NOTICE OF MEETING

PENSIONS COMMITTEE AND BOARD

Tuesday, 17th March, 2026, 7.00 pm - George Meehan House, 294 High Road, N22 8JZ (watch the live meeting here, watch the recording here)

Councillors: George Dunstall (Chair), John Bevan (Vice-Chair), Nick da Costa, Thayahlan Iyngkaran, Matt White and Anna Lawton

Co-optees/Non Voting Members: Keith Brown, Randy Plowright, Craig Pattinson, John 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 15 below).

4. DECLARATIONS OF INTEREST

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

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

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

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

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

i) Has a responsibility or duty in relation to the management of, or provision of advice to, the LBHPF, and

ii) At the same time, has:
   - a separate personal interest (financial or otherwise) or
   - another responsibility in relation to that matter,

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

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

5. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS

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

6. RECORD OF TRAINING UNDERTAKEN SINCE LAST MEETING

Note from the Head of Legal and Governance (Monitoring Officer)
When considering the items below, the Committee will be operating in its capacity as 'Administering Authority'. When the Committee is operating in its capacity as an Administering Authority, Members must have due regard to

their duty as quasi-trustees to act in the best interest of the Pension Fund above all other considerations.

7. MINUTES (PAGES 1 - 4)

To confirm and sign the minutes of the Pensions Committee and Board meeting held on 22nd January as a correct record.

8. RESPONSIBLE INVESTMENT POLICY

Report to follow.

9. PENSION ADMINISTRATION UPDATE (PAGES 5 - 12)

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

10. GOVERNANCE REVIEW IMPLEMENTATION PLAN (PAGES 13 - 28)

This paper has been prepared to update the progress of implementation of the funds governance review recommendations following the review undertaken by the Funds independent advisor. Officers welcome comment from the Pensions Committee and Board on the actions achieved to date.

11. RISK REGISTER (PAGES 29 - 38)

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.

12. PENSION FUND BUSINESS PLAN AND BUDGET FOR THE FINANCIAL YEAR 2026/27 (PAGES 39 - 52)

This report details the Haringey Pension Fund Business Plan and Budget for the financial year 2026/27

13. PENSION FUND QUARTERLY INVESTMENT AND PERFORMANCE UPDATE (PAGES 53 - 60)

This report provides the Pensions Committee and Board (PCB) with the following updates on the Pension Fund's performance for the quarter ended 31 December 2025

Appendix 2 of this report is to follow.

14. HARINGEY PENSION FUND ACTUARIAL VALUATION REPORT (PAGES 61 - 148)

This report provides the Pensions Committee and Board with information on the outcome of the actuarial valuation exercise as at 31 March 2025.

The report presents the conclusions made by the Fund's Actuary, Hymans Robertson regarding the actuarial valuation results for the whole fund. This includes revised contribution rates for the next three years starting on 1 April 2026, as well as the funding position as of the valuation date.

An updated version of the Funding Strategy Statement has also been included for the Pensions Committee and Board's approval following the conclusion of the consultation on the 31 January 2026.

15. NEW ITEMS OF URGENT BUSINESS

16. DATES OF FUTURE MEETINGS

To note the dates of future meetings are to be confirmed.

17. EXCLUSION OF THE PRESS AND PUBLIC

Items 18-22 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.

18. EXEMPT MINUTES (PAGES 149 - 152)

To confirm and sign the exempt minutes of the Pensions Committee and Board meeting on 22nd January as a correct record.

19. EXEMPT - PENSION FUND QUARTERLY UPDATE AND INVESTMENTS UPDATE (PAGES 153 - 156)

As per item 13

20. EXEMPT - HARINGEY PENSION FUND ACTUARIAL VALUATION REPORT (PAGES 157 - 220)

21. EXEMPT - PROCUREMENT OF ACTUARIAL SERVICES (PAGES 221 - 224)

22. NEW ITEMS OF EXEMPT URGENT BUSINESS

Kodi Sprott, Principal Committee Coordinator
Tel – 020 8489 5343
Email: kodi.sprott@haringey.gov.uk

Fiona Alderman
Director of Legal & Governance (Monitoring Officer)
George Meehan House, 294 High Road, Wood Green, N22 8JZ

Tuesday, 10 March 2026

This page is intentionally left blank

Agenda Item 7

MINUTES OF THE MEETING Pensions Committee and Board HELD ON Monday 22nd January, 2026, 7:00 – 9:45pm

PRESENT: Councillors: George Dunstall (Chair), John Bevan (Vice-Chair), Matt White, John Raisin (Advisor), Anna Lawton, Keith Brown, Andreas Andrea, Taryn Eves and Eamonn Kenny, Cllr Iyngkaran.

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 were received from Cllr Da Costa, Randy Plowright and Craig Pattinson.

3. **URGENT BUSINESS**

   There were no items of urgent business

4. **DECLARATIONS OF INTEREST AND CONFLICTS OF INTEREST**

   There were none.

5. **BREACHES OF THE LAW**

   There were none.

6. **DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS**

   There were none.

7. **RECORD OF TRAINING UNDERTAKEN SINCE LAST MEETING**

   Cllr Lawton was in the process of completing all training courses.

8. **MINUTES**
   The minutes of the Pensions Committee and Board meeting held on 1st December 2025 were approved as a correct record.

9. **RESPONSIBLE INVESTMENT POLICY**

Jamie Abbott introduced the report for this item. The Fund had finalised the draft Responsible Investment Policy to ensure that it remained aligned with best practice, regulatory requirements, and the long-term interests of members and stakeholders. Responsible investment had become an increasingly important aspect of pension fund governance, reflecting the need to integrate environmental, social, and governance (ESG) considerations into investment decision-making.

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

- John Raisin noted the background of extensive activity that had taken place and stated that this was a positive reflection on the Members of the Committee and Board, as well as the officers of the Fund.
- Cllr White stated that they were happy to see the policy brought forward and were pleased with the section on conflict zones. They asked for more clarity on how this would work in practice. Jamie explained that if an area was identified as a conflict zone that the Pension Committee Board (PCB) felt strongly about investigating, or where there was exposure to that area, a report would be commissioned to monitor the Fund's holdings and assess the exposure to that particular conflict. Following this, decisions would be made. If the exposure was above an agreed threshold, the Fund would engage with LCIV regarding the holdings, and LCIV would advise on suitable alternative options.
- Cllr Iyngkaran and Cllr Dunstall expressed that the document reflected the views and values of the Committee and thanked officers for their work on the policy.
- Cllr Bevan raised a point regarding the United Nations declarations of responsible investment. Jamie confirmed that this would be looked into.
- It was noted that the policy would be reviewed on a periodic basis, annually, but that it could also be reviewed on an ad hoc basis should anything material occur. Jamie confirmed that this would be double-checked to ensure it was clearly stated within the policy.

RESOLVED

The Pensions Committee and Board is recommended:

3.1. To note and provide any comments regarding the draft responsible investment policy (Appendix 1)

3.2. Approve the draft Responsible Investment Policy to be issued for consultation with the Fund's stakeholders

10. PENSION FUND ACCOUNTS

Jamie Abbott introduced the report for this item. For the Pensions Committee and Board (PCB) to consider the statutory Annual Report from KPMG, which highlights their findings from the audit of the Pension Funds statutory accounts.

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

- Cllr Bevan raised the issue of declarations of interest, noting that the current declaration of interest did not cover interests relating to dependent relatives and therefore did not cover dependency interests in the Fund.
- It was explained that journals were accounting entries posted into the ledger, which then made up the balances in the financial statements. Currently, any journal entry below £40,000 could be posted without secondary approval. This was identified as a control deficiency and had been highlighted as such.
- It was explained that every pension scheme was valued using a standard set of assumptions, including the discount rate, RPI inflation, and CPI inflation. However, these assumptions were not consistent across all schemes. Depending on the nature of the scheme, actuaries derived a scheme-specific discount rate to match the duration of the scheme's liabilities. Similarly, inflation assumptions were determined based on external market forces.

RESOLVED

The Pensions Committee and Board is recommended to:

3.1. Consider the contents of this report and any further oral updates given at the meeting by KPMG.

3.2. Note the Statement of Accounts 2024/25 will be presented to Audit Committee on the 29 January 2026

3.3. Note the contents, recommendations and management responses to the IAS 260.

3.4. Agree that the Committee delegates the sign off for the Pension Fund Accounts 2024/25, subject to any final changes required by the conclusion of the audit, to the Section 151 Officer in consultation with the Chair.

11. NEW ITEMS OF URGENT BUSINESS

There were none.

12. DATES OF FUTURE MEETINGS

To be confirmed.

13. EXCLUSION OF THE PRESS AND PUBLIC

Items 13-16 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.

Agenda Item 9

Report for: Pensions Committee and Board – 17 March 2026

Item number: 9

Title: Pensions Administration Update

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

Lead Officers: Jamie Abbott, Head of Pensions
Andreas Andrea, Pensions Governance Manager
020 8489 2810
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 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. Collection of Employer and Employee Contributions update
e. Internal Disputes Resolution Procedures (IDRPs)
f. McCloud Project update
g. Engage portal implementation

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 31 December 2025.

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 Fund") membership on 31 December 2025.

Table 1: Pension Fund Membership

Member status	31 Mar 25	30 June 25	30 Sept 25	31 Dec 25
Active members	6,683	6,825	6,626	6.688
Pensioner members	9,254	9,367	9,472	9,579
Deferred members	10,588	10,769	10,917	10,833
Total scheme members	**26,525**	**26,961**	**27,015**	**27,100**

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 Engage Portal as at 31 December 2025.

Table 2: Proportion of Active Members Registered on the Engage Portal

Member Self Service	31 Mar 25	30 June 25	30 Sept 25	31 Dec 25
Total active scheme members	6,683	6,825	6,626	6,688
Total active member registrations on MSS	1,950	2,032	2,151	2,250
Proportion of registered active members	**29.17%**	**29.77%**	**32.46%**	**33.64%**

6.5. Table 3 provides a breakdown of the number of members who have accessed the Engage 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 Engage portal depends on individual circumstances and time of the year. Individuals will have different reasons for needing access to their pension information.

Table 3: Engage Access

Period last accessed	Dec 2025
Last 7 days	91
Last 30 days	485
Last 2 months	655

* The above figures are shown on a cumulative basis

Haringey LONDON

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. Performance against KPIs continues to be strong in key areas such as retirements and deaths. However, outcomes for both actual and quotation transfer cases, both in in or out, remain below the desired standard. This ongoing challenge is largely attributable to the concentration of case- specific knowledge within a limited number of administration officers.

6.9. To address this, officers are developing a structured training plan aimed at broadening the distribution of transfer- related expertise across the wider team. This will support greater resilience and is expected to improve the proportion of transfer cases completed within the target SLA.

6.10. Table 4 includes the current SLA statistics for the period ending 31 December 2025

.

Table 4: Key Performance Indicators

Process	Cases completed	SLA Days to complete	% Completed within SLA
Deaths notifying amount of dependents benefits	236	10	85%
Estimates	346	15	87%
Retirement quote	386	15	91%
Retirement Actual	322	10	93%
Deferment of records	332	30	84%
Refund quote	211	30	89%
Refund actual	67	10	85%
Transfer in Quote	291	20	65%
Transfer in Actual	151	20	69%
Transfer Out Quote	279	20	68%
Transfer Out Actual	167	20	71%
Divorce Quote	23	30	100%
Divorce Actual	1	30	100%
Actual payment of retirement lump sum	246	10	92%

Collection of Employer and Employee Contributions Update

6.11. Employer contributions are set every three years through an actuarial valuation, which assesses the fund's assets, liabilities, and future obligations. Contribution rates vary by employer, reflecting factors such as workforce profile, benefit levels, and funding position, ensuring contributions are fair and sufficient to maintain the scheme's long-term sustainability.

6.12. Employee Contributions are set nationally by legislation, employee contributions follow a tiered structure based on pensionable pay, with higher earners paying a higher percentage. These rates are reviewed periodically to maintain fairness and affordability, and are deducted directly from employees' salaries as a key part of scheme funding

6.13. All participating employers are required to submit monthly contribution schedules and corresponding remittances for both employee and employer contributions within the specified timeframes outlined in the Fund's Administration Strategy. Timely and accurate submissions are essential to ensure effective fund management and regulatory compliance.

6.14. Officers confirm that all expected payments and corresponding contribution schedules are accounted for as at the publication date of this report.

Internal Disputes Resolution Procedures (IDRPs)

6.15. The Internal Disputes Resolution Procedure (IDRP) provides scheme members with a formal mechanism to appeal decisions or actions taken in relation to their pension benefits. This includes, but is not limited to, the exercise of discretionary powers by the Council or participating employers. The IDRP ensures that members have access to a clear and structured process for resolving concerns in a fair and transparent manner, in accordance with regulatory requirements.

6.16. The dispute resolution process comprises two stages. At Stage 1, unresolved complaints are referred to the IDRP stage 1 Adjudicator for review. If the member remains dissatisfied, they may escalate the matter to Stage 2, where it will be reviewed by an independent Senior Designated Person.

6.17. If a complaint can still not be resolved after being reviewed via IDRP stage 1 and 2, the member then has the right to take the complaint to the Pensions Ombudsman.

6.18. There has been no new IDRP cases since the last update to the PCB.

McCloud Project Update

6.19. Since the last PCB meeting, McCloud calculations in the Altair environment have continued to be closely monitored to ensure accuracy of outputs and updates to member records. New individual member calculations have also been introduced, fully tested and are correctly updating member records for past calculations that need to be re-run to factor in the McCloud Remedy.

6.20. The review of responses to the mailing to approximately 4,500 members has been completed and are now awaiting replies from the other Public Service Pension

Schemes to confirm the service dates for the members that have declared such service. The review of the extensive Heywood documentation is also ongoing, alongside Hymans and Local Government Association documentation.

6.21. The McCloud Eligibility Reportwriter process will continue to be run on a recurring basis to ensure that newly eligible members are consistently identified. Additional associated tasks will also be scheduled as part of this ongoing work. The completion of the Annual Benefit Statement templates will be deferred pending receipt of updated documentation. Some related activities have also been impacted by this dependency.

6.22. Progress on Statutory Guidance Group 1–3 cases has been delayed due to vacancies within the team. These posts have now been filled, which is expected to support the project. In addition, resources were temporarily redirected to support the major migration from the Member Self- Service portal to the Engage portal, required to meet the software provider's deadline of 31 January 2026. Despite these pressures, the project remains on track for completion.

Engage portal implementation

6.23. The Member Self-Service (MSS) portal reached its 'end of life' 31st January 2026. MSS has been replaced with a new portal called Engage. Following extensive User acceptance Testing, the Fund's branding updates and Fund level content changes made to enhance the member experience, Engage went live for Haringey Pension Fund members on the 29th January 2026. MSS has since been fully decommissioned.

6.24. Communications were circulated both internally and externally to staff at all the other Employers participating in the Fund. Instructions for registering for Engage and the new and useful features were provided in the communications to encourage the Fund's members to register. All the Fund's information on both the Intranet and the Fund's own website has been updated to reflect the move from MSS to Engage.

6.25. The feedback from the Fund's members has been very positive. Officers plan to have an Engage promotion drive to bring the portal and it's benefits to the attention of the Fund's members later this year, which it is hoped will also significantly increase the number of registrations

Contribution to Strategic Outcomes

6.26. Not applicable

7. Carbon and Climate Change

7.1. Not applicable

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

Finance and Procurement

8.1. Not applicable.

Director for Legal and Governance [Fiona Alderman]

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

Equalities

8.3. 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.

