The administering authority, in conjunction with the other shareholders in the London CIV, has entered into an exit payment agreement with the London CIV, acting as guarantor. The Fund will meet any exit payments due should the London CIV cease its admission arrangements with the City of London. Should the amount become due the Fund will meet 1/32 of the costs. The exact amount would only be determined at the time of cessation.

# Investments and Funding

## **Investment Strategy Statement (ISS) in practice and how it links to the Funding Strategy Statement (FSS).**

We continue to invest the Fund's assets in line with the Strategic Asset Allocation and the goals set out in the Investment Strategy Statement (ISS). The ISS outlines how we manage investments and should be read alongside the Funding Strategy Statement (FSS), which sets out our overall approach to meeting the Fund's pension obligations as they fall due.

## **Investment Management Arrangements**

The Pensions Committee is responsible for directing the Fund's Investment Strategy and overseeing its implementation. It publishes policies covering various aspects of investment management to ensure transparency and accountability.

The Investment Strategy Statement (ISS) sets out the London Borough of Havering's investment policies for the Pension Fund. The primary objective is to invest Fund assets in a manner that secures member benefits under the Local Government Pension Scheme (LGPS). The Fund's investment approach is designed to:

- Optimise returns with acceptable levels of risk;
- Ensure sufficient resources are available to meet liabilities;
- Ensure asset suitability in line with the Fund's long-term needs.

The Committee has established a strategic asset allocation benchmark to balance long-term returns with market volatility and risk, considering the Fund's liabilities and maturity profile. This strategy aligns with the Fund Actuary's view that the current funding policy is consistent with the investment strategy, incorporating prudent assumptions for future returns.

The Fund's investment strategy and funding position are reviewed at least every three years, or more frequently if required, following actuarial valuations. The Committee's Statement of Investment Beliefs, embedded within the ISS, strengthens governance by providing a clear framework for investment decision-making and guiding the development of the ISS.

## **How has the Fund implemented the policy on pooling**

The pooling of LGPS investment assets is an ongoing exercise, we expect to meet the Governments pooling deadline of 31 March 2026. In January 2025 the Section 151 Officer signed an investment management agreement with London CIV to take over the management of the CBRE Property portfolio.

## **Responsible Investment**

Investment Beliefs:

The Fund's investment beliefs place a strong emphasis on sustainable and responsible investment practices. These beliefs guide the selection, monitoring, and evaluation of investment managers and strategies, ensuring alignment with the Fund's long-term objectives and Environmental, Social, and Governance (ESG) principles.

## **Key Policies and Frameworks**

### [Investment Strategy Statement \(ISS\):](#)

The ISS outlines the Fund's commitment to integrating ESG considerations into its investment decisions. It recognises responsible investment as a key tool for managing long-term risks and generating sustainable returns.

### [Funding Strategy Statement \(FSS\):](#)

The FSS complements the ISS by ensuring that investment return assumptions are set prudently, supporting the Fund's long-term funding objectives and regulatory requirements.

### [Climate Risk Policy and Action Plan:](#)

This policy sets out the Fund's commitment to achieving net-zero carbon emissions by 2050. It outlines the steps being taken to assess, manage, and reduce climate-related risks across the investment portfolio.

### [Taskforce for Climate-Related Financial Disclosures \(TCFD\):](#)

The Fund has adopted the TCFD framework voluntarily to enhance transparency around climate-related financial risks and opportunities. This approach supports broader ESG goals and reinforces the Fund's commitment to responsible investment.

## **Compliance with Investment Principles and Codes of Practice**

The Pensions Committee has implemented a range of measures to ensure compliance with established investment principles and relevant codes of practice. These include:

### [Investment Strategy Statement \(ISS\):](#)

The Committee maintains and regularly updates the ISS, which outlines the Fund's investment objectives, strategy, and policies. This document serves as a cornerstone for governance and investment decision-making.

### [Climate Risk Policy and Action Plan:](#)

Climate-related risks are systematically integrated into the Fund's investment strategy. This includes assessing potential impacts and adjusting the portfolio to mitigate long-term climate risks.

### **Stewardship and Engagement:**

The Fund actively engages with investment managers and companies to promote responsible business practices. Although not a signatory of the UK Stewardship Code, the Fund monitors signatories and collaborates with industry initiatives to enhance stewardship efforts.

### **Collaborations:**

The Fund collaborates with the Local Authority Pension Fund Forum (LAPFF) to promote responsible investment and strong corporate governance.

### **Regular Monitoring and Reporting:**

Investment performance is reviewed regularly to ensure the strategy remains aligned with the Fund's objectives and risk appetite.

### Training and Development:

Members of the Pensions Committee and Local Pension Board receive ongoing training to stay informed about regulatory developments and best practices, supporting effective governance and decision-making.

### Asset Allocation

The Committee adopted an updated Investment Strategy Statement (ISS) on 12 September 2023. You can access the agenda and meeting pack [here](#).

The table below shows the planned asset allocation and any changes in asset allocations:

**Table: Strategic Asset Allocation**

Asset class	Manager	Benchmark Proportion %	Actual Allocation at 31/03/2025
<b>Growth</b>			
Global Equity	LGIM	5	4.4%
Multi-Factor Equity	LGIM	10	13.7%
Emerging Market Equity	LGIM	5	4.2%
Passive Equity Progressive Paris Aligned Equity	LCIV	5	5.9%
Global Alpha Growth Paris Aligned Equity	LCIV	15	13.6%
Absolute Return	LCIV	12.5	12.8%
<b>Total Growth</b>		<b>52.5</b>	<b>54.6%</b>
<b>Income</b>			
UK Property	UBS	6	5.1%
Global Property	CBRE	4	3.2%
<b>Total Property</b>		<b>10</b>	<b>8.3%</b>
Infrastructure	Stafford	3.5	4.4%
Infrastructure	JP Morgan	5.5	5.0%
Renewable Infrastructure	LCIV	3.5	1.8%
<b>Total Infrastructure</b>		<b>12.5</b>	<b>11.2%</b>
Multi Asset Credit	Royal London	7.5	7.2%
Investment Grade Credit	LCIV	5	4.8%
Private Debt	Churchill	3	2.9%
Private Debt	Permira	4.5	4.8%
<b>Total Bonds</b>		<b>20</b>	<b>19.7%</b>
<b>Protection</b>			
Index Linked Gilts	Royal London	5	4.6%
Cash and Equivalents		-	1.6%
<b>Total Gilts</b>		<b>5</b>	<b>6.1%</b>
<b>Total</b>		<b>100</b>	<b>100.0%</b>

Short-term performance variations across asset classes and fund managers may lead to deviations from the Fund's strategic asset allocation benchmarks.

In accordance with the Investment Strategy Statement (ISS), if any asset class deviates by 5% or more from its target allocation, the Fund will be rebalanced to bring the allocation back within 2.5% of the strategic benchmark. However, in exceptional circumstances—such as periods of significant market volatility or when dealing costs are prohibitively high—the Committee may temporarily suspend rebalancing activity.

### **Current Underweight Positions and Impact on Allocation**

- Multi Asset – Private Debt

The current underweight position in this asset class is due to two funds being in their repayment phase, during which capital is being returned rather than actively deployed.

- Infrastructure

The underweight position in infrastructure is attributed to uncalled capital commitments, which are expected to be drawn down over time as suitable investment opportunities arise.

As a result of these underweights, the Fund's equity holdings currently appear inflated relative to the strategic benchmark. This is a temporary effect and will be corrected over time as capital is deployed into the underweight asset classes.

### **Investment Administration and Custody**

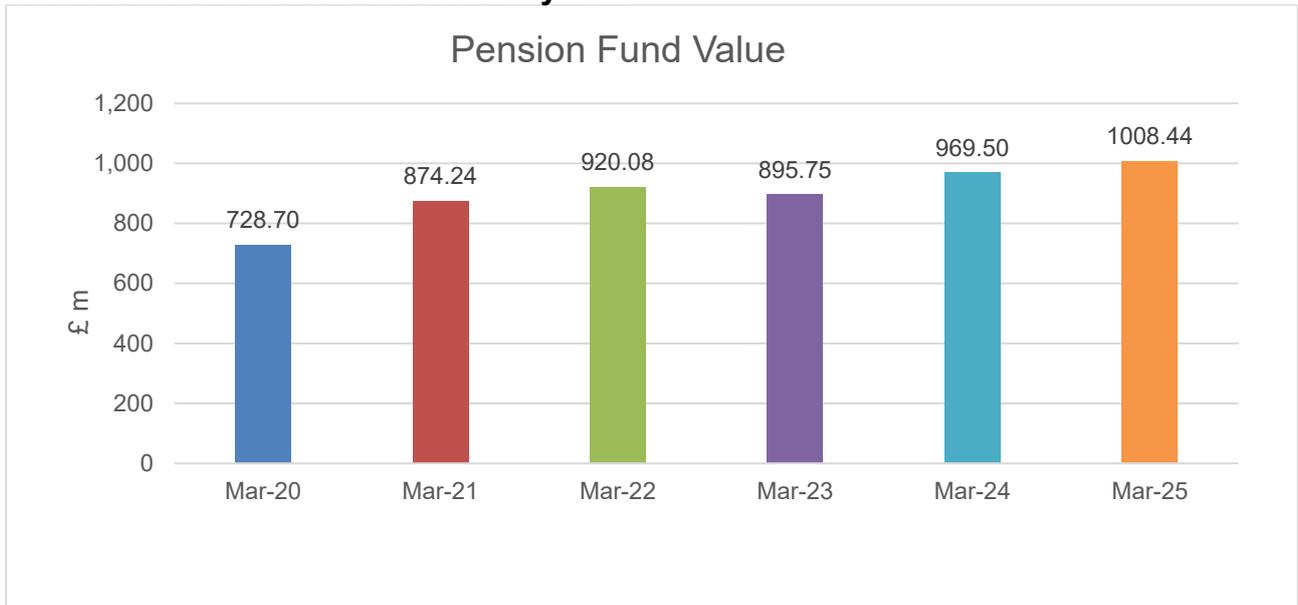
Northern Trust, the Fund's appointed custodian, is responsible for the safekeeping of assets. Their duties include:

- Maintaining accurate records and certificates of stock ownership
- Ensuring the receipt of dividend income and other distributions
- Providing investment accounting and reporting services
- Tracking book costs and market valuations

Fund manager performance is monitored and reported to the Pensions Committee on a quarterly basis. Each fund manager is invited to attend a Committee meeting approximately every two years, based on the number of managers and the quarterly meeting cycle. Additional meetings may be arranged if specific performance concerns arise.

