

## NOTICE OF MEETING

# PENSIONS COMMITTEE AND BOARD

**Wednesday, 27th April, 2022, 6.00 pm - River Park House, 225 High Road, Wood Green, London, N22 8HQ**

**Members:** Councillors Yvonne Say (Chair), Eldridge Culverwell (Vice-Chair), Patrick Berryman, Dana Carlin, Paul Dennison, and Viv Ross.

**Employer Member:** Keith Brown

**Employer Member:** Craig Pattinson

**Employee Member:** Ishmael Owarish

**Employee Member:** Randy Plowright

**Quorum:** 3 Council Members and 2 Employer / Employee Members

### 1. **FILMING AT MEETINGS**

Please note this meeting may be filmed or recorded by the Council for live or subsequent broadcast via the Council's internet site or by anyone attending the meeting using any communication method. Members of the public participating in the meeting (e.g. making deputations, asking questions, making oral protests) should be aware that they are likely to be filmed, recorded or reported on. By entering the 'meeting room', you are consenting to being filmed and to the possible use of those images and sound recordings.

The Chair of the meeting has the discretion to terminate or suspend filming or recording, if in his or her opinion continuation of the filming, recording or reporting would disrupt or prejudice the proceedings, infringe the rights of any individual, or may lead to the breach of a legal obligation by the Council.

### 2. **APOLOGIES**

To receive any apologies for absence.

### 3. **URGENT BUSINESS**

The Chair will consider the admission of any late items of Urgent Business. (Late items of Urgent Business will be considered under the agenda item where they appear. New items of Urgent Business will be dealt with under item 15 below).

#### **4. DECLARATIONS OF INTEREST**

A member with a disclosable pecuniary interest or a prejudicial interest in a matter who attends a meeting of the authority at which the matter is considered:

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and
- (ii) may not participate in any discussion or vote on the matter and must withdraw from the meeting room.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Register of Members' Interests or the subject of a pending notification must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interests are defined at Paragraphs 5-7 and Appendix A of the Members' Code of Conduct

The Public Service Pensions Act 2013 defines a conflict of interest as a financial or other interest which is likely to prejudice a person's exercise of functions. Therefore, a conflict of interest may arise when an individual:

- i) Has a responsibility or duty in relation to the management of, or provision of advice to, the LBHPF, and
- ii) At the same time, has:
  - a separate personal interest (financial or otherwise) or
  - another responsibility in relation to that matter,

giving rise to a possible conflict with their first responsibility. An interest could also arise due to a family member or close colleague having a specific responsibility or interest in a matter.

At the commencement of the meeting, the Chair will ask all Members of the Committee and Board to declare any new potential conflicts and these will be recorded in the minutes of the meeting and the Fund's Register of Conflicts of Interest. Any individual who considers that they or another individual has a potential or actual conflict of interest which relates to an item of business at a meeting must advise the Chair prior to the meeting, where possible, or state this clearly at the meeting at the earliest possible opportunity.

#### **5. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS**

To consider any requests received in accordance with Part 4, Section B, paragraph 29 of the Council's constitution.

## **6. RECORD OF TRAINING UNDERTAKEN SINCE LAST MEETING**

### **Note from the Head of Legal and Governance (Monitoring Officer)**

When considering the items below, the Committee will be operating in its capacity as 'Administering Authority'. When the Committee is operating in its capacity as an Administering Authority, Members must have due regard to their duty as quasi-trustees to act in the best interest of the Pension Fund above all other considerations.

## **7. MINUTES (PAGES 1 - 8)**

To confirm and sign the minutes of the Pensions Committee and Board meeting held on 2 December 2021 as a correct record.

To note the minutes of the informal Pensions Committee and Board meeting held on 15 March 2022. **(To follow)**

## **8. PENSION ADMINISTRATION REPORT (PAGES 9 - 18)**

This report provides updates regarding:

- Membership update
- Resourcing of the pensions administration team
- Pensions administration software procurement
- Pensions administration service performance in 2021
- Update on McCloud remedy activities

## **9. PENSION FUND QUARTERLY INVESTMENT AND PERFORMANCE UPDATE (PAGES 19 - 28)**

This report provides the following updates for the quarter ended 31 December 2021:

- Independent advisor's market commentary
- Investment asset allocation
- Investment performance
- Funding position update
- London Collective Investment Vehicle (LCIV) update
- External audit update

## **10. UPDATED CIPFA GUIDANCE AND HARINGEY TRAINING POLICY (PAGES 29 - 50)**

To receive an update on CIPFA pensions knowledge and skills, to adopt the CIPFA 2021 Code of Practice on Local Government Pension Scheme (LGPS) Knowledge and Skills, and to approve the Training Policy.

**11. LOCAL AUTHORITY PENSION FUND FORUM (LAPFF) VOTING UPDATE (PAGES 51 - 54)**

The Fund is a member of the Local Authority Pension Fund Forum (LAPFF) and the Committee and Board has previously agreed that the Fund should cast its votes at investor meetings in line with LAPFF voting recommendations. This report provides an update on voting activities on behalf of the Fund.

**12. RISK REGISTER (PAGES 55 - 62)**

This paper provides an update on the Fund's risk register and an opportunity for the Committee and Board to further review the risk score allocation.

**13. FORWARD PLAN (PAGES 63 - 66)**

The purpose of the paper is to identify topics that will come to the attention of the Committee and Board in the next twelve months and to seek members' input into future agendas. Suggestions for future training are also requested.

**14. PROPERTY PORTFOLIO REVIEW (PAGES 67 - 72)**

This report provides the Pensions Committee and Board (PCB) with a review of the Pension Fund's property portfolio and outlines the options to address the investment portfolio's current underweight position to property.

**15. NEW ITEMS OF URGENT BUSINESS**

**16. DATES OF FUTURE MEETINGS**

To note the (provisional) dates of future meetings:

11 July 2022  
12 September 2022  
22 November 2022  
23 January 2023  
21 March 2023

**17. EXCLUSION OF THE PRESS AND PUBLIC**

Items 18-21 are likely to be subject to a motion to exclude the press and public from the meeting as they contain exempt information as defined in Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); para 3; namely information relating to the financial or business affairs of any particular person (including the authority holding that information).

**18. PENSION FUND QUARTERLY UPDATE AND INVESTMENTS UPDATE  
(PAGES 73 - 116)**

As per item 9.

**19. PROPERTY PORTFOLIO REVIEW (PAGES 117 - 146)**

As per item 14.

**20. EXEMPT MINUTES (PAGES 147 - 150)**

To confirm and sign the exempt minutes of the Pensions Committee and Board meeting on 2 December 2021 as a correct record.

To note the exempt minutes of the informal Pensions Committee and Board meeting held on 15 March 2022. **(To follow)**

**21. NEW ITEMS OF EXEMPT URGENT BUSINESS**

Fiona Rae, Acting Committees Manager

Tel – 020 8489 3541

Email: [fiona.rae@haringey.gov.uk](mailto:fiona.rae@haringey.gov.uk)

Fiona Alderman

Head of Legal & Governance (Monitoring Officer)

River Park House, 225 High Road, Wood Green, N22 8HQ

Tuesday, 19 April 2022

This page is intentionally left blank

## **MINUTES OF THE PENSIONS COMMITTEE AND BOARD MEETING HELD ON THURSDAY, 2ND DECEMBER, 2021, 7.10 - 8.55 PM**

**PRESENT:** Councillor Eldridge Culverwell (Vice-Chair in the Chair), Councillor Dana Carlin, Councillor Paul Dennison, Councillor Viv Ross, Keith Brown, Craig Pattinson, and Randy Plowright.

**In attendance:** John Raisin (Independent Advisor), Alex Goddard (Mercer), and Steve Turner (Mercer).

### **1. FILMING AT MEETINGS**

The Chair referred to the notice of filming at meetings and this information was noted.

### **2. APOLOGIES**

Apologies for absence were received from Councillor Yvonne Say, Councillor Patrick Berryman, and Ishmael Owarish.

### **3. URGENT BUSINESS**

There were no items of urgent business.

### **4. DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **5. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS**

There were no deputations, petitions, presentations, or questions.

### **6. RECORD OF TRAINING UNDERTAKEN SINCE LAST MEETING**

The Chair reminded members to inform the Pensions Committee and Board officers whenever they had attended training so that this could be recorded.

## 7. MINUTES

In relation to item 14, Forward Plan, it was noted that the political parties had previously agreed to have minimal changes in the membership of the Pensions Committee and Board due to the knowledge and training requirements. It was agreed that this message would be passed to the Whips. **Post-meeting note:** the Whips had been informed of the request to have minimal changes in the membership of the Pensions Committee and Board.

### RESOLVED

That the minutes of the Pensions Committee and Board meeting held on 15 September 2021 be confirmed and signed as a correct record.

## 8. PENSION FUND AUDIT PLAN 2020-2021

The Head of Pensions and Treasury introduced the report which presented the audit plan prepared by the Pension Fund's external auditors, BDO, for the audit of the Pension Fund's Statements of Accounts for the year ended 31 March 2021 for the Pensions Committee and Board's consideration.

It was noted that the year end close down activities had been completed on time. The audit had commenced slightly later than usual due to the impact of Covid-19 on the auditor's workloads. It was explained that fieldwork for the audit had started on 22 November 2021 and the auditors had identified the key areas of risk for testing. The Head of Pensions and Treasury highlighted that these areas were similar to previous years and officers were confident that assurances could be provided.

It was commented that an outline of audit fees was provided on page 19 of the agenda pack. It was anticipated that the auditors would be charging approximately £3,000 less this year as they were not required to conduct the triennial work that had been undertaken in the previous year. The Head of Pensions and Treasury explained that additional areas of testing might be required which would have an impact on fees and the audit timeline.

It was noted that the timeline for the audit was set out on page 29 of the agenda pack. It was anticipated that all testing would have been undertaken by February 2022 and that the auditors would be in a position to provide an initial audit completion report which would be presented to the Pensions Committee and Board in March 2022.

In response to a question about materiality, it was noted that the materiality figure was 1% and that this had not changed. It was explained that the auditors would seek additional assurances for anything in excess of 1% but could also ask for additional evidence for any issues, even where this was less than 1%.

Some members of the Committee noted that the auditor considered the management override of controls to be a significant risk but that management felt that this was low risk and asked why there was a variation in opinion. The Assistant Director of Finance



explained that the management override of controls was always considered to be a high value risk in audit plans but highlighted that this was not a reflection of any particular concerns in Haringey.

In relation to a question about benchmarking controls against other Pension Funds, the Head of Pensions and Treasury explained that, although assurance was dictated by audit standards, an audit was based on the procedures and systems in place which would be different for each Pension Fund. It was noted that testing would be undertaken in areas that the auditor considered to be higher risk. It was added that no particular concerns had been highlighted at present but that the auditor would be able to provide more detail when they addressed the Pensions Committee and Board.

## **RESOLVED**

To note and agree to the audit plan that has been prepared by the Pension Fund's external auditors, BDO, attached at Appendix 1 of the report.

## **9. PENSION FUND QUARTERLY UPDATE AND INVESTMENTS UPDATE**

The Head of Pensions and Treasury introduced the report which provided an update on the Pension Fund's performance for the quarter. It was noted that, in the quarter, the market value of the Pension Fund's investment assets was £1.7 billion which represented an increase of 1.64% compared to the previous quarter.

It was noted that, at the last meeting, the Pensions Committee and Board had drawn attention to the overweight position in equities and had asked officers to consider options for rebalancing the allocation. It was explained that this exercise had been undertaken, after consultation with Mercer, and that £40 million of equity investments had been transitioned into the London Collective Investment Vehicle (LCIV) Absolute Return Fund (Ruffer). In addition, as part of the rebalancing, it was recommended that up to 1.5% of assets be held in cash and would be earmarked for illiquid investments such as the LCIV Renewable Infrastructure Fund and London Fund. It was added that the Pension Fund was recommended to review options for topping up the underweight position in relation to the property allocation.

Alex Goddard, Mercer, noted that the rebalancing was a prudent risk management decision. It was explained that equity assets had experienced strong returns which had driven the strong improvement in funding to over 100% as at 30 June 2021 but, as the allocation was now overweight, this also introduced some risks. It was noted that, although there would be an actuarial valuation exercise as at 31 March 2022, the proposed actions were intended to rebalance the Pension Fund's portfolio to its strategic asset allocation. It was explained that Ruffer had experienced strong returns over the last year and had a track record in protecting when there was volatility in markets; this would provide a safer position for the Pension Fund than being overweight to equities if there was a significant market event. In response to a question about the ability of the Pension Fund to react to market events, it was noted that the rebalancing activity was a prudent measure and that any more 'tactical' changes would introduce additional governance challenges.

Steve Turner, Mercer, noted that consideration had been given to advising a top up to the LCIV Multi Asset Credit (MAC) Fund but that this had not been recommended as a new manager was due to be introduced shortly and, therefore, a top up in advance of this would have incurred two sets of transition costs. It was commented that, if the Pension Fund was still overweight in Quarter 1 of 2022-23, this option could be reconsidered after the new MAC manager was introduced.

In response to a question about whether it was possible to rebalance the Pension Fund to other areas of the world, it was noted that there was an existing allocation to developing and emerging markets but that it would be challenging to implement a regional approach without fundamental changes to the Pension Fund's investment strategy. It was noted that the Pension Fund was currently 100% invested in low carbon strategies which would be difficult to replicate using a regional approach. It was added that this would also involve a change from a passive global approach to active management.

Steve Turner, Mercer, informed the Pensions Committee and Board that the Pension Fund was currently underweight in its property allocation. It was suggested that there were some options to increase this towards the target allocation as part of the rebalancing work. This included options to increase the allocation to Aviva, to discuss options with CBRE who identified suitable funds, and to consider allocating to a new type of property.

Randy Plowright, employee member, asked about the availability of training for those approaching retirement and about decision-making for flexible retirement. In relation to training, the Head of Pensions and Treasury explained that the Pensions Administration Team provided training for those approaching retirement and was looking to provide this for the wider membership as well. In relation to flexible retirement, the Interim Pensions Manager explained that the option of flexible retirement was at the discretion of an employer. It was noted that the Interim Pensions Manager was willing to discuss any individual cases outside of the meeting.

The Independent Advisor noted that the quarterly market background report was included in the agenda pack and that he was happy to answer questions. In response to a query, the Independent Advisor confirmed that the European Central Bank (ECB) had published a new Monetary Policy Strategy Statement in July 2021 and that this had not been revised since 2003.

The Head of Pensions and Treasury summarised that the Pensions Committee and Board were asked to note the information provided in respect of the activity for the quarter, including the request for officers to take forward a review of the Pension Fund's property allocation and to bring an update to a future meeting.

Following consideration of the exempt information, it was

### **RESOLVED**

To note the information provided in respect of the activity for the quarter ended 30 September 2021.

## 10. **GOOD GOVERNANCE IN THE LOCAL GOVERNMENT PENSION SCHEME (LGPS) PROJECT**

The Head of Pensions and Treasury introduced the item which provided an update on the progress of the Good Governance in the Local Government Pension Scheme (LGPS) project and the possible actions the Pension Fund might take ahead of the formal introduction of Regulations and/or Statutory Guidance from the Department for Levelling Up, Housing and Communities (DLUHC). It was noted that the project aimed to consider the relationship between Pension Funds and their Administering Authorities, in this case Haringey Council.

It was explained that the project had three phases. The first phase considered ideas and outcomes, the second phase looked at the framework and highlighted some recommendations for good practice, and the third phase was now looking at the recommendations in detail and aiming to give them a statutory footing.

The Independent Advisor stated that the project had been ongoing for approximately three years and that the DLUHC had been involved. It was highlighted that there were no surprises in the report but that the Pensions Committee and Board were asked to look at the action plan and consider where it might be possible to implement things ahead of schedule.