9. Use of Appendices

9.1. Appendix 1_McCloud Project Plan

10. Local Government (Access to Information) Act 1985

10.1. Not applicable.

Task Name	Task Description	Task Actions	Assigned To	Start Date	End Date	Progress	Comments
Previous Public Sector Pension Scheme membership letter.	Members that have been in the Haringey Pension Fund at any point between 01st April 2012* and 31st March 2022* are not currently in scope for the McCloud remedy. Previous Public Sector Pension Scheme membership for these members that may mean they become in scope must be identified. The Local Govt Association produced an example template letter for LGPS Funds to use.	Customise letter to Haringey Pension Fund requirements.	Rebecca Moore	01.07.2025	20.07.2025	Completed 10/07/2025	None required
Name and Address file for previous Public Sector Pension Scheme membership letter.	Members that have been in the Haringey Pension Fund at any point between 01st April 2012 and 31st March 2022 are not currently in scope for the McCloud remedy. Previous Public Sector Pension Scheme membership for these members that may mean they become in scope must be identified.	Produce Excel extract file of all members and interrogate file to remove those with Haringey or previous LGPS membership before 01st April 2012 and those with Haringey or previous LGPS membership after 31st March 2022. Data cleanse and format file to minimise postal rejections.	Andreas Andrea	01.07.2025	27.07.2025	Completed 25.07.2025	None required
Previous Public Sector Pension Scheme membership mass mailing.	Mass mailing to be arranged to all members identified as needing to declare previous Public Sector Pension Scheme membership.	Perform mass mail merge and fully check the file for correct merge and interrogate and clear validation issues.	Andreas Andrea & Jamie Abbott	28.07.2025	31.07.2025	Completed 31.07.2025	None required
Factor Table 546.	Heywood* have introduced factor table 546 to hold the start and end dates for the McCloud remedy period in Altair*.	Create the factor table in both Altair Live and Test environments and perform testing on various calculations.	Andreas Andrea	01.09.2025	07.09.2025	Completed 03.09.2025	None required
Calculation documents.	Heywood have updated multiple calculation documents and introduced new ones to display the results of the McCloud remedy in Altair calculations.	Update existing or create new calculation documents in both Altair Live and Test environments and perform testing on various calculations.	Andreas Andrea	01.09.2025	07.09.2025	Completed 03.09.2025	None required
McCloud Eligibility Reportwriter.	Heywood have created a report to identify eligible members during the McCloud remedy period.	Create the report in Altair, run the report and analyse the results.	Andreas Andrea	01.09.2025	Ongoing	Ongoing	Has since been decided this should be a monthly job during the project to pick up new starters that have previous McCloud remedial service.
Statutory Guidance Group 1 cases.	MHCLG Statutory Guidance prioritises cases in 3 Groups. Group 1 requires the McCloud remedy to be applied to calculations for retirements and deaths occurring on or after 01st October 2023.	Review Heywood McCloud and General Release Guides for guidance and any reports to identify affected members. Approach Heywood for advice and support where required.	Andreas Andrea	01.09.2025	31.12.2025	Ongoing	Maternity cover arrangements for highly experienced member of the Team, vacant Team Leader posts and priority focus having to be switched to Engage portal migration before Member Self-Service portal 'end of life' 31.01.2026 have been contributing factors.
Statutory Guidance Group 2 cases.	MHCLG Statutory Guidance prioritises cases in 3 Groups. Group 2 requires the McCloud remedy to be applied retrospectively to calculations for all benefit events that occurred between 01st April 2014* and 30th September 2023.	Review Heywood McCloud and General Release Guides for guidance and any reports to identify affected members. Approach Heywood for advice and support where required.	Andreas Andrea	01.09.2025	31.12.2025	Ongoing	As per above comment.
Statutory Guidance Group 3 cases.	MHCLG Statutory Guidance prioritises cases in 3 Groups. Group 3 requires the McCloud remedy to be applied to the future calculations of active members.	Review Heywood McCloud and General Release Guides for guidance and any reports to identify affected members. Approach Heywood for advice and support where required.	Andreas Andrea	01.09.2025	31.12.2025	Ongoing	As per above comment.
Annual Benefit Statement templates.	Production of new Annual Benefit Statement templates with McCloud remedy fields and explanatory notes to be issued for 2026 statements onwards to both active and deferred members.	Liaise with Hymans* to produce templates for both active and deferred members in line with Haringey Pension Fund requirements and sign off.	Andreas Andrea (with sign off including Jamie Abbott and Rebecca Moore)	01.10.2025	31.12.2025	On hold	Agreed with Hymans to review in the Spring once Heywood 2026 benefit statement documentation is received.
Responses to previous Public Sector Pension Scheme membership letter.	Review to be undertaken of all responses to the previous Public Sector Pension Scheme membership letter.	Collate all declarations of previous Public Sector Pension Scheme membership and approach the relevant Schemes to provide the required information for the McCloud remedy in scope assessment.	Andreas Andrea (with possible assistance from the Team)	01.10.2025	31.12.2025	Completed 12.02.2026	Required assistance by newly appointed Team Leaders.
Responses from previous Public Sector Pension Schemes.	Review to be undertaken of all responses from previous Public Sector Pension Schemes.	Analyse responses and update Altair member records accordingly for the McCloud remedy to be applied for the members now identified as being in scope.	Andreas Andrea (with possible assistance from the Team)	01.11.2025	31.01.2026	Ongoing	As per above comment.

Statutory Guidance Group 1 cases follow on.	McCloud remedy to be applied to all members identified as falling within Group 1 to establish if they qualify for any underpin*.	Review Heywood McCloud and General Release Guides for guidance and any bulk calculations available. Approach Heywood for advice and support where required. Perform re-calculations for all affected members, notify those (or their next of kin) of any underpin payable and arrange payment. Finalise Business As Usual process for new cases going forward.	Andreas Andrea (with likely assistance from the Team)	01.11.2025	30.04.2026	Ongoing	
Statutory Guidance Group 2 cases follow on.	McCloud remedy to be applied to all members identified as falling within Group 2 to establish if they qualify for any underpin.	Review Heywood McCloud and General Release Guides for guidance and any bulk calculations available. Approach Heywood for advice and support where required. Perform re-calculations for all affected members, notify those (or their next of kin) of any underpin payable and arrange payment.	Andreas Andrea (with likely assistance from the Team)	01.12.2025	31.05.2026	Ongoing	
Statutory Guidance Group 3 cases follow on.	Heywood have introduced various bulk calculations to update the Altair records for all members identified as falling within Group 3 for the McCloud remedy to be applied to their future calculations.	Perform bulk calculations required for all affected members, analyse the results and clear any errors. Finalise Business As Usual process for new cases going forward.	Andreas Andrea (with likely assistance from the Team)	01.01.2026	30.06.2026	Ongoing	
Deferred member Annual Benefit Statements 2026.	Preparation of Haringey Pension Fund's first deferred member Annual Benefit Statements with McCloud remedy values and explanatory notes.	Produce deferred member Annual Benefit Statements, analyse the results with particular attention to the McCloud remedy values, populate the previously signed off template produced by Hymans, publish statements to Member Self-Service Portal and inform members.	Andreas Andrea	01.07.2026	31.07.2026	To action	
Active member Annual Benefit Statements 2026.	Preparation of Haringey Pension Fund's first active member Annual Benefit Statements with McCloud remedy values and explanatory notes.	Produce active member Annual Benefit Statements, analyse the results with particular attention to the McCloud remedy values, populate the previously signed off template produced by Hymans, publish statements to Member Self-Service Portal and inform members.	Andreas Andrea	01.07.2026	31.07.2026	To action	
Business As Usual.	McCloud remedy project completion for Haringey Pension Fund.	Full review of all McCloud remedy project tasks to ensure compliance has been achieved and business as usual processes are fit for the purpose of achieving continued compliance going forward.	Andreas Andrea	01.08.2026	31.08.2026	To action	

Heywood* = Pension administration software provider.
Altair* = Pension administration database/software.
Hymans* = Haringey Pension Fund Scheme Actuary.
01st April 2012* = members that have been in the LGPS or another Public Sector Pension Scheme prior to 01st April 2012 are in scope for the McCloud remedy.
01st April 2014* = the start date of the McCloud remedy period for the comparison of the notional final salary pension and actual career average pension.
31st March 2022* = the end date of the McCloud remedy period for the comparison of the notional final salary pension and actual career average pension.
underpin* = the amount by which the notional final salary pension exceeds the actual career average pension in the McCloud remedy period.

Agenda Item 10

Report for: Pensions Committee and Board – 17 March 2026

Item number: 10

Title: Governance Review Implementation Plan

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

Lead Officer: Jamie Abbott, Head of Pensions
Jamie.Abbott@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 update the progress of implementation of the funds governance review recommendations following the review undertaken by the Funds independent advisor. Officers welcome comment from the Pensions Committee and Board on the actions achieved to date.

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 regarding the implementation of the fund governance review recommendations.

4. Reason for Decision

4.1. Not applicable.

5. Other options considered

5.1. Not applicable.

6. Background information

6.1. Following the governance review by the funds independent advisor there were 26 recommendations suggested to the PCB categorised under three categories:

- Category 1: Fundamental and Urgent
- Category 2: Easily Implementable
- Category 3: To be Implemented from 2025/26

6.2. Officers have reviewed the 26 recommendations and an implementation plan is in place (Appendix 1), taking regard to the three categories that the recommendations were assigned to.

6.3. Table 1 shows the progress on the governance recommendation items since the last PCB meeting:

Table 1 : Recommendation progress

Number	Recommendation	Progress	Comment
7	A comprehensive Medium Term Business Plan incorporating an Annual Plan and including a Medium Term and detailed Annual Budget	100%	A comprehensive medium-term business plan and annual budget for the Pension Fund has been prepared and presented to the PCB under Item 5 at the March meeting.
23	The Haringey Fund, as appropriate, actively engage with the London CIV and other London LGPS Funds to develop new London CIV investment products.	100%	Officers and the Chair of the PCB (on behalf of the Committee) have been in discussion with LCIV and other London funds regarding the RI matrix and investment opportunities. This dialogue is ongoing and continuous.
12	The Risk Register is redesigned with Risks listed under the seven headings in the CIPFA Managing Risk in the LGPS Guidance of 2018	100%	The Risk Register has now been redesigned, and the updated format presented to the PCB under Item 4 at the March meeting.
13	A report is prepared and submitted to the PCB covering the nature and documentation of the Pension Fund's Internal Controls for their review	100%	Internal controls of the pension fund have been covered in the General Code of Practice (GCOP) checker tool which is

Number	Recommendation	Progress	Comment
			attached as Appendix 2 of this report.
3	Following assessment by the Pension Fund, utilising the Hymans Robertson TPR General Code of Practice Compliance Checker, the PCB receive a report on the outcomes including proposals for any necessary resulting actions.	100%	Officers have now completed the review using the compliance checker and attach the findings as Appendix 2 of this report.
21	Investment Monitoring Meetings involving Officers/the Independent Advisor and the Fund's Investment Managers recommence when practical.	100%	Investment monitoring meetings will commence April 2026 through the Investment Working Group and is included in the Pension Fund Business plan.
14	The Pension Fund have a separate and specific Internal Audit Plan (which includes a focus on Pensions Administration issues) and that the PCB receive this Plan, the findings and recommendations of individual Audits, and an Annual Report from Internal Audit.	50%	Officers are currently liaising with the Haringey Internal Audit team and will report back to the PCB once an agreed plan is in place.
19	A future meeting of the Investment & Governance Working Group considers the Investment Governance process.	100%	The next IWG meeting will focus on Investment Governance as the key topic, given the heightened importance of this role during the asset transition to the pool.
22	The Fund Communications Policy be reviewed	50%	Policy review work has commenced following the assessment of the Fund against the GCOP checker, and is expected to

Number	Recommendation	Progress	Comment
			conclude with updated policies being presented to the PCB in July.
15	The Conflicts of Interest Policy for Pensions Committee and Board Members be reviewed	50%	Policy review work has commenced following the assessment of the Fund against the GCOP checker, and is expected to conclude with updated policies being presented to the PCB in July.

6.4. Implementation of the recommendations will require adequate resource within the Pensions Team and a full review of existing resource will be conducted to meet the additional needs of this work.

6.5. Officers will continue to update the PCB on the progress of the implementation of the recommendations at future meetings and any potential issues that arise that may impact the implementation plan.

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

Director for Legal and Governance

9.2. The 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 – Government Review implementation Plan

10.2. Appendix 2 – GCOP Checked output report

11. Local Government (Access to Information) Act 1985

11.1. Not applicable.

This page is intentionally left blank

Governance Review Implementation Plan

Reccomendation	Description	PROGRESS	START	END	Comments
Fundamental and Urgent					
Number 6	Confirm to PCB ability to comply with new 2024-25 Annual Report requirements.	100%	1/7/25	30/9/25	To be added to September 2025 PCB meeting agenda when the draft annual report is presented.
Number 7	A comprehensive Medium Term Business Plan incorporating an Annual Plan and including a Medium Term and detailed Annual Budget	100%	1/7/25	31/3/26	To be added as an agenda item for the March 2026 PCB meeting for approval
Number 8	A report to provide a process to comprehensively implement the 2022 Training Policy is prepared and presented to the PCB	100%	1/7/25	31/7/25	To be added as an agenda item for the July 2025 PCB meeting for approval
Number 10	A Pension Fund Risk Policy is prepared for consideration and approval by the PCB	100%	1/9/25	30/9/25	To be added as an agenda item for the September 2025 PCB meeting for approval
Number 11	The Risk Management Process is reviewed and revised to implement a Risk Management Cycle in accordance with the CIPFA Managing Risk in the LGPS Guidance of 2018	100%	1/9/25	30/9/25	To be added as an agenda item for the September 2025 PCB meeting for approval
Number 12	The Risk Register is redesigned with Risks listed under the seven headings in the CIPFA Managing Risk in the LGPS Guidance of 2018	100%	1/9/25	30/9/25	To be added as an agenda item for the September 2025 PCB meeting for approval
Number 13	A report is prepared and submitted to the PCB covering the nature and documentation of the Pension Fund's Internal Controls for their review	100%	1/9/25	31/12/25	To be added as an agenda item for the January 2026 PCB meeting for approval
Easily Implementable					
Number 1	That the approval of Admission Agreements that relate to organisations that are taking responsibility for a service or assets by means of a contractual arrangement (sometimes referred to as Transferee Admission Bodies) is delegated by the Pensions Committee and Board to the Council's Section 151 Officer who may further delegate this function to such Officers as he/she considers appropriate	100%	1/7/25	31/7/25	To be added to the September 2025 administration agenda given the number of items already on the July report
Number 2	Each Agenda of the Pensions Committee and Board include an Item called "Declarations of Interest and Conflicts of Interest	100%	1/7/25	31/7/25	Wording amended from March 2025 meeting
Number 4	Going forward the regular Pensions Administration Report, to the Pensions Committee and Board, include specific information in relation to the Collection of Employer and Employee Contributions and on the Internal Dispute Resolution Procedure	100%	1/7/25	31/7/25	Has now been included as part of the administration update report from July 2025

Number 9	The Training Session which was previously usually held at 6.00pm before the PCB be reinstated.	100%	20/3/25	20/3/25	Implemented from the March 2025 PCB meeting
Number 17	A Standing Item "Breaches of the Law" is added to the PCB Agenda	100%	1/7/25	31/7/25	To be added as a standing agenda item from the July 2025 meeting
Number 26	When the Investment Consultancy and Actuarial Contracts are next tendered a condition is issued, if possible, by the Haringey Fund that stipulates that the same organisation will not be eligible for appointment as both Investment Consultant and Actuary.	100%	1/3/25	31/3/25	Reccomendation implemented and will be a consideration for future contracts
To be implemented from 2025-26					
Number 3	Following assessment by the Pension Fund, utilising the Hymans Robertson TPR General Code of Practice Compliance Checker, the PCB receive a report on the outcomes including proposals for any necessary resulting actions.	100%	1/11/25	31/3/26	To be added as an agenda item for the March 2026 PCB meeting for approval
Numner 5	The preparation of an Annual Governance Review be included in the role of the Independent Advisor and that the proposed form of this be reported to and approved by the PCB to enable an Annual Review to be prepared for 2024-25 and subsequent years.	100%	1/1/26	31/3/26	To be added as an agenda item for the March 2026 PCB meeting for approval
Numner 14	The Pension Fund have a separate and specific Internal Audit Plan (which includes a focus on Pensions Administration issues) and that the PCB receive this Plan, the findings and recommendations of individual Audits, and an Annual Report from Internal Audit.	50%	1/1/26	31/7/26	To be added as an agenda item for the March 2026 PCB meeting for approval
Number 15	The Conflicts of Interest Policy for Pensions Committee and Board Members be reviewed during the Financial Year 2025-26.	50%	1/4/25	31/7/26	To be reviewed and brought to PCB in the 2025/26 meeting cycle
Number 16	A Haringey Pension Fund Conflicts Policy in the context of managing a Pension Fund within the Local Authority environment, is prepared during the Financial Year 2025-26.	50%	1/4/25	31/7/26	To be reviewed and brought to PCB in the 2025/26 meeting cycle
Number 18	The Procedure for Reporting Breaches of the Law is reviewed during the Financial Year 2025-26.	100%	1/4/25	31/3/26	To be reviewed and brought to PCB in the 2025/26 meeting cycle
Number 19	A future meeting of the Investment & Governance Working Group considers the Investment Governance process.	100%	1/4/25	31/3/26	To be reviewed and brought to PCB in the 2025/26 meeting cycle
Number 20	A process to improve the review and monitoring of Private Market Investments is implemented when practical.	50%	1/4/25	31/7/26	To be reviewed and brought to PCB in the 2025/26 meeting cycle
Number 21	Investment Monitoring Meetings involving Officers/the Independent Advisor and the Fund's Investment Managers recommence when practical.	100%	1/4/25	31/3/26	To be reviewed and brought to PCB in the 2025/26 meeting cycle

Number 22	The Fund Communications Policy be reviewed in 2025-26	50%	1/4/25	31/7/26	To be reviewed and brought to PCB in the 2025/26 meeting cycle
Number 23	The Haringey Fund, as appropriate, actively engage with the London CIV and other London LGPS Funds to develop new London CIV investment products.	100%	1/4/25	31/3/26	To be reviewed and brought to PCB in the 2025/26 meeting cycle
Number 24	Where circumstances warrant the Haringey Fund consider the possible utilisation of new services, except for Strategic Investment Advice, which may going forward be offered by the London CIV.	100%	1/4/25	31/3/26	To be reviewed and brought to PCB in the 2025/26 meeting cycle
Number 25	Annually the London CIV be requested to present to the PCB on it's Governance and Business Management arrangements and activity	100%	1/4/25	31/3/26	To be reviewed and brought to PCB in the 2025/26 meeting cycle

This page is intentionally left blank

Haringey Pension Fund

General Code of Practice - Assessment summary

25 February 2026

Haringey Pension Fund

General Code of Practice - Assessment summary

Introduction

In March 2024 The Pensions Regulator combined various codes of practice into a single General Code of Practice which is applicable to most public and private occupational pension schemes, including the LGPS.