Investment advisers attend Committee meetings and provide a comprehensive Investment Performance Report, which includes detailed market commentary and analysis to support informed decision-making.

**Chart: Fund value over the last six years:**



## Performance Measurement

Northern Trust provides comparative performance statistics for the Fund, measuring it against both tactical and strategic benchmarks.

**Table: 2024/25 Fund Manager performance against benchmark**

Fund Manager	Return (Performance) %	Benchmark %	Performance vs benchmark %
<b>Havering Pension Fund</b>	<b>3.64</b>	<b>-6.25</b>	<b>9.90</b>
<b>Equities Passive:</b> Passive equities BM	2.54	5.19	-2.65
LGIM Emerging Markets	8.26	10.14	-1.88
LGIM Future World Fund	2.52	5.19	-2.65
LCIV Passive Equity Progressive Paris Aligned Fund	4.62	5.62	-1.00
LGIM Global Equity	4.91	5.46	-0.55
<b>Equities Active</b> MSCI All Country World	<b>-1.01</b>	4.76	<b>-5.77</b>
LCIV Global Alpha Paris Aligned Fund	<b>-1.01</b>	4.76	<b>-5.77</b>
<b>Multi Asset:</b> SONIA Index +4%	3.59	9.09	<b>-5.50</b>
LCIV Absolute Return Fund	3.59	9.09	<b>-5.50</b>
<b>Property:</b> UK CPI +5%	2.38	6.92	<b>-4.54</b>
CBRE	<b>-3.60</b>	7.63	<b>-11.24</b>
UBS	6.38	6.43	-0.04
<b>Infrastructure:</b> UK CPI +5%	1.66	7.63	<b>-5.98</b>
JP Morgan	4.20	7.63	<b>-3.43</b>
LCIV Renewable Infrastructure	-3.41	7.63	<b>-11.05</b>
Stafford SISF II	-3.56	7.63	<b>-11.20</b>
Stafford SISF IV	5.51	7.63	<b>-2.12</b>
<b>Bonds &amp; Cash:</b> SONIA Index +4%	4.98	3.54	1.44
Churchill II	7.54	9.09	<b>-1.55</b>
Churchill IV	7.99	9.09	<b>-1.10</b>
LCIV Global Bond Fund	5.57	4.84	0.73
Permira IV	7.59	9.09	<b>-1.50</b>
Permira V	9.91	9.09	0.82
Royal London Index Linked*	-	-	-
Royal London MAC*	-	-	-
<b>Cash:</b> SONIA Index	0.87	-	0.87
Cash	0.70	5.09	<b>-4.40</b>

\* To improve performance monitoring, the Royal London mandate was separated. As a result, performance data for one-year and longer time horizons is currently unavailable.

## Pensions & Investment Research Consultants Ltd

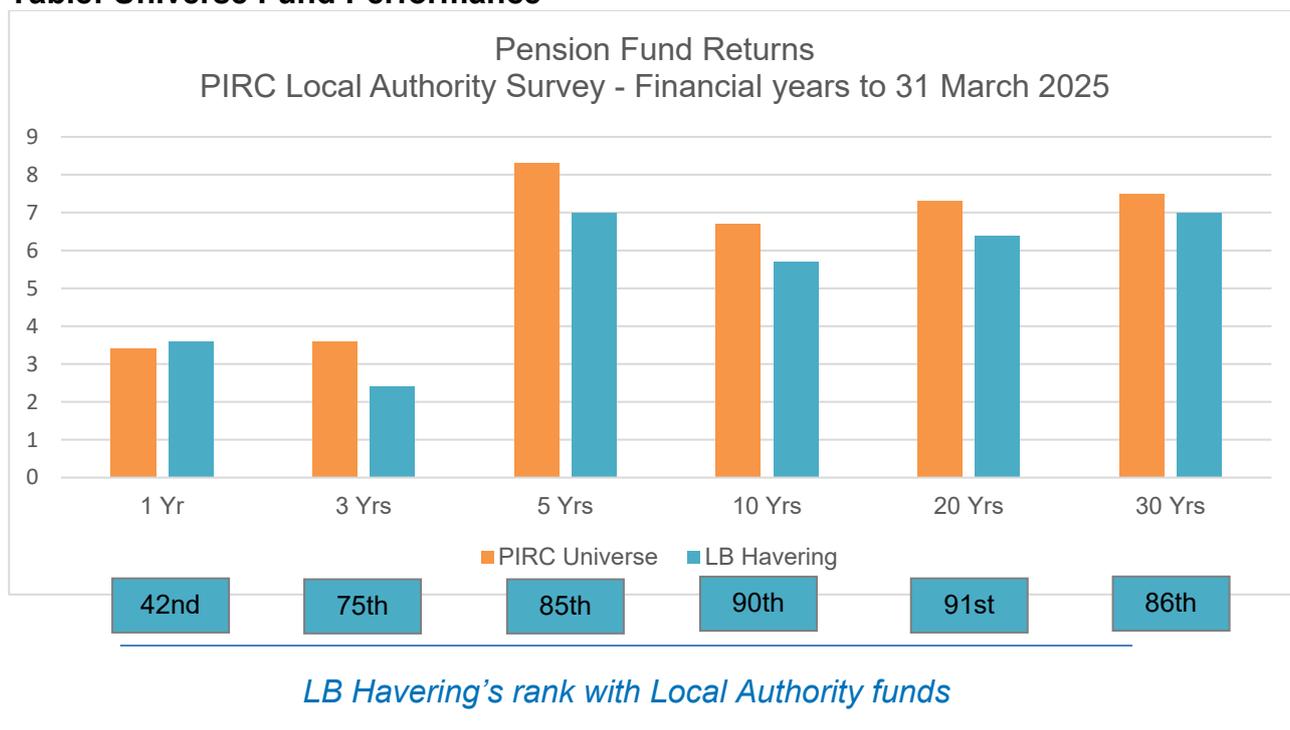
The Fund uses the services of Pensions & Investment Research Consultants Ltd (PIRC) to obtain comparative analysis against other Local Government Pension Scheme (LGPS) funds through the PIRC Local Authority Universe.

While the Fund does not use PIRC universe benchmarks to formally measure performance, the data serves as a useful comparison tool to provide broader context and insight.

It is important to note that the PIRC league tables focus solely on returns and do not account for risk or risk-adjusted performance. As a result, comparisons between funds—each with different investment strategies and risk profiles—may not be like-for-like. This limitation should be considered when interpreting relative rankings.

As of March 2025, the PIRC Local Authority Universe comprised 62 LGPS funds with a combined value of £275 billion.

**Table: Universe Fund Performance**



**Table: Universe asset allocations as at March 2025**

Universe Data	Average Allocation %	Havering Allocation %	Average Return %	Havering Return %	Havering Percentile Ranking
Equities	49	41	3.8	2.5	70
Bonds/Credit	18	16	1.4	3.3	47
Infrastructure	8	11	3.7	2.0	70
Diversified Growth	2	13	3.2	3.6	60
Private debt	4	8	7.0	8.5	17
Property	8	8	3.4	2.4	70
Cash	3	3	n/a	n/a	n/a

### PIRC Universe Summary

#### Last 12 months:

- The average fund delivered a return of 3.4% in the latest year.
- Asset class results were in a very tight band and the range of results was much narrower than usual.

- In what is becoming a trend, active equity managers again performed poorly.
- All funds failed to achieve benchmark performance.
- Longer term results remain well ahead of inflation and funds' actuarial assumptions.
- Despite the modest returns delivered, holding equities had a positive impact on performance.
- Holding government bonds, particularly Index Linked had a strong negative drag.
- Diversified bond investments performed relatively well delivering returns in excess of equities.
- Most alternative investments delivered below benchmark returns.
- After two years of negative results property returns were positive, albeit modest.

### **Asset Allocation**

- Whilst reduced over the last decade, equities remain by far the largest component of almost every fund.
- There has been only modest high level change to asset structure over the last 8 years. The change has come instead within the major asset classes as funds continue to diversify into ever more asset types and portfolios.
- It is becoming increasingly difficult to understand what funds are trying to achieve from the diversification and how to quantify its success.

### **PIRC Havering Summary**

- The Fund return of 3.6% was above average for the year and ranked in the 42nd percentile.
- Better than average bond results were offset by lower than average equity performance.
- In a year where most assets delivered broadly similar returns, asset allocation had less impact than usual.
- Over the last five years, the Fund experienced a lower than average level of volatility than many of its peers but has delivered a substantially lower than average return.

### **Comments on Fund performance from the Fund's Investment Advisors**

The overriding investment objective for the Fund is to deliver consistent year-on-year returns to support an affordable and stable level of contributions for the longer term.

The current funding approach implies a target investment return of 3.5% p.a. (as stated in the latest actuarial valuation date as at 31 March 2022). This target investment return is a slight increase from the 3.3% p.a. stated in the previous actuarial valuation (as at 31 March 2019).

Over the 12-month period to 31 March 2025, the Fund delivered a positive return of 3.6% which was ahead of the strategic benchmark, albeit behind the Fund's tactical benchmark. Over periods of 3 years and 5 years to 31 March 2025, the Fund experienced positive asset growth, with investment returns of 2.4% p.a. and 7.0% p.a. respectively. These returns remain ahead of the Fund's strategic benchmark, with the Fund therefore demonstrating long-term performance which remains sufficient to support affordable and stable levels of contributions.

The positive investment performance (in absolute terms) over the 12-month period was primarily driven by the Fund's passive equity allocation, as well as positive contributions from credit allocations. Over the year global equity markets performed well, driven by strong returns of US technology stocks. Credit markets were buoyed by resilient corporate earnings and the prospect of interest rate cuts improved the outlook for corporate balance sheets.

The Fund's active equity allocation, infrastructure and global property allocations were the main sources of underperformance relative to the tactical benchmark over the 12-month period.

Implementation of agreed changes in the investment strategy continued over the year. The allocation to the LCIV Global Alpha Growth Paris Aligned Fund was reduced from 15% to 12.5%, with the proceeds invested in the LGIM Future World Fund (thereby increasing the allocation from 10% to 12.5%). This was undertaken to provide a greater balance across the equity mandate target allocations, whilst retaining a well-diversified aggregate equity allocation. In addition, steps were taken to reduce potential return volatility in the RLAM mandate through reducing the benchmark duration of the index linked gilts portfolio.