In response to a question about why the report asked the Pensions Committee and Board to note the report, rather than accept the recommendations, the Independent Advisor explained that the report was seeking early views and that it would not be possible to implement the recommendations without some initial work from officers on the practicalities. The Head of Pensions and Treasury added that, before any work was undertaken, it was common practice to obtain direction from the Pensions Committee and Board. After this, it would be possible for some detailed options and timelines to be presented.

The Pensions Committee and Board commented that it would be beneficial to deliver most, if not all, of the recommendations in order to improve governance arrangements. It was suggested that it would be useful to consider which of the recommendations were most significant and to deliver these first. Some members suggested that recommendations A2, B1, C1, D1, and D3 were felt to be important as initial priorities.

In relation to recommendation E4, it was commented that the Pensions Committee and Board was already quite involved in budgeting and other matters and that this might not require as much attention as other recommendations. The Independent Advisor noted that the recommendations envisioned deeper involvement from the Pensions Committee and Board and consideration separate from Council budgeting. It was explained that the aim of this recommendation was to ensure that pensions were properly provided for everywhere across the LGPS.

In relation to recommendation A2, that each administering authority must have a single named officer who is responsible for the delivery of all LGPS related activity for

that fund, it was clarified that this would still be a Council officer. It was added that this aimed to ensure that sufficient resources were allocated to Pension Fund activity.

The Head of Pensions and Treasury noted that officers could look into each recommendation in detail and provide an update on the options and likely implementation dates. The Pensions Committee and Board noted that this report was likely to be considered a number of times and that it may be useful to present the recommendations in sections, possibly focusing on short term and then long term options.

**RESOLVED**

1. To note and consider the Independent Advisor's Good Governance in the Local Government Pension Scheme (LGPS) Project paper, appended as Appendix 1 to the report, and in particular the potential implications and possible actions for the Haringey Pension Fund.
2. To request that officers look into each recommendation in the Independent Advisor's Good Governance in the Local Government Pension Scheme (LGPS) Project paper, appended as Appendix 1, and provide an update on the options and likely implementation dates. The Pensions Committee and Board noted that this report was likely to be considered a number of times and that it may be useful to present the recommendations in sections, possibly focusing on short term and then long term options.

**11. LOCAL AUTHORITY PENSION FUND FORUM (LAPFF) VOTING UPDATE**

The Head of Pensions and Treasury introduced the report which provided an update on the Local Authority Pension Fund Forum's (LAPFF) voting activities on behalf of the Pension Fund.

**RESOLVED**

To note the report.

**12. RISK REGISTER**

The Head of Pensions and Treasury introduced the item and explained that the area of focus for review at this meeting was Accounting.

It was noted that some risks which were given a risk score of 15 were marked as amber risks. Some members of the Pensions Committee and Board believed that a score of 15 equated to a red risk. The Head of Pensions and Treasury explained that he would check this figure. **Post-meeting note:** any risks scored 16 or over became red risks.

**RESOLVED**

1. To note the Pension Fund's risk register.
2. To note that the area of focus for review at the meeting was Accounting.

### **13. FORWARD PLAN**

The Head of Pensions and Treasury introduced the report which identified items for future meetings and sought members' input. It was highlighted that members were required to complete The Pension Regulator's toolkit and the training needs assessment. It was also requested that members updated officers whenever they attended relevant training so that this could be included in members' training records.

#### **RESOLVED**

1. To identify additional issues and training for inclusion within the work plan and to note the update on member training attached at Appendix 3 to the report.
2. To complete The Pensions Regulator's public sector toolkit and training needs assessment.

### **14. NEW ITEMS OF URGENT BUSINESS**

There were no items of urgent business.

### **15. DATES OF FUTURE MEETINGS**

It was noted that the dates of future meetings were:

24 January 2022  
15 March 2022

### **16. EXCLUSION OF THE PRESS AND PUBLIC**

#### **RESOLVED**

That the press and public be excluded from the meeting for consideration of items 17-20 as they contained exempt information as defined in Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); paras 3 and 5; namely information relating to the financial or business affairs of any particular person (including the authority holding that information) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

**17. PENSION FUND QUARTERLY UPDATE AND INVESTMENTS UPDATE**

The Pensions Committee and Board considered the exempt information.

**18. LONDON COLLECTIVE INVESTMENT VEHICLE (LCIV) REGULATORY UPDATE**

The Pensions Committee and Board considered the exempt information.

**19. EXEMPT MINUTES**

**RESOLVED**

That the exempt minutes of the Pensions Committee and Board meeting held on 15 September 2021 be confirmed and signed as a correct record.

**20. NEW ITEMS OF EXEMPT URGENT BUSINESS**

There were no new items of exempt urgent business.

CHAIR: Councillor Yvonne Say

Signed by Chair .....

Date .....

**Report for:** Pensions Committee and Board – 27 April 2022

**Title:** Pension Administration Report

**Report authorised by:** Thomas Skeen, Assistant Director of Finance (Deputy Section 151 Officer)

**Lead Officer:** Nigel Keogh, Interim Pensions Manager, 07505 074 979, [nigel.keogh@haringey.gov.uk](mailto:nigel.keogh@haringey.gov.uk)

**Ward(s) affected:** N/A

**Report for Key/  
Non Key Decision:** Not applicable

### 1. Describe the issue under consideration

- 1.1. This report provides the Pensions Committee and Board (PCB) with the following updates regarding Pension Fund's administration activities:
- a. Membership update
  - b. Resourcing of the pensions administration team
  - c. Pensions administration software procurement
  - d. Pensions administration service performance in 2021
  - e. Update on McCloud remedy activities

### 2. Cabinet Member Introduction

- 2.1. Not applicable

### 3. Recommendations

The Pensions Committee and Board is requested:

- 3.1. To note this report and the information provided regarding the Pension Fund's administration activities.

### 4. Reason for Decision

- 4.1. Not applicable.

### 5. Other options considered

- 5.1. Not applicable.

## 6. Background information

### Membership Update

- 6.1. The table below provides a breakdown of Haringey Pension Fund's most recent membership numbers.

Member status	No. of members
Active members	7,003
Deferred members	10,570
Pensioner members	8,324
<b>Total scheme members</b>	<b>25,897</b>

### Resourcing the pensions administration team

- 6.2. Following the retirements of a few experienced members of staff last year, officers have considered how best to resource the team for the future.
- 6.3. After an extensive consultation with staff and unions, a new pensions administration team structure went live on 1 February 2021. Recruitment to fill the vacancies in the structure has commenced and officers are currently considering the use of further temporary resources until the new staff members can take up their posts.

### Pension administration software procurement

- 6.4. The current contract for the provision of Haringey Pension Fund's pensions administration software services is due to expire in April 2022. Officers are in the process of re-letting this contract and the outcome of this process, including a contract award decision will be brought to the next meeting of the Pensions Committee and Board.

### Pensions administration performance 2021

- 6.5. 2021 was a challenging year for the pensions administration team. The loss of several experienced members of staff has coincided with continued increased workloads compared to pre-pandemic levels. However, despite these challenges, the number of tasks completed was up by 26% compared to 2020 and the number of tasks completed within the target improved from 69% to 79%. A summary of the team's performance is shown in the charts included in Appendix 1 to this report.
- 6.6. The first half of 2022 will continue to provide a stern challenge as officers undertake a recruitment exercise to fill the vacancies in the team. Performance will be closely monitored to ensure that resources are concentrated on priority areas.

### Update on McCloud remedy activities



- 6.7. The Pensions Committee and Board has previously received advice regarding the outcome of the McCloud case, an age discrimination court case involving the transitional protection arrangements introduced as part of the 2014 reforms of the LGPS.
- 6.8. On 22 February 2022, Parliament voted to approve the third reading of the Public Service Pensions and Judicial Offices Bill which includes amendments to incorporate the McCloud judgement into public service pension schemes. A paper will be brought to the Pensions Committee and Board to consider the implications of the proposed remedial regulations once the Bill has passed.
- 6.9. However, preliminary work is currently underway to assess the impact of the proposed amendments to the Pension Fund. Officers have engaged with Heywood, the Pensions Fund's administration software provider, to assist with the necessary data collection/validation in preparation for the activity necessary to implement the remedies for those members impacted by the McCloud ruling. The latest status report from Heywood is attached in Appendix B.
- 6.10. At this stage, the project is on track, and officers will continue to keep the Pensions Committee and Board informed of developments.

## **7. Contribution to Strategic Outcomes**

- 7.1. Not applicable

## **8. Statutory Officers comments (Director of Finance (including procurement), Head of Legal and Governance, Equalities)**

### Finance and Procurement

- 8.1. There are no direct financial implications to this report.

### Head of Legal and Governance (Monitoring Officer)

- 8.2. The Head of Legal and Governance (Monitoring Officer) has been consulted on the content of this report.

### Equalities

- 8.3. The Local Government Pension Scheme is a defined benefit open scheme enabling all employees of the Council to participate. There are no impacts in terms of equalities issues arising from the contents of this report.

## **9. Use of Appendices**

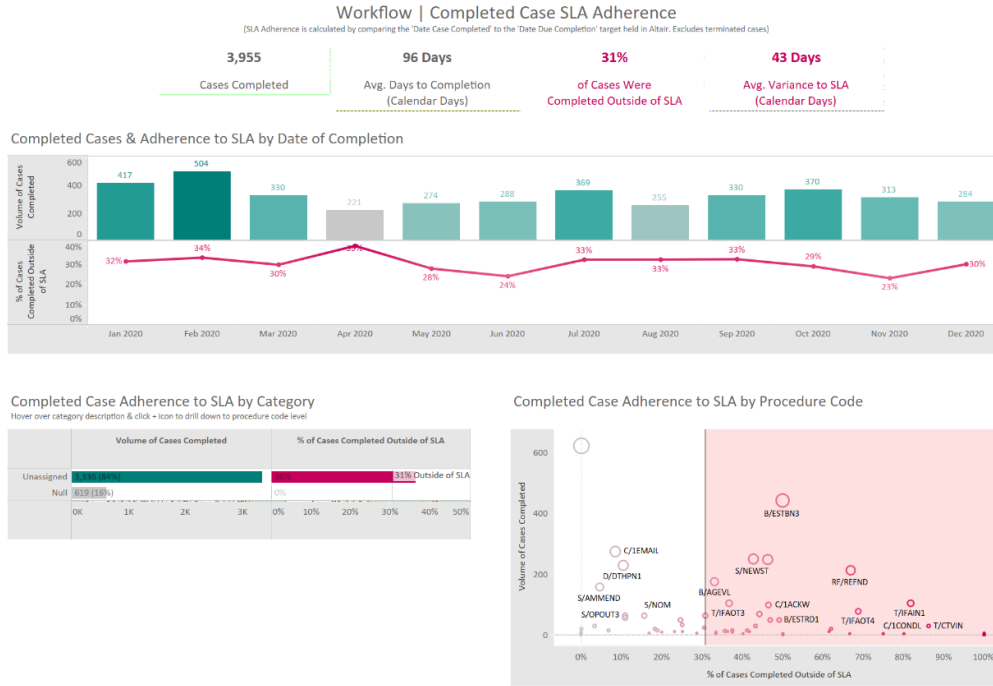
- 9.1. Appendix 1: Pension Administration Performance Report 2021
- 9.2. Appendix 2: McCloud Project Highlight Report

**10. Local Government (Access to Information) Act 1985**

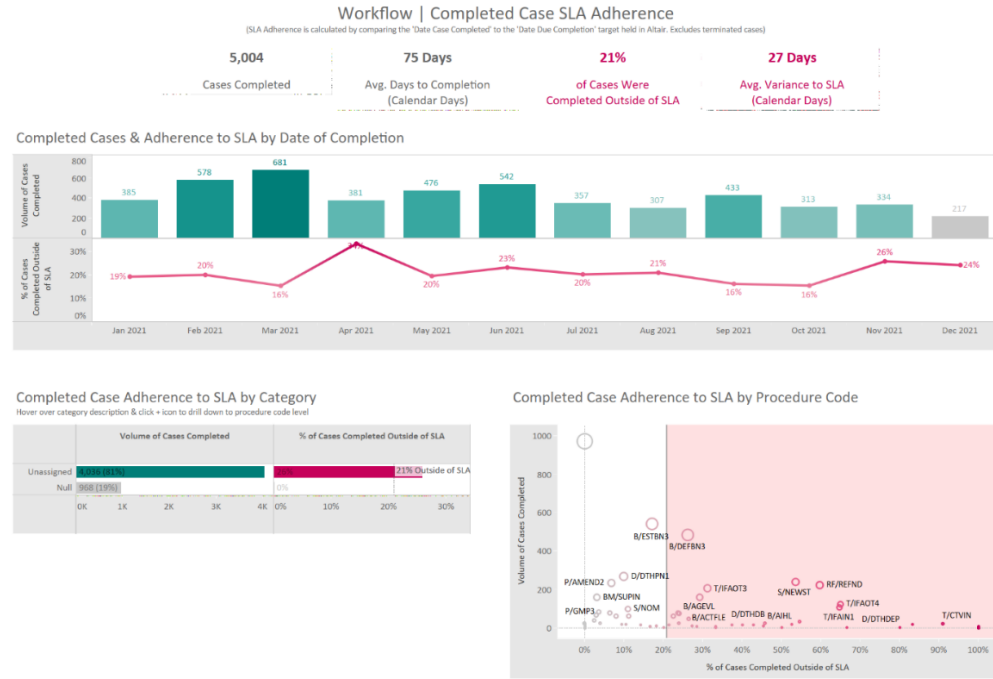
10.1. Not applicable.