There are elements of the code which do not apply to the LGPS and not all requirements carry the same weight. Administering Authorities of LGPS funds must however comply with the sections relevant to them.

The Code makes reference to, and places significant responsibility on, the "governing body" of a pension scheme. In the words of The Regulator, the governing body is “in a public service pension scheme, the scheme manager”.

Furthermore “Each public service pension scheme should determine who fulfils the role of scheme manager according to their regulations and local arrangements.” It is our understanding that for the LGPS this refers to the administering authority or any other body or individual carrying out a delegated function on behalf of the administering authority. For most, but not all, LGPS funds this will be a pension committee or sub-committee. A local pension board is not a governing body.

Purpose

The purpose of this report is to summarise the Fund’s officers view of compliance with the Code. There are a number of criteria which Funds must comply with in order to satisfy the requirements of the various sections of the Code. This report records the findings from the assessment by Fund officers across all relevant subject areas.

Conducting an assessment against the requirements allows the Fund to create an action plan, targeting the areas considered most risky. It will also help uncover requirements which are partially met within the Code, but where some further action is required to fully meet requirements.

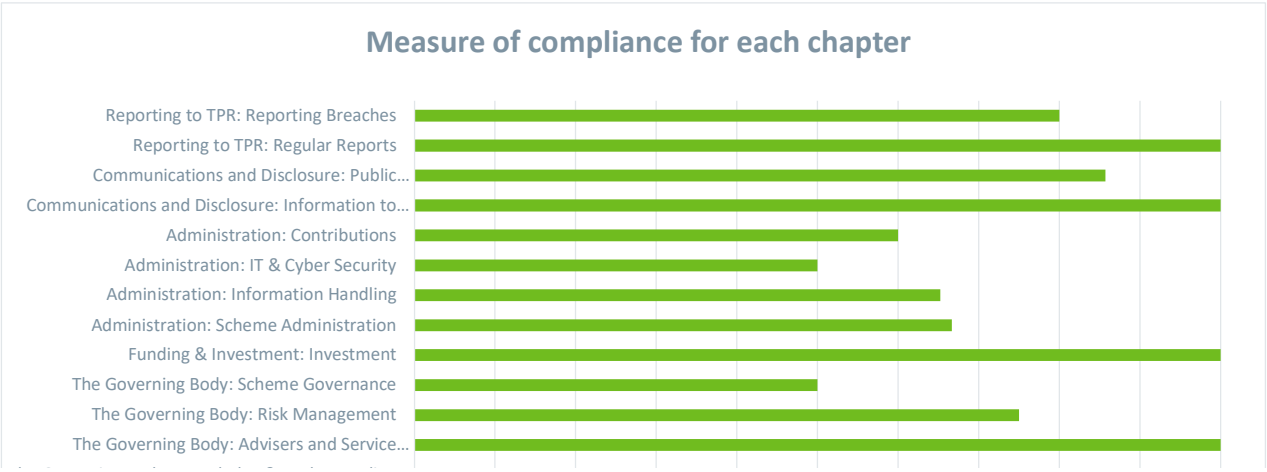
Results

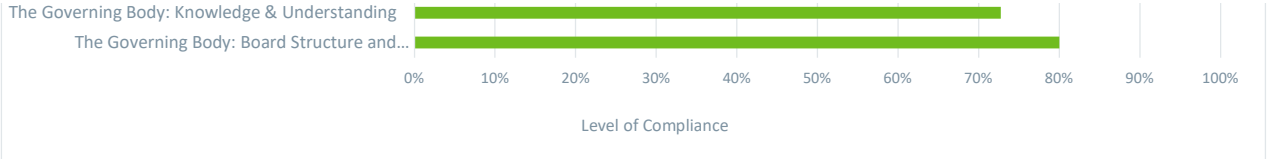
Officers have conducted an assessment of the Fund's current compliance against the Code. For this assessment the Code has been broken down into 15 distinct sub-sets which are referred to as chapters. Note, there are no requirements for LGPS funds in the "Value for Scheme Members" chapter.

Within each of these chapters, there are a number of different modules each with their own set of requirements. Each requirement has been assessed and a corresponding risk rating applied. These requirements fall into one of three categories -

- **Regulatory Requirement**;
- **TPR Expectation**; and
- **Best Practice**

The Chart below summarises the Fund's assessment of current risk rating for each chapter. A score of 100% for a particular chapter indicates that all requirements are fully met. A score of 50% would indicate that half of the requirements in that chapter fully meet requirements within the Code.




The Governing Body: Knowledge & Understanding
The Governing Body: Board Structure and...
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Level of Compliance

Commentary on results

It can be seen from the Chart above that there are 4 areas of the Code where the requirements are fully met. It is important that these areas are monitored to ensure the requirements continue to be fully met.

This means that there are 10 chapters where the requirements of the Code are not fully met. The areas where more actions are required are:

- The Governing Body: Scheme Governance
- Administration: IT & Cyber Security
- Administration: Contributions

Further analysis

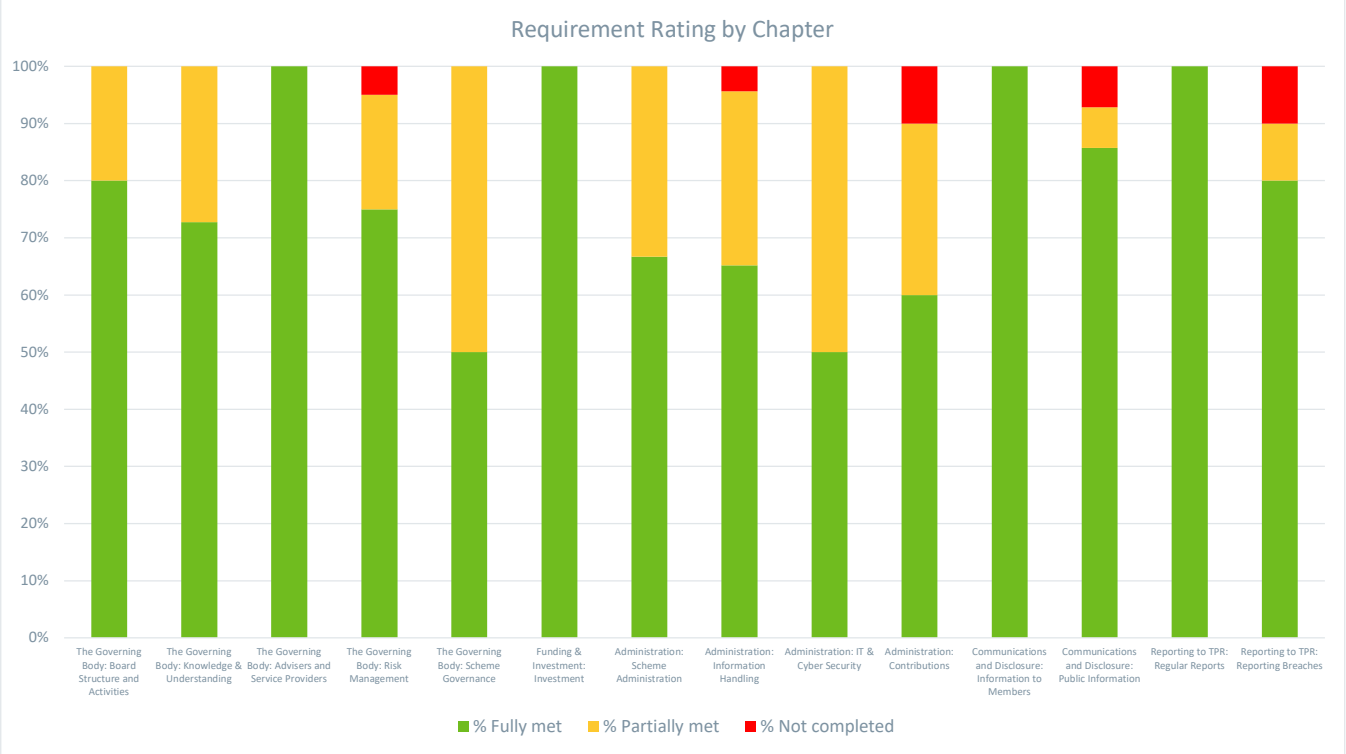
Within each topic the administering authority has assessed a number of strands – noting the following:

- Risk rating for each requirement – fully met, partially met or not completed
- The evidence taken into account when assessing compliance
- The owner of that particular strand
- The steps which need to be taken to ensure compliance or continued compliance
- The suggested immediate actions

The Appendix contains the detail of the current ratings for each of the chapters, as well as the actions required.

It is also beneficial to understand the level of risk. This removes the binary nature of compliance, and builds in allowance for the fact that there may be a number of requirements which are partially met. Understanding this in more detail provides a more detailed overview.

The following chart shows the aggregate position of each chapter, when the individual requirements are assessed as either "Fully met", "Partially met" or "Not completed".



When looking at the results in this way, it is more encouraging as there are 10 chapters of the Code with requirements which are already partially completed and as such, actions could be fully completed relatively easily. The steps required to complete the actions, as proposed by the Fund's officers, are set out in the appendix.

This page is intentionally left blank

Agenda Item 11

Report for: Pensions Committee and Board – 17 March 2026

Item number: 11

Title: Haringey Pension Fund Risk Register

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

Lead Officers: Jamie Abbott, Head of Pensions
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 approve the updated risk register that has been aligned with TPRs General Code of Practice (2024)

3.2. To note and provide any comments on the Fund's risk register.

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 Fund's risk register covers several areas, including administration, communications, investment, accounting, funding, governance and compliance

risks. Appendix 1 of this paper outlines the new risk register and the current risks that have been reviewed and updated for the PCB's feedback during the meeting.

6.3. The updated format introduces new columns for Risk Cause, Risk Consequence, and Risk Owner. This enhancement enables more detailed categorisation of risks, supports deeper exploration of potential outcomes, and ensures that each risk is assigned an owner responsible for its effective monitoring and control.

Risk Scoring

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.

Impact					
5	Amber 5	Amber 10	Red 15	Red 20	Red 25
4	Amber 4	Amber 8	Amber 12	Red 16	Red 20
3	Green 3	Amber 6	Amber 9	Amber 12	Red 15
2	Green 2	Green 4	Amber 6	Amber 8	Amber 10
1	Green 1	Green 2	Green 3	Amber 4	Amber 5
	1	2	3	4	5
	Likelihood				

6.4. 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

Haringey LONDON

6.5. The Fund has identified several key risks of particular concern in the short to medium term. These have been summarised in the table below. The Fund's most material risks make up the risk profile.

Table 1: Key Risks

Key identified risk	RAG Rating	Update on Risk	Actions taken to manage and mitigate risks
AD7 - Regulatory non-compliance and maladministration due to incorrect interpretation or application of regulatory changes.	12	Access and Fairness and Access and Protection regulatory changes are due to come into force from April 2026, the McCloud project remains ongoing which feeds into the annual benefit exercise which is scheduled for completion in August 2026.	Use of pension administration systems and automated calculation tools (such as Excel for complex protections), ongoing professional development through attendance at industry forums and events to stay informed of legislative and regulatory changes, and the proactive engagement of external support from the LGA and the scheme actuary whenever specialist guidance is required.
AD2 - Loss, corruption or unavailability of scheme data due to system failure or material event (i.e. cyber incident, physical disasters etc.)	15	This remains an ongoing consideration. Measures to reduce both the likelihood and impact of such risks are embedded within day-to-day operations and governance practices.	Member data is securely hosted and subject to regular integrity assessments. The Council maintains a robust data recovery plan with frequent backups, alongside a routinely reviewed Business Continuity Plan. Officers complete mandatory cyber security training to strengthen organisational resilience. Data quality is managed through formal reviews at least every three years as part of the actuarial valuation, complemented by ongoing data cleansing exercises.
INV2 - Poor investment governance and oversight / Ineffective investment stewardship	10	With the transition of assets to the LCIV from April 2026, investment oversight and governance have become increasingly important. The Fund must ensure that robust controls are in place to	Regular monitoring of investment performance by the Pension Committee and Board, supported by ongoing strategic advice. Professional expertise informs manager selection and continuous oversight, while officers review annual

Haringey LONDON

Key identified risk	RAG Rating	Update on Risk	Actions taken to manage and mitigate risks
		provide effective scrutiny and secure the best possible outcomes for the Fund and its members.	internal control reports from investment managers to ensure robust governance and compliance

6.6. 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 on-going, 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.

Director of Legal and Governance

9.2. The Director for Legal and Governance has been consulted on the content of this report. Members should refer to the matters referred to in Table 1 of this report and the risks that these pose 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 Summary Risk Register

11. Local Government (Access to Information) Act 1985

11.1. Not applicable.

Risk Ref	Risk Group	Risk Description	Risk Cause	Risk Consequence	Controls	Residual Risk Score	Reviewed on
AD7	Administrative	Regulatory non-compliance and maladministration due to incorrect interpretation or application of regulatory changes.	Regulatory changes with minimal implementation phases Staff shortages Complexity of transitional protections Poor audit of manual calculations Limited training	Incorrect benefit calculations Inability to pay pension benefits in a timely manner Member complaints Regulatory breaches and/or fines Reputational damage	1) Use of Pension software Systems and other automated calculation methods like Excel (e.g. for transitional protections). 2) Officers attend and enrol in professional forums and events to keep up to date with legislative or regulatory changes and communicate with peers on changes to acheived "Best Practice" 3) Support is provided by LGA and the actuary where necessary and is sought when officers require.	12	28/02/2026
AD5	Administrative	Inaccurate or incompete scheme data due to employer, user or historic errors.	Poor quality employer submissions Inconsistent/ incomplete historical records Manual input errors Poor/ lack of employer training Poor record keeping	Incorrect benefit calculations	1) Employer interface guide 2) Data validations 3) Exceptions reporting	6	28/02/2026
AD2	Administrative	Loss, corruption or unavailability of scheme data due to system failure or material event (i.e. cyber incident, physical disasters etc.)	System outages Cyber attacks Software failures Human error impacting systems Material event (fire, terrorist attack etc) Failure of cyber security measures (AD2)	Service disruption and inability to pay benefits as and when they fall due. Administrative inefficiencies Conservative actuarial assumptions (AD5) Reputational damage Loss, disruption or damage to the scheme or its members (AD2) Inability to pay suppliers Inability to perform Fund accounting. (AD6)	1. The Fund's data is held securely through a hosted arrangement provided by the Fund's administration software provider. The system's integrity is routinely assessed, with Service Organisation Controls (SOC) reports being provided. 2. The Council has a data recovery plan in place which ensures data is stored securely and regularly backed up. 3. The Council regularly reviews its Business Continuity Plan to ensure it remains robust and relevant. 4. Officers are required to complete mandatory Cyber Security Awareness training. 5) The Fund's data quality is regularly reviewed and updated, at least once every three years as part of the actuarial valuation. 6) The Fund also undertakes frequent data cleansing exercises with the most recent due exercise due to be completed in 2024	15	28/02/2026
AD3	Administrative	Concentration of knowledge in a small number of officers and risk of departure of key staff.	Lack of succession planning Limited training across the team Focus on recruiting experienced LGPS professionals	Loss of key staff Poor development of existing staff Maladministration and increased errors Member complaints Service disruption and increased workflows	1) The Fund's pension administration team completed a restructure in 2022 which considered the development of team members and succession planning including two new apprenticeship roles. 2) Detailed process notes and policies are kept in place, and regularly reviewed by the Head of Pensions.	12	28/02/2026
AD6	Administrative	Poor financial governace	Collusion between pension officers Poor monitoring of financial processes Staff shortages Contributions received from employers participating in the Pension Fund are not in line with what is specified in actuarial reports and adjustment certificates (ACC6) Lack of tracing exercises and existence checks	Incorrect accounts Increased funding deficit or surplus (ACC6) Overpayments to beneficiaries	1) The Fund has a robust payment processing procedure which includes regular payment processing dates. 2) The Fund has various methods of process payments including BACS, CHAPS and Faster Payment Methods 3) Fund employers receive a contribution form at the start of each financial year which confirms the correct rates they are required to pay. 4) A contributions reconciliation is monitored monthly and where there are discrepancies,enquiries will be made the employer, and where necesssary the necessary corrections will be made. 5) Employers making late payments are reported to the Pensions Committee and Board on a quarterly basis.	9	28/02/2026
AD4	Administrative	Compromised member data	Data sent insecurely		1) In circumstances where member data needs to be shared with external parties and advisors,	8	28/02/2026