Finally, during the year, the Committee took further steps to progress against objectives set out in the Fund's Climate Risk Policy and Action Plan. This included the Committee reviewing the ESG-related exclusions and restrictions applicable to the Fund's existing investments, completing an assessment of climate metrics for the Fund's existing investments as at 31 March 2024, and becoming a signatory of the 2024 Global Investor Statement to Governments on the Climate Crisis. The Committee also produced their fourth annual report setting out their approach to managing climate-related risks in line with the Taskforce on Climate-related Financial Disclosures (TCFD) framework.

### **Voting and Engagement Activity**

The Fund's Investment Belief recognises that effective stewardship, exercised through informed voting and engagement, can positively influence corporate behaviour. It also acknowledges that collaborative efforts are more likely to achieve meaningful outcomes.

The Fund does not maintain its own voting and engagement policy. Instead, it delegates these responsibilities to its appointed investment managers and conducts an annual review of their approaches.

As all equity investments are currently held in pooled funds, the Fund does not possess direct shareholder voting rights. Shareholder rights are only available to investment managers with segregated equity holdings.

41% of equity funds are managed via LCIV, which engages directly with investment managers. The remaining 59% of pooled passive equities are managed by LGIM.

LCIV delegates voting responsibilities to its appointed managers, who vote in accordance with their respective house policies. LCIV has established a [Voting Guideline Policy](#) outlining its principles and expectations. It has appointed EOS at Federated Hermes to coordinate voting activities and deliver engagement services on its behalf.

The Fund is also a member of the Local Authority Pension Fund Forum (LAPFF), reflecting its commitment to collaborative engagement and the promotion of best practice in responsible investment.

The Fund's investment advisor, Hymans Robertson, provides an annual summary of voting and engagement activity, including an assessment of compliance with relevant governance and stewardship standards. The most recent review, covering the year to 30 June 2024, was presented to the [Pensions Committee on 18 March 2025](#).

#### Exercise of votes 12months to 30 June 2024:

	LGIM			LCIV		
	Global	Emerging Markets	Future World	PEPPA	Global alpha	Absolute Return
# Eligible votes	65,037	35,796	22,184	860	9,000	473
% Votes exercised	99.8	99.9	99.6	100.0	98.4	100
% against management	20.1	19.4	19.4	19.8	13.1	8.0
% abstained / withheld	0.9	1.3	0.3	2.0	0.9	0.0
% meetings with at least 1 vote against management	63.8	56.4	70.8	38.0	49.0	71.0

The Fund Managers exercised voting policies and undertaken engagement activity in line with expectations and have no significant concerns with the extent to which stewardship activity has been exercised.

While the Fund is not a signatory of the UK Stewardship Code, it actively monitors the following signatories to the [UK 2020 Stewardship Code](#) (last updated 11/02/2025):

- Investment Advisor: Hyman's Robertson
- Custodian: Northern Trust
- Asset pool: London CIV
- Equities: LGIM
- Real Assets: UBS and JP Morgan
- Property: CBRE
- Currency Hedge Manager: Russell Investments

NOT signatories to the UK 2020 Stewardship Code

- Stafford, Permira and Churchill

• Signatories to [United Nations Principles for Responsible Investment](#) (UNPRI) as follows:

- Investment Advisor: Hyman's Robertson
- Custodian: Northern Trust
- Asset pool: London CIV
- Equities: LGIM
- Real Assets: CBRE, JP Morgan, Stafford and UBS
- Bonds and Private Debt: Churchill, Permira and Royal London

#### Cost Transparency

The LGPS Code of Transparency enables clients to gather cost information consistently. Fund managers are encouraged to sign up to this Code to demonstrate their commitment to transparent cost reporting. A full list of signatories is available on the [SAB website](#).

The CTI framework is used to report costs and charges, helping assess value for money of investments. It is compatible with Markets in Financial Instrument Directive (MiFID II) and can be used by both Defined Benefit and Defined Contribution schemes.

There are three templates:

1. The User Summary, which can be used by schemes and advisors to provide a summary of key information across all investments.
2. The Main Account Template, which is the main cost disclosure template to be completed by the investment manager(s) and covers most asset types.
3. The Private Equity Sub-template, which is to be completed by investment managers of closed-ended private equity funds.

These templates cover management fees, performance fees, and transaction costs.

## **Compliance and Reporting**

Cost transparency is part of the revised CIPFA accounting standards for LGPS annual reports and accounts. Investment managers must submit templates annually or quarterly as agreed with their clients. The SAB procured a system from Byhiras to streamline data submission and compliance.

Byhiras System:

- Accepts and stores template data.
- Checks timeliness of submissions and reports late returns.
- Ensures data is signed off as 'fair, clear, and not misleading'.
- Verifies MiFID II total cost amounts submitted separately by managers<sup>4</sup>.

The Fund has cost transparency data from its managers, with signatories listed on the SAB website and templates uploaded to the Byhiras system.

**Table: Fund manager’s transparency compliance table**

Fund Manager	Signatory on SAB website	Reporting Date	Template uploaded to Byhiras portal	CTI Template used
CBRE	✓	31/03/2025	✓	Main
Churchill	✓	31/03/2025	✓	Private markets
JP Morgan	✓	31/03/2025	✓	Private markets
LGIM	✓	31/03/2025	✓	Main
London CIV <ul style="list-style-type: none"> <li>• Diversified Growth</li> <li>• Global Alpha</li> <li>• Absolute</li> <li>• Infrastructure</li> <li>• Passive Equity</li> </ul>	x	31/03/2025 31/03/2025 31/03/2025 31/03/2025 31/03/2025	✓ ✓ ✓ ✓ ✓	Main Main Main Private market Main
Permira	✓	31/03/2025	✓	Private markets
Royal London	✓	31/03/2025	✓	Main
Russell Investments	✓	31/03/2025	✓	Main
Stafford	✓	31/03/2025	✓	Private markets
UBS	✓	31/12/2025	✓	Main

- Whilst London CIV are not a signatory they provide the templates specified by SAB

**Table: Investment management costs**

2024/25	Asset Pool			Non asset pool			Fund Total
	Direct	Indirect	Total	Direct	Indirect	Total	
	£000	£000	£000	£000	£000	£000	
<b>Management Fees</b>							
...ad valorem*	25	1,521	1,546	1,306	754	2,061	3,607
...performance	-	-	0	-	32	32	32
<b>Total Management Fees</b>	<b>25</b>	<b>1521</b>	<b>1,546</b>	<b>1,306</b>	<b>786</b>	<b>2,092</b>	<b>3,639</b>
Transaction costs	-	134	134	-	463	463	597
Custody Costs							29
Other Costs							0
<b>Total</b>	<b>25</b>	<b>1,655</b>	<b>1,680</b>	<b>1,306</b>	<b>1,249</b>	<b>2,555</b>	<b>4,264</b>
Asset Shared Cost (LCIV Management Fees)	97	-	97				97

2023/24	Asset Pool			Non asset pool			Fund Total
	Direct	Indirect	Total	Direct	Indirect	Total	
	£000	£000	£000	£000	£000	£000	
<b>Management Fees</b>							
...ad valorem*	1,578	-	1,578	2,417	-	2,417	3,996
...performance	200	-	200	-	-	-	200
<b>Total Management Fees</b>	<b>1,778</b>	<b>-</b>	<b>1,778</b>	<b>2,417</b>	<b>-</b>	<b>2,417</b>	<b>4,196</b>
Transaction costs	-	361	361	-	-	-	361
Custody Costs							27
Other Costs							-
<b>Total</b>	<b>1,778</b>	<b>361</b>	<b>2,139</b>	<b>2,417</b>	<b>-</b>	<b>2,417</b>	<b>4,584</b>
Asset Shared Cost (LCIV Management Fees)	101	-	-				101

\*Fees are calculated based on the value of assets held.



## **Asset Pool**

The Havering Pension Fund's asset pool is the London CIV (LCIV), a Collective Investment Vehicle for London Local Authorities (LLA) Local Government Pension Scheme (LGPS) funds. LCIV is wholly owned by its London-based clients, who are also its shareholders. It was established to meet government pooling requirements and operates in partnership with LLAs to deliver investment solutions.

### **Objectives of asset pooling include:**

- Achieving benefits of scale
- Strengthening governance and decision-making
- Reducing costs and delivering value for money
- Enhancing capacity and capability to invest in infrastructure

Responsibility for asset allocations and investment strategy remains with the Fund.

The Fund continues to evaluate LCIV products to ensure they align with its investment strategy and long-term objectives.

### **Oversight and Governance of the Asset Pool**

The Committee is responsible for overseeing the Fund's activities, including its investments through LCIV. The committee sets the Fund's investment strategy, monitors performance, and ensures compliance with regulatory requirements.

The Fund receives quarterly performance reports from the London CIV, which provide detailed analysis of each investment mandate performance against its respective benchmarks.

To support effective decision-making, the Fund engages investment consultants who offer expert advice on strategy and performance. They assist in interpreting performance data and may recommend adjustments to the investment approach where appropriate.