# Pensions Administration Service Performance Report

## Workflow Completed Cases 2020



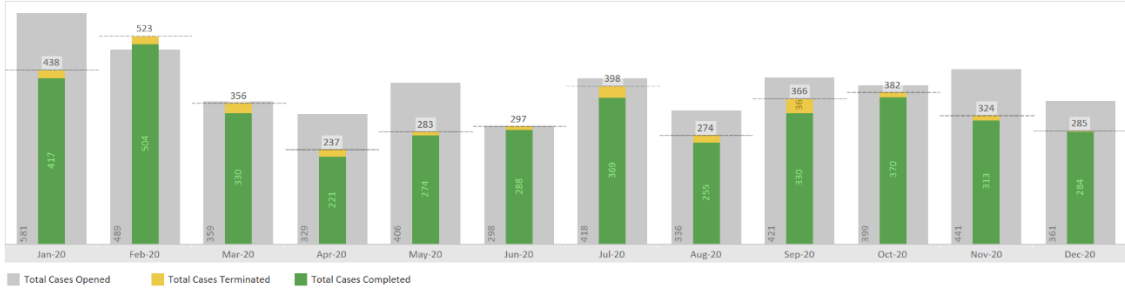
## Workflow Completed Cases 2021



## Workflow Case Volume Summary 2020

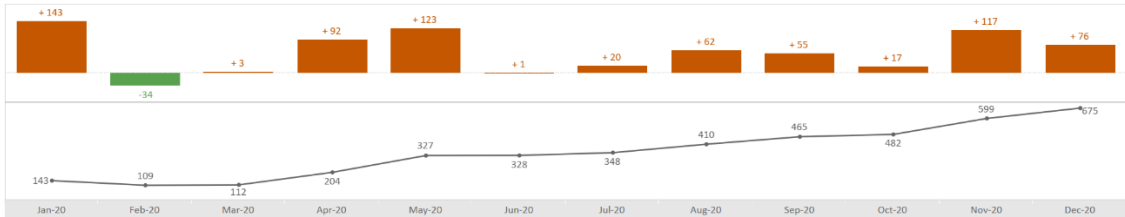


**Total Cases Opened & Total Closed Per Period**  
Total closed cases are broken down to show volume completed and volume terminated



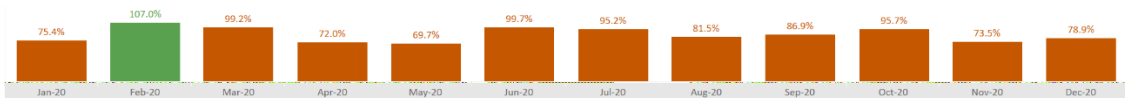
**Opened to Closed Variance**

Calculated by subtracting total cases completed & total cases terminated from total cases opened - bars show variance per period & line shows running total



**Open > Closed Ratio %**

Less than 100% indicates growth in open case volume during the period



**Summary Data Table**

Hover over the date axis & click + icon to drill down to individual days

		Total Cases Opened	Total Cases Completed	Total Cases Terminated	Total Cases Closed (Completed + Terminated)	Variance (Opened minus Closed)	Running Sum of Variance	Open > Closed %
2020	Q1	1,429	1,251	66	1,317	112	112	87.5%
	Q2	1,033	783	34	817	216	328	75.8%
	Q3	1,175	954	84	1,038	137	465	81.2%
	Q4	1,201	967	24	991	210	675	80.5%
<b>Grand Total</b>		<b>4,838</b>	<b>3,955</b>	<b>208</b>	<b>4,163</b>	<b>675</b>	<b>675</b>	<b>81.7%</b>

## Workflow Case Volume Summary 2021

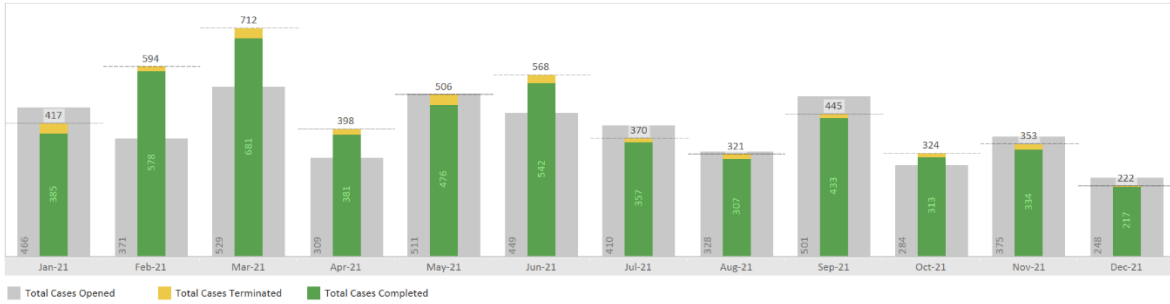
## Workflow | Case Volume Summary

(Shows total volume of cases opened and total volume of cases closed over the period)



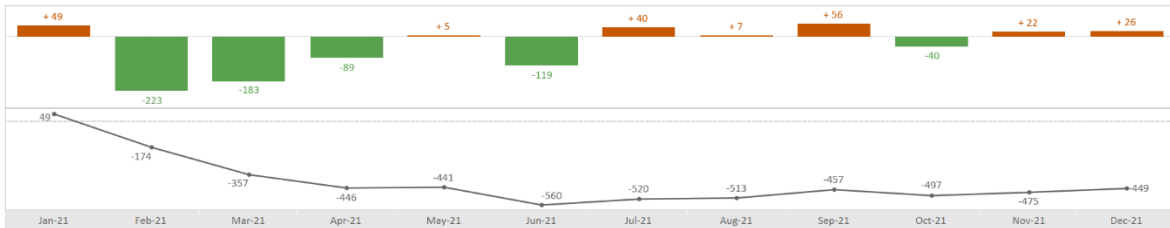
### Total Cases Opened & Total Closed Per Period

Total closed cases are broken down to show volume completed and volume terminated



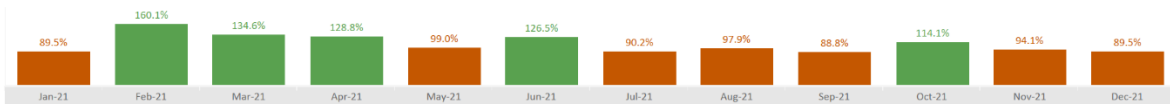
### Opened to Closed Variance

Calculated by subtracting total cases completed & total cases terminated from total cases opened - bars show variance per period & line shows running total



### Open > Closed Ratio %

Less than 100% indicates growth in open case volume during the period



### Summary Data Table

Hover over the date axis & click + icon to drill down to individual days

	Total Cases Opened	Total Cases Completed	Total Cases Terminated	Total Cases Closed (Completed + Terminated)	Variance (Opened minus Closed)	Running Sum of Variance	Open > Closed %
2021 Q1	1,366	1,644	79	1,723	-357	-357	120.4%
Q2	1,269	1,399	73	1,472	-203	-560	110.2%
Q3	1,239	1,097	39	1,136	103	-457	88.5%
Q4	907	864	35	899	8	-449	95.3%
Grand Total	4,781	5,004	226	5,230	-449	-449	104.7%

This page is intentionally left blank

<b>CUSTOMER NAME:</b>	Haringey		
<b>FROM:</b>	18/11/2021	<b>TO:</b>	17/12/2021
<b>DATE COMPLETED:</b>	17/12/2021	<b>COMPLETED BY:</b>	Darren Scott

<b>CURRENT STATUS</b>	Green
<b>LAST STATUS</b>	Green
<b>EXPECTED STATUS AT NEXT REVIEW</b>	Green

<b>TREND SINCE LAST REPORT</b>	Stable
--------------------------------	--------

Completed Tasks	Next Period
The following activities have been completed so far: <ul style="list-style-type: none"> <li>• Kick off call/Employer survey</li> <li>• Run reports and identified all in scope members</li> <li>• Employer contact details supplied by pension fund</li> <li>• Data split and issued to employers on 12<sup>th</sup> November – Deadline 6<sup>th</sup> January 2021</li> </ul>	Activities planned for next period: <ul style="list-style-type: none"> <li>• Monitor responses from employers</li> <li>• Send first chaser to employers</li> </ul>
Slippage and remedial action	Key risks and issues
	<ul style="list-style-type: none"> <li>• Risk that employers do not respond or supply data in the incorrect format. Pension Fund will be supplied with a list of the employers who have not replied</li> </ul>

**Budget**

Budgeted time used so far(hrs)	Original Budgeted Time (hrs)	Budgeted Time Remaining (hrs)
36:45	122:23	85:38

This page is intentionally left blank



**Report for:** Pensions Committee and Board – 27 April 2022

**Title:** Pension Fund Quarterly Investment and Performance Update

**Report authorised by:** Thomas Skeen, Assistant Director of Finance (Deputy Section 151 Officer)

**Lead Officer:** Tim Mpofu, Head of Pensions and Treasury  
[tim.mpofu@haringey.gov.uk](mailto:tim.mpofu@haringey.gov.uk)

**Ward(s) affected:** N/A

**Report for Key/  
Non Key Decision:** Not applicable

## 1. Describe the issue under consideration

- 1.1. This report provides the Pensions Committee and Board (PCB) with the following updates on the Pension Fund's performance for the quarter ended 31 December 2021:
- a. Independent advisor's market commentary
  - b. Investment asset allocation
  - c. Investment performance
  - d. Funding position update
  - e. London Collective Investment Vehicle (LCIV) update
  - f. External audit update

## 2. Cabinet Member Introduction

- 2.1. Not applicable

## 3. Recommendations

The Pensions Committee and Board is recommended:

- 3.1. To note the information provided in section 6 of the report in respect of the activity for the quarter ended 31 December 2021.

## 4. Reason for Decision

- 4.1. Not applicable.

## 5. Other options considered

- 5.1. Not applicable.

## 6. Background information

6.1. The independent advisor has prepared a market commentary for the quarter ending 31 December 2021 which has been included as appendix 1 to this paper.

### Investment Asset Allocation

6.2. At 31 December 2021, the Pension Fund's investment assets had a market value of £1.818bn. This was an increase of 5.62% since 30 September 2021 largely driven by strong performance from the fund's private equity and property investments. The Pension Fund's strategic asset allocation as at 31 December 2021 is shown in Table 1 below.

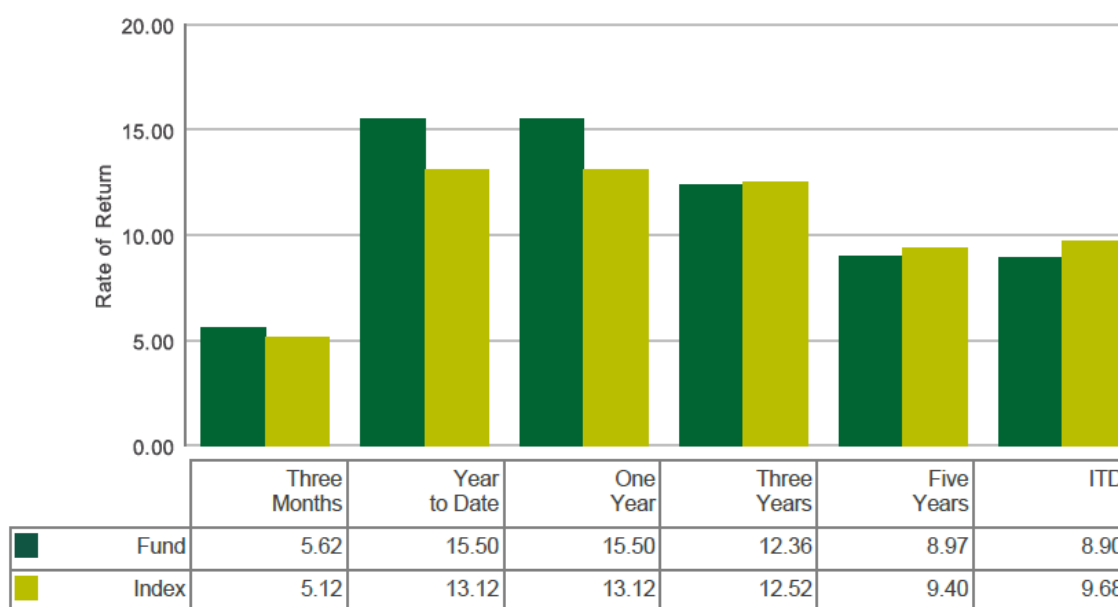
**Table 1: Total Portfolio Allocation by Manager and Asset Class**

	Value	Value	Value	Value	Allocation	Strategic	Variance
	31.03.2021	30.06.2021	30.09.2021	31.12.2021	31.12.2021	Allocation	
	£'000	£'000	£'000	£'000	%	%	
<b>Equities</b>							
Multi Factor Climate Transition	362,429	389,984	388,309	387,002	21.28%	20.20%	1.08%
Emerging Markets Low Carbon	123,128	128,706	134,665	128,984	7.09%	7.10%	-0.01%
Global Low Carbon	355,008	382,520	380,840	381,887	21.00%	20.20%	0.80%
<b>Total Equities</b>	<b>840,565</b>	<b>901,210</b>	<b>903,814</b>	<b>897,873</b>	<b>49.38%</b>	<b>47.50%</b>	<b>1.88%</b>
<b>Bonds</b>							
Index Linked	136,132	141,727	144,992	152,838	8.41%	7.00%	1.41%
<b>Property</b>							
Aviva	73,058	74,764	74,087	78,779	4.33%	5.00%	-0.67%
CBRE	97,454	102,019	106,357	113,913	6.26%	7.50%	-1.24%
The London Fund	0	0	5,353	5,640	0.31%	3.00%	-2.69%
<b>Private equity</b>							
Pantheon	90,233	87,225	102,560	116,891	6.43%	5.00%	1.43%
<b>Multi-Sector Credit</b>							
LCIV Multi Asset Credit	155,411	158,487	160,392	162,003	8.91%	10.00%	-1.09%
<b>Multi-Asset Absolute Return</b>							
LCIV Absolute Return	127,845	128,732	129,425	171,186	9.41%	7.50%	1.91%
<b>Infrastructure Debt</b>							
Allianz	45,525	44,955	45,544	45,788	2.52%	2.50%	0.02%
<b>Renewable Energy Infrastructure</b>							
CIP	16,652	14,089	15,668	14,726	0.81%	1.25%	-0.44%
Blackrock	27,325	23,904	22,700	23,437	1.29%	1.25%	0.04%
LCIV Renewable Infrastructure	0	7,711	4,915	16,992	0.93%	2.50%	-1.57%
<b>Cash &amp; NCA</b>							
Cash	13,241	12,919	5,886	18,316	1.01%	0.00%	1.01%
<b>Total Assets</b>	<b>1,623,441</b>	<b>1,697,742</b>	<b>1,721,693</b>	<b>1,818,382</b>	<b>100.00%</b>	<b>100.00%</b>	

## Investment Performance

- 6.3. The performance strategy report for the quarter to 31 December 2021 is attached to this report as Confidential Appendix 2. This has been prepared by the Fund's Custodian, Northern Trust. The Pension Fund's overall returns for the quarter are summarised in the chart on the chart below.

### HARINGEY PENSION FUND TOTAL FUND GROSS OF FEES



Index: Haringey New Total Plan BM

## Funding Position Update

- 6.4. At the most recent actuarial valuation of the Pension Fund carried out as at 31 March 2019, the Pension Fund had a funding level of 100.4%. This meant that the Pension Fund's investment assets were sufficient to pay all pension benefits accrued at that date, based on the underlying actuarial assumptions.
- 6.5. The Pension Fund's Actuary, Hymans Robertson, regularly calculates an indicative funding position update based on the latest actuarial assumptions. The most recent update shows an estimated funding level of 111% as at 30 September 2021.
- 6.6. The funding level increase has been largely driven by the slightly higher than expected investment returns since March 2019. However, the outlook for future returns over the next 20 years has fallen slightly which has increased the value placed on liabilities. The Pension Fund's ongoing funding position since 31 March 2019 is shown on the chart on the following page.



- 6.7. The funding level increase has been largely driven by the slightly higher than expected investment returns since March 2019. However, the outlook for future returns over the next 20 years has fallen slightly which has increased the value placed on liabilities.
- 6.8. The next valuation will be carried out as at 31 March 2022, with new contribution rates to apply from 1 April 2023.

#### **London Collective Investment Vehicle (LCIV) Update**

- 6.9. Haringey Pension Fund, alongside all the London Borough funds, is a member of the London Collective Investment Vehicle (LCIV), one of the 8 asset pools that was set up after the government guidance issued in November 2015. The Pension Fund had approximately 77% of assets invested with the pool as at 31 December 2021.
- 6.10. In late 2021, the LCIV notified its shareholders of the technical issue regarding its accounting classification of the LCIV's regulatory capital. In order to rectify the issues, the LCIV informed shareholders that amendments to the Shareholder Agreement and Articles of Association would need to be made and agreed by all shareholders.
- 6.11. As of 28 February 2022, 30 of the 32 London Boroughs had agreed to the amendments and signed the written resolution to effect the change. Officers are continuing to monitor the progress the LCIV is making on this issue.

#### **External Audit Update**

- 6.12. The Pension Fund is required to produce annual statement of accounts and have them independently audited. The Council published the draft Statement of Accounts (including the accounts for Haringey Pension Fund) for the financial year

ending 31 March 2021 in the summer of 2021. The final version of the accounts will be approved by the Committee following the completion of the audit.

- 6.13. Work on the audit is currently underway and officers have been engaging with the audit team, providing them with the necessary information required to obtain assurance over the Pension Fund's Statement of Accounts. David Eagles, the Audit Partner from BDO, will be providing a verbal update on the audit progress at the meeting.

## **7. Contribution to Strategic Outcomes**

- 7.1. Not applicable

## **8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)**

### Finance and Procurement

- 8.1. There are no direct financial impacts from the contents of this report.