			Unidentified data flows send insecurely Unauthorised access		this is done through secure platforms.		
AD5	Communications	Ineffective engagement and communciation with employers and members	Communications aren't outcome focused Lack of clear communications strategy Poorly timed engagement No/ lack of feedback mechansim	Employers and members do not understand decisions or their implications Reduced accountability for decisions Increased complaints Repultational damage Poor governance	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.	6	28/02/2026
FL1	Funding / Liability	There is insuffiencient cash available in the Fund to meet pension payments as they fall due. LGPS benefits are uplifted by CPI inflation report in September preceeding the new financial year (1 April). This figure came in at 3.8% in September 2025.	Government funding level affecting the Council's spending decisions (FL2) Poor cashflow management Economic and political decisions on the Pension Fund's employer workforce. (FL2) resulting in less contributions in and more payments out. Negative cash flow Poor investment stragey Unexpected increase in pension payments or transfer outs Inadequate monitoring of contributions and investment income (ACC8)	investment assets being sold at sub-optimal prices to meet pension payments Reputational damage Increased operational pressure Late or missed payments to beneficiaries Negative cash flow	1) The Pension Fund currently holds £23m within the Fund's custodian account. This should be sufficient to meet any short to medium term liquidity requirements. 2) Cashflow position is reviewed as part of the triennial investment strategy review. 3) The Pension Fund maintains a regularly updated cash flow forecast. 4) The Pensions Team regularly monitors employer contributions and payments on a monthly basis, include a full reconciliation between the expected receipt and actual receipt. Late payers are indentified and chased for payment as soon as possible. 5) The Pensions Team regularly monitors the Pension Fund's cash flow requirements including daily dealing and monthly and quarterly forecast updates. 6) The Pension Fund holds a small amount of cash to pay pensions and fund any outstanding investment committements. Several of the Pension Fund's investments have weekly dealing arrangements in place 7) The Fund reguarly reviews it cashflow management strategy to ensure that increases in benefit payments are matched with contributions and income received from investments. 8) The Fund currently receives income from its private equity, multi-asset credit and property funds and has the option to increase income from existing investments in listed equities and multi-asset strategies.	10	28/02/2026
FL3	Funding / Liability	Employers inability to pay contribution rates Vvaluation reports to be shared with employers by 31 March 2026.	Scheme members live longer than expected leading to higher than expected liabilities. (FL6) Employee salary increases are significantly more than anticipated for employers participating in the Pension Fund. (FL4) Persistently high inflation Sudden contribution rate incresaes Employer financial pressure Poor employer engagement	Employer contribution arrears Potential cashflow strain Higher funding deficits	1) The Fund Actuary applies a stabilisation mechanism to contribution rates at each valuation to ensure that employer contributions remain consistent over time. 2) Officers consult and engage with individual employers in the scheme regarding their new contributions rates as part of the valuation exercise. 3) Employee salary increases assumptions are reviewed by the Fund Actuary every 3 years as part of the actuarial valuation. The Fund Actuary has noted an increase in the salary increases assumptions as part of the 2025~~2~~ actuarial valution. 4) Employers are made aware of the impact that salary increases can have on final salary linked elements of the LGPS benefits as part of the consultation on contribution rates. 5) Officers meet regularly with the Fund Actuary to review the impact of any significant deviations from the assumptions set during the actuarial valuation exercise. 6) Longevity assumptions are reviewed by the Fund Actuary every 3 years as part of the actuarial valuation. The Fund Actuary has noted an increase in the life expectation assumptions as part of the 2022 actuarial valution.	4	28/02/2026 28/02/2026 28/02/2026
FL5	Funding / Liability	Changes relating to participating employers weaken their ability to meet their obligations to the Pension Fund.	Structual changes in an employer's membership Transfers out of the Pension Fund Closures to new membership Employer ceases to exist with insufficient funding or bond placement Failure to respond promptly to employer structual changes Economic strain Weakened or weakening of employer covenant Poor budget management at employers Financial pressures	Weakened funding level due to increase in employer liabilities Orphaned liabilities in case of insolvency/ ceasing without a bond/guarantor Increase in employer contribution rates Deterioration of employer covenants Increased burden on remaining employers	1) The Pension Fund's admission agreement policy requires potential admitted bodies to have a guarantor or bond in place, or in some instances, a pass through agreement. Where an admitted body is unable to secure a bond, the employer is required to provide a guarantor to indemnify the Pension Fund against any risk of from the employer becoming insolvent. 2) Employers participating in the scheme are monitored on a regularly basis, which includes the review of bonds which are about to expire. 3) The Fund actively monitors potential changes among scheme employers, including regularly reviewing the Fund Actuary's Funding Risk Management tool, which provides the most recent employer funding positions. (AD1) 4) At each actuarial valuation, the Fund Actuary reviews employer contributions rates and deficit recovery periods to reflect the strength of the employer covenant. (AD1) 5) Periodic reviews of the covenant strength of the employers are undertaken and indemnity	6	28/02/2026

					applied where appropriate. (AD1)		28/02/2026
FL8	Funding / Liability	Unexpected deterioration of the Fund's funding level	Inappropriate funding strategy Poor investment returns Misalignment with investment strategy Funding strategy and investment strategy are considered in isolation by the Pension Fund's decision makers and advisors (FL7) Poor assumption setting Higher than expected salary increases due to higher cost of living awards Members living longer than expected Adverse market conditions / market volatility Deterioration of employer covenants Financial pressures facing public services (FL2)	Cashflow negative position Potential employer deficits Increased contribution rates Longer deficit recovery periods Reduced employer affordability	1) The Council undertake a robust procurement process to appoint the Fund Actuary, with length of service to the LGPS considered as part of the specification. The Actuarial contract is subject to renewal every x years.	8	
					2) The Fund Actuary is requested to provide advice on employer contribution rate modelling regarding the long term funding objectives of the Pension Fund. The Pensions Committee and Board is provided with this advice at least once every 3 years as part of the actuarial valuation process.		
					3) The Funding Strategy Statement (FSS) has explicit links to the Pension Fund's investment strategy. The Fund Actuary incorporates the Pension Fund's current investment strategy when setting the assumptions as part of the actuarial valuation.		28/02/2026
					4) The Pension Fund's Investment Consultants and Fund Actuary provide funding and investment advice to the Pensions Committee and Board on a regular basis.		
					5) The Pensions Committee and Board is required to review and approve a revised FSS following the completion of the actuarial valuation exercise.		
					6) The Pension Fund undertakes a comprehensive review of the investment strategy following the completion~~ng~~ of the actuarial valuation exercise to ensure that the investment strategy is still fit for purpose.		28/02/2026
					7) The Fund Actuary applies prudent assumptions on the future of employees within the workforce, including the impact of salary increases and early leavers as part of the actuarial valuation. Assumptions are presented to the Pension Committee and Board for approval.		
ACC1	Accounting Risk	Risk of the Pension Fund's statement of accounts being delayed beyond statutory deadlines.	Poorly co-ordinated closedown timetable Staff absences / over-reliance on key individuals Late receipt of asset valuations i.e. Level 3 illiquids Increased audit requirements Internal delays	Breach of statutory deadlines Potential audit qualification for errors Increased audit fees Reputational damage Delays to Council accounts Increased scrutiny for future audits	1) The Pensions Committee and Board receive progress updates from the external auditors regarding the issues associated with the delays, and the steps taken to complete any outstanding work.	8	28/02/2026
					2) Officers actively engage with the auditors to complete the audit in a timely manner, using the audit timetable to ensure deadlines are met.		
					3) The Pensions Team maintains a checklist of all daily, weekly, monthly and quarterly reconciliations to ensure that all tasks are completed in a timely manner.		28/02/2026
ACC3	Accounting Risk	The Pension Fund's Statement of Accounts do not represent a true and fair view of the Pension Fund's financing and assets.	Misinterpretation of the accounting and CIPFA requirements Incorrect accounting treatments Overreliance on 3rd party information - is this relevant? Poor internal review Changes to accounting standards not fully embedded Weak governance over subjective areas Employer contribution arrears (ACC6)	Material misrepresentation of the Funds financial position Qualified audit opinion Restatement of accounts	1) The Fund's accounts are prepared by a team of qualified accountants using the most up to date CIPFA Financial Accounting Code of Practice, Disclosure Checklist and other relevant CIPFA training materials and publications.	8	
					2) The Draft Statement of Accounts and working papers are reviewed by the Head of Pensions and the Council's Corporate Accounting team.		
					3) The Pension Fund Statement of Accounts are subject to an annual audit by Haringey Council's appointed external auditors.		28/02/2026
ACC4	Accounting Risk	The Pension Fund's Statement of Accounts contain material mistatements	Material uncertainty over year end calculations Market value of assets recorded in the Statement of Accounts figures are incorrect (ACC7) Fund does not have robust internal montoring and reconciliation process in place (ACC5) Poor reconciliations between custodian, investment manager reports and SAP Manual errors Poor version control Employer contribution arrears (ACC6)	Audit qualification Incorrect figures in the accounts (ACC5) Delays to sign off of accounts	1) Several of the Pension Fund's illiquid (Level 3) investment valuations require significant estimates to be placed on their values. This has been noted in the Pension Fund's draft Statement of Accounts and will likey be a focus during the external audit exercise.	6	
					2) Level 3 valuation estimates and assumptions impact all Local Government Pension Scheme (LGPS) funds who invest in similar investment strategies.		28/02/2026
					3)All reconciliations are independently reviewed and signed off by a second officer.		
					4) The Pensions Team undertakes a quarterly reconciliation exercise between the market values reported by the investment managers and the market values provided by the custodian's financial accounting team.		
					5) All adjustments (including unrealised profits) are posted into the Pension Fund's general ledger so that the accounts can be reported and created directly for the Council's accounting system, SAP.		28/02/2026
ACC2	Accounting Risk	Internal controls are not in place to protect against fraud/mis~~a~~management	Poor/ inadequate segregatiton of duties Overreliance on key individuals (excessive trust)	Reputational damage Financial loss	1) The Council's Internal Audit Plan includes dedicated hours for the review of internal controls related to the management and accounting of the Pension Fund.	8	
					2) The Pensions Team is audited annually, with investments and adminstration covered on		28/02/2026

			Poor oversight of third parties Weak change controls Lack of whistleblowing procedures Insufficient management review Collusion between officers		alternate years. The most recent internal audit of the Pension Fund's administration processes took place in November 2022 and received an overall rating of Adequate Assurance.		
GOV2	Governance	Members have insufficient knowledge of regulations, guidance and best practice to make good and informed decisions.	Poor / insufficient induction and onboarding Inadequate / lack of ongoing training Overreliance on officers and advisers Inexperienced Pension Committee and Board High turnover of Members Members have insufficient knowledge of regulations, guidance and best practice	Poor or uninformed decision making Fialure to provide effective oversight and challlenge Regulatory non compliance Reputational damage Increased reliance on external advisers	1) 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.	8	
					2) The Training Plan 2025/26 outlines the training to be delivered to Pension Committee and Board members, as well as independent/ self-directed training requirements such as TPR toolkit and LOLA to support effective decision making.		28/02/2026
					3) A training log is maintained by Fund officers and a report of training undertaken by members during the year is included in the Pension Fund's Annual Report.		
					4) A Training Needs Analysis is performed to assess the knowledge gaps of the Pension Board and Committee		28/02/2026
GOV3	Governance	Officers lack the knowledge and skills required to effectively advise elected members and/or carry out administrative duties.	Recruitment and retention pressures Increasing technical complexity Over reliance on key individuals Insufficient succession planning	Poor advice to Board/Committee Reduced resilience Increased errors and delays	1) Officer roles and responsibilities specify the relavant knowledge and skills required to undertake their duties effectively.	8	
					2) The Pension Fund's adminstration 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.		28/02/2026
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.	Unclear delegation of authority Lack of urgent decision	Delayed responses to events requirin immediate attention Missed opportunities Reduced effectiveness of governance	1) The Pensions Committee and Board is scheduled to meet five times during the financial year 2025/26.	4	
					2) Where urgent decisions are required, an additional meeting can be arranged outside the scheduled meetings, in line with the terms of reference		28/02/2026
					3) Delegation of necessary authority can be granted to revelant 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.		28/02/2026
GOV5	Governance	Weak procurement processes	Non compliance with Council's procurement policies Poor preparation of specifications and evaluations Lack of market testing Weak contract monitoring (GOV10)	Legal challenge from tender participants/ exisiting providers Poor service outcomes Failure to achieve value for money Opportunities not exploited	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.	10	
					2) The Pension Fund regularly reviews existing contracts to ensure that they provide good value.		
					3) Several of the Pension Fund's contracts are re-tendered at least once every five years.		28/02/2026
GOV6	Governance	Poor/ ineffective governance/ management of the Pension Fund	Weak governance framework Lack of accountability Poor implementation of reg changes Frequent and/or extensive turnover of members Inexperienced Pensions Committee and Board. Loss of technical and operational knowledge about the Pension Fund Failure to comply with legislation and regulations Fund objectives are not defined and agreed (GOV7) Members have undisclosed conflicts of interest.	Poor decisions Financial sanctions TPR intervention Reputational damange Lack of focus of strategy to facilitate the aims of the LGPS. (GOV7)	1) Officers maintain knowledge of legal framework for routine decisions.	4	
					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 adminstering the Local Government Pension Scheme.		28/02/2026
					4) The Pensions Committee and Board's membership is comprised of a diverse representation which include elected members, employer representatives and employee representatives.		
					6) 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.		28/02/2026

