

NOTICE OF MEETING

PENSIONS COMMITTEE AND BOARD

Monday, 2nd December, 2024, 7:00pm, George Meehan House-
(watch the live meeting [here](#), watch the recording [here](#))

Councillors: George Dunstall (Chair), John Bevan, Nick da Costa, Tammy Hymas (Vice Chair), Thayahlan Iyngkaran and Matt White

Co-optees/Non Voting Members: Ishmael Owarish, Keith Brown, Randy Plowright, Pattinson, Raisin (Independent Adviser) (Advisor), Alex Goddard (Mercer) (Advisor) and Steve Turner (Mercer) (Advisor)

Quorum: 3

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 13 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 - 6)

To confirm and sign the minutes of the Pensions Committee and Board meeting held on 30 09 24 as a correct record.

8. RESPONSIBLE INVESTMENT UPDATE (PAGES 7 - 10)

This report updates the Pensions Committee and Board on the Fund's ongoing Responsible Investment development and implementation work. It also provides an update on the Local Authority Pension Fund Forum's (LAPFF) engagement and voting activities conducted on behalf of the Fund.

9. PENSIONS ADMINISTRATION UPDATE (PAGES 11 - 14)

This report provides the Pensions Committee and Board (PCB) with the following updates regarding the Pension Fund's administration activities:

Pension Fund membership update

Online Member Self Service portal update

Update on Service Level Agreement (SLA) statistics

Pensions Dashboard Project (PDP) update

10. HARINGEY PENSION FUND RISK REGISTER (PAGES 15 - 28)

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 Pensions Committee and Board to further review the risk score allocation.

11. PENSION FUND QUARTERLY INVESTMENT AND PERFORMANCE UPDATE (PAGES 29 - 40)

This report provides the Pensions Committee and Board (PCB) with the following updates on the Pension Fund's performance for the quarter ended 30 September 2024:

Overview of fund performance including funding position update

Independent advisor's market commentary

Investment manager performance

Asset allocation

12. FORWARD PLAN (PAGES 41 - 46)

This paper has been prepared to identify and agree upon the key priorities for the Pensions Committee and Board (PCB) over the upcoming months, as well as seek the PCB's input into future agendas.

13. HARINGEY PENSION FUND GOVERNANCE REVIEW (PAGES 47 - 50)

At the meeting held on 5 March 2024, the Pensions Committee and Board (PCB) commissioned the Pension Fund's Independent Advisor to undertake a review of the Haringey Pension Fund's governance arrangements. This report presents the PCB with the findings of the review and offers several recommendations.

14. NEW ITEMS OF URGENT BUSINESS

15. DATES OF FUTURE MEETINGS

To note the dates of future meetings:

4th February 2025

16. EXCLUSION OF THE PRESS AND PUBLIC

Items 17-21 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) and para 5 – information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

17. EXEMPT - PENSION FUND QUARTERLY UPDATE AND INVESTMENTS UPDATE (PAGES 51 - 62)

18. EXEMPT - HARINGEY PENSION FUND GOVERNANCE REVIEW (PAGES 63 - 130)

19. EXEMPT - GOVERNMENT CONSULTATION - LOCAL GOVERNMENT PENSION SCHEME (LGPS) FIT FOR THE FUTURE

Report to follow

20. EXEMPT MINUTES (PAGES 131 - 132)

To confirm and sign the exempt minutes of the Pensions Committee and Board meeting on 30 09 24 as a correct record.

21. NEW ITEMS OF EXEMPT URGENT BUSINESS

Kodi Sprott, Principal Committee Coordinator

Tel – 020 8489 5343

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Email: kodi.sprott@haringey.gov.uk

Fiona Alderman

Head of Legal & Governance (Monitoring Officer)

George Meehan House, 294 High Road, Wood Green, N22 8JZ

Friday, 22 November 2024

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Pensions committee and board, 30th September 2024, 7:00PM – 8:40PM

1. FILMING AT MEETINGS

The Chair referred Members present to agenda Item 1 as shown on the agenda in respect of filming at this meeting, and Members noted the information contained therein.

2. APOLOGIES

Apologies for absence received from Randy Plowright.

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 none received.

6. RECORD OF TRAINING UNDERTAKEN SINCE LAST MEETING

On 3 September 2024, all members attended a training session entitled “An Introduction to ESG” as part of the Responsible Investment Policy development work. The training was delivered by bfinance.

7. MINUTES

RESOLVED:

That the minutes of the meeting held on 25th July 2024 be confirmed and signed as a correct record.

8. LGPS UPDATE

Tim Mpofu, Head of Pensions and Treasury introduced this report. This report provided the Pensions Committee and Board (PCB) with an update on several important issues related to the Local Government Pension Scheme (LGPS) at a national level. The Pension Fund's Independent Advisor, John Raisin summarised his paper which was included as Appendix 1 to this report.

The following was noted in response to questions from the committee:

- John Raisin noted that some councils chose their actuaries, thus used different assessments of lifespan; the government were seeking a common standard. He also noted that actuaries were acting within guidance and not acting improperly. The council may use different assumptions, but these were all within the guidelines.
- Cllr White raised concerns around the prospect that the LGPS would be used as a sovereign wealth fund to get growth in the economy. The LGPS was well funded, with the average fund being at 107%. The real concern would be anything that diverted

LGPS funds. It was important to think about how to minimise and mitigate the pressures that were on employers.

- Cllr Dunstall queried ESG activities and what this would look like. John Raisin explained this would not be particularly burdensome. He noted that the Government might be surprised at how much UK investment there was by the LGPS.

RESOLVED

This report was noted.

9. HARINGEY PENSION FUND DRAFT ANNUAL REPORT 2023/24

Taryn Eves introduced this report. This report presented the Haringey Pension Fund Annual Report and unaudited accounts for 2023/24 to the Pensions Committee and Board for approval.

The following was noted in response to questions from the committee:

- Cllr Bevan noted that this was a comprehensive report, he requested that the investors and staff admin fees be reported collectively as a percentage figure of the overall fund. Taryn Eves explained that the team would look at how best to provide this figure to the committee and would look to share this at a future meeting. Cllr Bevan noted that members had been previously informed that the investment fees disclosed in the annual report contained some hidden fees. He queried whether this issue had been resolved. Tim Mpofu explained that the Scheme Advisory Board had successfully launched the Cost Transparency Initiative and all the Fund's appointed investment managers had completed the templates detailing these fees. It was further noted that the statutory guidance that the Scheme Advisory Board had issued, was expected to specify how those fees should be accounted for in the Pension Fund accounts.
- Cllr Hymas queried whether the pension fund drew down on the general council fund. Taryn Eves explained that these were two separate accounts and separate funds. There were two essential areas, one of these being the cost of the team, this would be fully funded by the pension fund. The second area was the employer contribution rates, which were reviewed at each triennial revaluation, the last one being carried out in 2022. When those contribution rates were being set, the fund actuary would look at the funding level of each employer; there were a number of employers with different funding levels within the scheme, this would all be taken into context when setting these rates.
- Taryn Eves noted that for the iteration of this report did not have any big changes. Officers had made changes that were the easiest to implement given the time when the Statutory Guidance was issued which came into effect from 1 April 2024. It was further noted that most of the required changes included in the Statutory Guidance had already been incorporated in the Fund's Annual Report. In addition to this, it was noted that the Scheme Advisory Board was aiming for more consistency and one of the key elements of the guidance was to allow funds to publish the Annual Report without it to include an audited Statement of Accounts.
- Cllr Iyngkaran requested from officers the benchmark of administrative costs compared to other schemes. Tim Mpofu explained that this could be prepared for members. Normally, schemes used the SF3 report for benchmarking marking purposes, which included information that was slightly different to the disclosures

included in the Annual Report. However, all local government pensions were required to complete the government return. The deadline for completion of the SF3 report this was the middle of September and officers expected the final report to be issued before the end of the year. Following this, officers could be in a position to report on how Haringey compared to other local authorities.

- Craig Pattinson queried where FOI information or responses to deputations from the team could be found. Tim Mpofu explained that most FOI responses were submitted via the Council's website. Any responses to documented representations received were documented within internal files, these responses were only shared directly with the requestor.
- In response to a question regarding wider member engagement, Tim Mpofu noted that in the future this would be supported by the Pensions Dashboard which would enable members to use an identifier such as a National Insurance number to access a list of all their pensions data. Jamie Abbott and the team were currently working to make sure that the Fund this was going to be compliant with the regulatory requirements once launched.

RESOLVED

- To note the draft unaudited Haringey Pension Fund Annual Report for 2023/24 appended as Appendix 1 to this report.
- To approve the upload of the draft version of the Haringey Pension Fund Annual Report to the Haringey Pension Fund's website by 1 December 2024.

10. PENSIONS ADMINISTRATION UPDATE

Jamie Abbott introduced the item. This report provided the Pensions Committee and Board (PCB) with updates regarding Pension Fund's administration activities.

The following was noted in response to questions from the committee:

- Cllr Bevan queried the team in regard to staffing. Jamie Abbott explained that there were 2 apprentices within the team. They were receiving both in-house and external training on the LGPS and pensions administration function.
- Cllr Hymas noted for the record her congratulations to the team on being nominated for 2024 LAPF Investments Awards, Pension Administration Award.

RESOLVED

This report was noted.

11. RESPONSIBLE INVESTMENT UPDATE

Tim Mpofu introduced this report. This report updated the Pensions Committee and Board on the Fund's ongoing Responsible Investment development and implementation work. It also provided an update on the Local Authority Pension Fund Forum's (LAPFF) engagement and voting activities conducted on behalf of the Fund.

Members had no queries on this item.

RESOLVED

This report was noted.

12. HARINGEY PENSION FUND RISK

Jamie Abbot introduced this report. This paper had been prepared to update the Pensions Committee and Board on the Pension Fund's risk register and provide an opportunity for the Pensions Committee and Board to further review the risk score allocation. This focus area for this meeting was Accounting related risks.