### Head of Legal and Governance (Monitoring Officer)

- 8.2. The Council as administering authority for the Haringey Pension Fund must periodically review the suitability of its investment portfolio to ensure that returns, risk and volatility are all appropriately managed and are consistent with its overall investment strategy.

- 8.3. All monies must be invested in accordance with the Investment Strategy Statement (as required by Regulation 7 of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016) and members of the Committee should keep this duty in mind when considering this report and take proper advice on the matter.

### Equalities

- 8.4. The Local Government Pension Scheme is a defined benefit open scheme enabling all employees of the Council to participate. There are no impacts in terms of equalities issues arising from the contents of this report.

## **9. Use of Appendices**

- 9.1. Appendix 1: Independent Advisor's Market Commentary Oct-Dec 2021  
9.2. Confidential Appendix 2: Pension Fund Performance Report

## **10. Local Government (Access to Information) Act 1985**

- 10.1. Not applicable.

This page is intentionally left blank

## JOHN RAISIN FINANCIAL SERVICES LIMITED

### Independent Advisors Report

#### Market Background October to December 2021

October to December 2021 was positive for world equity markets, as a whole, with the MSCI World Index advancing 8% (in \$ terms). There were however significant differences in performance across geographies. As in the previous (July to September) Quarter the developed US, European and UK markets performed positively while Asia and Emerging Markets fell slightly with the MSCI Emerging Markets and MSCI Asia (excluding Japan) indices both falling by around 1%. October was a positive month for most markets but concerns over the Omicron COVID variant clearly adversely affected markets in November although initial concerns were somewhat alleviated by December which was also broadly positive. Generally strong corporate earnings in the US and Europe clearly helped support Listed Equities in these regions.

Continuing a theme which emerged earlier in 2021 inflation was a major issue of consideration with widespread clear evidence of further increases. The OECD (Organisation for Economic Co-operation and Development) reported (on 3 February 2022) that inflation in the OECD area (which comprises over thirty advanced economies, plus some leading emerging nations) had reached 5.6%. in December 2021 (excluding Turkey). As of September 2021, the OECD had reported inflation as 4.6% and in December 2020 as only 1.2%.

Leading monetary policy makers indicated a shift in their thinking on inflation. While still considering that long term inflation would be around their 2% target there was a shift regarding the shorter term by the US, European and UK central banks. At the US Senate Banking Committee on 30 November 2021 US Federal Reserve Chair Jay Powell stated that *"I think it's probably a good time to retire"* the term *"transitory"* in reference to inflation although he still believed inflation would reduce *"significantly"* over the next year. The US Federal Reserve ceased referring to present inflationary trends as *"transitory"* in its documentation from December 2021. At her press conference on 16 December 2021 Christine Lagarde, President of the European Central Bank (ECB) while stating that she expected inflation *"to decline in the course of next year"* also stated *"Our new staff projections foresee annual inflation at 2.6 per cent in 2021, 3.2 per cent in 2022, 1.8 per cent in 2023, and 1.8 per cent in 2024 – significantly higher than in the previous projections in September."* On 15 December, the Bank of England Monetary Policy Committee increased Bank Rate for the first time in over three years as part of its approach *"to return CPI inflation sustainably to the 2% target."*

US equities had a very strong Quarter buoyed by strong earnings results. There were also suggestions that equities may have gained at the expense of bonds in an environment of inflation, indications/action from the US Federal reserve in terms of monetary tightening, and increasing market expectations of US interest rate increases. The S&P 500 which had closed at 4,308 on 30 September 2021 had risen to 4,766 by 31 December 2021 an increase of 11%.

The Quarter saw the US Federal Reserve very carefully but clearly and significantly modifying both its views and approach to monetary policy. While the press releases issued after the September Federal Open Market Committee (FOMC) referred to elevated inflation *“largely reflecting transitory factors”* this changed to *“largely reflecting factors that are expected to be transitory”* in November. Then at the December FOMC meeting the word *“transitory”* was omitted from the press release. Resulting from an assessment of *“substantial further progress”* towards the FOMC goals of *“maximum employment and inflation at the rate of 2 percent over the longer term”* the November meeting agreed a decision to scale back the \$120 billion per month asset purchase programme by \$15 billion a month. At the December meeting *“In light of inflation developments and further improvements in the labor market”* the FOMC determined to further reduce these purchases by \$30 billion a month from January 2022 indicating an end of the asset purchase programme by March 2022. While at both the November and December meetings the FOMC voted, yet again, to maintain its main interest rate at the range 0-0.25% the Summary of Economic Projections issued after the December meeting indicated that Federal Reserve Officials expected three interest rate rises in 2022. In September, the consensus had been one or potentially no rate rises in 2022.

In November 2021 President Biden, despite concerns expressed by some Democrats, nominated Jay Powell for a second term as Chair of the US Federal Reserve. Chair Powell who won wide praise for his leadership of the Federal Reserve during the severe crisis which hit markets in 2020 following the worldwide outbreak of COVID 19 represents experience and continuity in the face of the present context of high inflation and uncertain economic circumstances.

US inflation continued to rise further and significantly above the policy target of 2% with the Core PCE index (the Federal Reserves' favoured index) registering 4.2%, 4.7% and 4.9% in October, November, and December, respectively. As the US Bureau of Economic Analysis states in the commentary accompanying the Core PCE figures this *“index makes it easier to see the underlying inflation trend by excluding two categories – food and energy – where prices tend to swing up and down more dramatically and more often than other prices...”* US Unemployment fell further during the Quarter to 3.9% in December 2021 which was close to the pre pandemic January and February 2020 level of 3.5%.

US economic growth clearly accelerated during the Quarter. On 24 February 2022, the *“second”* (updated) estimate issued by the US Bureau of Economic Analysis estimated US GDP at an annual rate of 7% in the period October to December 2021 compared to 2.3% in the previous Quarter. This equates to growth of slightly under 1.8% during the October to December Quarter.

The Quarter was clearly positive for Eurozone Equities with the MSCI EMU index advancing 3.7% in \$ terms and 5.6% in Euro terms. Corporate earnings results announced during the Quarter were, overall, clearly positive. Reducing concerns over the Omicron variant were a likely contributor to a particularly positive December. Eurozone unemployment continued downward. Unemployment which had been 8.1% in March 2021 was reported by Eurostat at 6.6% in October, 6.5% in November and 6.4% in December.



Eurozone GDP which had grown by 2.3% in the previous Quarter was estimated by Eurostat (*“flash”* estimate of 15 February 2022) to have increased by only 0.3% in the October to December Quarter. The effects of the Omicron variant including tightened restrictions, most notably in Germany (the largest Eurozone economy) were a clear contributory factor in this marked slowdown. Euro area inflation continued, however, to increase. The Harmonised Index of Consumer Prices (HICP) as reported by Eurostat which had been 3.4% in September increased to 4.1% in October, 4.9% in November and reached 5% in December.

After leaving monetary policy essentially unchanged at its October policy meeting the mid December meeting saw the ECB announce a reduction in its overall asset purchase programme. The ECB press release of 16 December 2021 stated *“The Governing Council judges that the progress on economic recovery and towards its medium-term inflation target permits a step-by-step reduction in the pace of its asset purchases over the coming quarters...”* On the basis of this statement however ECB asset purchases will continue for almost another year at least. The press release however also confirmed the existing policy on interest rates remaining at or below 0% and in effect indicated this level throughout 2022 thereby signalling a more cautious approach to tightening monetary policy than both the US Federal Reserve and Bank of England.

As in the previous Quarter, October to December 2021 saw UK equities advance positively. Despite a negative November – significantly influenced by the new COVID Omicron variant the FTSE All Share and the FTSE 100 both advanced by approximately 4% while the FTSE 250 (domestically focussed mid cap index) increased by around 2%.

UK GDP increased by 1% over the Quarter the same rate as for the previous Quarter. Therefore, UK GDP was still 0.4% below its pre pandemic level. This contrasts with the US, Eurozone and China which have all achieved GDP above the levels of the final Quarter of 2019. The UK unemployment rate, however, continued to fall and was reported by the Office for National Statistics (on 15 February 2022) at 4.1% for the October to December Quarter only 0.1% above the pre COVID pandemic level. UK CPI inflation increased dramatically during the Quarter reaching its highest level in 30 years by December 2021 with commentators referring to a *“cost of living crisis.”* CPI inflation which had been 3.1% in September increased to 4.2% in October, 5.1% in November, and 5.4% in December. Despite low unemployment prices outpaced pay increases for the Quarter, according to Office for National Statistics data.

The Bank of England Monetary Policy Committee (MPC) surprised markets by not raising rates at its November meeting. It was however clearly stated in the Monetary Policy Summary issued after the November meeting that there would likely be increases in Base Rate *“over coming months”* At its meeting ending on 15 December 2021 the MPC increased Base Rate from 0.1% to 0.25% – the first increase since August 2018. The Monetary Policy Summary issued after the December MPC meeting stated *“At its November meeting, the Committee judged that, provided the incoming data, particularly on the labour market, were broadly in line with the central projections in the November Monetary Policy Report, it would be necessary over coming months to increase Bank Rate in order to return CPI inflation sustainably to the 2% target. Recent economic developments suggest that these conditions have been met. The labour market is tight and has continued to tighten, and there are some signs of greater persistence in domestic cost and price pressures...The Committee judges that an increase in Bank Rate of 0.15 percentage points is warranted at this meeting.”*

As in the previous Quarter Asia and Emerging markets, overall, performed less well than developed western markets. The MSCI AC Asia (excluding Japan) index and the MSCI Emerging Markets index both fell by over 1% (in \$ terms) on a total returns net basis. China performed poorly amid investor concerns regarding mixed economic indicators, lockdown restrictions and implications relating to the COVID Omicron variant which also adversely affected other Asian and Emerging Markets. Investor sentiment regarding Asia and Emerging markets was also adversely affected by concerns regarding slowing global growth, inflation and possible future interest rate rises in the US and other advanced economies.

Japanese equities had a negative Quarter with the Nikkei 225 declining by approximately 2%. The period October to December saw inflation, rather than deflation in Japan but at levels still far below the Bank of Japan's 2% target. CPI inflation reached 0.8% in December. While at its December policy meeting the Bank of Japan announced a reduction of its corporate debt purchases to pre pandemic levels there was no change to its core approach to monetary policy. The Statement on Monetary Policy issued after the meeting included that the Bank *"expects short- and long-term policy interest rates to remain at their present or lower levels."* Furthermore, possible new stimulus measures were explicitly referred to by the inclusion of the words *"For the time being, the Bank will closely monitor the impact of COVID-19 and will not hesitate to take additional easing measures if necessary."*

The benchmark 10 year yields of US and UK Government bonds were little changed over the Quarter. However, the more policy sensitive 2 year yields increased significantly (meaning the price of the bonds fell) in the context of inflationary concerns, indications of future interest rate rises from the US Federal Reserve and Bank of England, and an actual rate rise by the Bank of England in December 2021. The 2 Year US Treasury yield increased (weakened) from 0.28% to 0.73% and the 2 Year UK Gilt yield increased (weakened) from 0.41% to 0.69%.

**25 February 2022**

John Raisin Financial Services Limited  
Company Number 7049666 registered in England and Wales.  
Registered Office Market House, 10 Market Walk, Saffron Walden, Essex, CB10 1JZ  
VAT Registration Number 990 8211 06

"Strategic and Operational Support for Pension Funds and their Stakeholders"  
[www.jrfpensions.com](http://www.jrfpensions.com)

**Report for:** Pensions Committee and Board – 27 April 2022

**Title:** Updated CIPFA Guidance and Haringey Training Policy

**Report authorised by:** Thomas Skeen, Assistant Director of Finance (Deputy Section 151 Officer)

**Lead Officer:** Tim Mpofu, Head of Pensions and Treasury,  
[tim.mpofu@haringey.gov.uk](mailto:tim.mpofu@haringey.gov.uk)

**Ward(s) affected:** N/A

**Report for Key/  
Non Key Decision:** Not applicable

## 1. Describe the issue under consideration

- 1.1. This report provides an update for the Pensions Committee and Board's consideration, regarding the revised CIPFA guidance on Pensions Knowledge and Skills issued in June 2021. Taking this guidance into account, the report recommends the approval of a Training Policy for the Pensions Committee and Board Members, and Senior Fund Officers.
- 1.2. The report contains two appendices for the Pensions Committee and Board's consideration. Appendix 1 to this report, is a paper by the Independent Advisor which outlines the recommended approach for the Pensions Committee and Board to adopt regarding training in the context of the new CIPFA guidance. The paper proposes that the Pensions Committee and Board amend its policies in line with this revised CIPFA guidance.
- 1.3. Appendix 2 to this report is a draft Training Policy. This has been prepared by the Independent Advisor in consultation with the Head of Pensions and Treasury.

## 2. Cabinet Member Introduction

- 2.1. Not applicable

## 3. Recommendations

The Pensions Committee and Board is recommended:

- 3.1. To note the Independent Advisor's papers, appended as Appendix 1 and Appendix 2 to this report, and the advice contained therein.
- 3.2. To approve the adoption of the CIPFA 2021 Code of Practice on Local Government Pension Scheme (LGPS) Knowledge and Skills as outlined in Appendix 1 to this

report. The adoption of this 2021 Code of Practice will be applicable to Pensions Committee and Board Members, and Senior Fund Officers.

- 3.3. To approve the Training Policy for Pension Committee and Board Members, and Senior Fund Officers of March 2022 (attached as Appendix 2 to this report).

#### **4. Reason for Decision**

- 4.1. The delivery of effective and comprehensive training is essential to ensure that those responsible for the decision making and operation of the Pension Fund, have the necessary knowledge and skills to discharge their duties appropriately. This paper recommends that a training policy be agreed in line with the revised CIPFA guidance relating to Pensions Knowledge and Skills.

#### **5. Other options considered**

- 5.1. Not applicable.

#### **6. Background information**

- 6.1. In June 2021, CIPFA issued two documents providing updated guidance on LGPS Knowledge and Skills. These are the “*Code of Practice on LGPS knowledge and skills*” and the “*Knowledge and skills framework for LGPS committee members and LGPS officers.*” These update and replace the previous Code of Practice, and the separate, 2010, Knowledge and Skills Frameworks for Committee Members and Officers. This updated guidance has been issued because of the significant enhancements and alterations to the governance and operation of the LGPS in recent years.
- 6.2. The Pensions Committee and Board (PCB) has adopted and based its approach to training on the earlier versions of the CIPFA Code and Framework for Members which was most recently updated in 2016 to take into account several developments in the LGPS.
- 6.3. The updating by CIPFA of the Code and the issuing of a new Framework require the PCB to update its policies relating to Training to be in accordance with the 2021 CIPFA guidance.

#### **CIPFA Pensions Knowledge and Skills Guidance**

- 6.4. The Independent Advisor has prepared a paper which describes and comments upon the CIPFA Code and Framework issued 2021. This has been included as Appendix 1 to this report. The paper proposes that the PCB adopt the CIPFA 2021 Code of practice on LGPS knowledge and skills including specifically the “five key principles,” the “seven statements,” and “eight core technical areas” included in the Code.
- 6.5. In line with the scope of the Code it is proposed that adoption of this 2021 Code of Practice be applicable to PCB Members, and also to Senior Fund Officers.

- 6.6. The “five key principles,” the “seven statements” and “eight core technical areas” included in the 2021 Code are reproduced on pages 5, 6, 7 and 8 of the Independent Advisor’s (Appendix 1) paper and Members are requested to make themselves aware of these.