					7) 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.		
					8) 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.		
					9) Declaration of conflict of interest is a standing item on the agenda.		28/02/2026
					10) All members of the Committee are required to complete an annual declaration of interest form.		
					11) The PCB is presented with the Pension Fund's Annual report each year		
					12) The Fund updates its pensions administration strategy at least once very three years to ensure scheme employer reporting compliance.		28/02/2026
					13) The Fund regularly reviews compliance to the TPR General Code of Practice and effective systems of governance through the use of adviser tools and publications		28/02/2026
GOV9	Governance	Known risks not monitored leading to adverse financial, reputational or resource impact.			1) The Pensions Committee and Board receives quarterly risk reporting, with an updated version of the risk register as an agenda item for all meetings. This includes a review of all high risk items, a periodic review of risks by category and horizon scanning/ emerging risks supported by advisers.	9	
					2) Pension Fund maintains Risk Management Policy and Risk Management and Strategy Process, which outlines risk identification, evaluation and monitoring.		
					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.		28/02/2026
INV1	Investment Risk	Inappropriate/ ineffective investment strategy	Changes to the LGPS pooling requirements (INV9) limits investment choices or pace of change in investment choices High inflation sustained over the long term(INV13) Long-term economic changes, including global central banks increasing base interest rates (INV2) Market volatility and financial downturn due to rising cost of living (INV2) and geopolitical and economic uncertainity (INV1) ESG and climate risks not adequately reflected in investment strategy (INV3) Investment managers fail to achieve benchmark/outperform targets and fund assumptions over the longer term (INV8) Long-term assumptions become outdated Fund's actual asset allocations move away from the strategic benchmark. (INV7) Inability to implement strategy changes quickly when required Poor or unsuitable investment decisions made by investment managers Financial failure of an investment manager leads to negative financial impact on the fund (INV12) Strategic investment advice received from the investment consultants is inappropriate for the Fund (INV11)	Deteriration of funding level Increased employer contribution rates Investment underperformance (INV13) Higher costs for the Fund. (INV13) Failure to achieve actuarial funding assumptions Deteroiration of funding level Employer affordability pressures and covenant strain Reputational damage Increased scrutiny	1) Several of the Pension Fund's investment mandates are in inflation linked strategies such as property and renewable infrastruture.	10	
					2)The Pension Fund's investment consultant regularly provides advice to the Pensions Committee and Board on investment strategy including the impact of inflation on the Fund's investment performance.		
					4) The Pension Fund holds a well-diversified investment portfolio that includes a mixture of growth and defensive assets. The factors that drive the expected returns of these assets differ under various economic conditions.		28/02/2026
					5) Officers actively engage with the Fund's investment managers and advisors to assess the implications of the responses to the various geopolitical risks		
					7)The Fund's Custodian provides an investment performance report against each investment manager, reported to the PCB.		28/02/2026
					8) The Fund continually reviews its asset allocation and rebalances the portfolio in line with the Investment Strategy Statement. The Fund's asset allocation is included as part of the PCB's quarterly update report.		
					9) The Fund has appointed Mercer, one of the largest global investment consultants, to provide strategic investment advice to the PCB. In addition to this, the fund has also engaged an experienced independent advisor to challenge/confirm investment strategy decisions. This ensures that the advice provided is subject to peer review to ensure that it is fit for purpose.		
					10) The Pension Fund's passive equity investments are rebalanced by the investment manager based on pre-agreed thresholds.		28/02/2026
					11) The Fund's Responsible Investment policy and detail on ESG considerations within the ISS is reviewed by the PCB and Investment Working Group		
INV2	Investment Risk	Poor investment governance and oversight / Ineffective investment	The adequacy of the London CIV's resources regarding investment manager	Known risks not identified or acted upon in a timely manner	1) The PCB regularly reviews investment performance and the Pensions Fund's investment consultant regularly provides investment strategy advice.	10	28/02/2026

		stewardship	appointments and ongoing monitoring of the investment strategy implementation. (INV5) Inadequate scrutiny of pooling arrangements. Poor quality, untimely, or insufficient investment reporting to support decision making Limited understanding of pooled investment structures Lack of understanding of investment powers and the Fund's fiduciary responsibilties Failure to challenge advice or escalate concerns Insufficient training or capacity of members Lack of clarity around roles and responsibilities Over-reliance on third parties without oversight	Asset allocation drift left unnoticed or unmanaged Strategic issues persisting longer than necessary Reduced ability to influence pool outcomes Reputational damage Loss of confidence from employers and stakeholders	2) Expert professional advice is provided by the Fund's investment consultant supporting manager selection and ongoing monitoring of performance. 3) Officers receive and review internal control reports from investment managers on an annual basis.		28/02/2026
INV4	Investment Risk	Investment/ pool operational failure and inadequate custody of assets.	Financial failure or insolvency of an investment manager Custodian failure or material event (i.e. cyber attack) Errors during asset transitions or rebalancing Breakdown in transaction processing or settlement Inadequate operational controls at London CIV or at investment manager level Cyber or systems failure affecting investment operations	Financial loss to the Fund Delayed access to assets or cash Inability to rebalance or meet liquidity needs Increased costs or legal exposure Reputational damage Loss of stakeholder confidence	1) Officers receive and review internal control reports from investment managers on an annual basis. 2) The Fund conducts a rigorous selection and due dilligence process to ensure that it appoints the most suitable investment managers based on available information during the tendering process of a new mandate. 3) The investment managers are required to maintain a mix of securities and investments in relation to their respective benchmarks, to ensure adequate diversification of managers and mandates. 4) The Pension Fund's investment consultants regularly reviews and assigns ratings to the Fund's investment strategies.	5	28/02/2026

Agenda Item 12

Report for: Pensions Committee and Board – 17 March 2026

Item number: 12

Title: Pension Fund Business Plan and Budget

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

Lead Officers: Jamie Abbott, Head of Pensions
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 details the Haringey Pension Fund Business Plan and Budget for the financial year 2026/27

2. Cabinet Member Introduction

2.1. Not applicable

3. Recommendations

The Pensions Committee and Board is requested:

3.1. To approve the Haringey Pension Fund Business Plan and Budget for the financial year 2026/27

4. Reason for Decision

4.1. The plan sets out our strategic direction and business priorities, forming the basis for performance objectives across the Haringey Pension Team. Endorsement of the plan and its supporting budget by the Pension Fund Committee is therefore essential.

5. Other options considered

5.1. Not applicable.

6. Background information

6.1. Following the independent adviser's governance review, it was recommended that the Pension Fund develop a budget and business plan to enable appropriate oversight and approval by the Pensions Committee and Board. The preparation of a Fund Business Plan and Budget is now expected to become a statutory requirement under the LGPS (Amendment) Regulations 2026 and accompanying Statutory Guidance.

6.2. The Business Plan sets out the key priorities for the Pension Fund for the year ahead, encompassing both business-as-usual activities and strategic initiatives designed to enhance the member experience, strengthen the Fund's governance framework, and improve overall operational effectiveness.

6.3. The budget for 2026/27 has been developed using both actual and projected expenditure for 2025/26, taking into account anticipated workflows for the coming year, expected changes in external support or advisory costs, and any additional resourcing requirements.

6.4. The budget represents the best estimate for the year ahead; however, forecasts may need to be revised to reflect emerging resourcing requirements. Officers will provide quarterly budget updates and monitoring reports to the Pensions Committee and Board to support informed decision-making, should amendments be necessary.

6.5. For future iterations of the business plan, officers will run a dedicated strategic planning session with the Pensions Committee and Board (PCB). This session will provide an opportunity to review the Fund's evolving objectives and formally agree the PCB's priorities for the forthcoming year. The outcomes of this process will ensure that each annual update to the business plan remains aligned with the PCB's strategic direction and supports the effective governance of the Fund

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. This is reflected in the Pension Fund's Responsible Investment Policy which clearly outlines the Fund's investment beliefs in relation to ESG risks.

8.2. The Fund incorporates ESG risks into its investment selection process. Additional efforts to identify and monitor these risks are on-going, 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. The Business Plan and Budget aims to strengthen financial oversight by implementing enhanced budget monitoring, quarterly variance reporting, and forward-looking forecasting to ensure the Fund remains within approved spending limits and maintains long-term financial sustainability.

Director of Legal and Governance

9.2. The Director of 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: Haringey Pension Fund Business Plan and budget

11. Local Government (Access to Information) Act 1985

11.1. Not applicable.

This page is intentionally left blank

Haringey Pension Fund Business Plan 2026/2027 to 2028/2029 and Pension Fund Budget

Introduction to the Pension Fund

The Haringey Pension Fund is a statutory pension scheme operating under the Local Government Pension Scheme (LGPS) Regulations. The Fund is part of the London Collective Investment Vehicle (LCIV) asset pool alongside 32 other partner funds across London and the Buckinghamshire Council.

The Fund currently has over 27,000 members, comprising of active contributors, deferred members, and pensioners. It manages investment assets in excess of £2 billion, which are held to meet the long-term pension obligations of its members.

The primary objective of the Haringey Pension Fund is to ensure that sufficient assets are available to meet pension liabilities as they fall due, both now and in the future. To support this, the Fund regularly reviews it's Investment Strategy Statement and strategic asset allocation which is designed to deliver an appropriate balance between risk and return. This strategy aims to achieve the required investment performance while maintaining prudent levels of risk, in line with the Fund's fiduciary responsibilities.

As a long-term institutional investor, the Fund plans over extended time horizons, taking into account demographic trends, employer covenant strength, market conditions, and regulatory requirements. This long-term perspective enables the Fund to adopt investment strategies that support stability, resilience, and sustainable financial outcomes for its members and employers.

The Fund Business Plan and Budget

The Business Plan sets out how the Haringey Pension Fund will continue to uphold best practice in the management and administration of the Fund while meeting all statutory responsibilities under the Local Government Pension Scheme (LGPS). It defines the actions, priorities and resource requirements needed to ensure the Fund remains compliant and operationally efficient. As part of this, the Business Plan also establishes the Fund's annual budget ensuring that financial resources are used effectively and transparently.

A key focus of the Business Plan is the delivery of a high-quality service to all members, employers and stakeholders. This includes maintaining robust administrative processes, strengthening digital capabilities, and promoting a consistent and positive member experience.

The Business Plan also considers forthcoming regulatory and legislative changes affecting the LGPS, assessing their potential impact on the Fund. This includes identifying the operational, financial and governance implications of new requirements and setting out the actions required to ensure full compliance. The Plan outlines major projects and improvement initiatives to be undertaken over the planning period, ensuring the Fund remains aligned with industry standards and continues to develop in line with evolving expectations.

Through this structured approach, the Business Plan supports the Fund's long-term objectives, reinforces strong governance, ensures prudent financial management, and promotes effective service delivery across all aspects of pension administration and investment management.

Governance and Management of the Fund

Governance Structure

The Haringey Pension Fund operates under a governance framework designed to ensure effective oversight, transparent decision-making, and adherence to statutory and regulatory requirements. Governance of the Fund is delivered through a joint Pensions Committee and Board (PCB), comprising of six elected members, two employer representatives, and two employee representatives. Collectively, these individuals are responsible for scrutinising the management of the Fund and monitoring performance. Their role is central to ensuring that the Fund is administered in the best interests of its members, employers, and stakeholders.

The PCB is supported by Fund officers, led by the Head of Pensions and Treasury Investment, who provides strategic advice and regular reporting to assist members in fulfilling their governance responsibilities. In addition, the Corporate Director of Finance and Resources plays a key role by offering further oversight, professional guidance, and assurance across both investment and administrative matters.

To strengthen the quality of decision making, the Fund also draws on external professional advice. This support extends to advice on policy development, ensuring the Fund maintains a comprehensive suite of governance documents aligned with best practice and regulatory expectations. Investment guidance is obtained primarily through the London Collective Investment Vehicle (LCIV), which provides specialist insight into investment strategy, asset allocation and market developments.

Resources

The Administration Team currently comprises of 13 FTE posts, of which 3 are vacant. To ensure the Fund is appropriately resourced to deliver the activities set out within this business plan, a recruitment exercise is scheduled for the early part of the 2026/27 financial year to fill the existing vacancies and strengthen operational capacity.

In parallel, the Fund is developing a comprehensive training and development plan for all staff. This plan will document existing knowledge and competencies, identify any gaps, and set out a structured programme of learning to support continuous professional development. This will help ensure that the team maintains the skills and technical capability required to deliver in an increasingly complex regulatory environment and against the objectives of this plan.

As the business plan evolves, additional resourcing requirements may emerge. Officers will therefore continue to assess capacity and capability against the delivery expectations of the plan. Any material resourcing implications, including workforce planning considerations, will be reported to the Pensions Committee and Board (PCB) to support any decision to increase team resource.

Risk Management

An essential component of the Fund's governance arrangements is the maintenance of a detailed and dynamic risk register. In 2026, the risk register was redesigned to align with the enhanced risk management expectations set out in The Pensions Regulator's (TPR) General Code of Practice (April 2024). The updated framework enables risks to be identified, assessed, monitored, and mitigated in a more structured and rigorous way, supporting proactive management and early intervention where required.

Policy and Strategy Documentation

The Fund also maintains a suite of strategic documents, which are subject to regular review to ensure they remain current and fit for purpose. Core documents include the Funding Strategy Statement (FSS), Investment Strategy Statement (ISS), the Administration Strategy, and other key governance and operational policies. These are monitored through a formal policy review tracker, ensuring that updates are undertaken in accordance with statutory requirements and the Fund's own governance cycle.

This document represents the pension funds first formal business plan and establishes the foundation for an annual review process. Each year, we will continue to refine and enhance the plan's structure, incorporating greater detail and building on the strategic framework set out in this initial version.

The Next Three Years

The Haringey Pension Fund will face a period of significant change over the next three years, driven by major government reforms to governance, asset pooling and investment strategy.

New regulations will require the Haringey Pension Fund to delegate investment implementation to the London CIV and transfer all assets to pool management by 31 March 2026. This will place significant operational and compliance pressures on the Fund, shifting its role from direct implementation to strategic oversight and reinforcing the need for robust internal governance arrangements to ensure effective performance monitoring.

Governance expectations are set to rise further, and indeed significantly, with the introduction of a mandatory senior LGPS officer role under the LGPS (Amendment) Regulations 2026 , requiring the fund to assess internal structures and ensure appropriate senior-level oversight of all pension functions. The LGPS (Amendment) Regulations 2026 will also introduce the requirement to appoint an Independent Person. This role though similar to the present Haringey Pension Fund Independent Advisor role it will be both more extensive and mandatory.

At the same time, the 2025 valuation shows a continued strong funding position and a reduction in employer contribution rates, which heightens the Fund's exposure to market volatility and investment risk over the medium term and may, in turn, place additional pressure on the Fund's cashflow position.

The Investment Strategy will also need to evolve to reflect new government expectations around local investment, with the fund required to articulate a clear approach and target range for supporting regional economic priorities.

Collectively, these reforms significantly increase regulatory and administrative workloads at a time when the Fund must continue to deliver its core business-as-usual activities alongside rising compliance obligations

Despite these challenges, there remains a clear expectation of ongoing service improvement, including progressing planned projects such as the review of Fund policies following the General Code internal assessment, the development and implementation of a Data Improvement Plan, and the completion of outstanding legacy projects.

Business Plan

Area of work	2026/27				Year 2	Year 3
	Q1	Q2	Q3	Q4	2027/28	2028/29
Governance (including Training)						
New Risk Register go live						
New PCB Member Training						
Pension Member AGM						
Appointment of Independent Person						
Appointment of Senior LGPS Officer						
Data Improvement Plan						
SF3 Return						
Fit For the Future legalisation compliance						
Review of Risk Register						
Implementation of TPR GOP recommendations						
Full review of pension fund policies						
PCB and Fund officers skills audit						
TPR Scheme Return						
Commission Independent Governance Review						
Actuarial, Investment and Accounting						
Asset Pooling go Live						
RI Policy go Live (Following PCB Approval)						
Pension Fund Accounts closedown						
Annual Accounting exercise (FRS102, IAS19 etc)						
Update Investment Strategy Statement						

Pension Fund Annual Report						
Pension Fund Audit						
Procurement exercise for actuarial contract						
Quarterly Investment update to PCB						
Monitoring of LCIV investment management						
Funding update						
Triennial Valuation						
Administration and Communication						
Access and Fairness regulations go live						
Access and Protections regulations go live (Councillors allowed to join)						
Administration new year system and process updates						
Onboarding of remaining employers to I-Connect						
Review of Administering Authority and Employer discretions policy						
McCloud Project completion						
Annual Benefit Statements Produced						
Proof of Life exercise for overseas members						
Annual Allowance exercise						
Pensions Dashboard national launch						
Review of Employer/Employee Engagement						
Normal Minimum Pension Age increase						
Haringey Council staff Auto-(Re)Enrolment						

2026-27 Budget

	2025/26*	Budget 2026/27	
Employees			
Pay, NI and Pension	986,074	1,100,000	Increased due to proposed recruitment and April 2026 pay rise.
Training	2,451	3,000	Expected to remain consistent, increased with CPI
Other Staffing Costs			
	988,525	1,103,000	
Supplies			
Administration Software	332,085	305,085	Reduced as higher 2025/26 for Engage and Dashboard project spend
Postages and Telephones	17,160	18,000	Expected to remain consistent, increased with CPI
External Audit	65,709	70,000	Expected to remain consistent, increased with CPI
Legal	14,504	15,000	Expected to remain consistent, increased with CPI
Services and Consultants Fees	77,863	40,000	Reduced as primary advice to be taken from LCIV from April 2026
Conferences	741	1,000	Expected to remain consistent, increased with CPI

Subscriptions	49,735	52,000	Expected to remain consistent, increased with CPI
Other administration	435	500	Expected to remain consistent, increased with CPI
	558,232	501,585	
Third Party			
Custodian Fees	70,000	72,000	Expected to remain consistent, increased with CPI
Actuarial Fees	236,103	150,000	Reduced as spend expected to be lower following valuation year
PF recharges	10,718	11,000	Expected to remain consistent, increased with CPI
Other Hired and Contracted Services	43,800	80,000	Spend expected to increase with role of "independent person"
	360,621	313,000	
Total Expenditure	1,907,378	1,917,585	

*Actual spend up to 31 January 2026, estimated spend for the remaining two months

Agenda Item 13

Report for: Pensions Committee and Board – 17 March 2026

Item number: 13

Title: Pension Fund Quarterly Investment and Performance Update

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

Lead Officer: Jamie Abbott – Head of Pensions
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 on the Pension Fund's performance for the quarter ended 31 December 2025

a. Overview of fund performance including funding position update
b. Investment manager performance
c. Asset allocation
d. Investments with the pool
e. LAPFF Engagement Update
f. Independent advisor's market commentary

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 31 December 2025.