The following was noted in response to questions from members:

- It was suggested by members that the inclusion of indicators to show the change in risk rating was helpful.
- Tim Mpofu suggested whether it would be helpful for PCB members to have direct access to the risk register. Officers would continue to support by evaluating the scoring, and members would provide challenge where necessary.
- Cllr Lyngkaran queried how often the risks were reviewed. Tim Mpofu explained that officers were consistently reviewing risks, the register presented at these meetings was primarily for the purposes of assisting the Committee and Board in the evaluation and monitoring of the Fund's risk. The date included on the report was the most recent review prior to the publishing of Committee papers. It was further noted that this risk register included several tabs where iterations were made and could be easily shared with Committee and Board members. The assessment of all risks was based on the Pension Fund, so it was the Fund's risk, not necessarily the councils.
- Cllr White noted that perhaps text could be expanded so that members were not seen to be treating their own individual reputations as members of this committee, as on par with fiduciary duties.
- Cllr Dunstall noted that the risk register was clear but suggested it might be useful to distinguish key risks on the register.
- Cllr Hymas sought clarity on the methodology on how officers calculated the individual risk scores for each category. Tim Mpofu explained how the risk assessment was done. Officers would also gauge risks based on their professional knowledge and experience, and from time to time by comparing the risks and scores of similar LGPS Funds. It was noted that it would be useful for members to further understand likelihood and impact. The committee welcomed the idea of a deep dive on risks.

RESOLVED

This report was noted.

13. FORWARD PLAN

Tim Mpofu introduced the report for this item. This paper had been prepared to identify and agree upon the key priorities for the Pensions Committee and Board (PCB) over the upcoming months, as well as seek the PCB's input into future agendas.

The following was noted in response to questions from the committee:

- Cllr Bevan and Cllr White both noted to members the importance of attending conferences hosted by the Local Authorities Pension Fund Forum (LAPFF). Members would look at their availability and confirm attendance with the Head of Pensions.

RESOLVED

This report was noted.

- There was an action for Jamie Abbott to set up a session for members on LOLA training platform.

14. PENSION FUND QUARTELY INVESTMENT AND PERFORMANCE UPDATE

Tim Mpofu introduced the report for this item. This report provided the Pensions Committee and Board (PCB) with updates on the Pension Fund's investment performance for the quarter ended 30 June 2024.

The following was noted in response to questions from the Committee and Board:

- Cllr Bevan queried Mercer's position on the 9 separate investment managers and 9 separate categories of investment. Steve Turner, explained that Haringey had a well-diversified portfolio and was in a good position for returns. The 9 separate investment managers and categories for investment could appear a lot to monitor, but the governance of the Committee and Board and officers meant the team were well capable to monitor assets effectively. Tim Mpofu elaborated that there were several appointment investment managers, but in terms of the actual asset allocation, the Fund was appropriately diversified. It was further noted that the team was exploring how to expand performance reporting to include specific composites based on asset class and investment objective in future reports. For example, the Fund's listed equities allocation, included the MSCI World Low Carbon Tracker Fund, the RAFI Multi-Factor Climate Transition Fund and a bespoke passive Emerging Markets Fund. All these Funds would be included in the Listed Equities Composite for future performance review.
- Steve Turner explained that there was scope to increase the allocation to protective assets. The key reason for this was because of the strong funding level and the surplus that had been reported. That would give a number of options to consider, one might be to make changes to the allocation which provided greater stability in the funding level. The main reason why the funding level was so strong was because the value of the liabilities had come down. The more exposure invested in asset classes group bond yields, there would be some risk reduction. He strongly encouraged members to consider doing some de-risking.
- Steve Turner explained that the fund were overweight equities by 6%. Equities were the riskiest asset held from a long-term perspective, but this was liquid. There was a strong case to doing some rebalancing, that would mean reducing the overweight allocation to equities and there were opportunities to reallocate those assets. The fund was underweight multi asset credit and slightly underweight with index and gilts. There were some interesting opportunities in property and with reducing interest rates, the outlook for property was probably better than it had been. With what advisors thought the government was intending to do, there was scope to invest more in areas such as affordable housing; this was an asset class that had been discussed before with the committee that would also be well aligned with investing in a more impactful asset.
- Steve Turner noted that there was a lot of concern in the sector about the extent to which government guidance on investing has had an impact on fiduciary duty. With members fiduciary duty, they needed to make decisions which generated the required investment return. The sector was looking for the government to provide greater clarity on the consistency of fiduciary duty.

RESOLVED

This report was noted.

15. NEW ITEMS OF URGENT BUSINESS

There are no new items of urgent business.

16. DATES OF FUTURE MEETINGS

2ND DECEMBER 2024

20TH MARCH 2025

Report for: Pensions Committee and Board – 2 December 2024

Item number:

Title: Responsible Investment Update

Report authorised by: Josephine Lyseight, Assistant Director of Finance (Deputy Section 151 Officer)

Lead Officer: Tim Mpofu, Head of Pensions and Treasury
tim.mpofu@haringey.gov.uk

Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Non Key Decision

1. Describe the issue under consideration

- 1.1. This report updates the Pensions Committee and Board on the Fund's ongoing Responsible Investment development and implementation work. It also provides an update on the Local Authority Pension Fund Forum's (LAPFF) engagement and voting activities conducted on behalf of the Fund.

2. Cabinet Member Introduction

- 2.1. Not applicable

3. Recommendations

- 3.1. The Pensions Committee and Board is requested to note the content of this report.

4. Reason for Decision

- 4.1. Not applicable

5. Other options considered

- 5.1. Not applicable.

6. Background information

- 6.1. A key outcome of most recent investment strategy review was for the Pensions Committee and Board (PCB) to develop a standalone Responsible Investment (RI) Policy. This policy aims to establish the Pension Fund's approach to integrating Environmental, Social and Governance (ESG) considerations into the investment process.

- 6.2. The following outcomes have been identified for this work

- To establish the Fund's responsible investment beliefs
- To develop a framework and approach to addressing ESG issues across asset classes
- To ensure that the RI policy is implementable and practical, considering regulations and the impact on stakeholders
- To develop a governance framework for holding appointed investment managers accountable based on set ESG criteria and objectives

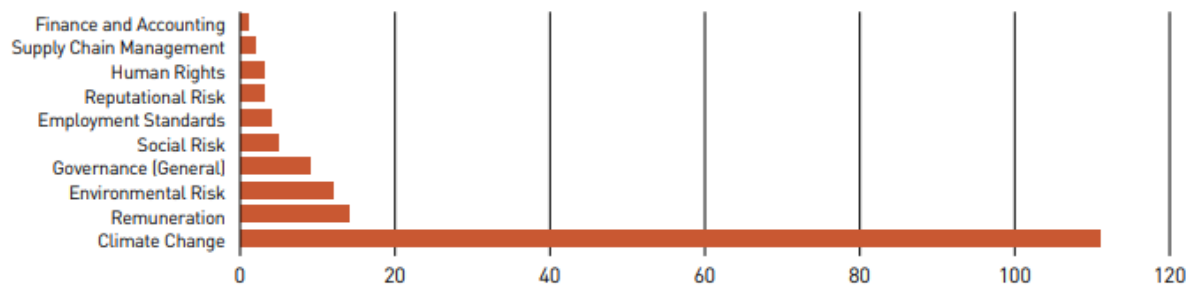
6.3. Table 1 shows the progress of this development programme's implementation.

Table 1: Responsible Investment Policy Development Timeline

Activity	Description	Key Dates	Progress Update
Introductory session	An outline of the project plan and expected outcomes	July 2024	Completed
Workshop 1 – Educational Session on ESG	An introduction to ESG including a responsible investment beliefs questionnaire	September 2024	Completed
Workshop 2 – Outcomes of Questionnaire	A session on the outcomes of the beliefs questionnaire to agree RI priorities for the fund.	October 2024	Completed
Workshop 3 – Fund “Health Check” Session	A session to assess the RI credentials of the current portfolio including advice on suggested ESG KPIs and engagement framework.	January 2025	In progress
Drafting of RI Policy	Officers, with the support of advisors to draft RI policy based on output from workshops	February 2025	Initial stages of development
Approval of RI Policy	PCB to approve RI policy including an action plan to achieve the identified goals and targets	March 2025	Initial stages of development

Local Authority Pension Fund Forum (LAPFF) Voting Alerts

- 6.4. Haringey Pension Fund (the 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.
- 6.5. During the quarter, LAPFF issued over 2 voting alerts one related to climate change and another related to human rights primarily related. Details of these voting alerts are issued to all LAPFF members and are available upon request.

ENGAGEMENT TOPICS**7. Contribution to Strategic Outcomes**

7.1. Not applicable

8. Carbon and Climate Change

8.1. Haringey Pension Fund is committed to being a responsible investor, which involves engaging with and encouraging companies to take positive action on environmental, social and governance (ESG) issues.

8.2. As part of the planned investment strategy review, the Pensions Committee and Board will assess the Pension Fund's responsible investment goals and criteria for investment selection. This includes an approach to managing and monitoring risks related to climate change.

9. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)Finance and Procurement

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

Assistant Director for Legal and Governance [Patrick Uzice, Principal Lawyer]

9.2. The Assistant Director for Legal and Governance (Monitoring Officer) has been consulted on the content of this report. It is a statutory requirement for the Pension Fund to have an Investment Strategy formulated in accordance with the guidance issued by the Secretary of State. Regulations 7 of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 sets out what should be contained in the Investment Strategy. Legal advice will need to be obtained following the review to ensure that the Responsible Investment policy complies with statutory requirements.

Equalities

9.3. Not applicable.

10. Use of Appendices

10.1. None.

11. Local Government (Access to Information) Act 1985

11.1. Not applicable.

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Report for: Pensions Committee and Board – 2 December 2024

Item number:

Title: Pensions Administration Update

Report

authorised by: Josephine Lyseight, Assistant Director of Finance (Deputy Section 151 Officer)

Lead Officers: Tim Mpofu, Head of Pensions & Treasury
Jamie Abbott, Pensions Manager
020 8489 3824
Jamie.Abbott@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 the Pension Fund's administration activities:

- a. Pension Fund membership update
- b. Online Member Self Service portal update
- c. Update on Service Level Agreement (SLA) statistics
- d. Pensions Dashboard Project (PDP) update

2. Cabinet Member Introduction

2.1. Not applicable

3. Recommendations

The Pensions Committee and Board is recommended:

3.1. To note this report and the information provided regarding the Pension Fund's administration activities for the quarter ending 30 September 2024.