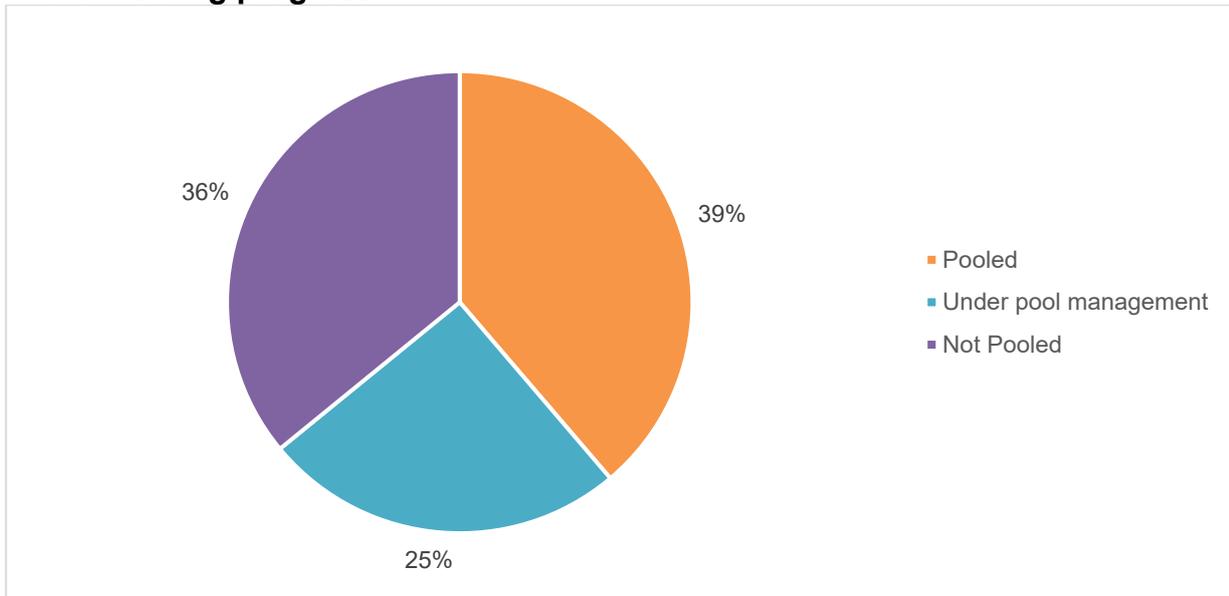
The London CIV publishes an annual report containing comprehensive performance data, governance updates, and strategic initiatives. This report is subject to external audit, providing an additional layer of assurance.

The London CIV integrates Environmental, Social, and Governance (ESG) factors into its investment processes. This commitment to responsible investment aligns with the Fund's broader sustainability objectives and ensures that investments are made ethically with long-term value in mind.

## Pooling Progress

The following chart illustrates the distribution of assets as at 31 March 2025. It shows that the fund has £510m in pooled assets, £416m in deemed pooled assets, and £65m in unpooled assets. This distribution highlights the fund's commitment to pooling, in line with government expectations and strategic investment objectives.

**Chart: Pooling progress**



**Table: Pooling analysis as at 31/03/2025**

<b>Asset Description</b>	<b>Pooled</b>	<b>Under pool management</b>	<b>Not Pooled</b>	<b>Grand Total</b>
<b>Bonds</b>				
LCIV Global Bond Fund	47,853			47,853
Royal London			117,964	117,964
<b>Bonds Total</b>	<b>47,853</b>		<b>117,964</b>	<b>165,818</b>
<b>Equities</b>				
LCIV Absolute Return Fund	126,164			126,164
LCIV Global Alpha Paris Aligned	133,802			133,802
LCIV PEPPA	58,880			58,880
LCIV Shareholder Equity	150			150
LGIM All World Equity Index		43,939		43,939
LGIM Future World Fund		133,667		133,667
LGIM World Emerging Markets Equity Index		41,607		41,607
<b>Equities Total</b>	<b>318,996</b>	<b>219,213</b>	<b>-</b>	<b>538,209</b>
<b>Private Debt</b>				
Churchill Fund II			12,224	12,224
Churchill Fund IV			16,294	16,294
Permira Fund IV			18,841	18,841
Permira Fund V			28,838	28,838
<b>Private Debt Total</b>		<b>-</b>	<b>76,198</b>	<b>76,198</b>
<b>Property</b>				
CBRE Global Alpha Fund		31,281		31,281
UBS Triton Fund			50,751	50,751
<b>Property Total</b>	<b>-</b>	<b>31,281</b>	<b>50,751</b>	<b>82,032</b>
<b>Infrastructure</b>				
JP Morgan			49,725	49,725
LCIV Renewable Infrastructure Fund	17,995		17,664	17,995
Stafford Fund II			25,924	17,664
Stafford Fund IV			<b>93,313</b>	25,924
<b>Infrastructure Total</b>	<b>17,995</b>	<b>-</b>	<b>-</b>	<b>111,308</b>
<b>Cash and net current assets</b>			<b>15,384</b>	<b>15,384</b>
<b>Derivatives</b>			<b>2,941</b>	<b>2,941</b>
<b>Cash and Cash Equivalents Total</b>	<b>-</b>	<b>-</b>	<b>18,325</b>	<b>18,325</b>
<b>Grand Total</b>	<b>384,845</b>	<b>250,494</b>	<b>356,551</b>	<b>991,890</b>

## UK Investment

<b>Asset values As at 31 March 2025</b>	<b>Pooled £000</b>	<b>Under pool management £000</b>	<b>Not pooled £000</b>	<b>Total £000</b>
UK Listed Equities	42,344	6,144	-	<b>48,488</b>
UK Government Bonds	332	-	46,453	<b>46,785</b>
UK Infrastructure	6,257	-	8,662	<b>14,919</b>
UK Private Equity	-	-	-	-
<b>Total</b>	<b>48,933</b>	<b>6,144</b>	<b>55,115</b>	<b>110,192</b>

The above table is based on available data and reasonable assumptions, an estimation of the proportion of UK investments has been made. This estimation helps provide a clearer picture of the asset distribution, even if precise figures are not available.

At 31 March 2025 the Fund had undrawn capital commitments of £37m. It is not possible to determine the value that will be deployed in UK assets.

## Cumulative Pool Costs

Description of Costs	2015 - 2020 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Cumulative Total £000
<b>Set Up Costs:</b>							
Share purchase subscription	150	0	0	0	0	0	150
Annual Service Charge	125	25	25	25	25	25	250
Implementation	50	0	0	0	0	0	50
Development Fund	205	85	85	85	76	72	608
<b>Total Set Up costs</b>	<b>530</b>	<b>110</b>	<b>110</b>	<b>110</b>	<b>101</b>	<b>97</b>	<b>1,058</b>
LCIV management Fee	304	92	98	83	131	127	835
LGIM Passive Fees	2	7	9	8	9	9	44
<b>Total Cost</b>	<b>836</b>	<b>209</b>	<b>217</b>	<b>201</b>	<b>241</b>	<b>233</b>	<b>1,937</b>
<b>LCIV savings as reported by LCIV</b>	<b>-932</b>	<b>-543</b>	<b>-667</b>	<b>-670</b>	<b>-570</b>	<b>-747</b>	<b>-4,129</b>
<b>Net</b>	<b>-96</b>	<b>-334</b>	<b>-450</b>	<b>-469</b>	<b>-329</b>	<b>-514</b>	<b>-2,192</b>

[The LCIV Annual Review](#) for 2024/25 is available on their website and includes the Business review, Corporate Governance and Financial Statements.

# Administration

Under Regulation 59(1) of the Local Government Pension Scheme Regulations 2013, an administering authority may prepare a written statement regarding the authority's policies on pensions administration.

[The Havering Pension Fund's Pensions Administration Strategy \(PAS\)](#) outlines the roles and responsibilities for both the administering authority and scheme employers, as well as the expected performance standards. This document is available on the Council's website under the pensions administration strategy section.

The PAS was updated and approved by the Pensions Committee in December 2024. The new PAS became effective from 1 April 2025 and incorporates the mandatory requirement for scheme employers to upload monthly data to the LPPA. The strategy aims to enhance the efficiency of pensions administration service delivery to our members.

The Local Pension Board will have oversight of the performance monitoring against the PAS during 2025/26 and Fund officers will continue to work with scheme employers to raise awareness of their responsibilities under the PAS.

Monitoring against the previous version of the PAS was not carried out due to the changes being introduced in 2025/26 to take account of the mandatory requirements for the data submissions.

The Communications Policy was approved by the Pensions Committee in November 2024 for a three-year period. The Havering pensions administration team has a communication plan that compliments the policy, detailing the topics to be communicated, the methods, and the frequency of those communications. The plan is presented to the Local Pension Board every six months for review and progress updates.

The work carried out during 2024/25 is summarised below:

## 1. Communications with Scheme Members

Our aims for communicating with our scheme members are:

- to better educate members of the benefits of the scheme to reduce the general queries being directed to the LPPA help desk
- to encourage the use of the pension scheme website and Pension Point Self Service.

Action	Audience	Media	End of Year Review 2025
Review and update the pension websites and intranet site	All	Web	The LPPA have maintained and updated the member website including the Pension Point Self Service Portal and a booking facility for member training which was utilised by 67 fund members, an increase from the 45 in the previous year. Havering pensions team has maintained a pensions web page within the Havering.gov website and in intranet page. These are used to publish all Havering specific pension related news and documents.

Action	Audience	Media	End of Year Review 2025
Promote the pension websites and intranet	All	Web, paper and electronic	The LPPA website is promoted on member correspondence. Both the LPPA and the Havering websites are promoted during face to face or virtual meetings. We utilise member and employer communications to increase awareness.
Promote Pension Point Self Service	Active, Deferred and Pensioner	Web, paper and electronic	Pension Point Self Service is promoted to all new members to the pension scheme. We utilise member and employer communications to increase awareness. As at March 2025 41.66% of the total membership had registered for Pension Point. At March 2024, this was only 22.11%.
Ensure relevant, accurate and timely communications are sent to all members	All	Paper or electronic	Standard communications are monitored as part of the KPI and contract monitoring process. We utilise corporate and employer communications to raise awareness of key topics. Members communications are detailed in the communications plan presented to the Local Pension Board.

## 2. Communications with Prospective Scheme Members

Our aims for communicating with our prospective scheme members are:

- to increase the take up of the LGPS
- to better educate members of the benefits of the scheme to reduce the general queries being directed to the LPPA help desk

Action	Audience	Media	End of Year Review 2025
Ensure pension website is included with new employee contracts and information packs	New employees	Paper or electronic	All eligible new employees are contractually enrolled into the LGPS and the website information is included in the LPPA's starter packs. Both the LPPA and Havering websites are available for general viewing.
Review and update the pension websites	All	Web	The LPPA have maintained and updated the member website. Havering pensions team has maintained a pensions web page within the Havering.gov website. This is used to publish all Havering specific pension related news and documents.
Work with employers to ensure automatic enrolment is correctly communicated	Existing employee	Paper or electronic	Relevant scheme employers automatically enrolled eligible staff during 2024/25. Affected staff received letters and factsheets to explain the process.