#### **Update to Training Policy for PCB Members and Senior Fund Officers**

- 6.7. The new CIPFA guidance anticipates that all LGPS Funds will update their Training Policy considering the content of the 2021 Code and Framework. Therefore, the Independent Advisor, in consultation with the Head of Pensions and Treasury, has prepared a new Training Policy for Pensions Committee and Board Members, and Senior Fund Officers taking account of the 2021 CIPFA guidance. This is attached as Appendix 2 to this report. It is proposed that the Pensions Committee and Board approve this Training Policy at this meeting.
- 6.8. The updated Training Policy covers the following areas included in Table 1 below.

**Table 1: Summary of Training Policy**

<b>Competencies</b>	The CIPFA Knowledge and Skills framework has identified eight core technical areas which include pensions legislation, governance, and investment strategy. The full list of core areas can be found on page 4 of Appendix 2.
<b>Delivery of Training</b>	The policy suggests various training resources and methods that the Pension Fund can utilise. Training can be facilitated externally or internally and can also be self-directed. A full list of the various forms of training can be found on page 5 of Appendix 2.  An Annual Training Plan will be developed for the PCB. This will be presented at the first meeting of the financial year
<b>Monitoring and Review</b>	The Pension Fund will be required assess whether the PCB and Senior Fund Officers have the required Knowledge and Skills to undertake their role on an ongoing basis.
<b>Reporting and Compliance</b>	The Pension Fund’s Annual Report and Accounts will include details of all training delivered/facilitated by the Pension Fund to the PCB and Senior Officers.  Regular reports will be presented to the PCB on training undertaken by the PCB Members and Senior Fund Officers.

6.9. In accordance with the CIPFA Code of Practice on LGPS Knowledge and Skills 2021, it is proposed that the Head of Pensions and Treasury be the nominated individual responsible for ensuring that this Policy is implemented.

6.10. The updating of the approach to the Training of the Members of the PCB, and Senior Fund Officers in March 2022 will mean that when the PCB meets for the first time after the 2022 Local Elections all the then Members of the PCB will be required to undergo Training and acquire Knowledge and Skills based on the latest national (CIPFA) guidance.

## **7. Contribution to Strategic Outcomes**

7.1. Not applicable

## **8. Statutory Officers comments (Director of Finance (including procurement), Head of Legal and Governance, Equalities)**

### Finance and Procurement

8.1. There are no immediate financial implications arising from this report.

### Comments of the Head of Legal and Governance (Monitoring Officer)

8.2. The Head of Legal and Governance has been consulted on the content of this report. The Training Policy will enhance the members and officers capacity to understand pension issues and enable members of the PCB to make informed decisions.

### Equalities

8.3. Not applicable

## **9. Use of Appendices**

9.1. Appendix 1: Independent Advisor's Update on CIPFA Pensions Knowledge and Skills Guidance

9.2. Appendix 2: Training Policy for Pensions Committee and Board Members, and Senior Fund Officers

## **10. Local Government (Access to Information) Act 1985**

10.1. Not applicable.

**JOHN RAISIN FINANCIAL SERVICES LIMITED****London Borough of Haringey Pension Fund****Approach of the Pensions Committee and Board to Training, and Update on CIPFA Pensions Knowledge and Skills Guidance****A paper by the Independent Advisor****February 2022****Introduction**

This paper is primarily concerned with the approach of the Pensions Committee and Board to Training with an emphasis on this in the context of the new guidance issued by CIPFA in June 2021. This is contained in two publications - the ***Code of Practice on LGPS Knowledge and Skills*** and the ***Knowledge and skills framework for LGPS committee members and LGPS officers***.

This paper includes an update on the CIPFA guidance relating to Pensions Knowledge and Skills issued in June 2021. It also proposes that the Haringey Pension Fund revise its approach, including approving a new Training Policy, in line with this guidance at its meeting on 15 March 2022.

The updating of the Haringey Pension Funds' approach to the Training (knowledge and skills) of the Members of the Pensions Committee and Board, and Senior Officers, in March 2022, will mean that when the Pensions Committee and Board meets for the first time after the 2022 Local Elections all the then Members of the Pensions Committee and Board will be required to undergo Training and acquire knowledge and skills based on the latest national (CIPFA) guidance.

**Summary & Independent Advisor's Proposals for the Haringey Fund**

The Haringey Pension Fund has previously adopted (in 2013 and 2016) CIPFA guidance in relation to Pensions Knowledge and Skills which have subsequently informed and guided the approach to the Training of members of the body responsible for the Pension Fund. These have been the Corporate Committee (until 2014), the Pensions Committee (2014 to 2016), the Pensions Committee and Board (since 2016).

The approach of the Pensions Committee and Board to Training has, since its creation in 2016, been based on recommendations approved at the final meeting of the former Pensions Committee on 11 July 2016. These recommendations

were approved after consideration of a detailed paper by the Independent Advisor entitled “***Pensions Knowledge, Understanding and Skills***”

In June 2021 CIPFA issued new guidance in relation to Pensions Knowledge and Skills (in two documents) and this paper seeks to provide an overview and commentary on these.

The paper proposes that the Pensions Committee and Board adopt, at its meeting on 15 March 2022, the CIPFA 2021 ***Code of Practice on LGPS knowledge and skills including specifically the five key principles*** and the ***seven statements*** which are listed on pages 15 and 17 of the 2021 Code of Practice (and are replicated on page 5,6 and 7 of this paper) and the ***eight core technical areas*** which are listed on page 7 of the Code (and are replicated on page 8 of this paper). The adoption of the 2021 Code of Practice to be applicable to the Pensions Committee and Board, and Senior Fund Officers.

It is further proposed that the Pensions Committee and Board approve a ***Training Policy*** for Committee and Board Members, and Senior Fund Officers taking account of the guidance on pages 25 to 27 of the ***Knowledge and skills framework for LGPS committee members and LGPS officers*** 2021. This ***Training Policy*** is to include specific areas of knowledge to be covered in relation to the eight Core technical areas taking particular cognisance of the content of pages 21 to 24, 32 to 36, 37 to 44 and 11 to 16 of the 2021 CIPFA Framework. This Training Policy has been prepared by the Independent Advisor in consultation with the Head of Pensions and Treasury.

### **Background and developments to 2016**

The delivery of effective and comprehensive training is needed to facilitate the delivery of necessary knowledge and skills for those responsible for the governance, decision making and operation of the Pension Fund. The Pensions Committee and Board is the primary governance and decision-making body within the Haringey Pension Fund (the Fund). However, Officers also have important roles in the overall governance/operation of the Fund. Therefore, the Fund’s approach to Pensions Knowledge and Skills must cover both the Pensions Committee and Board, and the Senior Fund Officers.

In 2010 CIPFA issued (separate) ***Pensions Knowledge and Skills Frameworks*** for Members (which to give it its full title is *Pensions Knowledge and Skills Framework Technical Guidance for Elected Representatives and Non-executives in the Public Sector*) and Officers. These included six areas of knowledge and skills CIPFA identified as core. These were:

- Pensions legislative and governance context
- Pensions accounting and auditing standards
- Financial Services procurement and relationship management
- Investment performance and risk management
- Financial markets and products knowledge
- Actuarial methods, standards, and practices



A notable omission from the 2010 CIPFA Framework was that Pensions Administration was not included as a core area of knowledge and skills.

In 2011 CIPFA issued a ***Code of Practice on Public Sector Pensions Finance Knowledge and Skills*** which supplemented the Pensions Knowledge and Skills Frameworks issued in 2010. The ***Code of Practice*** sought to promote compliance with the principle that:

- Decisions are taken by persons or organisations with the skills, knowledge, advice, and resources necessary to make them effectively and monitor their implementation, and
- Those persons or organisations have sufficient expertise to be able to evaluate and challenge the advice they receive and manage conflicts of interest.

A paper by the Independent Advisor entitled "*Pensions Knowledge and Skills*" was considered by the Corporate Committee at its meeting held on 14 March 2013. This paper provided the background to the need for Committee Members and observers to have a broad range of Pensions Knowledge and Skills.

The paper also described and explained the CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills (2011) and the CIPFA "*Pensions Finance, knowledge and skills framework, Technical Guidance for Elected Representatives and Non-executives in the Public Sector*" (2010). Finally, the paper made proposals for the development and delivery of a series of training sessions to cover the six areas within the CIPFA Knowledge and Skills Framework. The Corporate Committee resolved to adopt the 2011 CIPFA Code of Practice and this together with the 2010 Knowledge and Skills Framework for Elected Representatives and Non-Executives provided the framework for the provision of training to the Corporate Committee and then the Pensions Committee until 2016.

As a consequence of the Public Service Pensions Act 2013 and the LGPS Regulations 2013 the governance of the LGPS was significantly amended and enhanced from 1 April 2015. These reforms included the introduction of the requirement for each LGPS Fund in England and Wales to establish a Pension Board consisting of representatives of Employers and Employees. This was to be a separate body to the Pensions Committee (or equivalent) and was to have the role of "*assisting*" it. There was however provision for the creation of a joint Pensions Committee and Board if expressly authorised by the Secretary of State.

Haringey applied to the Secretary of State to create a joint Pensions Committee and Board and this application was approved. Haringey was the only Council/Fund in London and one of only two in England and Wales (the other was Hampshire County) to apply to establish a joint Pensions Committee and Board. The establishment of a joint Pensions Committee and Board created a body whose members have a both wider role and are subject to a more rigorous legal/regulatory framework than is applicable to members of a Pensions Committee where there is also a separate Pensions Board.

Given both the 2015 national reforms to LGPS governance and the decision of the Secretary of State in 2016 to approve Haringey's application to establish a joint Pensions Committee and Board the final meeting of the Pensions Committee (11 July 2016) received a paper from the Independent Advisor entitled "*Pensions Knowledge, Understanding and Skills.*"

This paper highlighted the clear requirements for a comprehensive approach by the new joint Pensions Committee and Board to Pensions training and the acquisition of Pensions Knowledge and Skills. The paper made clear reference to the fact that the level of Knowledge and Skills required by Members of the Pensions Committee and Board was (due to legislative and guidance requirements) clearly greater than that expected from Members of a Pension Committee where there is also a separate Pensions Board.

The Independent Advisor's 2016 paper proposed a number of changes and enhancements to the approach to Training adopted by the Fund in 2013. These included adopting the most recent CIPFA Code of Practice, the adoption of the "Haringey Pensions Knowledge and Skills Framework," that all members appointed to the new joint Pensions Committee and Board complete the Pension Regulators on line "Public Service Toolkit," that a Training Needs Analysis be issued to all members of the new joint Pensions Committee and Board and that the Independent Advisor be requested to prepare a series of "core" training sessions to cover the seven core areas within the "Haringey Pensions Knowledge and Skills Framework." The proposals in the Independent Advisors paper were included in the covering Officer report and have provided the framework within which Training has been delivered to the Pensions Committee and Board since 2016.

The "Haringey Pensions Knowledge and Skills Framework" was devised by the Independent Advisor to reflect the greater and more extensive knowledge and understanding required of Members of a joint Pensions Committee and Board compared to Members of a Pensions Committee where there is also a separate Pensions Board. This framework was constructed by supplementing the 2010 CIPFA Knowledge and Skills Framework already referred to by adding additional areas covered in a CIPFA publication of July 2015. This publication was the CIPFA "*Local Pension Boards A Technical Knowledge and Skills Framework.*" In particular this 2015 framework gave greater emphasis to Pensions Governance than the 2010 framework for Elected Members and also included Pensions Administration as a new and separate area of knowledge and skills. Furthermore, the contents of the Haringey Framework reflected the latest developments in the LGPS to June 2016 and therefore included, for example, specific reference to Investment Pooling as an area in respect of which training be provided.

### **The new CIPFA Pensions Knowledge and Skills guidance of June 2021**

In June 2021 CIPFA issued two documents which update and replace (firstly) the previous Code of Practice on Knowledge and Skills, and (secondly) the separate, 2010, Pensions Knowledge and Skills Frameworks for Members and Officers. These have been issued as a consequence of the significant alterations to the governance and operation of the LGPS of recent years during which (to quote the

Foreword to the 2021 Knowledge and Skills Framework) “has faced unprecedented changes and challenges” which “are likely to continue into the future.” Two such examples (amongst a number) are the introduction of MiFID II (in 2018) and the likely enhanced governance requirements arising from the recently concluded Scheme Advisory Board Good Governance Review.

The **Code of Practice on LGPS Knowledge and Skills** of June 2021 seeks (in the words of the accompanying **Knowledge and skills framework for LGPS committee members and LGPS officers** (page 9)) “to embed the requirements for identifying the adequacy of, acquiring and maintaining of appropriate knowledge and skills.”

Page 7 of the 2021 Code of Practice states “Every LGPS administering authority should secure adequate resources and appropriate training...” having, also on page 7, set out the broad areas of knowledge required by those responsible for decision making, management, scrutiny, or oversight of the LGPS (these are also stated on page 21 of the 2021 Knowledge and Skills framework). Page 7 of the Code also includes the statement “CIPFA has produced and updated this Code of Practice to put these requirements into a formal structure...” CIPFA further indicate that those to whom the Code is applicable include Pension Committee Members, Pension Board Members and Fund Officers.

On page 13 of the 2021 Code of Practice CIPFA state “It is hoped that all LGPS administering authorities will adopt this Code as part of their LGPS knowledge and skills policy (or equivalent) as appropriate to their circumstances. It is expected this will be the case for all administering authorities where key LGPS officers are CIPFA professional members.” The 2021 Code of Practice is underpinned by five key principles (listed on page 15 of the Code). These are similar to those in the previous version of the Code (adopted by the Pensions Committee in 2016) but expanded to reflect the present regulatory and more complex environment within which the LGPS now operates. The five principles which underpin the 2021 Code of Practice are:

1. Administering authorities responsible for the administration of the LGPS recognise that effective management, decision making, governance and other aspects of the delivery of the LGPS can only be achieved where those involved have the requisite knowledge and skills to discharge the duties and responsibilities allocated to them.
2. Administering authorities have the necessary resources in place to ensure all staff, members, or other persons responsible for the management, decision making, governance and other aspects of the delivery of the LGPS acquire and retain the necessary LGPS knowledge and skills.
3. Administering authorities have in place formal and comprehensive objectives, policies and practices, strategies, and reporting arrangements to effectively acquire and retain LGPS knowledge and skills for those responsible for the management, delivery, governance, and decision making of the LGPS.

4. The associated policies and practices are guided by reference to a comprehensive framework of knowledge and skills requirements such as those set down in the CIPFA LGPS Knowledge and Skills Framework, while also having regard for overriding legal requirements, The Pensions Regulator and other government guidance.
5. The administering authority has designated a named individual to be responsible for ensuring that policies are implemented.

CIPFA recommends (on page 17 of the Code) that all Administering Authorities (whose role is normally exercised by the Pension Committee or Pensions Committee and Board or equivalent) adopt as part of their knowledge and skills framework seven statements. These are similar to the CIPFA recommended statements adopted by the Pensions Committee in 2016 but have been updated to reflect the regulatory and more complex environment within which the LGPS now operates. The seven statements within the 2021 Code of Practice CIPFA recommend be adopted are:

1. This LGPS administering authority adopts the key principles of the Code of Practice on LGPS Knowledge and Skills.
2. This LGPS administering authority recognises that effective management, governance, decision making and other aspects of the delivery of the LGPS can only be achieved where those involved have the requisite knowledge and skills to discharge the duties and responsibilities allocated to them.
3. This administering authority has in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective acquisition and retention of LGPS knowledge and skills for those responsible for the management, delivery, governance, and decision making of the LGPS.
4. These policies and practices will be guided by reference to a comprehensive framework of knowledge and skills requirements such as those set down in the CIPFA LGPS Knowledge and Skills Framework.
5. This administering authority will ensure that it has adequate resources in place to ensure all staff, members, or other persons responsible for the management, decision making, governance and other aspects of the delivery of the LGPS acquire and retain the necessary LGPS knowledge and skills.
6. This administering authority will report annually on how its knowledge and skills policy has been put into practice throughout the financial year in the fund's annual report.
7. This administering authority has delegated the responsibility for the implementation of the requirements of the CIPFA Code of Practice to the appropriate officer, who will act in accordance with the administering

authority's knowledge and skills policy statement, and, where they are a CIPFA member, with CIPFA Standards of Professional Practice (where relevant).