4. Reason for Decision

4.1. Not applicable.

5. Other options considered

5.1. Not applicable.

6. Background information

Membership Update

- 6.1. Employees working for an employer that participates in the Local Government Pension Scheme (LGPS) are eligible for membership in the scheme. Membership in the LGPS is voluntary, and members are free to choose whether to continue participating in the scheme or to make personal arrangements outside of it.
- 6.2. Table 1 provides a breakdown of Haringey Pension Fund's ("the Pension Fund") membership on 30 September 2024.

Table 1: Pension Fund Membership

Member status	31 Dec 23	31 Mar 24	30 Jun 24	30 Sep 24
Active members	6,223	6,300	6,360	6,382
Pensioner members	8,860	8,906	8,974	9,068
Deferred members	11,137	10,973	10,872	10,618
Total scheme members	26,236	26,179	26,206	26,068

Online Member Self Service Portal Update

- 6.3. The Haringey Member Self Service (MSS) portal is a website where members can register an account to view/edit their personal information as well as run their own retirement estimates.
- 6.4. Table 2 provides a breakdown of the number of active members registered for the Haringey Pension Fund's MSS as at 30 September 2024.

Table 2: Proportion of Active Members Registered on Member Self Service Portal

Member Self Service	31 Dec 23	31 Mar 24	30 Jun 24	30 Sep 24
Total active scheme members	6,223	6,300	6,360	6,382
Total active member registrations on MSS	1,311	1,459	1,606	1,701
Proportion of registered active members	21.06%	23.16%	25.25%	26.65%

- 6.5. Table 3 provides a breakdown of the number of members who have accessed the MSS portal over the past 7 days, 30 days, 2 months, and 3 months periods. This table is provided for information purposes only. The frequency at which members access the MSS depends on individual circumstances. Individuals will have different reasons for needing access to their pension information.

Table 3: Member Self Service Access

Period last accessed	No. of Members*
Last 7 days	40
Last 30 days	197
Last 2 months	493
Last 3 months	775

* The above figures are shown on a cumulative basis

Update on Service Level Agreement (SLA) statistics

- 6.6. The Pension Fund's Service Level Agreement (SLA) sets out the agreed timeframes for the pensions administration team to process the various case work related to the pension scheme. This includes activities related to processing member retirement benefits, and transfers in and out of Haringey LGPS.
- 6.7. The agreed turnaround time varies depending on the type of case and these targets can be found in the Fund's Administration Strategy document which was recently updated to align with the CIPFA standard Key Performance Indicators (KPIs).
- 6.8. Table 4 includes the current SLA statistics for the period ending 30 September 2024.

Table 4: Key Performance Indicators

Process	Cases completed	SLA Days to complete	% Completed within SLA	Change
Deaths notifying amount of dependents benefits	185	10	94%	▼ 1%
Estimates	185	15	86%	▲ 2%
Retirement quote	268	15	92%	▲ 3%
Retirement Actual	225	10	98%	▼ 1%
Deferment of records	346	30	94%	◀▶ 0%
Refund quote	154	30	88%	▲ 3%
Refund actual	64	10	95%	▲ 1%
Transfer in Quote	244	20	85%	▲ 4%
Transfer in Actual	101	20	82%	▲ 3%
Transfer Out Quote	284	20	80%	▲ 3%
Transfer Out Actual	164	20	67%	▲ 1%
Divorce Quote	16	30	100%	◀▶ 0%
Actual payment of retirement lump sum	254	10	95%	◀▶ 0%

Pensions Dashboard Project (PDP) update

- 6.9. Pensions dashboards will enable individuals to access their pensions information online, securely and all in one place. Dashboards will provide clear and simple information about an individual's multiple pension savings, including their State Pension.
- 6.10. LGPS schemes are expected to be working towards a 'connect by' date of the 31 October 2025, although the Dashboard Available Point (DAP) could be before this date. The point at which Dashboards become available to the public.
- 6.11. The Haringey Pensions Team are in the initial stages of preparing for connection to the dashboard ecosystem by undertaking a data cleanse exercise to ensure that the data held on the Pensions administration system is accurate, up-to-date and digitally available for members trying to locate their pensions.

6.12. On 22 October 2024, DWP published a written statement on dashboards. The statement confirms the Government's commitment to the existing timetable for connecting schemes to the ecosystem, this is expected to begin in April 2025 with an overall legislative deadline of 31 October 2026.

7. Contribution to Strategic Outcomes

7.1. Not applicable

8. Carbon and Climate Change

8.1. Not applicable

9. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)
Finance and Procurement

9.1. Not applicable.

Assistant Director for Legal and Governance [Patrick Uzice, Principal Lawyer]

9.2. Assistant Director for Legal and Governance (Monitoring Officer) has been consulted on the content of this report and there are no legal implications.

Equalities

9.3. The Local Government Pension Scheme is a defined benefit open scheme enabling all employees of the Council to participate. The report's content has no direct impact on equality issues.

10. Use of Appendices

10.1. None

11. Local Government (Access to Information) Act 1985

11.1. Not applicable.

Report for: Pensions Committee and Board – 2 December 2024

Item number:

Title: Haringey Pension Fund Risk Register

Report

authorised by: Josephine Lyseight, Assistant Director of Finance (Deputy Section 151 Officer)

Lead Officers: Tim Mpofu, Head of Pensions and Treasury

Tim.Mpofu@haringey.gov.uk

Jamie Abbott, Pensions Manager

Jamie.Abbott@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 Pensions Committee and Board to further review the risk score allocation.

2. Cabinet Member Introduction

- 2.1. Not applicable

3. Recommendations

The Pensions Committee and Board is requested:

- 3.1. To note and provide any comments on the Fund's risk register. The area of focus for review at this meeting will be Governance-related risks.

4. Reason for Decision

- 4.1. Not applicable.

5. Other options considered

- 5.1. Not applicable.

6. Background information




- 6.1. The Pensions Regulator (TPR) requires that the Pension Committee and Board (PCB) establish and implement internal controls for the Fund. These internal controls must be sufficient to ensure that the scheme is administered and managed in accordance with the scheme rules and legal requirements.
- 6.2. The PCB approved a complete version of the risk register in September 2016. Since then, different areas of the risk register have been reviewed at each

subsequent meeting. Any changes are agreed upon to ensure that the Fund's strategic risk monitoring remains current.

- 6.3. The Fund's risk register covers several areas, including administration, governance, investment, accounting, funding, and legislation risks. Appendix 1 of this paper provides an assessment of the Governance-related risks that have been reviewed and updated for the PCB's feedback during the meeting. Other areas of risk management will be presented to the PCB for detailed review in upcoming meetings.

Risk Scoring

- 6.4. The risk scoring system applied by the Fund assesses the potential impact and likelihood of identified risks. Each risk is assigned a score ranging from 1 (low impact, unlikely to occur) to 5 (high impact, very likely to occur). The RAG (Red-Amber-Green) rating system categorises the overall score for each risk.

RAG Rating	Scoring Range
	25 - 16
	15 - 10
	Less than 10

- 6.5. The risk register includes directional indicators for each risk, comparing them to the previous assessment. These indicators show whether a risk is improving or worsening based on relevant factors. The following symbols represent these changes:

▼ The risk is getting worse – the total risk score has increased.

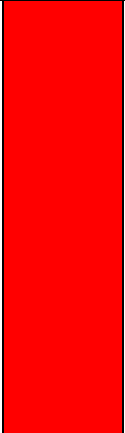
▬ The risk score has remained the same

▲ The risk is improving – total risk score has decreased

Key identified risks

- 6.6. The Fund has identified several key risks of particular concern in the short to medium term. These have been summarised in the table below.

Table 1: Key Risks

Key identified risk	RAG Rating	Update on Risk	Actions taken to manage and mitigate risks
ACC1 – Delay of publication of Statement of Accounts		<p>Haringey Council has published unaudited accounts for the years 2020/21 – 2023/24.</p> <p>The deadline to publish the 2023/24 unaudited accounts was 31 May 2024 with the deadline of 30 September 2024 for the completion of the audit. The draft accounts were published on 28</p>	<p>This issue has been identified as a national issue.</p> <p>The deadline for Audited accounts for 2023/24 has been pushed back to 28 February 2025</p>

Key identified risk	RAG Rating	Update on Risk	Actions taken to manage and mitigate risks
		June 2024 and the external audit carried out by KPMG is currently taking place.	
INV1 – Significant volatility in financial markets		<p>Over the past quarter, financial markets have grown increasingly volatile due to geopolitical and economic uncertainty.</p> <p>Market participants are beginning to anticipate that global central bank will start easing monetary policy in response to lower inflation rates and slowing economies.</p>	<p>The Fund maintains a diverse investment portfolio which is expected to provide broad diversification benefits over the long term.</p> <p>Officers will continue to monitor the situation as it develops, consulting with investment managers and advisors were necessary, and making the appropriate recommendations to the PCB.</p>
INV3 – ESG Risk		<p>The Fund has faced increasing calls from various groups urging the PCB to review its responsible investment policies. Failure to do so could result in poor investment performance as well as reputational damage.</p>	<p>The PCB is currently undertaking a thorough review of its responsible investment approach with the intention of establishing a framework for managing responsible investment issues.</p> <p>The first of a series of workshops was conducted in September and October 2024.</p>

6.7. Officers will continue to keep the Fund's risk register under constant review.

7. Contribution to Strategic Outcomes

7.1. Not applicable

8. Carbon and Climate Change

8.1. The Fund is committed to being a responsible investor, which involves engaging with and encouraging companies to take positive action on environmental, social and governance (ESG) issues.