### 3. Communications with Scheme Employers

Our aims for communicating with our scheme employers are:

- to improve relationships
- to assist them in understanding their role as a scheme employer
- to assist them in understanding funding/cost requirements
- to work together to achieve accurate scheme actuary data submissions
- to ensure smooth staff transfers
- to improve the service our pension fund members receive

Action	Audience	Media	End of Year Review 2025
Meet with all new scheme employers to discuss responsibilities and requirements	Employer	Face to face or virtually	New employers receive a comprehensive email of all relevant information and the offer of either a face to face or virtual meeting. 2 new employers received an email but there were no requests for meetings. Meetings were held with several existing Employers to go over responsibilities and UPM use.
Review and update the employer sections of the pension websites	Employer	Web	The LPPA have maintained and updated the website including comprehensive information about the employer portal. Havering pensions team has maintained a pensions web page within the Havering.gov website. This is used to publish all Havering specific pension related news and documents.
Work with LPPA to promote employer training sessions	Employer	Web	LPPA ran several different training sessions throughout the year. Havering employers were present 47 times across the different sessions. This is an increase from the 30 in the previous year.
Work with LPPA to ensure accurate and timely data submissions	Employer	Email, phone, face to face or virtually	Havering continue to promote the Pensions Administration Strategy detailing the expected timeframes for data submissions. Havering have worked with employers to ensure the majority of 2025 year end data queries are resolved.
Provide regular updates to employers on key aspects of the scheme	Employer	Web or email	LPPA have a regular employer newsletter to provide updates on the scheme and other relevant information. Havering have sent regular emails to employers on key topics throughout the year as detailed in the communications plan presented to the Local Pension Board.

#### 4. Communications with Representatives of Members

##### a. Pensions Committee

Our aims for communicating with Pensions Committee are:

- to provide information to enable the Committee to make decisions delegated under the Council's constitution
- to provide information to ensure the Committee are kept informed of pension related matters
- to ensure the Committee are aware of their responsibilities in relation to the Scheme
- to provide training with regards to investment and administration matters

Action	Audience	Media	End of Year Review 2025
To submit Committee reports in line with the annual plan and as and when required	Pensions Committee Members	Paper and web	All relevant reports were submitted and presented to Committee and uploaded onto the Havering Website
To arrange training as and when required	Pensions Committee Members	Face to Face, online or virtually	Relevant training was provided to Committee members during the year

##### b. Local Pensions Board

Our aims for communicating with the Local Pensions Board are:

- to provide information to enable the board to assist the Scheme Manager in executing their duties
- to provide information to ensure the board are kept informed of pension related matters
- to ensure the board are aware of their responsibilities in relation to the Scheme
- to provide training with regards to investment and administration matters

Action	Audience	Media	End of Year Review 2025
To submit reports in line with the Board work plan and any additional areas identified at meetings	Local Pension Board	Paper and web	All relevant reports were submitted and presented to the Local Pension Board and uploaded onto the Havering Website.
To arrange training as and when required	Local Pension Board	Face to Face, online or virtually	Induction training has been provided to new Board members and information regarding external training courses has been circulated.

### c. Havering and oneSource Managers

Our aims for communicating with the Havering and oneSource managers are:

- to provide information to be able to make decisions delegated under the Council's constitution
- to provide accurate, timely and relevant information on request
- to ensure managers are aware of any pension related employer costs

Action	Audience	Media	End of Year Review 2025
To write key or non-key executive decision reports as required in line with the Council's constitution	Senior or oneSource Management	Paper or email	All relevant reports have been written and submitted in line with the Council's Constitution.
To ensure the provision of employer estimates is in line with the contractual agreement	HR and Heads of Service	Paper or email	LPPA have introduced an employer self service function for employer driven pension estimates. The Havering pensions administration team support with this as required.

### d. Other Stakeholders

#### **Pension Fund Manager (Finance)**

The Pension Fund Manager (Finance) responds to staff, employer and other enquiries. Skills and knowledge are kept up to date through participation in seminars and conferences.

#### **Pension Projects and Contracts Manager**

The Pension Projects and Contracts Manager oversees the administration contract with the Local Pensions Partnership Administration (LPPA). Quarterly client reviews are conducted to monitor the contract and ensure service level agreements are met. This role also involves maintaining relationships with scheme employers, trade unions, and other relevant stakeholders.

#### **Investment Fund Managers**

The Pension Fund Manager (Finance) maintains regular contact with the investment fund managers. Each fund manager is required to present their performance reports to the Pensions Committee on a cyclical basis, unless performance concerns necessitate more immediate attention.

#### **Trade Unions**

Trade unions in the London Borough of Havering serve as valuable ambassadors for the Pension Scheme. They ensure that details of the Local Government Pension Scheme are communicated to their members and assist in negotiations under TUPE transfers to ensure, whenever possible, continued access to the Scheme.

## **Scheme Administration Report**

### **Overview**

The Local Pensions Partnership Administration (LPPA) is responsible for the daily administration of the Havering Pension Fund. They utilise Civica's Universal Pensions Management (UPM) system to maintain member records and calculate pension benefits. Havering's work continues to be managed by dedicated casework teams across the business.

Call handling and responses to online member queries are managed by the central pensions contact centre in Preston. During 2024/25, the contact centre answered 3,972 Havering-specific calls with an average wait time of 2 minutes and 41 seconds. The average call abandon rate across all clients during 2024/25 was 2.3%.

LPPA uses customer surveys to measure satisfaction levels for the contact centre call handling and retirement processing. In 2024/25, overall satisfaction levels for call handling were 77.5% among Havering scheme members, while satisfaction for retirement case processing averaged 45.8%.

LPPA has made considerable progress in ensuring that monthly casework is consistently delivered above the 95% on time target during 2024/25. The annual performance against SLA was 98.8%

LPPA's ongoing Efficiency and Service Improvement Programme has delivered and enhanced online digital capability and improved the experience for members with deferred statements for leavers, active member retirement quotes and online retirement forms. Further automation is planned for 2025/26 and the programme will also deliver improvements to the monthly returns process for scheme employers.

### **Value for Money Statement**

A comparison of the 2024 SF3 data supplied to MHCLG shows that the Havering Fund was ranked sixth out of the 32 London Boroughs for cost per member in respect of pension administration costs (ranked seventh in 2022/23).

We have seen an increase in the number of cases meeting the service level agreements, as shown in the key performance data. All cases are now meeting the SLA target of 95% of cases being completed on time.

Monthly data returns are now mandatory for all scheme employers within the Havering Pension Fund which allow LPPA to automatically process new starters and selected leavers where a person has membership in the Care Scheme only.

We continue to work with LPPA and our scheme employers to improve the flow of information and processes to further enhance efficiencies. LPPA remains committed to reducing overheads to remain competitive and provide good value for money.

LPPA recognise their responsibility to achieve value for money in service delivery. They seek to incorporate value for money principles in delivering services by taking account of costs and quality of service. LPPA operate on a shared service, cost recovery basis and do not make a profit on core administration services.

LPPA takes part in external and independent benchmarking to compare their cost and service against other administration services. The latest results endorse that LPPA's services provide value for money.

### **Summary of Activities undertaken by LPPA during the year**

LPPA are responsible for all aspects of the Fund administration, including calculating benefits, processing joiners and leavers, record amendments, monthly returns, and the monitoring and administration of the Authority's Additional Voluntary Contributions (AVC) scheme. The LPPA engagement team handles communications and training for Scheme employers and pension scheme members.

The key functions of LPPA are:

- Processing new members of the scheme
- Handling requests from members wishing to transfer their pension into or out of Havering's Fund
- Administering death benefits for scheme members
- Bringing pensions into payment upon retirement
- Providing estimates for members and employers
- Assisting members who wish to increase their pension provision through AVCs or APCs
- Processing leavers with a refund of contributions or deferred benefit
- Maintaining accurate records with changes to members' details
- Reviewing and monitoring third-tier ill-health retirements
- Utilising information technology to improve service standards and efficiency
- Ensuring continual data cleansing in preparation for the next scheme valuation
- Continuously reviewing all processes to improve the customer experience

McCloud has been a significant project this year. LPPA have calculated underpin protections for all eligible members retiring from active status and are working with the new systems releases to ensure remediable service information can be included in the Annual Benefit Statements.

LPPA continue to work towards Pensions Dashboard connectivity and remain on track to meet the connection date of 31 October 2025 for public sector schemes.

The Havering administration team is responsible for:

- Monitoring, reviewing, and updating Scheme governance in line with relevant regulations and guidance
- Monitoring, reviewing, and updating pension administration policies
- Monitoring and recording contributions for bodies that do not utilise the Havering Council payroll
- Bi-annual National Fraud Initiative (NFI) compliance
- Admission, monitoring, and cessation of scheme employers
- Reviewing risk profiles

### **Key Uses of Technology**

LPPA continues to seek ways to use technology to improve efficiencies and actively promotes the use of the member self-service portal, Pension Point, and email communications.

Pension Point allows members to view their records online, raise queries directly with the helpdesk, run estimates, and update some personal details, reducing the workload on the administration team and the costs of printing and postage.

LPPA has mandated monthly reporting with scheme employers across all clients, enabling timely identification of new starters and leavers to the fund. They are introducing several automated processes from the monthly submissions to aid efficiencies.

The LPPA's scheme members' website is regularly reviewed and provides detailed information on all aspects of the scheme. The Havering administration team maintains the pensions page on the [havering.gov.uk](http://havering.gov.uk) website to provide Havering fund-specific information to members.

LPPA has robust cyber security measures and procedures in place. Data is backed up regularly, and systems are monitored by a Security Operations Centre service. LPPA holds Cyber Essentials Plus and ISO 27001 certifications, providing assurances to the Fund. They also have a full Business Continuity Plan and Disaster Recovery Plan in place.

### **Internal Dispute Resolution Procedure (IDRP)**

Any internal disputes go firstly to the Authority's Actuaries and then to the Pensions Panel which comprises the Deputy Director of Human Resources/Organisational Development (oneSource), a representative from Legal and Governance (oneSource) and a Head of Finance. The Havering Pensions Projects and Contracts Manager sits on the panel in an advisory role.

During 2024/25, we received no IDRP cases (compared to 2 stage 2 complaints in 2023/24) and 27 general customer complaints (down from 43 in 2023/24).

### **Whistle Blowing**

The Pension Fund complies with the whistle blowing requirements of the Pension Act that came into force on 6 April 2005. It encourages anyone to inform the appropriate authorities of any known wrongdoings. The process for reporting breaches of the law to the Pensions Regulator can be found on the Authority's website by selecting the link here [Whistleblowing Policy](#).