It is suggested, by the Independent Advisor, that the Committee and Board adopt the 2021 **Code of Practice on LGPS Knowledge and Skills** including specifically the above five principles and seven statements at its meeting on 15 March 2022.

In June 2021 CIPFA also issued the **Knowledge and skills framework for LGPS committee members and LGPS officers**. This replaces and represents a clear enhancement of the 2010 version(s). In the words of CIPFA (page 9 of the new 2021 Framework) *"This publication consolidates and updates (and supersedes) two existing publications:*

- *Pensions Finance Knowledge and Skills Framework: Technical Guidance for Pensions Practitioners in the Public Sector, published in 2010*
- *Pensions Finance Knowledge and Skills Framework: Technical Guidance for Elected Representatives and Non-executive Members in the Public Sector, also published in 2010.*

*It reflects the latest developments in the area of knowledge and skills for the LGPS at the time of publication (2021). A separate framework remains in place for local pension board members.*

*The document is intended to promote good governance in the LGPS in the key area of knowledge and skills. It is designed to be used by LGPS officers and the scheme's decision-making bodies (such as LGPS pension committees) as a framework in the assessment of knowledge and skills, the delivery and recording of training, and ultimately the development of knowledge and understanding of all those with a responsibility to manage and administer their LGPS fund.*

*The Framework should be read in conjunction with CIPFA's Code of Practice on LGPS Knowledge and Skills (latest version updated and published in 2021) ..."*

The 2021 CIPFA **Knowledge and skills framework for LGPS committee members and LGPS officers** also states (page 11) *"The need for a high level of knowledge and skills for those involved in the management of the LGPS is underpinned by various items of legislation, legal opinion and guidance..."* The Framework then highlights *"some of this"* on pages 11 to 16.

The 2021 CIPFA Code and Framework identify eight Core technical areas (on page 7 and page 21 respectively) *"where appropriate knowledge and skills should be achieved and maintained."* The eight core areas (and their actual content) in the 2021 Framework clearly build upon but significantly expand the six core areas identified by CIPFA in 2010 and the extensions included in the CIPFA 2015 Framework for Pension Boards. The eight Core areas identified in the 2021 Code and Framework are:

- pensions legislation and guidance
- pensions governance
- funding strategy and actuarial methods
- pensions administration and communications
- pensions financial strategy, management, accounting, reporting and audit standards
- investment strategy, asset allocation, pooling, performance, and risk management
- financial markets and products
- pension services procurement, contract management and relationship management.

It is suggested, by the Independent Advisor, that the Pensions Committee and Board adopt the above eight Core areas of knowledge and skills as those to be covered in its Training Policy and any training delivered in accordance with that policy. The eight Core areas are explained in further detail on pages 21 to 24 of the Framework and the actual content of each core area is set out in separate “*knowledge matrices*” for Pension Committee Members (pages 32 to 36 of the Framework) and Fund Officers (pages 37 to 44 of the Framework).

The 2021 Framework (pages 25 to 27) also provides guidance on the “*Delivery, monitoring, reporting and compliance*” with the 2021 Knowledge and Skills Framework. This includes:

- Guidance on the Training Policy that is expected of all LGPS Funds by the 2021 CIPFA Code of Practice.
- The delivery of training.
- Monitoring and ongoing review of knowledge and skills including recording attendance at training.
- Reporting and Compliance which includes reference to the fact that the 2021 Code of Practice requires each Administering Authority (LGPS Fund) to designate “*a named individual*” with responsibility for ensuring their policies (arrangements) are implemented.

It should be noted that the CIPFA Local Pension Boards A Technical Knowledge and Skills Framework 2015 remains in force. While this Training Policy has taken cognisance of this document the principal framework utilised in the preparation of this policy has been the CIPFA Knowledge and Skills Framework for LGPS Committee Members and LGPS Officers 2021. This is because not only does this document take account of developments in the LGPS since 2015 (to mid 2021) but it was also prepared specifically for Pensions Committee Members and therefore in relation to those with the decision-making function within a LGPS Fund. In contrast the Pension Board Member role is, under the LGPS Regulations 2013 (as Amended), one of assisting not decision making.

Therefore the Independent Advisor has prepared, in consultation with the Head of Pensions and Treasury, a Training Policy for Pension Committee and Board Members, and Senior Fund Officers, taking account of the guidance on pages 25 to 27 of the **Knowledge and skills framework for LGPS committee members and LGPS officers 2021**. This Training Policy includes specific areas of knowledge to be covered in relation to the eight Core technical areas taking particular cognisance of the content of pages 21 to 24, 32 to 36, 37 to 44 and 11 to 16 of the 2021 CIPFA Framework. This Training Policy is also included in the papers for the 15 March Pensions Committee and Board.

**John Raisin**

**3 February 2022**

Main Background Sources

London Borough Haringey Corporate Committee “*Pension Fund Training & Development*” and attached paper by the Independent Advisor, Agenda Item 8, 14 March 2013

London Borough of Haringey Pensions Committee “*Pensions Training Policy and Framework*” and attached paper by the Independent Advisor, Agenda Item 11, 11 July 2016.

Local Pension Boards A Technical Knowledge and Skills Framework, CIPFA, July 2015

Code of Practice on LGPS Knowledge and Skills, CIPFA, June 2021.

Knowledge and Skills Framework for LGPS Committee Members and LGPS Officers, CIPFA, June 2021.

John Raisin Financial Services Limited  
Company Number 7049666 registered in England and Wales.  
Registered Office Market House, 10 Market Walk, Saffron Walden, Essex, CB10 1JZ  
VAT Registration Number 990 8211 06

This page is intentionally left blank



**JOHN RAISIN FINANCIAL SERVICES LIMITED****London Borough of Haringey Pension Fund****Training Policy for Pensions Committee and Board Members, and Senior Fund Officers****March 2022****1. Introduction**

1.1. This Training Policy approved by the London Borough of Haringey Pensions Committee and Board on 15 March 2022 sets out the policy regarding Local Government Pension Scheme (LGPS) knowledge and skills in respect of:

- Members of the Pensions Committee and Board
- Senior Officers of the Pension Fund

1.2. This Policy has been prepared taking account of the CIPFA Code of Practice on LGPS Knowledge and Skills 2021, which was adopted by the Pensions Committee and Board on 15 March 2022. Particular account has also been taken of the CIPFA Knowledge and Skills Framework for LGPS Committee Members and LGPS Officers 2021, and appropriate account of the CIPFA Local Pension Boards: A Technical Knowledge and Skills Framework 2015

**2. CIPFA Code of Practice on LGPS Knowledge and Skills Statements**

2.1. The format of this Training Policy takes account of the guidance in the 2021 CIPFA Knowledge and Skills Framework that it should include the following statements from the 2021 CIPFA Code of Practice:

1. This LGPS administering authority adopts the key principles of the Code of Practice on LGPS Knowledge and Skills.
2. This LGPS administering authority recognises that effective management, governance, decision making and other aspects of the delivery of the LGPS can only be achieved where those involved have the requisite knowledge and skills to discharge the duties and responsibilities allocated to them.
3. This administering authority has in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective acquisition and retention of LGPS knowledge and skills for those responsible for the management, delivery, governance, and decision making of the LGPS.

4. These policies and practices will be guided by reference to a comprehensive framework of knowledge and skills requirements such as those set down in the CIPFA LGPS Knowledge and Skills Framework.
5. This administering authority will ensure that it has adequate resources in place to ensure all staff, members, or other persons responsible for the management, decision making, governance and other aspects of the delivery of the LGPS acquire and retain the necessary LGPS knowledge and skills.
6. This administering authority will report annually on how its knowledge and skills policy has been put into practice throughout the financial year in the fund's annual report.
7. This administering authority has delegated the responsibility for the implementation of the requirements of the CIPFA Code of Practice to the appropriate officer, who will act in accordance with the administering authority's knowledge and skills policy statement, and, where they are a CIPFA member, with CIPFA Standards of Professional Practice (where relevant).

2.2. The above seven Statements were specifically adopted by the Pensions Committee at its meeting on 15 March 2022.

### **3. Policy Aims and Objectives**

3.1. The Pension Fund's Training Policy has been formulated with the following aims and objectives in mind:

1. Pension Fund decision-making, management, delivery, and monitoring is undertaken by people who have the appropriate Knowledge and Skills.
2. Those persons responsible for decision making, management, delivery and monitoring have sufficient expertise to be able to evaluate and challenge the advice they receive and manage conflicts of interest.
3. Knowledge and Skills are obtained, maintained, and updated in the light of the requirements of and developments in legislation, regulation, guidance, governance, investment, and administration relating to the LGPS.
4. The collective expertise, experience, and knowledge of Pensions Committee and Board Members (taking into particular account of any assistance from the Fund's appointed Investment Consultant, and also, as appropriate, input from Fund Officers and other external advisors) be such that each of the Pension Fund's Investment Managers, can with confidence, gain reasonable assurance that the Pension Fund as the client is capable of making investment decisions and understanding the nature

of risks involved in the context of the transactions or services envisioned. This is required to maintain the Pension Fund's status as an Elective Professional Client under MiFID II (Markets in Financial Instruments Directive) which came into effect from 3 January 2018.

5. In making decisions Pension Committee and Board Members understand why they should put aside political considerations, act in the interests of all Employers and individual scheme members within the regulatory framework.

#### **4. Adherence to relevant legislation and guidance**

4.1. In delivering the Policy Aims and Objectives, the Pension Fund will have regard to all relevant legislation and guidance as it applies to the LGPS. This includes the following:

- Public Service Pensions Act 2013
- LGPS Regulations and LGPS Statutory Guidance
- Local Authorities (Functions and Responsibilities) (England) Regulations 2000
- Fiduciary and public law duties relevant to the management of the LGPS (with particular reference to the Legal Opinions and Summaries section of the LGPS Scheme Advisory Board for England & Wales website)
- General Pensions Legislation and Regulations applicable to the LGPS including elements of the Pensions Acts (as amended) 1995, 2004, 2008 and Pensions Scheme Act 2021
- MiFID II (Markets in Financial Instruments Directive) and Scheme Advisory Board for England and Wales guidance/process
- The Pensions Regulator Code of Practice No 14
- The CIPFA Code of Practice on LGPS Knowledge and Skills, 2021
- The CIPFA Knowledge and Skills Framework for LGPS Committee Members and LGPS Officers, 2021
- The CIPFA Local Pension Boards: A Technical Knowledge and Skills Framework, 2015
- Any document recording policy about the Governance, Funding, Investment, Administration, or Communications of the London Borough of Haringey Fund which is for the time being adopted in relation to the scheme
- The proposals in the Good Governance: Phase 3 Report to SAB (Hymans Robertson) and the SAB (Scheme Advisory Board for England & Wales) Action Plan to implement these of February 2021

## 5. Competencies

5.1. CIPFA (Knowledge and Skills Framework 2021) has identified eight core technical areas where appropriate knowledge and skills should be achieved and maintained by Pension Committee Members and Officers. These are:

- pensions legislation and guidance
- pensions governance
- funding strategy and actuarial methods
- pensions administration and communications
- pensions financial strategy, management, accounting, reporting and audit standards
- investment strategy, asset allocation, pooling, performance, and risk management
- financial markets and products
- pension services procurement, contract management and relationship management

5.2. This Policy adopts the knowledge matrices as set out in the CIPFA 2021 Framework. For each subject matter within each core area the CIPFA Framework (page 36) sets out the levels of knowledge required (in ascending order of the level of knowledge required).

5.3. For Pensions Committee and Board Members:

- an awareness, i.e., recognition that the subject matter exists
- a general understanding, i.e., understanding the basics in relation to the subject matter
- a strong understanding, i.e., a good level of knowledge in relation to the subject matter (but not necessary at a detailed level).

5.4. For Senior Fund Officers:

- a strong understanding, i.e., a good level of knowledge in relation to the subject matter (but not necessary at a detailed level)
- a detailed level of knowledge in relation to the subject matter
- an expert level of knowledge in relation to the subject matter

5.5. The CIPFA Knowledge and Skills Framework 2021 states (page 17):

*“All members of a pension committee are expected to have appropriate knowledge and skills relating to their LGPS duties. However, it is considered appropriate to consider the knowledge and skills of a committee as a collective, i.e., ensuring that the collective degree of knowledge and understanding is appropriate for the purposes of enabling the committee as a whole to properly exercise their delegated responsibility on behalf of the administering authority. Accordingly, although desirable, it is not necessary for every member of the committee to be able to demonstrate individually that they meet all the expected knowledge and skills competencies...Administering authorities must be able to demonstrate and explain that the combined knowledge and understanding of the pension committee (or sub-committee), together with the advice available to the*

*committee, enable them to properly exercise their delegated functions. The administering authority must maintain an effective plan for the ongoing maintenance and development of the committee's knowledge. They must also be able to demonstrate how competency will be maintained, including how they will identify and address skills gaps and seek to increase knowledge".*

5.6. This Training Policy considers and incorporates the eight core technical areas above, and as appropriate the level of understanding/knowledge/awareness required, included in the CIPFA Local Pension Boards Technical Knowledge and Skills Framework 2015.

5.7. This 2015 CIPFA Framework also includes (pages 21 to 23) details of Pension Board Members Knowledge and Skills Responsibilities under the Pensions Regulator Code of Practice No 14. This Policy therefore adopts 21 to 23 of the CIPFA Local Pension Boards A Technical Knowledge and Skills Framework 2015.

## **6. Delivery of Training**

6.1. In delivering Training consideration will be given to various training resources and methods. This may include but are not restricted to:

- In house Training events at Council Offices or virtually
- Training as part of Committee and Board meetings or immediately before or after such meetings
- Regular updates to Committee and Board from Officers or advisors
- External courses, seminars, and conferences
- External online training including webinars
- Self-directed training including the Hymans Robertson Online Learning Academy and the TPR Public Service Toolkit
- Reading material/documentation/information
- Qualifications, particularly those relevant to senior

6.2. To ensure that training includes sufficient specific focus on the Haringey Pension Fund, the Fund Officers will, as appropriate commission Training from the Independent Advisor, Investment Consultant, Fund Actuary, Investment Managers, and other suppliers.

6.3. Induction Training will be offered to anyone joining the Pensions Committee and Board or becoming Senior Officers of the Fund. This will be in a format determined by the Head of Pensions and Treasury. They will also be immediately provided with documentation that provides a basic understanding of the Fund and copies of or links to the Fund Strategies and Policies including the latest Annual Report & Accounts, and the latest Actuarial Valuation Report.

6.4. In addition, they must successfully complete (and provide evidence of this to Fund Officers) both all the modules of the Hymans Robertson LGPS Online Learning Academy and The Pensions Regulator (online) Public Service Toolkit. Both courses must be completed within 6 months of appointment.

6.5. An Annual Training Plan will be developed for the Pensions Committee and Board. This will be presented at the first meeting of the Financial Year. The Plan will include reference to the Core Technical Areas identified in the 2021 CIPFA Knowledge and Skills Framework. The Annual Training Plan will include key training sessions to be delivered internally (by Officers, Fund Advisors, or suppliers).