8.2. The Fund incorporates ESG risks into its investment selection process. Additional efforts to identify and monitor these risks are currently underway, which will involve establishing responsible investment goals and criteria.

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

Finance and Procurement

- 9.1. There are no direct financial or procurement implications arising from this report.

Head of Legal and Governance [Patrick Uzice, Principal Lawyer]

- 9.2. The Assistant Director for Legal and Governance has been consulted on the content of this report. Members should refer to the matters referred to in paragraph 6.5 of this report and the risks that these poses to the Pension Fund. Actions taken must not only manage but also mitigate the risk.

Equalities

- 9.3. Not applicable.

10. Use of Appendices

- 10.1. Appendix 1: Haringey Pension Fund Risk Register Review – Governance Risk Register

- 10.2. Appendix 2: Haringey Pension Fund Summary Risk Register

11. Local Government (Access to Information) Act 1985

- 11.1. Not applicable.

London Borough of Haringey Pension Fund Risk Register			
Governance			
Risk Ref	Risk Group	Risk Description	Risk Score
GOV1	Governance	The nature of appointments to the Pensions Committee and Board leads to frequent and/or extensive turnover of members resulting in a loss of technical and operational knowledge about the Pension Fund and therefore, an inexperienced Pensions Committee and Board.	8
GOV2	Governance	Members have insufficient knowledge of regulations, guidance and best practice to make good and informed decisions.	8
GOV3	Governance	Officers lack the knowledge and skills required to effectively advise elected members and/or carry out administrative duties.	8
GOV4	Governance	Lack of engagement from employers and members means that communicating decisions becomes a "tick box" exercise resulting in a lack of accountability.	15
GOV5	Governance	Weak procurement processes lead to legal challenge or failure to secure the best value for money when procuring new services.	10
GOV6	Governance	Failure to comply with legislation and regulations leads to illegal actions/decisions resulting in financial loss and / or reputational damage	5
GOV7	Governance	Pension Fund objectives are not defined and agreed leading to lack of focus of strategy to facilitate the aims of the LGPS.	4
GOV8	Governance	The Pensions Committee and Board's decision making process is too rigid to allow for the making of expedient decisions leading to an inability to respond to problems and/or to exploit opportunities.	10
GOV9	Governance	Known risks not monitored leading to adverse financial, reputational or resource impact.	12
GOV10	Governance	Failure to review existing contracts means that opportunities are not exploited.	6
GOV11	Governance	Pensions Committee and Board members have undisclosed conflicts of interest.	3

London Borough of Haringey Pension Fund Risk Register			
Investments			
Risk Ref	Risk Group	Risk Description	Risk Score
INV1	Investments	Significant volatility and negative sentiment in global investment markets following disruptive geopolitical and economic uncertainty.	16
INV2	Investments	Increasing risk of a financial downturn due to rising cost of living and global central banks increasing base interest rates.	12
INV3	Investments	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.	16
INV5	Investments	The adequacy of the London CIV's resources regarding investment manager appointments and ongoing monitoring of the investment strategy implementation.	12
INV6	Investments	The Fund has insufficient cash available to meet pension payments when they fall due, especially if inflation remains at sustained higher levels and contributions reduce as a result of the actuarial valuation outcome	15
INV7	Investments	The Pension Fund's actual asset allocations move away from the strategic benchmark.	12
INV8	Investments	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 £1.9m.	15
INV9	Investments	Implementation of proposed changes to the LGPS (pooling) requires the fund to adapt its investment strategy	16
INV10	Investments	Mismatching of assets and liabilities, inappropriate long-term asset allocation or investment strategy, mistiming of investment strategy	9
INV11	Investments	Strategic investment advice received from the investment consultants is inappropriate for the Fund	9

London Borough of Haringey Pension Fund Risk Register			
Investments			
Risk Ref	Risk Group	Risk Description	Risk Score
INV12	Investments	Financial failure of an investment manager leads to negative financial impact on the fund	8
INV13	Investments	High inflation is sustained over the long term leading to investment underperformance and higher costs for the Fund. The current Consumer Prices Index (CPI) inflation rate is 1.7%. Inflation has remained elevated for longer than initially anticipated.	12

London Borough of Haringey Pension Fund Risk Register			
Accounting			
Risk Ref	Risk Group	Risk Description	Risk Score
ACC1	Accounting	Risk of the Pension Fund's statement of accounts being delayed beyond statutory deadlines. A delay beyond 30 November would mean the Fund would be unable to produce its annual report by the statutory deadline.	16
ACC2	Accounting	Internal controls are not in place to protect against fraud/mismanagement	10
ACC3	Accounting	The Pension Fund's Statement of Accounts do not represent a true and fair view of the Pension Fund's financing and assets.	15
ACC4	Accounting	Risk of misstatement of figures in the Pension Fund's accounts and potential audit qualification due to material uncertainty over year end valuations	12
ACC5	Accounting	The Pension Fund does not have robust internal monitoring and reconciliation process in place, leading to incorrect figures in the accounts	8
ACC6	Accounting	Contributions received from employers participating in the Pension Fund are not in line with what is specified in actuarial reports and adjustment certificates, potentially leading to an increased funding deficit or surplus.	8
ACC7	Accounting	The market value of assets recorded in the Statement of Accounts figures are incorrect leading to a material misstatement and potentially a qualified audit opinion.	10

London Borough of Haringey Pension Fund Risk Register			
Accounting			
Risk Ref	Risk Group	Risk Description	Risk Score
ACC8	Accounting	Inadequate monitoring of contributions and investment income leads to cash flow issues for the Pension Fund.	8

London Borough of Haringey Pension Fund Risk Register			
Funding/Liability			
Risk Ref	Risk Group	Risk Description	Risk Score
FL1	Funding / Liability	There is insuffiicient cash available in the Fund to meet pension payments leading to investment assets being sold at sub-optimal prices to meet pension payments. LGPS benefits are uplifted by CPI inflation report in September preceeding the new financial year (1 April). This figure came in at 1.7% in September 2024.	15
FL2	Funding / Liability	Impact of economic and political decisions on the Pension Fund's employer workforce. Government funding level affecting the Council's spending decisions	15
FL3	Funding / Liability	Impact of increases to employer contributions following the actuarial valuation. The next actuarial valuation is to take place as at 31 March 2025	10
FL4	Funding / Liability	Employee salary increases are significantly more than anticipated for employers participating in the Pension Fund. Persistently high inflation could potentially lead to unexpectedly high pay awards.	12
FL5	Funding / Liability	Failure of an admitted body or scheduled body leads to unpaid liabilities being left in the Pension Fund to be met by other participating employers. Current economic conditions could potentially cause strain on smaller employers.	12

London Borough of Haringey Pension Fund Risk Register			
Funding/Liability			
Risk Ref	Risk Group	Risk Description	Risk Score
FL6	Funding / Liability	Scheme members live longer than expected leading to higher than expected liabilities.	12
FL7	Funding / Liability	Funding strategy and investment strategy are considered in isolation by the Pension Fund's decisionmakers and advisors	10
FL8	Funding / Liability	Inappropriate Funding Strategy is set at the Fund and employer level despite being considered in conjunction with the investment strategy.	10

London Borough of Haringey Pension Fund Risk Register			
Administrative			
Risk Ref	Risk Group	Risk Description	Risk Score
AD1	Administrative	Structural changes in an employer's membership, including transfers out of the pension fund, closures to new membership, and situations where an employer ceases to exist with insufficient funding or bond placement	15
AD2	Administrative	Failure of cyber security measures, including information technology systems and processes, leading to loss, disruption or damage to the scheme or its members.	12
AD3	Administrative	Concentration of knowledge in a small number of officers and risk of departure of key staff.	9
AD4	Administrative	Failure of securely sent sensitive data and any unidentified data flows being sent insecurely.	8
AD5	Administrative	Incorrect data due to employer error, user error or historic error leads to service disruption, inefficiency and conservative	12
AD6	Administrative	Failure of financial system leading to benefits to scheme members and supplier payments not being made and Fund	6




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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	Change
GOV4	Governance	Lack of engagement from employers and members means that communicating decisions becomes a "tick box" exercise resulting in a lack of accountability.	5	3	15	1) The Pensions Fund's approach to communicating with all stakeholders is set out in the Communications Strategy. 2) There is employee and employer representation on the Pension Fund's Committee and Board with full voting rights.	Treat 1) There remains a notable lack of engagement with employers particularly related to consultations and attendance to employer forums. Officers are working on a plan to increase engagement with employers and employees which includes site visits, on-line webinars and regular newsletter updates.	2	10	31/10/2024	—
GOV2	Governance	Members have insufficient knowledge of regulations, guidance and best practice to make good and informed decisions.	4	2	8	1) A Training Needs Analysis is undertaken annually to identify any knowledge gaps and the training programme adapted as required. 2) All new members joining the Pensions Committee and Board are required to undertake induction training. A comprehensive training programme is developed in line with the CIPFA guidances and regularly reviewed and updated. 3) Training is frequently provided prior to a meeting where the Pensions Committee and Board is required to make a key decision. 4) Members are encouraged to undertake self-directed training. A report of training undertaken by members during the year is included in the Pension Fund's Annual Report.	Treat 1) Officers will keep member training activity and the Training Needs Analysis under constant review. 2) Officers, in consultation with the Chair, will explore possible solutions for members to undertake structured self-directed training programmes.	2	8	31/10/2024	—
GOV3	Governance	Officers lack the knowledge and skills required to effectively advise elected members and/or carry out administrative duties.	4	2	8	1) Officer roles and responsibilities identify the relevant knowledge and skills required to undertake their duties effectively. 2) The Pension Fund's administration and investments team is diverse with a mixture of experience across the team. 3) Training and development plans are in place for all officers as part of the Council's performance appraisal programme.	Treat 1) Officers in leadership positions will continue to assess the knowledge and development requirements of the Pension Fund's administration and investments team.	2	8	31/10/2024	—
GOV8	Governance	The Pensions Committee and Board's decision making process is too rigid to allow for the making of expedient decisions leading to an inability to respond to problems and/or to exploit opportunities.	5	2	10	1) The Pensions Committee and Board is scheduled to meet five times during the financial year 2024/25. 2) Where urgent decisions are required, an additional meeting can be arranged outside the scheduled meetings. 3) Delegation of necessary authority can be granted to relevant officers for extremely time critical matters. 4) An Investment and Governance Working Group has been set up to enable the effective identification of arising issues with the intention of acting quickly to mitigate risks and take advantage of opportunities.	Tolerate 1) Current governance arrangements remain in place. 2) Officers will continue to run regular working group sessions to ensure the effective risk management and monitoring for the Pension Fund based on the prevailing economic and regulatory environment.	1	5	31/10/2024	—