There have been 7 minor breaches recorded during 2024/25. These were not considered material and were therefore not reported to the Section 151 Officer. Consequently, no reports have been made to the Regulator. The new Reporting Breaches of the Law Policy was agreed by the Pensions Committee in November 2024 to be introduced in 2025/26.

### **Key Performance Data**

The following tables provide the required data for the administration key performance indicators.

LPPA performance is reported to the Havering Local Pensions Board. Full reports are available on the [Havering website](#).

**Table A: Total Casework**

<b>Ref</b>	<b>Casework KPI</b>	<b>Total number of cases open as at 31 March 2024</b>	<b>Total number of new cases created in 2024/25</b>	<b>Total number of cases completed in 2024/25</b>	<b>Total % of cases completed in 2024/25</b>
<b>A1</b>	Deaths recorded of active, deferred, pensioner and dependent members	113	265	249	65.9
<b>A2</b>	New dependent member benefits	Included in A1	Included in A1	Included in A1	Included in A1
<b>A3</b>	Deferred member retirements*	81	537	545	88.2
<b>A4</b>	Active member retirements*	89	928	887	87.2
<b>A5</b>	Deferred benefits	298	2,224	2,171	86.1
<b>A6</b>	Transfers in (including interfunds in, club transfers)	143	444	310	52.8
<b>A7</b>	Transfers out (including interfunds out, club transfers)	164	476	424	66.3
<b>A8</b>	Refunds	66	1,219	1,148	89.3
<b>A9</b>	Divorce quotations issued	3	42	43	95.6
<b>A10</b>	Actual Divorce cases	-	-	-	-
<b>A11</b>	Members estimates requested either by scheme member and employer	22	198	204	92.7
<b>A12</b>	New joiner notifications	21	549	570	100.0
<b>A13</b>	Aggregation cases	318	1,462	1,238	69.6
<b>A14</b>	Optants out received after 3 months membership	Not available	Not available	Not available	Not available

\*Includes quotation and actual calculations

**Table B: Time taken to process casework**

Note: the Fund target is the LPPA target for completion once all relevant data is available rather than the statutory timescale

Ref	Casework KPI	Suggested fund target	% completed within fund target in year	% completed in previous year
B1	Communication issued with acknowledgement of death of active, deferred, pensioner and dependant member	5 days	95.3	94.6
B2	Communication issued confirming amount of dependents pension	5 days	Included in B1	Included in B1
B3	Communication issued to deferred member with pension and lump sum options (quotation)	5 days	99.3	Included in B5
B4	Communication issued to active member with pension and lump sum options (quotation)	5 days	97.3	Included in B6*
B5	Communication issued to deferred member with confirmation of pension and lump sum options (actual)	5 days	98.0	95.9
B6	Communication issued to active member with pension and lump sum options (actual)	5 days	98.9	93.4
B7	Payment of lump sum (both actives and deferreds) **	5 days	Included in B6 and 7	Included in B6 and 7
B8	Communication issued with deferred benefit options	15 days	98.2	97.4
B9	Communication issued to scheme member with completion of transfer in	10 days	98.6	97.0
B10	Communication issued to scheme member with completion of transfer out	10 days	98.2	96.4
B11	Payment of refund **	5 days	99.3	97.3
B12	Divorce quotation	5 days	100.0	not recorded
B13	Communication issued following actual divorce proceedings ie application of a Pension Sharing Order	5 days	none received	not recorded
B14	Communication issued to new starters	10 days	100.0	100.0
B15	Member estimates requested by scheme member and employer	10 days	100.0	94.3

\*It was not possible to split the data between quotations and actuals last year.

\*\*Payments are made directly by the Fund. The timescales reported are to the completion of the LPPA case ie the date the instruction to make the payment is provided to the Fund.

**Table C: Communications and engagement**

Ref	Engagement with online portal (Pensions Point)	% as at 31 March 2025
C1	% of active members registered	41.9
C2	% of deferred members registered	24.5
C3	% of pensioner and survivor members	21.8
C4	% of all scheme members registered for self-service	29.8
C5	Number of registered users by age:	
	<b>Age Bracket</b>	<b>Total Registered</b>
	Under 21	21
	21-25	115
	26-30	166
	31-35	247
	36-40	412
	41-45	615
	46-50	727
	51-55	1149
	56-60	1359
	61-65	1132
	66-70	543
	71-75	184
	Over 75	79
C6	% of all registered users that have logged onto the service in the last 12 months	53.8
	<b>Communication</b>	<b>Number as at 31 March 2025</b>
C7	Total number of telephone calls received in year*	3,972
C8	Total number of email and online channel queries received*	1,591
C9	Number of Scheme member events held in year (total of in person and online)**	24
C10	Number of employer engagement events held in year (in person and online)**	40
C11	Number of active members who received a one-to-one (in person and online)**	6
C12	Number of times a communication (ie newsletter) issued to:	
	a) Active members ***	9
	b) Deferred members	9
	c) Pensioners	8

\*Calls, emails and queries received directly to the Fund are not recorded

\*\*Includes events run by the Fund

\*\*\* This does not include regular engagement directly by the Fund

## Table D: Resources

Note: The data below is in relation to LPPA staff only and does not include the officers employed by Havering Council.

Ref	Resources	as at 31 March 2025
D1	Total number of all administration staff (FTE)	264.5
D2	Average service length of all administration staff	5.3
D3	Staff vacancy rate as %	2.20%
D4	Ratio of all administration staff to total number of scheme members (all staff including management)	2,672
D5	Ratio of administration staff (excluding management) to total number of scheme members	2,713

## Table E: Data Quality

Ref	Annual Benefit Statements	Response
E1	% of Annual Benefit Statements issued as at 31 August	99.3%
E2	Short commentary if less than 100%	Remainder were either due to files not received from the employer or outstanding queries that prevented ABS production
	<b>Data category</b>	
E3	Common data score	98.0%
E4	Scheme specific data score	91.0%
E5	% of active, deferred and pensioner members recorded as 'gone away' with no home address held or address is known to be out of date	0.5%
E6	% of active, deferred and pensioner members with an email address held on file	55.7%
	<b>Employer Performance</b>	
E7	% of employers set up to make monthly data submissions	100.0%
E8	% of employers who submitted monthly data on time during the reporting year	40.9%

## Performance Targets and Monitoring

LPPA provide monthly and quarterly performance reports that enable Fund officers to monitor the service delivery against an LPPA standard set of Key Performance Indicators.

The UPM administration system is used to track cases based on a day count from the date all required data to complete a case is received. The system monitors caseload volumes and performance against SLAs. It also allows LPPA to track error/rework rates, ensuring quality is maintained throughout the administration function. UPM provides reportable information enabling monitoring, audit, performance management, and annual review reporting capabilities. The system allows LPPA to track case completion rates against agreed SLAs.

The indicators do not include record-keeping and data maintenance tasks covered by LPPA, which are required to correctly administer a member's benefit and also have a direct impact on the triennial valuation.

**Table: Administration team 5 years' key activity trend**

Service Item	2019/20 Cases	2020/21 Cases	2021/22 Cases	2022/23 Cases	2023/24 Cases	2024/25 Cases
Retirements processed	533	529	446	767	607	420
Early retirement estimates processed	580	452	468	380	175	204
Notification of Deferred Benefits	727	726	798	603	392	2,171*
Transfers In Actuals/Quotes processed	363	324	391	175	197	310
Transfers Out Actuals/Quotes processed	298	325	407	317	309	424
Death notification written out	273	530	428	366	460	249
New LGPS joiners processed	1,942	977	1,115	879	978	570
Refunds	691	443	431	316	264	1,148*
<b>Total Cases per year</b>	<b>5,407</b>	<b>4,305</b>	<b>4,484</b>	<b>3,803</b>	<b>3,382</b>	<b>5,496</b>

\* Case numbers are high following the completion of backlog leaver cases in preparation for the triennial valuation

## Academies and Outsourcing

There were no new academy conversions and just 1 new admitted body during 2024/25.

The level of planned and actual outsourcing by academies is ongoing and likely to continue growing. If the outsourced function is granted Admitted Body Status, it results in additional unplanned work to separate out the scheme employers, increasing the administrative burden as the number of scheme employers rises.

The growth in Scheduled and Admitted Body scheme employers also increases the support and communication requirements for LPPA and the Havering pensions administration team.

Introduction meetings are offered to all new bodies to support their entry into the scheme, with ongoing meetings and support as needed.

To support employers and services, the Fund has produced an Employer Outsourcing Guide and an Employer Responsibility Guide.

### Confidentiality of Personal Data

LPPA has developed a robust control framework to ensure all GDPR requirements are met promptly, serving as a defence in case of litigation.

LPPA also aims to adhere to a code of conduct which brings the added benefits of:

- Improving transparency and accountability, enabling individuals to distinguish organisations that meet legal requirements and can be trusted with their personal data
- Providing mitigation against enforcement action
- Improving standards by establishing best practices
- Investigating innovative solutions to high-risk areas, including data minimisation and pseudonymisation

### Accuracy of Data

Following the submission of each monthly return, LPPA raise any queries arising with scheme employers. In most instances the requirement to submit monthly returns has reduced the number of queries and they are dealt with in a timelier manner leading to a more efficient end of year and valuation process.

**Table: Fund Membership over the last 5 years**

	As at 31 March 2021	As at 31 March 2022	As at 31 March 2023	As at 31 March 2024	As at 31 March 2025
Contributors	6,426	6,675	6,692	7,840	7,989
Deferred pensioners	6,020	6,689	6,750	6,800	7,443
Pensioners and Dependants	6,412	6,548	6,775	7,009	7,202
<b>Total</b>	<b>18,858</b>	<b>19,912</b>	<b>20,217</b>	<b>21,649</b>	<b>22,634</b>

A summary follows of the number of employers in the fund analysed by scheduled bodies and admitted bodies with active members.

**Table: Employer types with active members**

	2023/24	2024/25
Administrating Authority	1	1
Scheduled Bodies	44	46
Admitted Bodies	13	14
Resolution Body	1	1
<b>Total</b>	<b>59</b>	<b>62</b>

There were no new scheduled body employers in 2024/25. However, 2 Empower Trust academy schools (Ardleigh Green Infants and Ardleigh Green Juniors) moved onto separate reporting. Previously they were combined with Hall Mead School.