4. Reason for Decision

4.1. Not applicable.

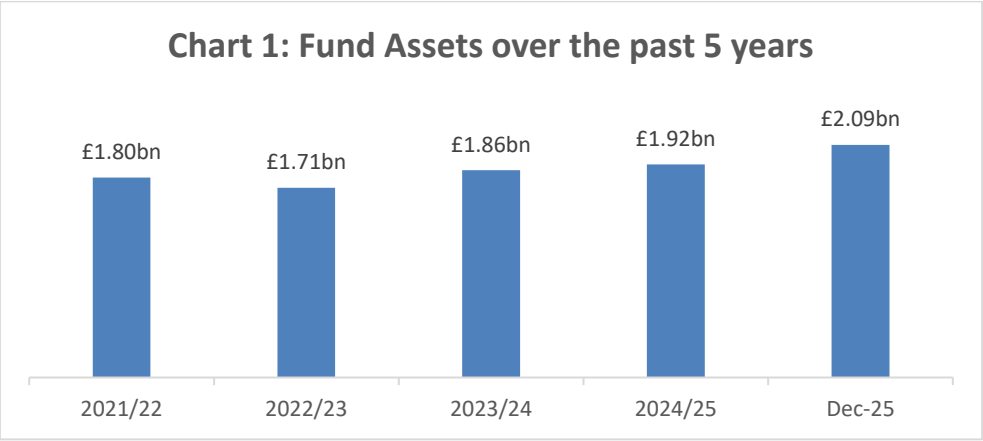
5. Alternative options considered

5.1. Not applicable.

6. Background information

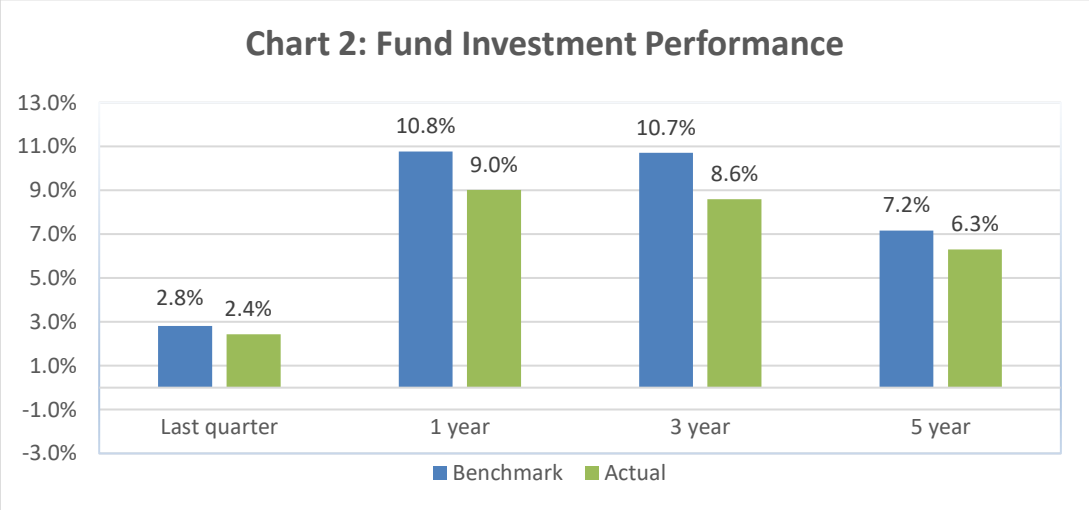
Overview of Fund Performance

6.1. The Fund's investment portfolio on 31 December 2025 was £2.09bn, representing a 2.3% increase over the quarter. Chart 1 shows the growth in investment assets over the past 5 years. The increase has been due to strong returns on equities in the quarter.



Source: Northern Trust, Haringey Pension Fund Strategy Report, 31 December 2025

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



Source: Northern Trust, Haringey Pension Fund Strategy Report, 31 December 2025

Funding position update

6.3. 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.

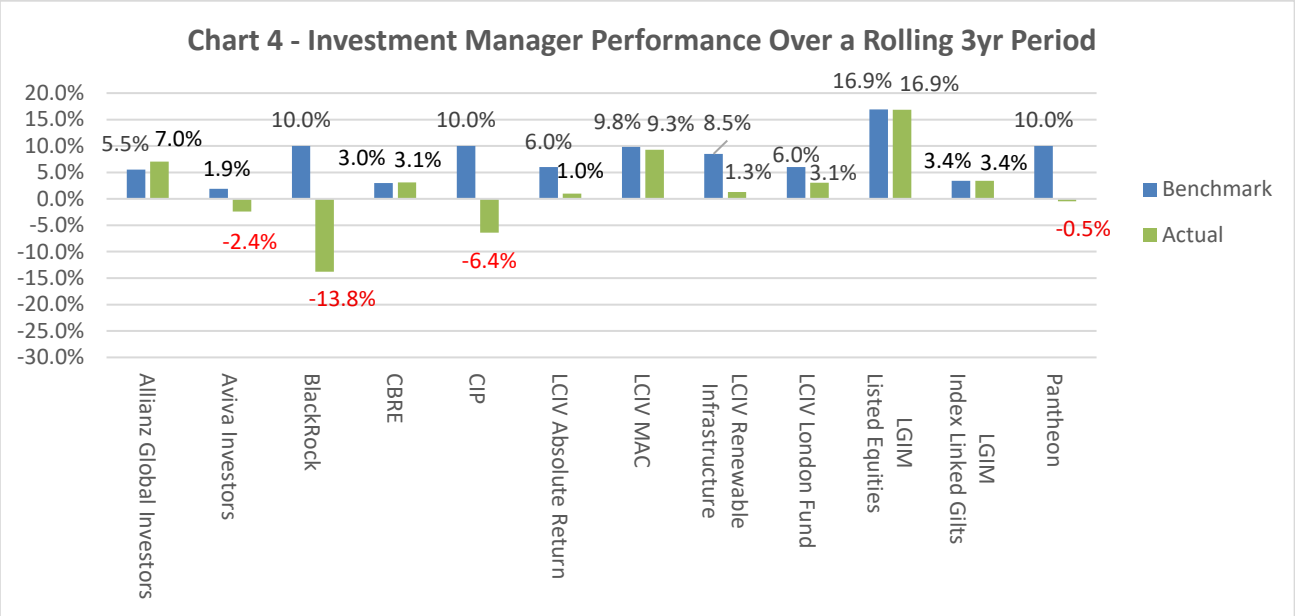
6.4. The funding level as at 31 March 2022 was 113%, based on a discount rate of 4.3%. This indicated that the Fund's investment assets were more than sufficient to cover all the pension benefits accrued by that date, based on the underlying actuarial assumptions.

6.5. Following the conclusion of the 2025 fund valuation, Hymans Robertson, the Fund Actuary, has calculated the current funding position as at 31 March 2025. A detailed breakdown of the Fund's funding position is covered in Item 7 – Valuation Results.

Investment Performance

6.6. 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.

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



Source: Northern Trust, Haringey Pension Fund Strategy Report, 31 December 2025

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

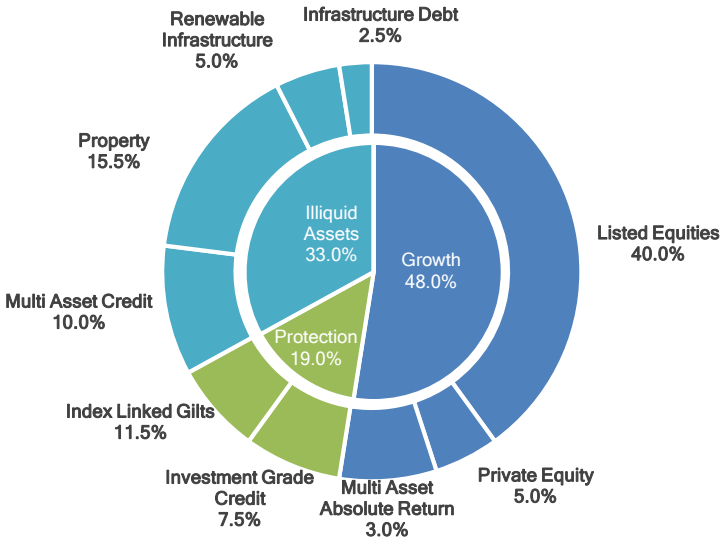
- LCIV Buy and Maintain

Asset Allocation

7.1. 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.

7.2. The Strategic Asset allocation has been updated to reflect the recent change agreed at the December 2025 PCB meeting to reduce holdings in the LCIV Buy and Maintain fund (Diversified Alternatives) by 4.5% and allocate this to Index Linked Gilts (Defensive).

Chart 5: Strategic Asset Allocation



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

Table 1: Current strategic asset allocation

Asset	Dec-25 £m	Strategic Asset Allocation	Current Asset Allocation	Variance	Allowable Ranges
Listed equity	879	40.0%	41.9%	1.9%	+/- 5.0%
Diversified alternatives	573	25.5%	27.3%	2.3%	+/- 10.0%
Defensive	365	18.5%	17.5%	(1.0%)	+/- 5.0%
Property	219	15.5%	10.4%	(5.1%)	+/- 10.0%
Cash	61	0.0%	2.9%	2.9%	
Total	**2,097**				

7.4. Following the December PCB decision to rebalance the portfolio, reducing the overweight equity position and reallocating funds into property, officers, working with the fund's financial advisors, secured three property transactions at 2.25% below Net Asset Value (NAV). By purchasing through the secondary market, the fund also avoided the typical ~7% upfront costs associated with new property investments. Together, the NAV discount and cost avoidance generated an estimated £5.6 million saving on the agreed £60 million top-up to the Aviva LIME Fund.

Investments with the pool

7.5. 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 was established following the government guidance issued in November 2015.

7.6. Following the Government's response to the Fit for the future consultation, it is expected that all Pension Fund investments are transferred to the pool (or deemed under pool management) by 31 March 2026.

Haringey LONDON

7.7. Fund Officers have completed the signing of the Investment Management Agreements and all associated schedules ahead of the deadline, enabling the transition of the remaining un-pooled assets to LCIV management in order to meet the asset-pooling deadline of 31 March 2026.

7.8. The Fund are currently collaborating with LCIV on the development and implementation of our draft Responsible Investment (RI) policy. This work is being undertaken in close alignment with the RI matrix that LCIV is in the process of designing, to ensure that the Fund's approach is consistent with their framework. Following consultation with fund members and employers, the final RI Policy is a separate agenda item on the March 2026 PCB meeting. If approved, the policy will be implemented from April 2026.

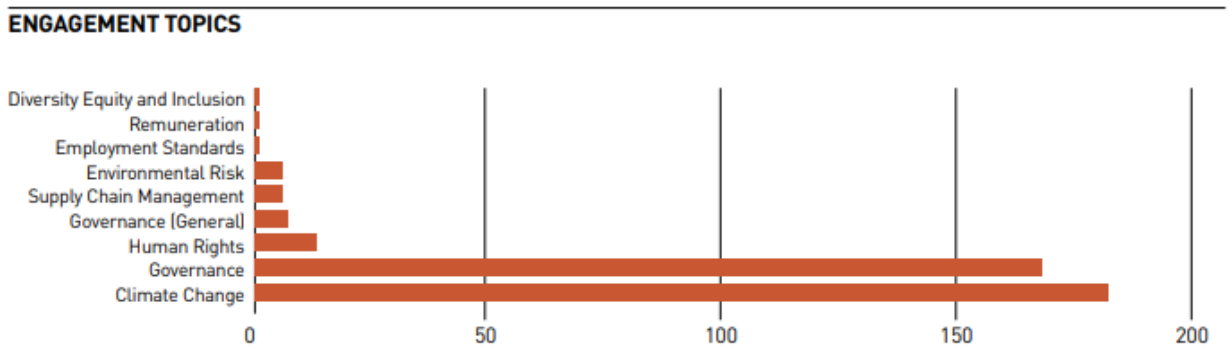
LAPFF Engagement update

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

7.10. During the quarter ending on 31 December 2025, LAPFF engaged with 116 companies domiciled across 16 jurisdictions. Most of the engagement focused on issues related to Climate Change.

7.11. Chart 6 shows the breakdown of engagement topics during quarter ending 31 December 2025:

Chart 6



Independent advisor's market commentary

7.12. The independent advisor's market commentary for the quarter ending 31 December 2025 can be found in Appendix 2, a summary of the update can be found below in points 7.13 to 7.17.

7.13. Global equities continued to rise strongly in Quarter 4 of 2025, supported by moderating inflation, solid company earnings, enthusiasm for technology, especially AI-related stocks, and interest rate cuts by the US Federal Reserve. Most regions outside the US performed even better due to comparatively lower valuations.

7.14. European and UK equity markets performed strongly in the Quarter, supported by lower interest rates, lower inflation, resilient economic conditions and sector-specific strengths. Europe benefited from solid fundamentals and investor rotation, while UK equities, especially large caps in Banking, Mining and Defence, gained on attractive valuations, international exposure and confidence in Bank of England policy.

7.15. US equities rose despite weakening economic indicators, including declining consumer confidence and rising unemployment. Strong corporate earnings, easing US–China trade tensions, and Fed rate cuts helped the S&P 500 advance, with most sectors posting gains.

7.16. US interest rate cuts in late 2025 were accompanied by significant uncertainty and internal disagreement within the Federal Reserve, causing sharp shifts in market expectations and movements in the S&P 500. Although the Fed ultimately cut rates in both October and December, Chair Powell's comments and the fragmented December vote revealed deep divisions over the policy path.

7.17. The Bank of England cut interest rates in December 2025 after a narrowly split MPC decision, shifting from a 5–4 vote against a cut in November to a 5–4 vote in favour in December, driven by improving inflation data and weakening labour-market conditions.

8. Contribution to Strategic Outcomes

8.1. Not applicable

9. Carbon and Climate Change

9.1. 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.

9.2. 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.

9.3. 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.

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

Finance

10.1. The report contains the financial performance of the Haringey Pension Fund and its investments. Strong 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

10.2. There are no immediate procurement implications arising from this report.

Director of Legal and Governance

10.3. 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.

10.4. 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

10.5. 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.

11. Use of Appendices

11.1. Confidential Appendix 1: Quarterly Investment Performance Report 31 December 2025

11.2. Appendix 2: Independent Advisors Market Commentary for period ending 31 December 2025

12. Local Government (Access to Information) Act 1985

12.1 Not applicable.

This page is intentionally left blank

Agenda Item 14

Report for: Pensions Committee and Board – 17 March 2026

Item number: 14

Title: Haringey Pension Fund Actuarial Valuation Report

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

Lead Officer: Jamie Abbott, Head of Pensions
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 with information on the outcome of the actuarial valuation exercise as at 31 March 2025.

1.2. The report presents the conclusions made by the Fund's Actuary, Hymans Robertson regarding the actuarial valuation results for the whole fund. This includes revised contribution rates for the next three years starting on 1 April 2026, as well as the funding position as of the valuation date.

1.3. An updated version of the Funding Strategy Statement has also been included for the Pensions Committee and Board's approval following the conclusion of the consultation on the 31 January 2026.

2. Cabinet Member Introduction

2.1. Not applicable

3. Recommendations

The Pensions Committee and Board (PCB) is recommended:

3.1. To note Haringey Pension Fund's Report on the actuarial valuation as at 31 March 2025 report, prepared by the Fund's Actuary, Hymans Robertson and appended as Confidential Appendix 1 to this report.

3.2. To approve the Funding Strategy Statement (FSS), appended as Appendix 2 to this report and note the Funding Strategy Statement (FSS) consultation paper appended as Appendix 3.

3.3. To note the Valuation Governance audit trail paper, appended as Appendix 4 to this report, detailing the key decisions made during the process.

3.4. **Reason for Decision**

3.5. Haringey Council, in its role as the Administering Authority for the Haringey Pension Fund, is required by law to undertake an actuarial valuation of the Pension Fund's assets and liabilities, every three years. The Pensions Committee and Board agreed the underlying assumptions for the valuation at a previous meeting. This report presents the Fund's final valuation results based on the agreed-upon set of assumptions.

3.6. Administering authorities are required to prepare a Funding Strategy Statement and keep it under regular review, updating the document as necessary. Legal obligations stipulate that employers should be consulted on the contents of the document. This consultation concluded on 31 January 2026, with no substantive feedback requiring amendments.

3.7. The Council has delegated the responsibility for exercising all the Council's functions as the Pension Fund's administering authority, to the Pensions Committee and Board.

4. Other options considered

4.1. Not applicable.

5. Background information

5.1. The Pension Fund is required to undertake an actuarial valuation of the Pension Fund's assets and liabilities, every three years. This exercise, also referred to as the "triennial valuation", determines the contribution rates payable by the scheme's employers, which include Haringey Council, for the next three years from 1 April 2026. Scheme benefits and contributions payable by employees are determined by the Local Government Pension Scheme (LGPS) Regulations.

5.2. In addition to this, the valuation results also report a single funding level for the 2025 valuation. This is based on the agreed-upon discount rate and likelihood of achieving the assumed future investment return.

5.3. The table below provides a high-level overview of the actuarial valuation activity that took place during 2025 and the early part of 2026.