Appendix 1 Governance Risks Review

GOV5	Governance	Weak procurement processes lead to legal challenge or failure to secure the best value for money when procuring new services.	5	2	10	1) All procurement activity is carried out in line with the Council's procurement rules and guidance. Expert legal and procurement advice sought where appropriate.	Tolerate 1) Current governance arrangements remain in place.	2	10	31/10/2024	
GOV6	Governance	Failure to comply with legislation and regulations leads to illegal actions/decisions resulting in financial loss and / or reputational damage	5	1	5	1) Officers maintain knowledge of legal framework for routine decisions. 2) The Council's legal team reviews all Pensions Committee and Board papers, and any other legal documents relevant to the Pension Fund 3) The Pension Fund has engaged a team of experts which include an Independent Advisor, Actuary and Investment Consultants. These are highly experienced individuals with in depth knowledge of the various aspects of administering the Local Government Pension Scheme.	Tolerate 1) Current governance arrangements remain in place.	1	5	31/10/2024	
GOV1	Governance	The nature of appointments to the Pensions Committee and Board leads to frequent and/or extensive turnover of members resulting in a loss of technical and operational knowledge about the Pension Fund and therefore, an inexperienced Pensions Committee and Board.	4	2	8	1) The Pensions Committee and Board's membership is comprised of a diverse representation which include elected members, employer representatives and employee representatives. 2) The current membership of the Pensions Committee and Board includes former Chairs and several members who have served on the Committee and Board for over 3 years. In the past 12 months, there has only been one change to the Pension Committee and Board's membership. 3) All new members joining the Pensions Committee and Board are required to undertake induction training. A comprehensive training programme is developed in line with the CIPFA guidances and regularly reviewed and updated.	Treat 1) Officers will continue to monitor membership turnover and arrange for the relevant training to be provided to members as required to ensure that their knowledge and skills remain current.	1	4	31/10/2024	
GOV9	Governance	Known risks not monitored leading to adverse financial, reputational or resource impact.	4	3	12	1) The Pensions Committee and Board receives an updated version of the risk register as an agenda item for all meetings. This includes a review of all high risk items and a periodic review of risks by category of risk. 2) Members of the Pensions Committee and Board are invited to provide comment on any current and/or emerging risks. 3) An Investment and Governance Working Group has been set up to enable the effective identification of arising issues with the intention of acting quickly to mitigate risks and take advantage of opportunities.	Tolerate 1) Officers will keep the Pension Fund's risk register under regular review and provide an update to the Pensions Committee and Board at each regular meeting. 2) Officers will continue to run regular working group sessions to ensure the effective risk management and monitoring for the Pension Fund based on the prevailing economic and regulatory environment.	2	8	31/10/2024	

Appendix 1 Governance Risks Review

GOV7	Governance	Pension Fund objectives are not defined and agreed leading to lack of focus of strategy to facilitate the aims of the LGPS.	4	1	4	<p>1) The Fund's objectives are clearly defined in the Funding Strategy Statement and the Investment Strategy Statement. The reports are regularly reviewed and approved by the Pensions Committee and Board.</p> <p>2) An Investment and Governance Working Group has been set up to enable effective objective setting for the Pension Fund. The Working Group runs regular workshops led by officers and the Fund's advisors.</p>	<p>Tolerate</p> <p>1) Officers will ensure Fund strategy statements are kept up to date and reviewed by the Pensions Committee and Board regularly.</p> <p>2) Officers will continue to run regular working group sessions to ensure the Pension Fund's objectives are clearly defined and remain current based on the prevailing economic and regulatory environment.</p>	1	4	31/10/2024	
GOV10	Governance	Failure to review existing contracts means that opportunities are not exploited.	3	2	6	<p>1) The Pension Fund regularly reviews existing contracts to ensure that they provide good value.</p> <p>2) Several of the Pension Fund's contracts are re-tendered at least once every five years.</p>	<p>Treat</p> <p>1) Officers will continue to review existing contracts and service requirements to ensure the best value is achieved for scheme members.</p>	2	6	31/10/2024	
GOV11	Governance	Pensions Committee and Board members have undisclosed conflicts of interest.	3	1	3	<p>1) Declaration of conflict of interest is a standing item on the agenda.</p> <p>2) All members of the Committee are required to complete an annual declaration of interest form.</p>	<p>Tolerate</p> <p>1) The requirement for Pensions Committee and Board members to disclose any conflicts of interest remains in place.</p>	1	3	31/10/2024	

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Report for: Pensions Committee and Board – 2 December 2024

Item number:

Title: Pension Fund Quarterly Investment and Performance Update

Report authorised by: Josephine Lyseight, Assistant Director of Finance (Deputy Section 151 Officer)

Lead Officer: Tim Mpofu, Head of Pensions and Treasury
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 30 September 2024:
- a. Overview of fund performance including funding position update
 - b. Independent advisor's market commentary
 - c. Investment manager performance
 - d. Asset allocation

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 this report regarding the Fund's investment performance and activity for the quarter ended 30 September 2024.
- 3.2. To agree to invite the London CIV and CBRE to present their Indirect Real Estate Pooling Solution at the next Pensions Committee and Board meeting.

4. Reason for Decision

- 4.1. Not applicable.

5. Alternative options considered

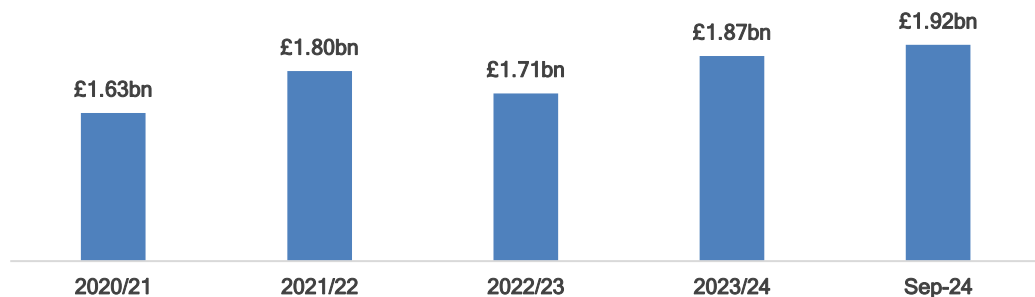
- 5.1. Not applicable.

6. Background information

Overview of Fund Performance

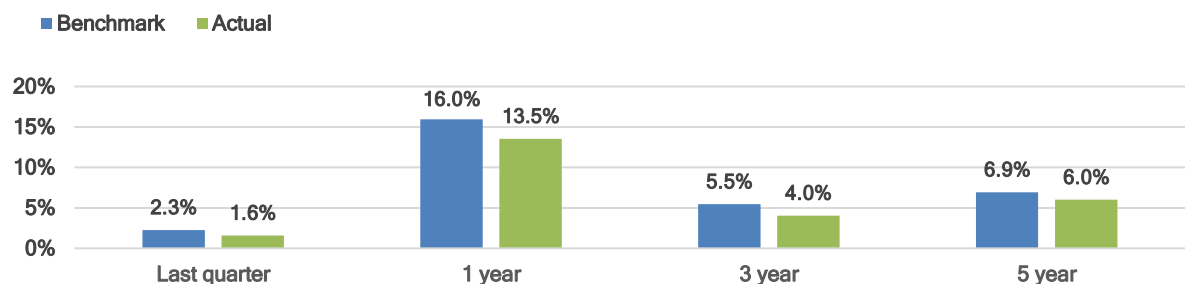
- 6.1. The Fund's investment portfolio on 30 September 2024 was £1.92bn, representing a 2.26% increase over the quarter. Chart 1 shows the growth in investment assets over the past 5 years.

Chart 1: Fund assets over the past 5 years



- 6.2. Chart 2 shows the Fund's investment performance over various time periods relative to its overall strategic benchmark.

Chart 2: Fund Investment Performance



Source: Northern Trust, Haringey Pension Fund Strategy Report, 30 September 2024

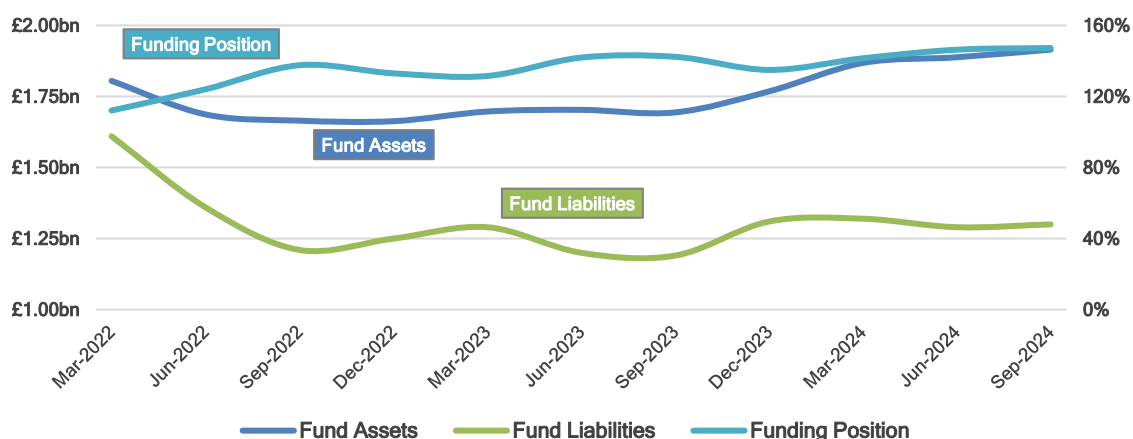
- 6.3. The Fund slightly underperformed the strategic benchmark over the quarter. Despite achieving consistent positive returns, it has also underperformed the strategic benchmark over longer time periods.