## **7. Monitoring and Review**

7.1. The Pension Fund will assess on an ongoing basis whether Committee and Board Members, and Senior Officers have the required Knowledge and Skills to undertake their role. Therefore, the Pension Fund will:

- Require Committee and Board Members and Senior Officers to undertake a self-assessment against the competencies as set out in the CIPFA Framework 2021 (as supplemented by the CIPFA Framework 2015 as appropriate). This will be required following appointment and then annually
- Prepare tailored Training Plans for Committee and Board Members, and Senior Officers
- Record attendance and ensure appropriate action is taken where poor attendance or non-completion of required learning is identified
- Make available a record of training attended by Committee and Board Members, and Senior Officers in the Fund Annual Report and Accounts
- Regularly communicate with Committee and Board Members, and Senior Officers to encourage them to highlight training needs on a regular basis

7.2. The responsibility for informing the Pension Fund of actual attendance at any training event and that their Training Record is accurate and up to date lies with the participant.

## **8. Reporting and Compliance**

8.1. The Pension Fund's Annual Report and Accounts will include details of all training delivered/facilitated by the Fund to Committee and Board Members, and Senior Officers including details of actual attendance. Details of external training attended/completed will also be included, provided the participant has informed the Head of Pensions and Treasury in writing/by email.

8.2. There will be regular reports (at least two annually) to the Pensions Committee and Board on training undertaken by Committee and Board Members, and Senior Officers; actual attendance levels; and planned future Fund provided/facilitated training.

8.3. In accordance with the CIPFA Code of Practice on LGPS Knowledge and Skills 2021, the London Borough of Haringey has nominated an individual to be

responsible for ensuring that this Policy is implemented. The nominated individual is the Head of Pensions and Treasury.

- 8.4. In accordance with the CIPFA Knowledge and Skills Framework for LGPS Committee Members and LGPS Officers 2021, the Head of Pensions and Treasury (nominated individual) will take action where anyone covered by this Policy is not adhering to the requirements of the policy - for example not completing a self-assessment of training needs or satisfactorily participating in training. This action will include reporting non-compliance in the regular reports on Training to the Pensions Committee and Board.

John Raisin Financial Services Limited  
Company Number 7049666 registered in England and Wales.  
Registered Office Market House, 10 Market Walk, Saffron Walden, Essex, CB10 1JZ  
VAT Registration Number 990 8211 06

This page is intentionally left blank



**Report for:** Pensions Committee and Board – 27 April 2022

**Title:** Local Authority Pension Fund Forum (LAPFF) Update

**Report authorised by:** Thomas Skeen, Assistant Director of Finance (Deputy Section 151 Officer)

**Lead Officer:** Tim Mpofu, Head of Pensions and Treasury,  
[tim.mpofu@haringey.gov.uk](mailto:tim.mpofu@haringey.gov.uk)

**Ward(s) affected:** N/A

**Report for Key/  
Non Key Decision:** Not applicable

**1. Describe the issue under consideration**

- 1.1. This paper provides an update on the Local Authority Pension Fund Forum's (LAPFF) engagement and voting activities on behalf of the Pension Fund. The Pension Fund is a member of LAPFF, and the Pensions Committee and Board has previously agreed that the Fund's investment managers should cast its votes at investor meetings in line with the LAPFF voting recommendations.

**2. Cabinet Member Introduction**

- 2.1. Not applicable

**3. Recommendations**

The Pensions Committee and Board is requested:

- 3.1. To note the report.

**4. Reason for Decision**

- 4.1. Not applicable.

**5. Other options considered**

- 5.1. Not applicable.

## 6. Background information

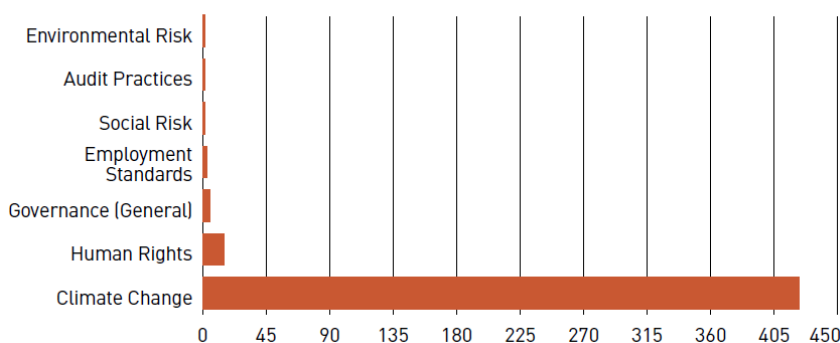
6.1. Haringey Pension Fund is a member of the Local Authority Pension Fund Forum (LAPFF), a shareholder engagement group that regularly engages with companies to encourage best practice and effect positive change. LAPFF engages directly with senior management and company boards to ensure they have the right policies in place to create value responsibly.

### Engagement Report

6.2. During the quarter to 31 December 2021, LAPFF had over 400 engagements with companies that make up the FTSE all-share index. Most of this engagement was through letters pressing for an annual ‘Say on Climate’ vote. ‘Say on Climate’ is an initiative that encourages companies and their boards to set out their strategy for managing the transition to a net zero emissions business and to provide annual provision for shareholders to vote on such plans.

6.3. The chart below shows the breakdown of engagement topics over the quarter.

#### ENGAGEMENT TOPICS



### Voting Alerts

6.4. There were no voting alerts received from LAPFF during the quarter.

## 7. Contribution to Strategic Outcomes

7.1. Not applicable

## 8. Statutory Officers comments (Director of Finance (including procurement), Head of Legal and Governance, Equalities)

### Finance and Procurement

8.1. There are no financial implications arising from this report.

### Head of Legal and Governance (Monitoring Officer)

8.2. The Assistant Director of Governance has been consulted on the content of this report. There are no specific legal implications arising from this report.

Equalities

8.3. Not applicable.

**9. Use of Appendices**

9.1. None.

**10. Local Government (Access to Information) Act 1985**

10.1. Not applicable.

This page is intentionally left blank

**Report for:** Pensions Committee and Board – 27 April 2022

**Title:** Haringey Pension Fund Risk Register

**Report authorised by:** Thomas Skeen, Assistant Director of Finance (Deputy Section 151 Officer)

**Lead Officer:** Tim Mpofu, Head of Pensions and Treasury,  
[tim.mpofu@haringey.gov.uk](mailto:tim.mpofu@haringey.gov.uk)

**Ward(s) affected:** N/A

**Report for Key/**

**Non Key Decision:** Not applicable

**1. Describe the issue under consideration**

1.1. This paper has been prepared to update the Pensions Committee and Board on the Pension Fund's risk register and provide an opportunity for the Committee and Board to further review the risk score allocation.

**2. Cabinet Member Introduction**

2.1. Not applicable

**3. Recommendations**

3.1. The Pensions Committee and Board is requested:

3.2. To note and provide any comments on the Pension Fund's risk register. The area of focus for review at the meeting is Investments.

**4. Reason for Decision**

4.1. Not applicable.

**5. Other options considered**

5.1. Not applicable.

**6. Background information**

6.1. The Pensions Regulator requires that the Pension Committee and Board (PCB) establish and operate internal controls for the Pension Fund. These must be adequate for the purpose of securing that the scheme is administered and managed in accordance with the scheme rules and in accordance with the requirements of the law.

- 6.2. The PCB previously approved a full version of the risk register on 20 September 2016 and from each meeting after this date, different areas of the register have been reviewed and agreed so that the risk register remains current.
- 6.3. The Pension Fund's risk register covers administration, governance, investment, accounting, funding, and legislation risks. Appendix 1 to this paper includes an assessment of the investment risks which have been reviewed and updated for the PCB to provide feedback on at the meeting. The other risk areas will be presented to the PCB in forthcoming meetings.

### Risk Scoring

- 6.4. The Pension Fund's risk scoring assesses the impact and likelihood of an identified risk occurring. This is assessed based on a score of 1 (low impact, unlikely to occur) – 5 (high impact, likely to occur). Each score is grouped using the RAG (Red-Amber-Green) rating system below.

RAG Rating	Scoring Range
	25 - 15
	15 - 10
	Less than 10

### Key identified risks

- 6.5. The Pension Fund has identified a few key risks of particular concern over the short to medium term. These have been summarised in the table below.

Key identified risk	RAG Rating	Update on Risk	Action Taken to manage risk
<b>INV02 – Geopolitical Risk</b>		Following the invasion of Ukraine by Russia in February 2022, several countries announced sanctions against major Russian banks and financial institutions. In response, Russia has banned foreign entities from liquidating their assets.	Officers are actively engaging with the Fund's investment managers and advisors to assess the implications of the ongoing crisis. The Fund has a very small exposure (less than 1.00% of total fund assets) to Russian companies through its investment in an emerging markets index tracker fund.
<b>INV13 – High inflation</b>		CPI inflation in January 2022 came in at 5.5%. The Bank of England expects inflation to peak at 7.25% in the spring of 2022.	The Fund has several investment mandates in inflation linked strategies such as index linked gilts, property, and renewable infrastructure which should provide some level of inflation protection. The

			Pensions Committee and Board will be reviewing the property portfolio at the March 2022 meeting.
--	--	--	--

6.6. Officers will continue to keep the Pension Fund’s risk register under constant review.

**7. Contribution to Strategic Outcomes**

7.1. Not applicable

**8. Statutory Officers comments (Director of Finance (including procurement), Head of Legal and Governance, Equalities)**

Finance and Procurement

8.1. There are no financial implications arising from this report.

Head of Legal and Governance (Monitoring Officer)

8.2. The Head of Legal and Governance has been consulted on the content of this report and there are no legal issues.

Equalities

8.3. Not applicable.

**9. Use of Appendices**

9.1. Appendix 1: Haringey Pension Fund Risk Register – Investment Risks

**10. Local Government (Access to Information) Act 1985**

10.1. Not applicable.

This page is intentionally left blank



London Borough of Haringey Pension Fund Risk Register										
Risk Ref	Risk Group	Risk Description	Impact	Likelihood	Risk Score	Controls and Mitigations In Place	Further Actions	Revised Likelihood	Total Risk Score	Reviewed on
INV02	Investment Risk	Significant volatility and negative sentiment in global investment markets following disruptive geopolitical and economic uncertainty. In February 2022, Russia invaded Ukraine marking an escalation in the conflict which has been ongoing since 2014. Following this, several countries announced sanctions against major Russian banks and financial institutions including the removal of access to the SWIFT international payment system. In response, Russia has banned foreign entities from liquidating their assets.	5	5	25	<p>1) Officers are engaging with the Fund's investment managers and advisors on an ongoing basis to assess the implications of the response to the Russia-Ukraine crisis on the Fund's investment portfolio.</p> <p>2) The Fund's investment strategy integrates portfolio diversification and risk management. The Fund has a very small exposure (less than 1.00% of total fund assets) to Russian companies through its investment in an emerging markets index tracker fund.</p> <p>3) The Fund's investment consultant regularly provides advice to the PCB on the Fund's investment strategy and has produced a checklist to assist in the Fund's decision-making process.</p>	<p><b>Treat</b></p> <p>1) Officers will continue to monitor the situation as it develops, consulting with investment managers and advisors, and where necessary, making the appropriate recommendations to the Pensions Committee and Board.</p>	4	20	04/03/2022
INV13	Investment Risk	High inflation is sustained over the long term leading to investment underperformance and higher costs for the Fund. CPI inflation in January 2022 came in at 5.5% and the Bank of England expects inflation to peak at 7.25% in the spring.	5	4	20	<p>1) The Fund's liability increases at the rate of CPI inflation. Officers regularly discuss the implications of inflation the Fund's actuary which helps inform the Fund's investment strategy.</p> <p>2) Several of the Fund's investment mandates are in inflation linked strategies such as index linked gilts, property and renewable infrastructure.</p> <p>3) The Fund's investment consultant regularly provides advice to the PCB on the Fund's investment strategy including the impact of inflation on the Fund's investment performance.</p>	<p><b>Treat</b></p> <p>1) Officers will continue to monitor the situation as it develops, consulting with investment managers and advisors, and where necessary, making the appropriate recommendations to the Pensions Committee and Board.</p> <p>2) The next actuarial valuation is to be carried as at 31 March 2022. PCB members will receive training which will inform the Fund's funding strategy.</p>	3	15	04/03/2022
INV03	Investment Risk	Increased scrutiny on environmental, social and governance (ESG) issues, leading to reputational damage. It is widely anticipated that legislation and guidance will be issued on reporting and managing climate-related risks.	4	3	12	<p>1) The Fund's entire listed equity allocation is invested in low carbon strategies. The RAFI Climate Transition Fund aims to reduce carbon emissions by 7% annually in line with the Paris-Agreement.</p> <p>2) The Fund also has several investments in renewable energy infrastructure funds.</p> <p>3) The Department for Levelling Up, Housing and Communities is expected to issue its consultation on climate reporting later this year.</p>	<p><b>Treat</b></p> <p>1) Officers and the Fund's investment consultants will continue to monitor developments in legislation, investment products and reporting requires, and where necessary, making the appropriate recommendations to the Pensions Committee and Board.</p>	3	12	04/03/2022

INV08	Investment Risk	Investment managers fail to achieve benchmark/outperform targets over the longer term: a shortfall of 0.1% on the investment target will result in an annual impact of £1.7m.	5	3	15	<p>1) The Fund conducts a rigorous selection process to ensure that it appoints the most suitable investment managers based on available information during the tendering process of a new mandate.</p> <p>2) Expert professional advice is provided by the Fund's investment consultant supporting manager selection and ongoing monitoring of performance.</p> <p>3)The Fund's Custodian provides a manager monitoring service which is reported to the PCB on a quarterly basis. Recent performance shows that the Fund has outperformed the benchmark over the last year.</p>	<b>Treat</b> 1) Officers to regularly monitor the Fund's investment performance and highlight any areas of concern to the Committee and Board when they arise.	2	10	04/03/2022
INV01	Investment Risk	The ongoing global response to the COVID-19 outbreak poses economic uncertainty across the global investment markets.	4	3	12	<p>1) The Fund holds a well diversified portfolio, which should reduce the downside risks of adverse stock market movements.</p> <p>2) The Fund continually monitors and reviews its asset allocation, rebalancing where necessary and making changes as required. The Fund's asset allocation is included as part of the PCB's quarterly update report.</p>	<b>Treat</b> 1) Officers will continue to monitor the impact of any new lockdown measures on the Fund's underlying investments and wider economic environment, as a result of the discovery of a new variant.	2	8	04/03/2022
INV05	Investment Risk	The adequacy of the London CIV's resources regarding investment manager appointments and ongoing monitoring of the investment strategy implementation.	4	3	12	<p><b>Tolerate</b></p> <p>1) The LCIV has to reach consensus among its 32 member funds, meaning there is a persistent risk that the full completion of mandates in the Fund many not be replicated by the LCIV, particularly the illiquid mandates.</p> <p>2) The LCIV has recently added more resources to their team across the different mandates and shared plans to develop more illiquid mandates, with a focus on property in 2022.</p>	<b>Treat</b> 1) Officers and the Chair of the PCB regularly participate and contribute to various LCIV working groups.	2	8	04/03/2022
INV07	Investment Risk	The Pension Fund's actual asset allocations move away from the strategic benchmark.	4	3	12	<p>1) The Fund continually reviews its asset allocation and rebalances the portfolio in line with the Investment Strategy Statement. The Fund's asset allocation is included as part of the PCB's quarterly update report.</p> <p>2) The Pension Fund's passive equity investments are rebalanced by the investment manager based on pre-agreed thresholds.</p>	<b>Treat</b> 1) Officers will regularly monitor the strategic asset allocation and make recommendations for any necessary adjustments.	2	8	04/03/2022
INV09	Investment Risk	Implementation of proposed changes to the LGPS (pooling) requires the fund to adapt its investment strategy	3	2	6	1) The Department for Levelling Up, Housing and Communities (DLUHC) is expected to issue its consultation on the pooling guidance before the end of the year.	<b>Tolerate</b> 1) Officers to consult and engage with the DLUCH, LGPS Scheme Advisory Board, advisors and consultations once the consultation has been issued	2	6	04/03/2022
INV04	Investment Risk	Economic uncertainty caused by the implementation some of the post-Brexit agreements	3	3	9	<p>1) The Fund's investment portfolio is well diversified, most of the mandates have a global focus (other than property investments and the index linked gilts).</p> <p>2) A segment of the Fund's equity investments have been hedged to protect against currency movements.</p>	<b>Treat</b> 1) Officers to consult and engage with advisors and investment managers on an ongoing basis.	2	6	04/03/2022