High-Level Valuation Exercise Summary

Activity	Key Dates	Progress Update
Assumptions advice and contribution rate modelling. Hymans Robertson to provide training to the PCB in July 2025 and presented to the PCB on 11 September 2025	September 2025	Completed
Pension Fund's officers provided data to Hymans Robertson which included fund membership, investment, and accounting data.	August 2025 – September 2025	Completed
Whole Fund Results and Funding Strategy Statement. Hymans Robertson to present the fund valuation results to the PCB on 01 December 2025	December 2025	Completed

Activity	Key Dates	Progress Update
Employer results and consultation. Officers to consult with employers on proposed Funding Strategy Statement and contribution rates for the 3 years from 1 April 2026	December 2025 – January 2026	Completed
Final valuation report and Funding Strategy Statement. Hymans Robertson to present final reports to the PCB at the March 2026 meeting.	March 2026	Completed*

*pending the presentation of this report to the Pensions Committee and Board meeting on 17 March 2026

Contribution rates

5.4. The report prepared by the Fund's Actuary, highlights the importance of setting employer contribution rates at a level that ensures the Fund has enough money to pay members' benefits. The Actuary has applied a risk-based approach in setting employer contribution rates due to the uncertainty of future liabilities.

5.5. Table 1 below summarises the primary and secondary contribution rates for the whole fund for the period 1 April 2026 to 31 March 2029.

Table 1 – Combined employer contribution rates compared with previous valuation

	31 March 2025		31 March 2022	
Primary rate	17.3% of pay		17.5% of pay	
Secondary rate	2026/27	2.8%	2023/24	4.7%
	2027/28	2.8%	2024/25	5.2%
	2028/29	2.8%	2025/26	5.6%

5.6. The primary rate is the estimated cost of future benefits, expressed as a percentage of pay. The secondary rate is an adjustment to the primary rate, generally made to reflect the costs associated with benefits that have already been earned up to the valuation date.

5.7. Compared to the previous valuation exercise carried out in 2022, the primary rate has decreased mainly due to the higher expected returns in the future. The secondary rate has also decreased due to the good investment performance since the previous valuation.

5.8. Employer contribution rates are determined based on a combination of factors unique to each employer's position in the Fund. This work has been completed, and all employers participating in the Fund have been consulted on their individual contribution rates prior to this meeting.

Funding Position

5.9. The funding position is a comparison between the projected future benefit payments for current members and the assets held by the Fund at the valuation date. While the asset value is known, the liabilities are uncertain and require assumptions based on the likelihood of achieving the assumed future investment return.

5.10. Table 2 below compares the single reported funding position as at 31 March 2025, with that of 31 March 2022.

Table 2 – Reported funding position compared with previous valuation

Valuation Date	31 March 2025	31 March 2022
Assets (£m)	1,933	1,803
Liabilities (£m)	1,391	1,596
Surplus / (Deficit) (£m)	543	207
Funding Level	139%	113%

5.11. The single reporting funding position of 139% is calculated using a discount rate of 6.1% per annum and a 80% probability of achieving the expected investment return.

5.12. The results show a significant improvement in the funding position of the Fund compared to the 2022 valuation, across the board. The main factor driving the funding position improvement has been the stronger than expected investment returns over the past three years along with higher interest rates.

5.13. Additional information about the Fund's actuarial valuation can be found in Confidential Appendix 1 of this report, titled "Report on the Actuarial Valuation as at 31 March 2025". This report was prepared by the Fund's Actuary, Hymans Robertson.

Updated Funding Strategy Statement (FSS)

5.14. Under the Local Government Pension Scheme Regulations 2013 ("LGPS Regulations"), all funds are required by law to produce a Funding Strategy Statement (FSS). The FSS focuses on how employer liabilities are measured, the pace which the liabilities are funded, and how employers pay for their own liabilities.

5.15. The FSS is therefore an integral part of the actuarial valuation and is prepared by the Fund, in collaboration with the Fund Actuary. The 2025 review undertaken by the Fund Actuary focused on adapting the FSS to the changing regulations and environment within which the Fund operates. The PCB was advised of the outcome of this review at its last meeting.

5.16. Following this, the Fund has reviewed its existing FSS and made the necessary changes. There are no material changes in the funding strategy at the 2025 valuation. However, the document has been updated to reflect new regulations,

including the reporting on the pension gender gap, improve the accessibility and navigation for stakeholders.

5.17. However, part of this review process has identified several key policies that have been updated or added to the FSS. These are:

- Appendix G – New Employers
- Appendix H - Employer exits
- Appendix I - Contribution Reviews
- Appendix J – Ill-health risk management

5.18. LGPS Regulations require the FSS to be subject to a formal consultation prior to being agreed. The consultation on the updated FSS finalised 31 January 2026, details of the consultation are covered in the FSS consultation paper appended as Appendix 4.

6. Contribution to Strategic Outcomes

6.1. Not applicable

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

Finance and Procurement

7.1. Hymans Robertson's report provides advice on the outcome of the actuarial valuation and the various financial implications for the Fund and the employers participating in the Haringey Pension Fund, Local Government Pension Scheme. The report contains financial comments related to these implications throughout.

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

7.2. The Head of Legal and Governance (Monitoring Officer) has been consulted on the contents of this report. The Council, as administering authority must comply with certain obligations contained in the Local Government Pension Scheme Regulations 2013 ("the LGPS 2013").

7.3. Under Regulation 58 of LGPS 2013 the Council, as administrating authority must have a written statement setting out its funding strategy and keep the statement under review and, after consultation with such person as it considers appropriate, make such revisions as are appropriate following a material change in the policy set out in the statement where there are revisions, publish the statement as revised. It should be noted that where consultation is required, the courts has set out certain principles that must be adhered to. These are:

- that consultation must be at a time when proposals are still at a formative stage;
- that the proposer must give sufficient reasons for any proposal to permit of intelligent consideration and response;
- that adequate time must be given for consideration and response; and
- that the product of consultation must be conscientiously taken into account in finalising any statutory proposals.

7.4. Regulation 62 requires the administering authority to obtain an actuarial valuation of the assets and liabilities of each of its pension funds on 31 March in every third year from 31 March 2016. The relevant date for the purpose of this report is the 31 March 2025.

Equalities

7.5. Not applicable.

8. Use of Appendices

8.1. Confidential Appendix 1: Haringey Pension Fund Report on the actuarial valuation as at 31 March 2025

8.2. Appendix 2: Haringey Pension Fund Funding Strategy Statement

8.3. Appendix 3: Valuation Governance audit trail paper

8.4. Appendix 4: FSS consultation paper

8.5. Confidential Appendix 5: Valuation Data report

9. Local Government (Access to Information) Act 1985

9.1. Not applicable.

Haringey Pension Fund

Funding Strategy Statement

April 2026

Effective date	1 April 2026
Previous valuation date	31 March 2025
Date approved	{tbc}
Next review	March 2029
Prepared in accordance with SAB / CIPFA / MHCLG guidance dated	November 2025

Contents

Haringey Pension Fund – Funding Strategy Statement Page

1 Purpose of Haringey Pension Fund and the Funding Strategy Statement 1
Part A – Key Funding Principles 4
2 How does the Fund calculate employer contributions? 4
3 What additional contributions may be payable? 10
4 How does the Fund calculate assets and liabilities? 11
Part B – Employer Events 12
5 What happens when an employer joins the fund? 12
6 What happens if an employer has a bulk transfer of staff? 14
7 What happens when an employer leaves the fund? 15
8 What are the statutory reporting requirements? 17

Appendices

Appendix A – The regulatory framework
Appendix B – Roles and responsibilities
Appendix C – Glossary
Appendix D – Risks and Controls
Appendix E – Actuarial assumptions
Appendix F – Academies & Free Schools
Appendix G – New Employers
Appendix H - Employer exits
Appendix I - Contribution Reviews
Appendix J – Ill-health risk management

1 Purpose of Haringey Pension Fund and the Funding Strategy Statement

This document sets out the Funding Strategy Statement (FSS) for Haringey Pension Fund.

Haringey Pension Fund is administered by Haringey Council, which is known as the Administering Authority. Haringey Council worked with the Fund's actuary, Hymans Robertson, to prepare this FSS which is effective from 1 April 2026.

There's a regulatory requirement for Haringey Council to prepare an FSS. You can find out more about the regulatory framework in Appendix A. If you have any queries about the FSS, contact Pensions.Mailbox@haringey.gov.uk.

1.1 What is Haringey Pension Fund?

Haringey Pension Fund is part of the Local Government Pension Scheme (LGPS). You can find more information about the LGPS at www.lgpsmember.org. Haringey Council runs the Fund on behalf of participating employers, their employees, and current and future pensioners. You can find out more about roles and responsibilities in Appendix B.

1.2 What are the funding strategy objectives?

The funding strategy objectives are to:

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

1.3 Who is the FSS for?

The FSS is mainly for employers participating in the Fund because it sets out how money will be collected from them to meet the Fund's obligations to pay members' benefits.

Different types of employers participate in the Fund:

Scheduled bodies

Employers who are specified in a schedule to the LGPS regulations, including the Council and employers like academies. Scheduled bodies must give employees access to the LGPS if they can't accrue benefits in another pension scheme, such as another public service pension scheme.

Designating employers (otherwise known as Resolution bodies)

Employers like foundation schools can join the LGPS through a resolution. If a resolution is passed, the Fund can't refuse entry. The employer then decides which employees can join the scheme.

Admission bodies

Other employers can join through an admission agreement. The Fund can set participation criteria for them and can refuse entry if the requirements aren't met. This type of employer includes contractors providing outsourced services like cleaning or catering to a scheduled body.

Some existing employers may be referred to as **community admission bodies** (CABs). CABs are employers with a community of interest with another scheme employer. Others may be called **transferee admission bodies** (TABs), that provide services for scheme employers. These terms aren't defined under current regulations but remain in common use from previous regulations.

The Scheme Advisory Board refer to three different tiers of employers which may participate in the LGPS, specifically:

- Tier 1 – Local Authorities (including contractors participating in the LGPS with Local Authority backing)
- Tier 2 – Academy Trusts and Further Education Institutions (Colleges).
- Tier 3 – Standalone employers with no local or national taxpayer backing. Include universities, housing associations and charities.

1.4 How is the funding strategy specific to London Borough of Haringey Pension Fund?

The funding strategy reflects the specific characteristics of the Fund employers and its own investment strategy.

1.5 How often is the Funding Strategy Statement reviewed?

The FSS is reviewed in detail at least every three years ahead of the triennial actuarial valuation and an annual check is carried out in the intervening years.

Amendments to the FSS may be in the following circumstances:

- material changes to the scheme benefit structure (e.g. HM Treasury-led)
- on the advice of the fund actuary
- Significant changes to investment strategy or if there has been significant market volatility which impacts the FSS or goes beyond FSS expectation
- if there have been significant changes to the fund membership and/or fund maturity profile
- if there have been significant or notable changes to the number, type, or individual circumstances of any of the employing authorities to such an extent that they impact on the funding strategy (e.g exit/restructuring/failure) which could materially impact cashflow and/or maturity profile and/or covenant)
- if there has been a material change in the affordability of contributions and/or employer(s) financial covenant strength which has an impact on the FSS.
- recommendations from MHCLG/GAD.

In undertaking such reviews, the administering authority should consider:

- looking at experiences in relation to long-term funding assumptions (in terms of both investment income and forecast contributions income) and consequences of actions taken by employers (e.g. pay awards and early retirements)

- the implications for the funding strategy and, if significant, determine what action should be taken to review the FSS
- the implications arising from the funding strategy for meeting the liabilities of individual employers and any amendments required to the ISS
- consulting with individual employers specifically impacted by any changes as an integral part of the monitoring and review process and ensuring any communication regarding a review won't necessarily lead to rates changes for individual employers but could impact admissions, terminations, approach to managing risk and employer risk assessment.

Any amendments will be consulted on, approved by the Pensions Committee & Board and included in the Committee & Board meeting minutes.

This Funding Strategy Statement is effective from 1 April 2026 and is expected to remain in force until 31 March 2029 at the latest, unless an interim review is carried out prior to then.

1.6 Links to Administration Strategy

The fund maintains an Administration Strategy Statement which outlines the responsibilities, standards and procedures for employers and the fund. A copy of this can be found here.

Adherence with the requirements of the Administration Strategy Statement is crucial to ensure the well-running of the pension fund and any failure to do so may lead to uncertainty around the value of an employer's liabilities and the need for prudent assumptions to fill any data gaps.

1.7 Actuarial valuation report

LGPS Regulations (specifically Regulation 62) require an actuarial valuation to be carried out every three years, under which contribution rates for all participating employers are set for the following three years. This Funding Strategy Statement sets out the assumptions and methodology underpinning the 2025 actuarial valuation actuarial exercise. The actuarial valuation report sets out 1) the actuary's assessment of the past service funding position, and 2) the contributions required to ensure full funding by the end of the time horizon. The Rates and Adjustments certificate shows the contribution rates payable by each employer (which may be expressed as a percentage of payroll and/or monetary amounts).

Part A – Key Funding Principles

2 How does the Fund calculate employer contributions?

2.1 Calculating contribution rates

Employee contribution rates are set by the LGPS regulations.

Employer contributions rates are determined by a mandatory actuarial valuation exercise and are made up of the following elements:

- **the primary contribution rate** – contributions payable towards future benefits
- **the secondary contribution rate** – the difference between the primary rate and the total employer contribution

The primary rate also includes an allowance for the Fund's expenses.

The Fund actuary uses a methodology known as Asset Liability Modelling to set employer contribution rates. Under this methodology, for a given proposed employer contribution rate, the model projects future asset and liability values for the employer under 5,000 different simulations of the future economic environment. Each simulation – generated by Hymans Robertson's Economic Scenario Service (ESS) model - has a different path for future interest rates, inflation rates and the investment return on different asset classes. This approach allows the Fund actuary to understand the potential range of future funding outcomes that could be achieved via payment of that contribution rate.

The Fund has set *funding strategy criteria* for each employer in the fund which must be satisfied in order for a given employer contribution to be deemed acceptable. The funding strategy criteria are specified in terms of the following four parameters:

- **the target funding level** – how much money the Fund aims to hold for each employer
- **the time horizon** – the time over which the employer aims to achieve the target funding level
- **the funding basis** – the set of actuarial assumptions used to value the employer's (past and future service) liabilities
- **the likelihood of success** – the proportion of modelled scenarios where the target funding level is met.

For example, an employer's funding strategy criteria may be set as follows:

*The employer must have at least an **80% likelihood** of being **100% funded** on the **ongoing participation basis** at the end of a **20 year** funding time horizon*

The funding strategy criteria used by the fund are set out in Table 2. Further detail on the ESS and on the funding bases used by the Fund are set out in Appendix E.

The target funding level may be set greater than 100% as a buffer against future adverse experience. This may be appropriate for long term open employers, where adverse future funding experience may lead to future contribution rises.

The contribution rate setting approach takes into account the maturing profile of the membership when setting employer contribution rates.

The approach taken by the Fund actuary helps the fund meet the aim of maintaining as stable a primary employer contribution rate as possible.

2.2 Prepayment of contributions

The Fund permits the prepayment of employer contributions in specific circumstances.

Employer contributions

- The Fund will consider requests from employers to make payment of their employer contributions early.
- Each case will be considered on its own merits, taking into account the type of employer, the employer rate, the amount and the value of cash the Fund holds.

Employee contributions

- The Fund will not consider requests to allow payment of employee contributions early.
- In exceptional circumstances, officers may consider this on a case-by-case basis.

Prepayment of contributions does not guarantee that the employer will benefit from earlier investment: the value of the prepaid contributions can fall if investment returns are negative.

2.3 The contribution rate calculation

Table 1: contribution rate calculation for individual or pooled employers

Type of employer	Scheduled bodies		CABs	TABs
Sub-type	Local Authority	Academies (or schools not pooled with Haringey Council	all	all
SAB Tier	Tier 1	Tier 2	Tier 3	Tier 1
Funding basis*	Ongoing	Ongoing	Low-risk exit basis (no guarantor)	Ongoing basis
Target funding level	120%	120%	100%	100%
Minimum likelihood of success	80%	80%	85%	80%
Maximum time horizon	20 years	20 years	20 years	20 years
Primary rate approach**	The contributions must be sufficient to meet the cost of benefits earned in the future with the required likelihood of success at the end of the time horizon*			

Secondary rate	The difference between the total contribution rate payable (determined as per 2.1) and the primary rate. Negative adjustments are expressed as a percentage of payroll and positive adjustments can be expressed as a percentage of payroll or monetary amounts (for mature closed employers)			
Stabilised contribution rate?	Yes	Yes	No	No
Treatment of surplus	Covered by stabilisation arrangement		Reduce contributions by spreading the surplus over maximum time horizon	Reduce contributions by spreading the surplus over the remaining contract term if contract to cease before next valuation, at admin authority's discretion
Recognising covenant	Stabilisation parameters		Adjust likelihood of success	
Phasing of contribution changes	Covered by stabilisation arrangement		Not typically permitted	

Employers participating in the Fund under a pass-through agreement will pay a contribution rate as agreed between the contractor and letting authority
**See Appendix E for further information on funding targets.*
***The Primary Rate for the whole Fund is the weighted average (by payroll) of the individual employers' primary rates*

The Fund manages funding risks as part of the wider risk management framework, as documented in the Fund's risk registrar. The funding-specific risks identified and managed by the Fund are set out in Appendix D – Risks and Controls.