Funding position update

- 6.4. The Fund monitors its funding level each quarter. This is the ratio of the market value of assets to the projected future benefit payments, also known as fund liabilities.
- 6.5. The funding level as at 31 March 2022 was 113%, based on a discount rate of 4.3%. This indicated that the Fund's investment assets were more than sufficient to cover all the pension benefits accrued by that date, based on the underlying actuarial assumptions.
- 6.6. Hymans Robertson, the Fund Actuary, regularly calculates an indicative funding position update using the latest actuarial assumptions. A detailed breakdown of the Fund's funding position has been included as Confidential Appendix 2 to this report.

- 6.7. On 30 September 2024, the updated estimated funding level position was 146%. Chart 3 shows the assets and liabilities that comprise the funding level since 31 March 2022.

Chart 3: Funding Position



- 6.8. Fund assets have increased modestly since the last valuation. However, the present value of future liabilities has decreased significantly, resulting in a notable improvement in the funding level. This decrease is largely due to a significant increase in the (real) discount rates since 2022, which have raised the expected return of assets included in the Fund's strategic asset allocation.

Market Commentary

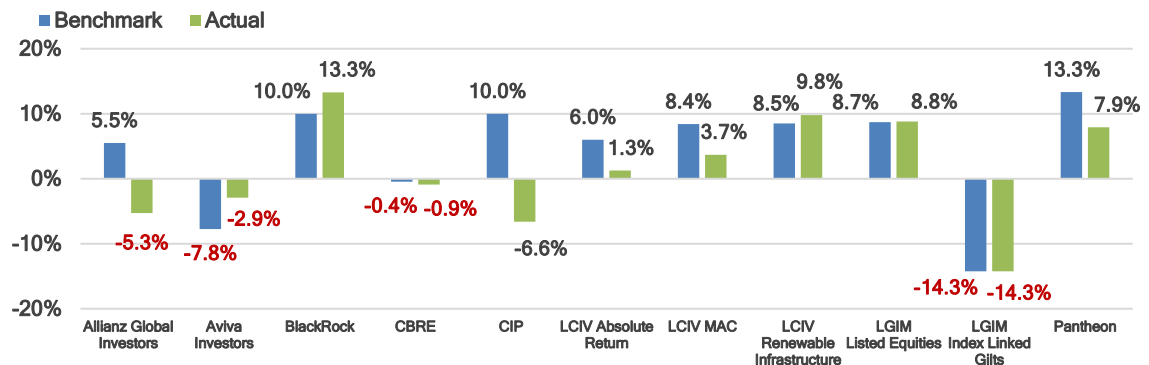
- 6.9. Global equities rose for the fourth consecutive quarter, with both the MSCI World Index and S&P 500 gaining 6% despite a brief market selloff in August 2024. This growth was driven by expected interest rate cuts, moderating inflation trends, and optimism about a "soft landing" in the US rather than a recession.
- 6.10. During the period, central banks in the US and UK initiated interest rate cuts while signalling the possibility of further reductions in the future. The respective central bank rates at the time of writing were:
- Federal Reserve Target Range – 4.50%-4.75% (reduced by 0.50% in September 2024, and a further 0.25% in November 2024)
 - Bank of England Bank Rate – 4.75% (reduced by 0.25% in August 2024, and a further 0.25% in November 2024)
- 6.11. Considerable uncertainty remains regarding the pace of future interest rate cuts, driven by persistent high levels of inflation and ongoing geopolitical tensions.
- 6.12. A detailed market commentary for the quarter ending 30 September 2024, has been prepared by the Pension Fund's Independent Advisor and is included as Appendix 1 to this paper.

Investment Performance

6.13. The Fund's investment assets are managed to meet its liabilities over the medium to long term. Therefore, the performance of the appointed investment managers is assessed over these time periods.

6.14. Chart 4 shows the individual investment performance for each investment manager measured over the rolling three-year period.

Chart 4: Investment Manager Performance Over Rolling 3yr Period



Source: Northern Trust, Haringey Pension Fund Strategy Report, 30 September 2024

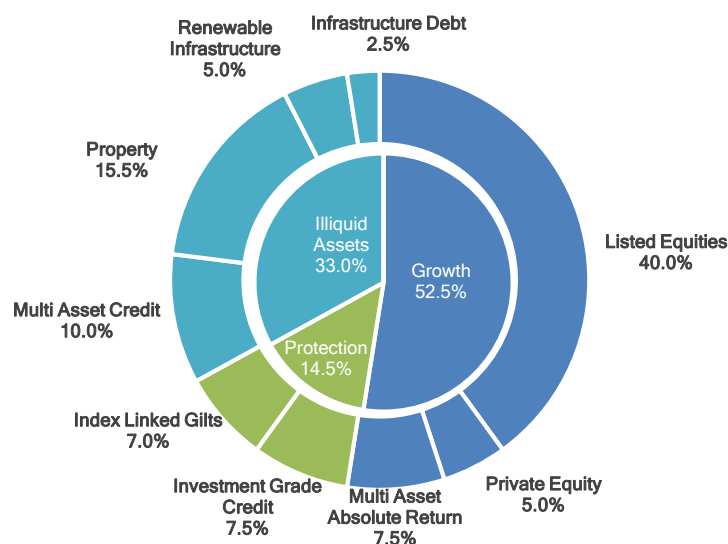
6.15. The following funds have not been included in Chart 4 as the Fund has been invested in them for less than 3 years:

- London Fund
- LCIV Buy and Maintain

Asset Allocation

6.16. The Fund has set a strategic asset allocation benchmark aimed at balancing long-term returns with risk, considering the nature of the Fund's liabilities and prevailing market factors. The Fund's strategic asset allocation is shown in Chart 5.

Chart 5: Strategic Asset Allocation



6.17. The Fund's current asset allocation, compared to the strategic asset allocation is shown in Table 1.

Table 1: Current strategic asset allocation

Asset	Sept-24 £m	Strategic Asset Allocation	Current Asset Allocation	Variance	Allowable Ranges
Listed equity	889	40.0%	46.5%	6.5%	+/- 5.0%
Diversified alternatives	527	30.0%	27.5%	(2.5%)	+/- 10.0%
Property	207	15.5%	10.8%	(4.7%)	+/- 10.0%
Defensive	269	14.5%	14.0%	(0.5%)	+/- 5.0%
Cash	23	0.0%	1.2%	1.2%	
Total	1,915				

6.18. As of 30 September 2024, the allocation to listed equities had exceeded the acceptable range. Senior Fund Officers, in consultation with investment consultants Mercer, have been exploring several portfolio rebalancing options focusing on liquid assets.

6.19. Illiquid assets will be considered in more detail during the investment strategy review, which will support the upcoming actuarial valuation.

Investments with the pool

6.20. Haringey Pension Fund, along with all the London Borough funds, is a Partner Fund of the London Collective Investment Vehicle (LCIV), one of the asset pools that were established following the government guidance issued in November 2015. As of 30 September 2024, the Fund had approximately 79% of its assets invested with the pool, with approximately 26% invested in funds managed directly by the London CIV.

6.21. Earlier this year, the London CIV developed an Indirect Real Estate Pooling (IREP) Solution, designed for Partner Funds that have Separately Managed Accounts arrangements as part of their property portfolios. This solution aims to minimise disruption and costs whilst enabling Partner Funds to meet their pooling requirements.

6.22. In July 2024, the London CIV appointed CBRE Investment Management to support the execution of the IREP solution. CBRE Investment Management also manages a portion of Haringey Pension Fund's commercial property portfolio.

6.23. Senior Fund Officers, in consultation with investment consultants Mercer, and the Independent Advisor have met with the London CIV and CBRE to discuss the practical implementation of this solution. Based on these discussions, it is proposed that the London CIV and CBRE be invited to present this solution at the next PCB meeting.

7. Contribution to Strategic Outcomes

7.1. Not applicable

8. Carbon and Climate Change

- 8.1. Haringey Pension Fund is committed to being a responsible investor, which involves engaging with and encouraging companies to take positive action on environmental, social and governance (ESG) issues.
- 8.2. The Fund's current investment strategy includes allocations to renewable infrastructure funds and low-carbon equity index funds. One such fund is the RAFI-Multi Factor Climate Transition Fund, which aims to reduce the Pension Fund's carbon intensity accordance with the Paris Agreement.
- 8.3. The Fund is continually reviewing the ESG performance of existing investment strategies while also seeking out sustainable investment opportunities that align with the Fund's overall investment objectives.

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

Finance

- 9.1. The report contains the financial performance of the Haringey Pension Fund and its investments. Proper monitoring and management of these investments increases the likelihood of the Fund achieving its objectives. This, in turn, helps ensure the protection of member benefits and improves the probability of maintaining stable employer contribution rates.

Procurement

- 9.2. There are no immediate procurement implications arising from this report.

Assistant Director of Legal and Governance [Patrick Uzice, Principal Lawyer]

- 9.3. 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.
- 9.4. 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 PCB should keep this duty in mind when considering this report and take proper advice on the matter.

Equality

- 9.5. The Local Government Pension Scheme is a defined benefit open scheme that allows all Council employees to participate. The report's contents have no direct impact on equality issues.