**Table: 2024/25 Contributions by employer**

<b>Employer Name</b>	<b>Contributions from Members £</b>	<b>Contributions from Employers £</b>
1. London Borough of Havering	7,915,066	34,353,288
<b>London Borough of Havering Total</b>	<b>7,915,066</b>	<b>34,353,288</b>
<b>Scheduled Bodies</b>		
1. Abbs Cross Academy	51,471	133,675
2. Ardleigh Green Infant Academy (ELAT)	32,284	133,290
3. Ardleigh Green Junior Academy (ELAT)	24,125	102,940
4. Benhurst Primary School	24,832	94,454
5. Bower Park Academy	65,739	259,805
6. Brittons Academy	68,288	273,921
7. Brookside Infant Academy	58,340	91,510
8. Brookside Junior Academy	16,686	63,915
9. Champion School	99,225	361,098
10. Chafford School	58,258	231,221
11. Compass School	30,509	128,631
12. Concordia Academy	43,051	142,828
13. Coopers Coborn School	101,822	358,655
14. Dame Tipping Academy	8,454	32,401
15. Drapers Academy	100,448	253,222
16. Drapers Management Team	43,642	125,274
17. Drapers Mayland Primary Academy	36,211	136,117
18. Emerson Park School	50,374	188,739
19. Empower (MAT)	104,937	363,965
20. Forest Approach Academy	84,502	314,609
21. Frances Bardsley Academy	80,741	267,962
22. Gaynes Academy	21,298	87,013
23. Hacton Academy	53,904	224,448
24. Hall Mead Academy	71,566	276,929
25. Harris Academy Sixth Form	3,846	14,954
26. Harrow Lodge Academy	37,766	141,500
27. Hornchurch High School	50,866	175,733
28. Langtons Junior Academy	21,884	80,005
29. Life Education HV	41,675	139,130
30. Marshalls Park Academy	63,779	255,141
31. Olive Academy	10,548	39,040
32. Olive Academy (MAT)	38,168	115,982
33. Pinewood Academy	37,116	101,791
34. Pyrigo Priory Academy	32,645	125,734
35. Ravensbourne Academy	74,788	277,382
36. Redden Court School	85,711	306,786

<b>37. Employer Name</b>	<b>Contributions from Members £</b>	<b>Contributions from Employers £</b>
38. Rise Park Infant Academy	25,660	96,957
39. Rise Park Junior Academy	40,146	90,391
40. Royal Liberty Academy	47,811	166,567
41. Sacred Heart School	50,695	210,956
42. Sanders Academy	52,299	183,921
43. Scargill Infant Academy	27,896	109,084
44. Scargill Junior Academy	19,724	76,510
45. St Edwards CE School & Sixth Form College	57,737	236,872
46. Success for All Education Trust MAT	46,880	154,313
47. The Bridge	44	812
48. Upminster Infant Academy	18,551	72,852
49. Upminster Junior Academy	26,986	106,114
50. Whybridge Junior Academy	36,383	128,054
<b>Scheduled Bodies Total</b>	<b>2,280,312</b>	<b>8,053,200</b>
<b>Admitted Bodies</b>		
1. Accent Catering Services (Coopers Coborn)	4,607	-
2. Atalian Servest Food Co. Ltd	422	7,031
3. Caterlink (St Edwards Academy) *	10,453	44,651
4. Cleantec at Elm Park Primary *	922	4,190
5. Harrison Catering (Loxford) *	3,283	2,566
6. Lewis and Graves Cleaning(Hornchurch High)	1,408	7,970
7. May Harris (Royal Liberty)	2,764	12,662
8. May Harris (Whybridge Junior School)	41	142
9. Mears Group PLC	34,412	137,215
10. Olive Dining Ltd (Drapers Academy)	8,386	60,021
11. Olive Dining (Maylands)	167	1,766
12. SLM Community Leisure Charitable Trust	37,002	127,977
13. SLM Fitness & Health Ltd	3,847	14,124
14. Urbaser – UK	131,888	508,562
<b>Admitted Bodies Total</b>	<b>246,798</b>	<b>943,702</b>
<b>Designated body</b>		
1. Mercury Land Holdings	7,198	14,824
<b>Designated Bodies Total</b>	<b>7,198</b>	<b>14,824</b>
<b>Ceased Bodies**</b>		
Harrison Catering (Gaynes Academy)	1,865	(1,865)
Kindred (Broadford Primary)	0	2,600
<b>Ceased Bodies Total</b>	<b>1,865</b>	<b>735</b>
<b>Grand Total</b>	<b>10,444,041</b>	<b>43,350,925</b>

\* New employer in 24/25

\*\* 2 transactions relating to ceased employers were incorrectly coded as contributions.

**Table: Costs per member**

<b>Costs per member</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
Total membership (no's)	19,076	18,858	19,912	20,217	21,649	22,634
Total Investment Cost (£'000)	3,192	3,412	4,241	4,628	4,584	4,264
Cost per member (£)	167.33	180.93	212.99	228.92	211.75	188.39
Total Administration Cost (£'000)	*315	601	709	731	828	1,006
Cost per member (£)	16.51	31.86	35.61	36.16	38.23	44.45
Total Oversight and Governance Cost (£'000)	468	415	524	581	718	672
Cost per member (£)	24.53	22.00	26.32	28.74	33.17	29.69
<b>Total cost per member</b>	<b>208.37</b>	<b>234.80</b>	<b>274.91</b>	<b>293.81</b>	<b>283.15</b>	<b>262.53</b>

\* Includes an incorrect un-cleared sundry creditor from 2018/19.

# Actuarial Statement

## London Borough of Havering Pension Fund (“the Fund”)

### Actuarial Statement for 2024/25

This statement has been prepared in accordance with Regulation 57(1)(d) of the Local Government Pension Scheme Regulations 2013. It has been prepared at the request of the Administering Authority of the Fund for the purpose of complying with the aforementioned regulation.

#### Description of Funding Policy

The funding policy is set out in the Administering Authority’s Funding Strategy Statement (FSS), dated April 2023. In summary, the key funding principles are as follows:

- take a prudent long-term view to secure the regulatory requirement for long-term solvency, with sufficient funds to pay benefits to members and their dependants;
- use a balanced investment strategy to meet the regulatory requirement for long-term cost efficiency (where efficiency in this context means to minimise cash contributions from employers in the long term);
- where appropriate, ensure stable employer contribution rates;
- reflect different employers’ characteristics to set their contribution rates, using a transparent funding strategy; and
- use reasonable measures to reduce the risk of an employer defaulting on its pension obligations.

The FSS sets out how the Administering Authority seeks to balance the conflicting aims of securing the solvency of the Fund and keeping employer contributions stable.

#### Funding Position as at the last formal funding valuation

The most recent actuarial valuation carried out under Regulation 62 of the Local Government Pension Scheme Regulations 2013 was as at 31 March 2022. This valuation revealed that the Fund’s assets, which at 31 March 2022 were valued at £920 million, were sufficient to meet 80% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting deficit at the 2022 valuation was £229 million.

Each employer had contribution requirements set at the valuation, with the aim of achieving their funding target within a time horizon and likelihood measure as per the FSS. Individual employers’ contributions for the period 1 April 2023 to 31 March 2026 were set in accordance with the Fund’s funding policy as set out in its FSS.

#### Principal Actuarial Assumptions and Method used to value the liabilities

Full details of the methods and assumptions used are described in the 2022 valuation report and FSS.

#### Method

The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date; and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership.

#### Assumptions

A market-related approach was taken to valuing the liabilities, for consistency with the valuation of the Fund assets at their market value.

The key financial assumptions adopted for the 2022 valuation were as follows:

<b>Financial assumptions</b>	<b>31 March 2022</b>
Discount rate	3.5% pa
Salary increase assumption	3.4% pa
Benefit increase assumption (CPI)	2.7% pa

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 and 2020 data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of 1.50% p.a. Based on these assumptions, the average future life expectancies at age 65 are as follows:

	<b>Males</b>	<b>Females</b>
Current Pensioners	21.7 years	24.3 years
Future Pensioners*	22.6 years	25.8 years

\*Aged 45 at the 2022 Valuation.

Copies of the 2022 valuation report and Funding Strategy Statement are available on request from the Administering Authority to the Fund and on the Fund's website.

[Pension valuation reports | London Borough of Havering](#)

### **Experience over the period since 31 March 2022**

Markets were disrupted by the ongoing war in Ukraine and inflationary pressures in 2022 and 2023, impacting on investment returns achieved by the Fund's assets. Asset performance improved in 2024 and early 2025; however the recent increase in US tariffs on imports has caused significant market volatility. The peak of this market volatility was experienced immediately after 31 March 2025, however, generally lower than expected asset returns were experienced in the month immediately prior to this.

High levels of inflation in the UK (compared to recent experience) have resulted in higher than expected LGPS benefit increases of 10.1% in April 2023 and 6.7% in April 2024. However, inflation has reduced towards historical levels and the Bank of England's target (2% pa), with LGPS benefits increasing by 1.7% in April 2025.

There has been a significant shift in the wider economic environment since 2022, resulting in generally higher expected future investment returns and a reduction in the value placed on the Fund's liabilities. Overall, the funding position is likely to be stronger than at the previous formal valuation at 31 March 2022.

The next actuarial valuation will be carried out as at 31 March 2025, and will be finalised by 31 March 2026. The FSS will also be reviewed at that time, and a revised version will come into effect from 1 April 2026.

Jamie Baxter FFA C.Act

09 May 2025

For and on behalf of Hymans Robertson LLP

Hymans Robertson LLP is a limited liability partnership registered in England and Wales with registered number OC310282.

A list of members of Hymans Robertson LLP is available for inspection at One London Wall, London EC2Y 5EA, the firm's registered office. Authorised and regulated by the Financial Conduct Authority and licensed by the Institute and Faculty of Actuaries for a range of investment business activities. Hymans Robertson is a registered trademark of Hymans Robertson LLP.

# External Audit Opinion

## INDEPENDENT AUDITOR'S STATEMENT TO THE MEMBERS OF LONDON BOROUGH OF HAVERING ON THE PENSION FUND FINANCIAL STATEMENTS

### Opinion

We have examined the pension fund financial statements of Havering Pension Fund ("the Pension Fund") included in the Pension Fund Annual Report ("the Annual Report") for the year ended 31 March 2025, which comprise the Fund Account, the Net Assets Statement and the related notes, including material accounting policy information.