INV10	Investment Risk	Mismatching of assets and liabilities, inappropriate long-term asset allocation or investment strategy, mistiming of investment strategy	3	3	9	<p>1) The Pension Fund's investment and funding strategy statements are regularly reviewed and discussed at the PCB meetings. As at the last funding update, the Pension Fund is well funded.</p> <p>2) The Pension Fund has appointed actuarial and investment consultants to provide advice on matters relating to investment and funding.</p> <p>3) The PCB is presented with the Pension Fund's Annual report each year.</p>	<p><b>Treat</b></p> <p>1) Officers to regularly monitor the Fund's investment performance and highlight any areas of concern to the Committee and Board when they arise.</p> <p>2) Training on investment risks and fund liabilities will be provided to members over the coming months.</p>	2	6	04/03/2022
INV11	Investment Risk	Strategic investment advice received from the investment consultants is inappropriate for the Fund	3	3	9	<p>1) The Fund has appointed Mercer, one of the largest global investment consultants, to provide strategic investment advice to the PCB. In addition to this, the fund has also engaged an experienced investment advisor to challenge/confirm investment strategy decisions. This ensures that the advice provided is subject to peer review to ensure that it is fit for purpose.</p>	<p><b>Treat</b></p> <p>1) The investment consultant's performance is reviewed on an annual basis. The next review will be provided at the next PCB meeting.</p>	2	6	04/03/2022
INV06	Investment Risk	The Fund has insufficient cash available to meet pension payments when they fall due	5	2	10	<p>1) The Fund carried out an analysis of its cash flow requirements in 2020 and several changes were made to the fund's investment strategy to increase its income from investments. The Fund receives income from its private equity, multi-asset credit and absolute return funds.</p>	<p><b>Treat</b></p> <p>1) Officers regularly monitor the Fund's cashflow position.</p> <p>2) An annual cashflow review at fund level is undertaken by the Head of Pensions and utilised to inform the Fund's investment strategy.</p>	1	5	04/03/2022
INV12	Investment Risk	Financial failure of an investment manager leads to negative financial impact on the fund	4	2	8	<p>1) Officers receive and review internal control reports from investment managers on an annual basis.</p> <p>2) The Pension Fund's investment consultants regularly reviews and assigns ratings to the Fund's investment strategies.</p>	<p><b>Treat</b></p> <p>1) Officers to continue to work closely with the investment consultants and independent advisor to monitor the financial and operational performance of investments managers.</p>	1	4	04/03/2022

This page is intentionally left blank

**Report for:** Pensions Committee and Board – 27 April 2022

**Title:** Forward Plan

**Report authorised by:** Thomas Skeen, Assistant Director of Finance (Deputy Section 151 Officer)

**Lead Officer:** Tim Mpofu, Head of Pensions and Treasury,  
[tim.mpofu@haringey.gov.uk](mailto:tim.mpofu@haringey.gov.uk)

**Ward(s) affected:** N/A

**Report for Key/  
Non Key Decision:** Not applicable

## **1. Describe the issue under consideration**

- 1.1. This paper has been prepared to identify topics that will come to the attention of the Pensions Committee and Board over the upcoming months and seek members input into future agendas. Suggestions on future training topics are also requested.

## **2. Cabinet Member Introduction**

- 2.1. Not applicable

## **3. Recommendations**

The Pensions Committee and Board is requested:

- 3.1. To identify additional matters and training for inclusion within the Pensions Committee and Board's forward plan.

## **4. Reason for Decision**

- 4.1. Not applicable.

## **5. Other options considered**

- 5.1. Not applicable.

## **6. Background information**

- 6.1. It is best practice for a pension fund to maintain a work plan. The plan sets out the key activities anticipated over the upcoming months in the areas of governance, members/employers, investments, and accounting. The Pensions Committee and Board (PCB) is requested to consider whether it wishes to amend future agenda items as set out in the work plan.

6.2. The Pensions Committee and Board has been requested to adopt the revised CIPFA 2021 Code of Practice on Local Government Pension Scheme (LGPS) Knowledge and Skills which was issued in June 2021.

6.3. Following this, the Pensions Committee and Board will receive an updated training plan at a future meeting, in line with the approved Training Policy.

## **7. Contribution to Strategic Outcomes**

7.1. Not applicable

## **8. Statutory Officers comments (Director of Finance (including procurement), Head of Legal and Governance, Equalities)**

### Finance and Procurement

8.1. There are no financial implications arising from this report.

### Head of Legal and Governance (Monitoring Officer)

8.2. The Assistant Director of Governance has been consulted on the content of this report. There are no specific legal implications arising from this report.

### Equalities

8.3. Not applicable.

## **9. Use of Appendices**

9.1. Appendix 1: Forward Plan

9.2. Appendix 2: Training Plan

## **10. Local Government (Access to Information) Act 1985**

10.1. Not applicable.

March 2022	July 2022	September 2022	November 2022
Administration Report	Administration Report	Administration Report	Administration Report
	Governance/LGPS Update Report (if required)	Governance/LGPS Update Report (if required)	Governance/LGPS Update Report (if required)
Work/Forward Plan and Training Opportunities	Work/Forward Plan and Training Opportunities	Work/Forward Plan and Training Opportunities	Work/Forward Plan and Training Opportunities
Risk Register Review (Investments)	Risk Register Review (Governance)	Risk Register Review (Fund Administration)	Risk Register Review (Funding/Liability)
Quarterly Pension Fund Performance & Investment Update	Quarterly Pension Fund Performance & Investment Update	Quarterly Pension Fund Performance & Investment Update	Quarterly Pension Fund Performance & Investment Update
LAPFF Voting update	LAPFF Voting update	LAPFF Voting update	LAPFF Voting update
Updated Training Policy	Administration Strategy Statement	Good Governance Review	Investment Consultant's Performance Review
	Annual Business Plan (including training plan for 22/23)		
	Pension Administration Software Contract		
Investment Strategy Review: Property			Investment Strategy Review
	Annual Pension Fund Accounts 20/21 and Annual Report (including various statutory documents)	2022 Valuation Assumptions proposal, and initial results	2022 Valuation Draft Results
	External Audit for Pension Fund Accounts Final Audit Report 20/21	External Audit Plan 21/22	
Training & Conferences Update	Training & Conferences Update	Training & Conferences Update	Training & Conferences Update
Property Investment Training	Pensions Committee and Board Induction Training	Actuarial Valuation Training	Investment Strategy Training

Date	Conference / Event	Training/ Event Organiser	Website	Cost	Delegates Allowed
	Scheme Advisory Board Website	LGPS Scheme Advisory Board	<a href="http://www.lgpsboard.org">http://www.lgpsboard.org</a>	Free - Online	N/A
	The Pension Regulator's Pension Education Portal	The Pension Regulator	<a href="http://www.thepensionsregulator.gov.uk">www.thepensionsregulator.gov.uk</a>	Free - Online	N/A
	The Pension Regulator's Trustee Toolkit	The Pension Regulator	<a href="https://trusteetoolkit.thepensionsregulator.gov.uk/?redirect=0">https://trusteetoolkit.thepensionsregulator.gov.uk/?redirect=0</a>	Free - Online	N/A
	LGPS Regulation and Guidance	LGPS Regulation and Guidance	<a href="http://www.lgpsregs.org/">http://www.lgpsregs.org/</a>	Free - Online	N/A
	LGPS Members Website	LGPS	<a href="http://www.lgps2014.org/">http://www.lgps2014.org/</a>	Free - Online	N/A
	Local Government Association (LGA) Website	LGA	<a href="http://www.local.gov.uk">www.local.gov.uk</a>	Free - Online	N/A

Please contact Tim Mpofu, Head of Pensions & Treasury if you require any further information on the available training  
 Email: [tim.mpofu@haringey.gov.uk](mailto:tim.mpofu@haringey.gov.uk)



**Report for:** Pensions Committee and Board – 27 April 2022

**Title:** Property Portfolio Review

**Report authorised by:** Thomas Skeen, Assistant Director of Finance (Deputy Section 151 Officer)

**Lead Officer:** Tim Mpofu, Head of Pensions and Treasury,  
[tim.mpofu@haringey.gov.uk](mailto:tim.mpofu@haringey.gov.uk)

**Ward(s) affected:** N/A

**Report for Key/  
Non Key Decision:** Not applicable

### **1. Describe the issue under consideration**

- 1.1. This report provides the Pensions Committee and Board (PCB) with a review of the Pension Fund's property portfolio and outlines the options to address the investment portfolio's current underweight position to property.

### **2. Cabinet Member Introduction**

- 2.1. Not applicable

### **3. Recommendations**

The Pensions Committee and Board is recommended:

- 3.1. To note Mercer's Review of Property Portfolio Paper, appended as Confidential Appendix 1, and the advice contained therein.
- 3.2. To agree that the Pension Fund commits to invest an additional £30 million to the Aviva Lime Property Fund.
- 3.3. To approve a change to the Pension Fund's strategic asset allocation within the Investment Strategy Statement, as shown in Confidential Appendix 1, namely to:
- (i) Reduce the allocation to Core Property (managed by CBRE), from 7.5% to 6.5%.
  - (ii) Increase the allocation to Long Lease Property (managed by Aviva), from 5% to 6%.
- 3.4. To delegate authority to the Assistant Director of Finance (Deputy S151 Officer) to implement the above changes (if approved), after consultation with the Chair of Pensions Committee and Board. This will include determining whether to make a commitment to the Long Lease Property strategy through the 'queue', or whether

to seek to purchase units in the fund on the secondary market. This will be done after taking proper advice from the Pension Fund's investment consultant.

- 3.5. To delegate authority to the Assistant Director of Finance to update and republish the Pension Fund's Investment Strategy Statement (ISS) to be consistent with the decisions made above.

#### 4. Reason for Decision

- 4.1. The Pension Fund currently has an underweight position to its property allocation which is likely to persist into the foreseeable future if no action is taken.

#### 5. Other options considered

- 5.1. All the options under consideration have been outlined in Mercer's Review of Property Portfolio Paper, appended as Confidential Appendix 1. Alternatively, the Pension Fund could opt to wait until the actuarial valuation exercise is completed and an investment strategy review is undertaken, before making any changes to its current asset allocation.

#### 6. Background information

- 6.1. At the September 2021 meeting, the PCB requested for officers, in consultation with the Pension Fund's investment consultants, to review the Pension Fund's investment portfolio with a view to rebalancing it back in line with the strategic asset allocation.
- 6.2. The outcome of this initial review acknowledged the Pension Fund's underweight position to the property asset class, and it was agreed that the Pension Fund should consider reviewing options for addressing this, with a follow up paper to be brought to the next PCB meeting.
- 6.3. The Pension Fund invests in three property sub-asset classes managed by three separate investment managers as shown in Table 1 below.

**Table 1: Haringey Pension Fund property investments as at 31 January 2022**

Sub-Asset Class	Investment Manager	Strategic Asset Allocation	Current Asset Allocation
<b>Core Property</b>	CBRE	7.5%	6.4%
<b>Long Lease Property</b>	Aviva	5.0%	4.5%
<b>Residential Property *</b>	London CIV	3.0%	0.3%

\* Not a standalone allocation but part of the London Fund, which aims to invest around 55% of the fund in Real Estate, with the remainder allocated to infrastructure and growth capital.

- 6.4. As shown in Table 1, the Pension Fund currently has a combined underweight position across Core Property and Long Lease Property of approximately 1.5%.

- 6.5. The Pension Fund's investment consultant, Mercer, have prepared a strategy review report which outlines several options the Pension Fund can take to address this. This is attached as Confidential Appendix 1 to this paper.

### Summary of options

- 6.6. The table below provides a summary of the options for the PCB to consider.

**Table 2 – Summary of options to address underweight position**

<b>Option 1: Core Property</b>	<p>The Pension Fund could allocate additional assets to CBRE, either retaining the existing UK focused approach or allocating globally via the CBRE Global Alpha Fund.</p> <p>It is anticipated that the UK focused approach would take over a year to implement and any allocation to Global Alpha would require a guideline change.</p>
<b>Option 2: Long Lease Property</b>	<p>The Pension Fund could allocate additional assets to the Aviva Lime Property Fund.</p> <p>It is anticipated that this option could be implemented in under a year via the 'queue' or through a secondary market transaction. Additionally, this would require the Pension Fund's strategic allocation to Core Property and Long Lease Property to be adjusted to reflect the change.</p>
<b>Option 3: Social/Affordable Housing</b>	<p>The Pension Fund could seek a standalone allocation to Social/Affordable Housing through existing managers, the London CIV, or a new provider.</p> <p>This option potentially has a long lead time for investment and may be worth considering as part of the upcoming investment strategy review following the next actuarial valuation.</p> <p>The London CIV are currently exploring the options for setting up this type of fund and officers will be participating in the Seed Investor Groups to input into the fund design process.</p>

### Summary of proposal

- 6.7. Based on the assessment of the above options, Mercer recommend that the Pension Fund commits an additional £30m to the Aviva Lime Property Fund to address the current underweight position in the near term.
- 6.8. The outlook for the long lease property and social/affordable housing sub-asset classes is considered to be more compelling than core property. These sub-asset classes have relatively low risk, are income focused, and often provide some degree of inflation linkage.

- 6.9. In the medium-long term horizon, social/affordable housing could be an attractive consideration for the Pension Fund. However, given the amount of time required to get invested in this type of fund, a potential future standalone allocation can be considered separately as part of the upcoming investment strategy review. This would provide the Pensions Committee and Board with the opportunity to assess the sub-asset class in greater detail.

## **7. Contribution to Strategic Outcomes**

- 7.1. Not applicable

## **8. Statutory Officers comments (Director of Finance (including procurement), Head of Legal and Governance, Equalities)**

### Finance and Procurement

- 8.1. The report of Mercer, attached as the Confidential Appendix 1, highlights that the recommended course of action would, if implemented, likely result in reduced investment risk, and provide inflation linked income which the Pension Fund can use to pay its members pensions.

### Comments of the Head of Legal and Governance (Monitoring Officer)

- 8.2. The Council as administering authority for the Haringey Pension Fund has the power to invest fund monies as set out in Local Government Pension Scheme (Management & Investment Funds) Regulations 2016.
- 8.3. The administering authority must also periodically review the suitability of its investment portfolio to ensure that returns, risk and volatility are all appropriately managed and are consistent with its overall investment strategy.
- 8.4. Regulation 7 sets out what the Investment Strategy should contain, and any revision must be published. The Fund must invest, in accordance with its Investment Strategy, any fund money that is not needed immediately to make payments from the fund. Members of the Committee should keep these obligations in mind when considering this report and take proper advice on the matter.
- 8.5. The administering authority must review and if necessary, revise its investment strategy from time to time, and at least every 3 years, and publish a statement of any revisions. The delegated authority will authorise the Assistant Director of Finance to carry out the revision required and published the revised statement

### Equalities

- 8.6. None applicable.

## **9. Use of Appendices**

9.1. Confidential Appendix 1: Review of Property Portfolio

**10. Local Government (Access to Information) Act 1985**

10.1. Not applicable.

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is exempt

This page is intentionally left blank



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is exempt

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is exempt

This page is intentionally left blank