10. Use of Appendices

- 10.1. Appendix 1: Independent Advisor's Market Commentary Jul-Sep 24
- 10.2. Confidential Appendix 2: Quarterly Investment Performance Report 30 September 2024
- 10.3. Confidential Appendix 2: Funding Position Update September 2024

11. Local Government (Access to Information) Act 1985

11.1. Not applicable.

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JOHN RAISIN FINANCIAL SERVICES LIMITED

Independent Advisors Report

Market Commentary July to September 2024

For the fourth Quarter in a row Global Equities advanced with the MSCI World Index advancing by over 6% (in US \$ terms). Expectations of, and actual, interest rate cuts by Central Banks (particularly the US Federal Reserve and European Central Bank), together with a continuing benign trend in inflation levels and an expectation of a “soft landing” for the US economy all supported Equity markets. World Equities as a whole enjoyed a positive year (October 2023 to September 2024) with the MSCI World Index advancing by over 32%.

In the United States headline inflation continued to mitigate. CPI Inflation, which appears to influence markets/market commentators fell from 3.3% in May to 3.0% in June (reported in July), to 2.9% in July and 2.5% in August. The PCE (Personal Consumption Expenditures) Index which the Federal Reserve tends to refer to more than the CPI Index registered 2.4% in June (reported in July), 2.5% in July and 2.3% in August.

At the meeting of the US Federal Reserve Federal Open Markets Committee (FOMC) which concluded on 31 July 2024 the target range for the Federal Funds Rate (the benchmark interest rate) was again held at the “*target range*” of 5.25-5.5%. In the Press Conference following this meeting Federal Reserve Chair Jay Powell commented, however, that “*The broad sense of the Committee is that the economy is moving closer to the point at which it will be appropriate to reduce our policy rate.*” Then in his speech to world central bankers at the Jackson Hole (Wyoming) symposium on 23 August 2024 Chair Jay Powell stated “*...Overall, the economy continues to grow at a solid pace. But the inflation and labor market data show an evolving situation. The upside risks to inflation have diminished. And the downside risks to employment have increased. As we highlighted in our last FOMC statement, we are attentive to the risks to both sides of our dual mandate.*” Chair Powell then went on to indicate to the symposium a clear potential reduction in interest rates at the FOMC meeting in September stating “*The time has come for policy to adjust. The direction of travel is clear, and the timing and pace of rate cuts will depend on incoming data, the evolving outlook, and the balance of risks.*”

Having not cut the Federal Funds rate since 2020 and having held it at 5.25-5.5% since July 2023 the meeting of the FOMC which concluded on 18 September 2024 reduced the Federal Funds Rate by 0.5% to a “*target range*” of 4.75 to 5%. This reduction of 0.5% was greater than the more common reduction in the Federal Funds Rate which is 0.25%. However in the Press Conference following the September FOMC meeting Chair Powell clearly explained this reduction stating “*In light of the progress on inflation and the balance of risks, at today’s meeting, the Committee decided to lower the target range for the federal funds rate by ½ percentage point to 4¾ percent to 5 percent. This recalibration of our policy stance will help maintain the strength of the economy and the labor market and will continue to enable further progress on inflation.*” Projections issued at the end of the September meeting also indicated that FOMC participants anticipated clearly lower interest rates at the end of both 2024 and 2025 as compared with their projections issued after the June 2024 meeting.

Despite a (temporary) but notable sell off in early August prompted by (excessive) market reaction to a poorer than expected US employment data release and also following lower than hoped for earnings reports from the technology sector US Equities enjoyed a clearly positive Quarter. The S&P 500 Index advanced by 6% over the July to September period. This was in the overall context of ongoing indications of interest rate cuts facilitated by benign inflation, high (but cooling) employment and an overall/general view that the US economy would remain positive. Over the year (October 2023-September 2024) the S&P 500 returned over 36% (in US \$ terms).

Following a negative April to June Quarter (impacted adversely by political events) the July to September Quarter saw a recommencement of the previously positive trend in the Eurozone Equity market with the MSCI EMU Index gaining a modest 3% (in Euro terms). Eurozone inflation moved downwards over the Quarter from 2.5% for June, then 2.6% for July, to 2.2% for August and 1.7% for September.

The meeting of the Governing Council of the European Central Bank (ECB) held on 18 July 2024 kept interest rates *“unchanged”* following the cut of 0.25% at the June meeting. In the Press Conference after the July meeting the President of the Governing Council, Christine Lagarde was stated that in its approach to interest rates the Governing Council *“were determined to be data dependent to decide meeting by meeting and not to have any predetermined rate path.”* Therefore *“the question of September and what we do in September is wide open and will be determined on the basis of all the data that we will be receiving.”* At the meeting held on 12 September the Governing Council reduced interest rates by 0.25%. This resulted in the headline *“deposit”* rate reducing from 3.75% to 3.5%. Based on the *“Monetary Policy Statement”* issued after the meeting the decision clearly appears to have been based on both moderating Eurozone inflation and concerns as to the robustness of the economy with the Statement including the comment that *“economic activity is still subdued, reflecting weak private consumption and investment.”*

The UK General Election held on 4 July 2024 resulted in a resounding victory for the Labour Party who won 411 seats out of 650. The outgoing Conservative Party were reduced to 121. Initial market reaction was positive from both markets and spokespersons for major asset managers who referred to greater political stability going forward. However, by September business leaders were expressing concerns about higher business taxes and economic prospects following statements by the new Government regarding a massive gap in the public finances they claimed had been left by the outgoing Government. Over the Quarter the FTSE All Share advanced by 2%. A gain of over 3% in July (following the General Election) was offset by later losses which were, market commentators suggested, in part a result of concerns about the UK Budget due to be delivered by the Chancellor of the Exchequer in late October.

At the Monetary Policy Committee (MPC) meeting of the Bank of England on 31 July 2024 the MPC voted 5-4 to reduce Bank Rate by 0.25% from 5.25% to 5%. This was the first reduction since 2020. However not only was the decision was very finely balanced in terms of the vote but the Minutes of the meeting (paragraph 22), in referring to the 5 Members who voted for the rate reduction, indicates clear caution stating that *“It was appropriate to reduce slightly the degree of policy restrictiveness...”* but that even for some of those who voted for a reduction *“the decision was finely balanced. Inflationary persistence had not yet conclusively dissipated, and there remained some upside risks to the outlook.”* The MPC meeting which concluded on 19 September 2024 maintained Bank Rate at 5%.

Japanese Equities experienced a roller coaster Quarter. The Nikkei 225 Index which ended June at 39,583 reached a record closing high of 42,224 on 11 July. It then fell to close at 31,458 on 5 August (during the world wide Equity downturn following market reaction to US employment data and after the Bank of Japan's decision to increase interest rates and reduce Government Bond purchases on 30 July) and then recovered to close at 37,920 on 30 September. Over the Quarter the Nikkei 225 fell 4%.

Japanese inflation which had been close to but exceeded 2% (the Bank of Japan's "price stability target") since April 2022 continued to do so during this Quarter. At the Monetary Policy Meeting (MPM) of the Policy Board of the Bank of Japan which concluded on 31 July 2024 the short term interest rate was increased to 0.25% (from 0.1%) and the Bank determined to cut its monthly purchases of Japanese Government Bonds to "about 3 trillion yen in January-March 2026" reducing by "about 400 billion yen each calendar quarter in principle" over the period to early 2026. Following on from the historic and symbolic changes announced in March 2024 (the ending of negative interest rates and yield curve control) and its announcement in June 2024 of an intention to reduce its purchases of Government Bonds going forward, the 31 July 2024 announcement represented a clear tightening of Monetary Policy by the Bank of Japan which places it at odds with the monetary loosening approach now been pursued by the US Federal Reserve, European Central Bank and Bank of England. This announcement by the Bank of Japan which surprised markets strengthened the yen and led to market speculation as to possible further tightening of monetary policy by the Bank of Japan. Coupled with a global Equity sell off this led to sharp falls (which were later in the Quarter somewhat reversed) in Japanese Equities with the shares of export driven companies who benefit from yen weakness amongst those particularly negatively impacted. At the Monetary Policy Meeting which concluded on 20 September 2024 the Bank of Japan held short term rates at 0.25%.

Asian (excluding Japan) and Emerging Markets enjoyed a successful Quarter with the MSCI AC Asia (ex-Japan) and the MSCI Emerging Markets Index gaining over 10% and approaching 9% respectively (in US \$ terms). Monetary loosening by the US Federal Reserve (both expectations of and actual interest rate reductions) are considered (on the basis of historical precedent) generally beneficial to Asian and Emerging Market equities. Chinese shares rose significantly in late September in the context of a stimulus package which included interest rate cuts, increasing liquidity in the banking system and funds to assist companies to undertake share buybacks.

Benchmark Government Bonds (US, UK, and Germany) had a clearly positive Quarter in the context of expectations of and generally benign inflation and expectations of (and actual) interest rate cuts by the major Central Banks. Over the Quarter across all of 2 year, 10 year and 30 year US Treasury, UK Gilt and German Bunds Yields fell and therefore prices rose. US, Euro, and UK Corporate Bonds all also enjoyed a positive Quarter.

13 November 2024

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."

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Report for: Pensions Committee and Board – 2 December 2024

Item number:

Title: Forward Plan

Report authorised by: Josephine Lyseight, Assistant Director of Finance (Deputy Section 151 Officer)

Lead Officer: Tim Mpofu, Head of Pensions and Treasury
tim.mpofu@haringey.gov.uk

Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Non Key Decision

1. Describe the issue under consideration

- 1.1. This paper has been prepared to identify and agree upon the key priorities for the Pensions Committee and Board (PCB) over the upcoming months, as well as seek the PCB's input into future agendas.

2. Cabinet Member Introduction

- 2.1. Not applicable

3. Recommendations

The Pensions Committee and Board is recommended:

- 3.1. To note and provide any comments on the progress made towards the agreed key priorities outlined in section 6 of this report, specifically in regarding the responsible investment policy development and fund governance review.
- 3.2. To identify additional matters and training requirements 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. The Local Government Pension Scheme (LGPS) Regulations require that those responsible for the governance, decision making, and operational functions of the pension scheme must acquire and maintain the necessary knowledge and skills to appropriately carry out of their duties.

- 6.2. To support this requirement, it is best practice for a pension fund to maintain a work plan. The high-level plan, which outlines the anticipated key activities in the areas of governance, scheme administration, investments, and accounting over the next few months, is included as Appendix 1 of this paper.