In our opinion, the Pension Fund financial statements included in the Annual Report are consistent with the audited pension fund financial statements included in the full annual statement of accounts of London Borough of Havering for the year ended 31 March 2025 and comply with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

### Respective responsibilities of the Chief Financial (Section 151) and the auditor

As explained more fully in the Statement of the Chief Financial (Section 151) Officer's Responsibilities, the Chief Financial (Section 151) Officer is responsible for the preparation of the pension fund's financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

Our responsibility is to report to you our opinion on the consistency of the pension fund financial statements within the pension fund annual report with the pension fund financial statements in the statement of accounts of London Borough of Havering, and its compliance with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We also read the other information contained in the pension fund annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the pension fund financial statements. The other information consists only Chair's Introduction, Fund Management, Governance and Training, Financial Performance, Investments and Funding, Administration, Actuarial Statement.

We conducted our work in accordance with Auditor Guidance Note 07 – Auditor Reporting, issued by the National Audit Office. Our report on the administering authority's full annual statement of accounts describes the basis of our opinion on those financial statements.

### Use of our report

This report is made solely to the members of London Borough of Havering, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (as amended) and for no other purpose, as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the London Borough of Havering and its members as a body, for our audit work, for this report, or for the opinions we have formed



Hassan Rohimun (Key Audit Partner)  
Ernst & Young LLP (Local Auditor)  
Manchester  
25 February 2026

# Appendices

## Further Reading

The subsequent documents are accessible via the Havering website for review. Should you require physical copies, they can be obtained upon request from the administering authority. This ensures that all stakeholders have convenient access to the necessary information in their preferred format.

- [Funding strategy statement](#)
- [Investment strategy statement](#)
- [Governance compliance statement](#)
- [Communications policy](#)
- [Risk register](#)

The Pension Fund section of the Havering website is a comprehensive resource, offering a suite of documents designed to enhance members' and employers' comprehension of the scheme. This dedicated area provides essential information, facilitating a deeper understanding of the pension arrangements and enabling informed decision-making. It serves as a valuable tool for both current and prospective participants in navigating the complexities of the pension landscape.

## Other useful contacts:

National Local Government Pension Scheme website: <https://www.lgpsmember.org/>

The Pension Service website: [www.thepensionsservice.gov.uk](http://www.thepensionsservice.gov.uk)

State Pension website [www.gov.uk/browse/working/state-pension](http://www.gov.uk/browse/working/state-pension)

Pensions Ombudsman <https://www.pensions-ombudsman.org.uk/>

Money and Pensions Services <https://moneyandpensionsservice.org.uk/>

## Glossary

**Accounting period** - The period of time covered by the Council's accounts. The Council's financial year is from the period 1st April to the following 31st March.

**Accounting policies** – The specific principles, bases, conventions, rules, and practices applied by the Council in preparing and presenting the financial statements.

**Accounting standards** - A set of rules explaining how accounts are to be kept (See 'International Financial Reporting Standards').

**Accrual** - The recognition of income and expenditure in the year that they occur and not when any cash is received or paid.

**Active member** - Current employee who is contributing to a pension scheme.

**Actuary** - An independent professional who advises the Council on the financial position of the Fund. Every three years the actuary values the assets and liabilities of the Fund and determines the funding level and the employers' contribution rates.

**Additional Voluntary Contributions (AVC)** - An option available to active scheme members to secure additional pension benefits by making regular contributions to separately held investment funds managed by the Fund's AVC provider.

**Administering Authority** -The Administering Authority is responsible for maintaining and investing its own Fund for the LGPS. This means the Administering Authority is responsible for making all decisions relating to the operation of the Fund.

**Admitted Body** - An organisation, whose staff can become members of the Fund by virtue of an admission agreement made between the Council and the organisation. It enables contractors who take on the Council's services with employees transferring, to offer those staff continued membership of the Fund.

**Admission Agreement** - an agreement made between the administering authority, a Scheme employer and a contracted company to allow the contractor to become part of the LGPS.

**Asset allocation** - The apportionment of a fund's assets between different types of investments (or asset classes). The long-term strategic asset allocation of a Fund will reflect the Fund's investment objectives.

**Asset Pool** - is an entity that allows investors to pool their money and invest the pooled funds, rather than buying securities directly as individuals.

**Balance Sheet** - A statement of all the assets, liabilities and other balances of the Council at the end of an accounting period.

**Basis Points (BPS)** - A unit of measure for interest rates and percentages. One basis point is equal to 1/100th of 1%.

**Benchmark** - A measure against which the investment policy or performance of an investment manager can be compared.

**Cash equivalents** – Highly liquid, investments that can easily be converted into cash.

**Chartered Institute of Public Finance and Accountancy (CIPFA)** – A professional accountancy body, specialising in the Public Sector. It promotes best practice by issuing guidelines and Codes of Practice.

**Contingent Liability** - Where possible “one-off” future liabilities or losses are identified but the level of uncertainty is such that the establishment of a provision is not appropriate.

**Consumer Price Index (CPI)** – Measures the average change in retail prices of a basket of goods and services purchased by most UK households, to provide an indication of the rate of inflation. The CPI includes some financial services in the basket of goods not included in the RPI.

**Creditors** - Amount of money owed by the Fund for goods and services received, also referred to as Payables.

**Death Grant** - an amount paid to a current or former member's estate or nominated beneficiaries in the event of death in service, death after retirement or death of a deferred beneficiary.

**Debtors** - Amount of money owed to the Fund by individuals, and organisations, also referred to as Receivables.

**Deferred Benefits** - benefits retained in the pension fund when a member leaves without an entitlement to the immediate payment of those benefits. If a transfer of benefits does not take place before hand, deferred benefits are usually paid from the member's normal retirement date.

**Defined Benefit Scheme** - A pension scheme which defines benefits independently of the contributions payable. Benefits are not directly related to the investments of the Pension Fund.

**Deferred members** - Scheme members, who have left employment or ceased to be an active member of the scheme whilst remaining in employment, but retain an entitlement to a pension from the scheme.

**Discretion** - this is the power given by LGPS regulations to enable Scheme employers or administering authorities to choose how they will apply the Scheme rules in respect of certain provisions.

**Employer rates** - The percentage of the salary of employees that employers pay as a contribution towards the employees' pension.

**Equities** - Ordinary shares in UK and overseas companies traded on a stock exchange. Shareholders have an interest in the profits of the company and are entitled to vote at shareholders' meetings.

**Fair Value** - In relation to the value of financial instruments, it is the amount for which an asset can be exchanged or a liability settled between knowledgeable and willing parties in an arm's length transaction.

**Financial Instrument** - Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.

**Fixed interest securities** – Investments, mainly in government stocks, which guarantee a fixed rate of interest. The securities represent loans which are repayable at a future date but which can be traded on a recognised stock exchange in the meantime.

**Good Governance Framework** – SAB commissioned report reviewing the governance of the LGPS on effectiveness and reviewing existing models.

**Index** - A calculation of the average price of shares, bonds, or other assets in a specified market to provide an indication of the average performance and general trends in the market.

**Interest Rate Risk** - The uncertainty of interest paid/received on variable rate instruments and the effect of fluctuations in interest rates on the fair value of an instrument.

**Internal Disputes Resolution Procedure (IDRP)** – a complaints procedure governed by regulation providing any current or former scheme member with the opportunity to settle any dispute or complaint they may have in respect of any decision made regarding their entitlements under scheme rules.

**International Financial Reporting Standards (IFRS)** – The set of international accounting standards issued by the International Accounting Standards Board (IASB). Local Authorities are required to produce accounts based on IFRS.

**Investment Strategy Statement (ISS)** – LGPS regulations require administering authorities to prepare and maintain an ISS. The ISS outlines the Fund's investment objectives and investment beliefs, identifies the risks the Fund faces and outlines how this risks are controlled/mitigated.

**McCloud** - The McCloud judgement refers to the Court of Appeal's ruling that Government's 2015 public sector pension reforms unlawfully treated existing public sectors differently based upon members' age

**Markets in Financial Instruments Directive II** – legislative framework established by the European Union to regulate financial markets and enhance investor protection.

**National Fraud Initiative** - Exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud.

**Pension Administration Strategy** – Strategy which outlines the processes and procedures allowing the administrator and employers to work together in a cost effective way to administer the LGPS.

**Pooled Investment vehicles** - Funds which manage the investments of more than one investor on a collective basis. Each investor is allocated units which are revalued at regular intervals. Income from these investments is normally returned to the pooled fund and increases the value of the units.

**Public Service Pension Act 2013** - An Act to make provision for public service pension schemes and for connected purposes.

**Rates and Adjustment Certificate** - a certificate issued by the Actuary following a valuation of the Fund which sets out the employer contribution rates payable by each of the associated scheme bodies.

**Return** - The total gain from holding an investment over a given period, including income and increase or decrease in market value.

**Scheduled body** - An organisation that has the right to become a member the LGPS under the scheme regulations. Such an organisation does not need to be admitted as its right to membership is automatic.

**Scheme Advisory Board** - a body that provides advise and guidance on the management and administration of the LGPS in England and Wales.

**Triennial Valuation** - Every three years the Actuary reviews the assets and liabilities of the Pension Fund and reports to the Council on the fund's financial position and recommended employers' contribution rates.

**Unrealised gains/losses** - The increase or decrease in the market value of investments held by the fund since the date of their purchase.

**Value For Money (VFM)** – This term is used to describe the relationship between the economy, efficiency, and effectiveness (known as the 'three Es') of a service, function or activity. Value for money is high when there is an optimum balance between all three.

## Acronyms

**AVC** Additional Voluntary Contribution

**CARE** Career Average Revalued Earnings

**CIPFA** The Chartered Institute of Public Finance and Accountancy

**CIV** Collective Investment Vehicle

**CPI** Consumer Prices Index

**FSS** Funding Strategy Statement

**GAD** Government Actuary's Department

**GDPR** General Data Protection Regulation

**HMRC** Her Majesty's Revenue & Customs

**IAS** International Accounting Standard

**IDRP** Internal Disputes Resolution Procedure

**IFRS** International Financial Reporting Standards

**ISS** Investment Strategy Statement

**LCIV** London Collective Investment Vehicle

**LGPS** Local Government Pension Scheme

**LPB** Local Pension Board

**LPPA** Local Pensions Partnership Administration

**MHCLG** Ministry of Housing, Communities and Local Government

**PC** Pensions Committee

**PLSA** Pensions and Lifetime Savings Association

**SAB** Scheme Advisory Board

**TPR** The Pensions Regulator