Key Priorities Identified

- 6.3. One of the key priority areas identified during the most recent investment strategy review was the Fund's approach to integrating Environmental, Social and Governance considerations as part of the investment process. In addition to this, a review of the Fund's governance has also been identified as a key priority area.
- 6.4. Table 1 outlines the key priorities added to the proposed work plan for the next 9–12 months.

Table 1: Key Fund Priorities

Activity	Objective	Key Dates	Progress Update
Setting responsible investment objectives	The PCB is currently developing the Fund's responsible investment policy. This work will include establishing medium to long-term goals and defining the criteria for investment selection.	February 2024 – March 2025	In progress
Fund governance review	Following the publication of the revised Code of Practice issued by the Pensions Regulator, the Fund plans to undertake a fund governance review.	June 2024 – December 2024	Completed
Investment opportunities review	Upcoming areas of review will include, evaluating the Fund's listed equities allocation and conducting a thorough review of the Fund's private markets allocation in preparation for the upcoming triennial valuation.	March 2025	Initial stages of development
Governance recommendations implementation plan	Following the findings of the fund governance review, the Section 151 officer will prepare an implementation plan of the recommendations for the PCB's consideration.	March 2025	Initial stages of development

- 6.5. The PCB is requested to consider whether it wishes to amend any future agenda items as set out in Appendix 1 to this paper.

Knowledge and Skills

- 6.6. The PCB has adopted the revised CIPFA 2021 Code of Practice on Local Government Pension Scheme (LGPS) Knowledge and Skills which was issued in

June 2021. This policy outlines various training resources and methods available to the PCB and Senior Fund Officers.

- 6.7. Members are encouraged to complete their self-directed training through the LGPS Online Learning Academy (LOLA) , which is facilitated by Hymans Robertson.
- 6.8. Table 2 lists the upcoming training opportunities available over the next few months.

Table 2: Upcoming Training Opportunities

Training Opportunity	Training Organiser	Description	Key Dates
Responsible Investment Workshop: (Portfolio “Health check”)	Haringey Pension Fund	As part of the Responsible Investment Policy development, this workshop will build on the identified priority areas by presenting the PCB with the portfolio's current starting position.	Q1 2025

- 6.9. Table 3 lists the upcoming conferences available over the next few months.

Table 3: Upcoming Conferences

Training Opportunity	Training Organiser	Description	Key Dates
LAPFF Annual Conference	Local Authority Pension Fund Forum	The LAPFF Annual Conference will be taking place from Wednesday 4 th to Friday 6 th December 2024 in Bournemouth. As a member of LAPFF, the Fund has two complimentary delegate passes.	4 th – 6 th December 2024
LGA Annual Conference	Local Government Association	The LGA Annual Conference will be taking place from 30 th – 31 st January 2025 in Bournemouth. More details to follow.	30 th – 31 st January 2025

7. Contribution to Strategic Outcomes

- 7.1. Not applicable

8. Carbon and climate change

- 8.1. Haringey Pension Fund is committed to being a responsible investor, which involves engaging with and encouraging companies to take positive action on ESG issues.
- 8.2. The PCB is currently developing the Fund's responsible investment policy, which will establish a framework for addressing ESG issues across asset classes. This

will include the approach to managing and monitoring risks related to climate change.

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

Finance and Procurement

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

Assistant Director for Legal and Governance [Patrick Uzice, Principal Lawyer]

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

Equalities

9.3. Not applicable.

10. Use of Appendices

10.1. Appendix 1: Forward Plan

11. Local Government (Access to Information) Act 1985

11.1. Not applicable.

Appendix 1 - Forward Plan

December 2024	March 2025	June 2025	September 2025
Standing Items			
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)	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	Risk Register Review	Risk Register Review	Risk Register Review
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
Adminstration & Governance			
Governance Review Outcome Report	Governance Review Implementation Plan	Business Plan and Annual Budget	Annual Pension Fund Accounts 24/25 and Annual Report (including various statutory documents)
	Audit Progress Report	Audit Progress Report	Audit Progress Report
Investment & Funding Strategy			
RI Policy Development Plan	RI Policy Development Plan	RI Policy Development Plan	RI Policy Development Plan
	Property Pooling Solution	Actuarial Valuation	Actuarial Valuation
	Private Markets Review		
Knowledge & Skills Development			
Training & Conferences Update	Training & Conferences Update	Training & Conferences Update	Training & Conferences Update

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Report for: Pensions Committee and Board – 2 December 2024

Item number:

Title: Haringey Pension Fund Governance Review

Report authorised by: Taryn Eves, Director of Finance (Section 151 Officer)

Lead Officer: Tim Mpofu, Head of Pensions and Treasury
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. At the meeting held on 5 March 2024, the Pensions Committee and Board (PCB) commissioned the Pension Fund's Independent Advisor to undertake a review of the Haringey Pension Fund's governance arrangements. This report presents the PCB with the findings of the review and offers several recommendations.

2. Cabinet Member Introduction

- 2.1. Not applicable

3. Recommendations

The Pensions Committee and Board is recommended:

- 3.1. To note this report and the information provided regarding the findings of the review of the Haringey Pension Fund's governance arrangements.
- 3.2. To note Appendix 1 of this report "An Independent review of the Governance arrangements of the Local Government Pension Scheme (LGPS) as Administered by the London Borough of Haringey (LBH)," prepared by the Pension Fund's Independent Advisor, John Raisin Financial Services Limited.
- 3.3. To accept all of the 26 recommendations of the governance review set out in the Report and delegate their implementation to the Section 151 Officer, with an implementation plan to be presented at the next meeting of the Pensions Committee and Board.

4. Reason for Decision

- 4.1. The Pensions Committee and Board must regularly review the Pension Fund's governance arrangements to ensure they remain fit for purpose and comply with relevant legislation, regulations and best practices.

5. Other options considered

5.1. Not applicable.

6. Background information

- 6.1. Following the Pensions Regulator's (TPR) consultation on a new Code of Practice, published on 10 January 2024, the Pensions Committee and Board (PCB) agreed to conduct a review of the Pension Fund's governance arrangements with the aim to ensure compliance with General Code that came into effect on 27 March 2024.
- 6.2. Appendix 1 of this report presents the findings of a comprehensive review conducted by the Pension Fund's Independent Advisor, John Raisin Financial Services Limited. The review considered the Agendas, Minutes, and relevant reports considered by the PCB since its first meeting on 20 September 2016, with a particular focus on the period of 1 April 2022 to 30 September 2024.
- 6.3. While this review includes specific references to the 2024 General Code and observations derived from it, it is not a comprehensive assessment of the Haringey Pension Fund's compliance with the TPR General Code of Practice.
- 6.4. However, the review's findings offer 26 recommendations for the PCB's consideration, including a recommendation that the PCB receive a report on the outcomes of such an assessment once the Pension Fund has completed it.

Approach to the governance review

- 6.5. The review was structured around 13 key themes relevant to the Fund's governance and management. These themes are as follows:
- The role and activity of the Pensions Committee and Board (PCB)
 - Business Planning and Budgeting
 - Knowledge and Skills
 - Internal Control, Risk Management, and Internal Audit
 - Conflicts of Interest and Reporting Breaches of the Law
 - Approach to Investment Issues
 - Approach to Pensions Administration Issues
 - Approach to Actuarial Issues
 - The Investment & Governance Working Group
 - Relationship with the London Collective Investment Vehicle
 - The extent to which the PCB receives support and advice
 - Some observations on Officer resourcing
- 6.6. Within these themes, reference is made to legislation, regulation, statutory guidance, and best practice guidance. This includes the published work of the LGPS Scheme Advisory Board (SAB) project "Good Governance in the LGPS".

- 6.7. The review also considers the support provided to the PCB by Senior Fund Officers and advisors. It also considers the relationship between the Haringey Pension Fund and its Asset Pool, the London CIV.

Summary of findings and conclusions

- 6.8. Overall, the review concludes that the PCB has exercised careful and considered oversight and made positive decisions regarding the London Borough of Haringey Pension Fund. Based on the information provided and evidence examined, the review finds that PCB members have diligently discharged their responsibilities during the period from April 2022 to September 2024.

- 6.9. Other notable findings are as follows:

- The level of support provided by the Officer team, Investment Consultation and Actuary was deemed to be of a very high standard.
- The introduction of the Investment & Governance working group in 2023 was identified as a hugely positive development.
- Business Planning & Budgeting, Risk Management, and Knowledge & Skills were identified as key areas of further improvement.

Next steps

- 6.10. To fully implement the recommendations identified by the review, a detailed implementation plan will be required. If these recommendations are accepted by the PCB, the Section 151 Officer will thoroughly examine these recommendations and present an implementation plan to the PCB at its next meeting.
- 6.11. This process will likely require additional resources to make significant progress on the identified areas of development proposed in this review.

7. Contribution to Strategic Outcomes

- 7.1. Not applicable

8. Carbon and Climate Change

- 8.1. Not applicable

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

Finance and Procurement

- 9.1. This report has no immediate financial implications. However, the proposed areas of development outlined in the report will likely require additional resources, resulting in an increase in costs for the Pension Fund.
- 9.2. Any such assessment of cost will be considered as part of the Pension Fund's Business Planning & Budgeting process.

Assistant Director of Legal and Governance [Patrick Uzice, Principal Lawyer]

- 9.3. The Assistant Director for Legal and Governance (Monitoring Officer) has been consulted on the contents of this report. The Governance Review Report makes a number of recommendations which are designed to better improve the governance of the Pension Fund. If the PCB accepts these recommendations, there will need to be consultation with legal as to how best to implement some of these recommendations. This may include the need to amend the Council's constitution and implications in respect of procurement.

Equalities

- 9.4. Not applicable.

10. Use of Appendices

- 10.1. Appendix 1: An independent review of the Governance arrangement of the Local Government Pension Scheme (LGPS) as Administered by the London Borough of Haringey (LBH)

11. Local Government (Access to Information) Act 1985

- 11.1. Not applicable.

By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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