2.4 Making contribution rates stable

Making employer contribution rates reasonably stable is an important funding objective. The Fund may adopt a stabilised approach to setting contributions for individual employers, which keeps contribution variations within a pre-determined range from year-to-year.

After taking advice from the Fund Actuary, the Fund believes a stabilised approach is a prudent longer-term strategy for some employers.

Table 2: current stabilisation arrangement

Type of employer	Council	Academies (or schools not pooled with Haringey Council)
Maximum contribution increase per year	+1.0% of pay	+1.0% of pay
Maximum contribution decrease per year	-1.0% of pay	-1.0% of pay

Stabilisation criteria and limits are reviewed during the valuation process. The Fund may review them between valuations to respond to membership or employer changes.

At their absolute discretion the administering authority may permit acceleration or extension of contribution rises and reductions within the contribution stability mechanism.

2.5 Links to investment strategy

The funding strategy sets out how money will be collected from employers to meet the Fund's obligations. Contributions, assets and other income are then invested according to an investment strategy set by the administering authority.

The funding and investment strategies are closely linked. The Fund must be able to pay benefits when they are due – those payments are met from a combination of contributions (through the funding strategy) and asset returns and income (through the investment strategy). If investment returns or income fall short the fund won't be able to pay benefits, so higher contributions would be required from employers.

The investment strategy is designed allowing for the funding position determined on an appropriate and prudent basis, with the objective of achieving the funding objective for each employer group of the specific time horizon.

The Fund's current strategic investment strategy as at 31 March 2025 is summarised in the table, with full details available at [link].

Asset class	Allocation
Global Equities (hedged)	17.0%
Global Equities (unhedged)	17.0%
EM equities	6.0%
DGF Low Beta	7.5%
Private Equity	5.0%
Property	15.5%
Infrastructure equity	5.0%
A Credit	7.5%
Index linked gilt	7.0%

Asset class	Allocation
Multi Asset Credit (sub investment grade)	10.0%
Infrastructure Debt	2.5%

2.6 Does the funding strategy reflect the investment strategy?

The funding policy is consistent with the investment strategy. Future investment return expectations are set with reference to the investment strategy, including a margin for prudence which is consistent with the regulatory requirement that funds take a 'prudent longer-term view' of funding liabilities (see Appendix A)

2.7 Reviewing contributions between valuations

The Fund may amend contribution rates between formal valuations for a 'significant change' to the liabilities or covenant of an employer, in line with its policy on contribution reviews. A review may be instigated by the Fund or at the request of a participating employer.

The purpose of any review is to establish the most appropriate contributions. A review may lead to an increase or decrease in contributions.

2.8 What is pooling?

The Fund may operate funding pools for similar types of employers. Contribution rates can be volatile for smaller employers that are more sensitive to individual membership changes – pooling across a group of employers minimises this. In this type of pooling arrangement, employers do not target full funding at exit. While the Fund receives the contributions required, the risk increases that employers will be entitled to a surplus payment on exit.

Employers in a pool may maintain their individual funding positions, tracked by the Fund Actuary. That means some employers may be better funded or more poorly funded than the pool average. If pooled employers used stand-alone funding rather than pooling, their contribution rates could be higher or lower than the pool rate.

The Fund operates an academy pool in which all academies maintain their individual funding positions but assets are rebalanced across the pool at each valuation (and other dates as necessary) so that each participating academy has the same common funding level.

Pooled employers are identified in the rates and adjustments certificate and may only have their pooled contributions certified.

CABs that are closed to new entrants aren't usually allowed to enter a pool.

Where employers are pooled for contribution setting purposes only, an employer leaving the fund will have their required contribution calculated based on their own funding position rather than the pool average. Cessation terms also apply, which means higher contributions may be required at that point.

2.9 What are the current contribution pooling arrangements?

- **Maintained schools** – generally pool with the Council, although there may be exceptions for specialist or independent schools.
- **Academies** – academies and free schools are pooled together for all funding risks. Academies joining the Fund through a consolidation exercise from another LGPS Fund may be pooled together as a separate Multi Academy Trust (MAT) or in a separate academies pool.

- **MATs** – academies may also be further combined within a Multi Academy Trust (MAT) at the MAT's request, for example to participate as a single grouped employer with only combined liabilities and assets.
- **Ceased employers** – legacy liabilities and assets may be pooled with the Council

2.10 Fund discretion

Individual employers may be affected by circumstances not easily managed within the FSS rules and policies. If this happens, the Fund may adopt alternative funding approaches on a case-by-case basis.

Additionally, the Fund may allow greater flexibility to the employer's contributions if added security is provided. Flexibility could include things like a reduced contribution rate, extended time horizon, or permission to join a pool. Added security may include a suitable bond or a legally binding guarantee from an appropriate third party.

Non cash funding

The Fund will not accept any form of non-cash assets in lieu of contributions.

2.12 Managing surpluses and deficits

The funding strategy is designed to ensure that all employers are at least fully funded on a prudent basis at the end of their own specific time horizon. The uncertain and volatile nature of pension scheme funding means that it is likely there will be times when employers are in surplus and times when employers are in deficit. The funding strategy recognises this by 1) including sufficient prudence to manage the effect of this over the time horizon, and 2) making changes to employer contribution rates to ensure the funding strategy objectives are met.

Fluctuations in funding positions are inevitable over the time horizon, due to market movements and changing asset values, which could lead to the emergent of deficits and surplus from time to time, and lead to changes in employer contribution rates.

Table 1 sets out the Fund's approach to setting contribution rates for each employer group.

3 What additional contributions may be payable?

3.1 Pension costs – awarding additional pension and early retirement on non ill-health grounds

If an employer awards additional pension as an annual benefit amount, they pay an additional contribution to the Fund as a single lump sum. The amount is set by guidance issued by the Government Actuary's Department and updated from time to time.

If an employee retires before their normal retirement age on unreduced benefits, employers will be asked to pay additional contributions called strain payments. The Fund won't start to pay the unreduced benefits until the strain payment is made by the employer.

3.2 Pension costs – early retirement on ill-health grounds

If a member retires early because of ill-health, a funding strain, which may be a large sum, arises in the Fund and increases the liability for the employer. However, the Fund operates a risk-sharing mechanism for ill-health retirements which spreads the cost across the Fund's active employers. Please see the policy on ill-health risk management in Appendix J for more information.

4 How does the Fund calculate assets and liabilities?

4.1 How are employer asset shares calculated?

The Fund adopts a cashflow approach to track individual employer assets.

Each Fund employer has a notional share of the Fund's assets, which is assessed yearly by the actuary. The actuary starts with assets from the previous year-end, adding cashflows paid in/out and investment returns to give a new year-end asset value. The Fund actuary makes a simplifying assumption, that all cashflow and investment returns have been paid uniformly over the year. This assumption means that the sum of all employers' asset values is slightly different from the whole Fund asset total over time. This minimal difference is split between employers in proportion to their asset shares at each valuation.

If an employee moves one from one employer to another within the fund, assets equal to the cash equivalent transfer value (CETV) will move from the original employer to the receiving employer's asset share.

Alternatively, if employees move when a new academy is formed or an outsourced contract begins, the Fund Actuary will calculate assets linked to the value of the liabilities transferring (see section 0).

Assets are recalculated for academies at each triennial valuation, or at interim dates if required, based on the funding level of the academy pool. Asset shares are then distributed so that each academy shares the same funding level at the time of the rebalancing.

4.2 How are employer liabilities calculated?

The Fund holds membership data for all active, deferred and pensioner members. Based on this data and the assumptions in Appendix E, the Fund Actuary projects the expected benefits for all members into the future. This is expressed as a single value – the liabilities – by allowing for expected future investment returns.

Each employer's liabilities reflect the experience of their own employees and ex-employees.

4.3 What is a funding level?

An employer's funding level is the ratio of the market value of asset share against liabilities. If this is less than 100%, the employer has a shortfall: the employer's deficit. If it is more than 100%, the employer is in surplus. The amount of deficit or surplus is the difference between the asset value and the liabilities value.

Funding levels and deficit/surplus values measure a particular point in time, based on a particular set of future assumptions. While this measure is of interest, for most employers the main issue is the level of contributions payable. The funding level does not directly drive contribution rates. See section 0 or further information on rates.

Part B – Employer Events

5 What happens when an employer joins the fund?

5.1 When can an employer join the fund?

Employers can join the Fund if they are a new scheduled body or a new admission body. New designating employers may also join the Fund if they pass a designation to do so.

The Fund will determine the assets and liabilities for a new employer. The calculation will depend on the type of employer, the existence of any guarantee, and the circumstances of joining.

The Fund will also set a contribution rate. This will be set in the way described in section 0 unless alternative arrangements apply (for example, the employer has agreed a pass-through arrangement).

5.2 New academies

New academies (including free schools) join the Fund as separate scheduled employers. Only active members of former council schools transfer to new academies. Free schools do not transfer active members from a converting school but must allow new active members to transfer in any eligible service.

Liabilities for transferring active members will be calculated (on the ongoing basis) by the Fund Actuary on the day before conversion to an academy. Liabilities relating to the converting school's former employees (ie members with deferred or pensioner status) remain with the ceding council.

New academies will be allocated a transferring asset share based on the estimated funding level of the council's active members, having first allocated the council's assets to fully fund their deferred and pensioner members. This funding level will then be applied to the transferring liabilities to calculate the academy's initial asset share, that transfers into the academies pool, capped at a maximum of 100%.

The council's estimated funding level will be based on market conditions on the day before conversion.

Academies are pooled for all risks for funding purposes and pay a common contribution rate based on the current funding strategy.

If an academy leaves one MAT and joins another, all active, deferred and pensioner members transfer to the new MAT.

The fund's policies on academies may change based on updates to guidance from the Ministry of Housing, Communities and Local Government or the Department for Education. Any changes will be communicated and reflected in future Funding Strategy Statements.

5.3 New admission bodies as a result of outsourcing services

New admission bodies usually join the Fund because an existing employer (typically a scheduled body like a council or academy) outsources a service to another organisation (a contractor). This involves TUPE transfers of staff from the letting employer to the contractor. The contractor becomes a new participating Fund employer for the duration of the contract and transferring employees remain eligible for LGPS membership. At the end of the contract, employees typically revert to the letting employer or a replacement contractor.

Liabilities for transferring active members will be calculated by the Fund Actuary on the day before the outsourcing occurs.

New contractors will be allocated an asset share equal to the value of the transferring liabilities. The admission agreement may set a different initial asset allocation, depending on contract-specific circumstances.

There is flexibility for outsourcing employers when it comes to pension risk potentially taken on by the contractor. More details on outsourcing options can be obtained from the Fund or in the contract admission agreement.

The Fund's policy is to require all new admission bodies to be set up with a pass-through arrangement (subject to the specific requirements of the DfE in relation to contracts let by academies).

Additional information on outsourcing from an academy or free school is included in the Fund's Policy on Academies and Free Schools in Appendix F.

5.4 Other new employers

There may be other circumstances that lead to a new admission body entering the fund, e.g., set up of a wholly owned subsidiary company by the council. Calculation of assets and liabilities on joining and a contribution rate will be carried out allowing for the circumstances of the new employer.

New designating employers may also join the fund. This is unusual but would include bodies like a new foundation school or technical institute. Contribution rates will be set using the same approach as other designating employers in the fund.

5.5 Risk assessment for new admission bodies

Under the LGPS regulations, a new admission body must assess the risks it poses to the Fund if the admission agreement ends early, for example if the admission body becomes insolvent or goes out of business. In practice, the Fund Actuary assesses this because the assessment must be carried out to the Fund's satisfaction.

After considering the assessment, the Fund may decide the admission body must provide security, such as a guarantee from the letting employer, an indemnity or a bond.

This must cover some or all of the:

- strain costs of any early retirements if employees are made redundant when a contract ends prematurely
- allowance for the risk of assets performing less well than expected
- allowance for the risk of liabilities being greater than expected
- allowance for the possible non-payment of employer and member contributions
- admission body's existing deficit.

6 What happens if an employer has a bulk transfer of staff?

Bulk transfer cases will be looked at individually, but generally:

- the Fund won't typically pay bulk transfers greater in value than either the asset share of the transferring employer in the fund, or the value of the liabilities of the transferring members, whichever is lower
- the Fund won't grant added benefits to members bringing in entitlements from another fund, unless the asset transfer is enough to meet the added liabilities
- the Fund may permit shortfalls on bulk transfers if the employer has a suitable covenant and commits to meeting the shortfall in an appropriate period, which may require increased contributions between valuations.

7 What happens when an employer leaves the fund?

7.1 What is a cessation event?

Triggers for considering cessation from the Fund are:

- the last active member stops participation in the fund. The Fund, at their discretion, can defer acting for up to three years by issuing a suspension notice. That means cessation won't be triggered if the employer takes on one or more active members during the agreed time.
- insolvency, winding up or liquidation of an admission body.
- a breach of an admission agreement that isn't remedied to the Fund's satisfaction.
- failure to pay any sums due within the period required.
- failure to renew or adjust the level of a bond or indemnity, or to confirm an appropriate alternative guarantor.
- termination of a deferred debt arrangement (DDA).

If no DDA exists, the Fund will instruct the Fund Actuary to carry out a cessation valuation to calculate if there is a surplus or a deficit when the employer leaves the fund.

7.2 What happens on cessation?

The Fund must protect the interests of the remaining Fund employers when an employer leaves the fund. The actuary aims to protect remaining employers from the risk of future loss. The funding targets adopted for the cessation calculation is below. These are defined in Appendix E.

(a) Where there is no guarantor, cessation liabilities and a final surplus/deficit will usually be calculated using a low-risk basis, which is more prudent than the ongoing participation basis. The low-risk exit basis is defined in Appendix E.

(b) Where there is a guarantor, the guarantee will be considered before the cessation valuation.

- Where the guarantor is a guarantor of last resort (i.e. where the guarantee will cease to have affect after the cessation event and final settlement), this will have no effect on the cessation valuation.
- If this isn't the case (i.e. if the guarantee continues to apply in respect of the former employer's obligations post cessation), cessation may be calculated using the same basis that was used to calculate liabilities (and the corresponding asset share) at the most recent triennial valuation.

(c) Depending on the guarantee, it may be possible to transfer the employer's liabilities and assets to the guarantor without crystallising deficits or surplus. This may happen if an employer can't pay the contributions due and the approach is within the guarantee terms. This is known as 'subsumption' of the assets and liabilities.

If the Fund can't recover the required payment in full, unpaid amounts will be paid by the related letting authority (in the case of a ceased admission body) or shared between the other Fund employers. This may require an immediate revision to the rates and adjustments certificate or may be reflected in the contribution rates set at the next formal valuation.

The Fund Actuary charges a fee for cessation valuations and there may be other cessation expenses. Fees and expenses are at the employer's expense and are deducted from the cessation surplus or added to the cessation deficit. This improves efficiency by reducing transactions between employer and fund.

7.3 What happens if there is a surplus?

If the cessation valuation shows the exiting employer has more assets than liabilities – a surplus – the Fund can decide how much will be paid back to the employer (which may be £nil) based on:

- the surplus amount
- the proportion of the surplus due to the employer's contributions
- any representations (such as risk sharing agreements or guarantees) made by the exiting employer and any employer providing a guarantee or some other form of employer assistance/support
- any other relevant factors.

7.4 How do employers repay cessation debts?

If there is a deficit, full payment will usually be expected in a single lump sum or:

- spread over an agreed period if the employer enters into a deficit spreading agreement (DSA)
- if an exiting employer enters into a deferred debt agreement, the employer stays in the Fund and pays contributions until the cessation debt is repaid. Payments are reassessed at each formal valuation.

7.5 What if an employer has no active members?

When an employer leaves the Fund because their last active member has left or retired, they may: pay a cessation debt, receive an exit credit or enter a DDA/DSA. Beyond this they have no further obligation to the Fund and either:

a) their asset share runs out before all ex-employees' benefits have been paid. The other Fund employers will be required to contribute to the remaining benefits. The Fund Actuary will portion the liabilities on a pro-rata basis at the formal valuation.

b) the last ex-employee or dependant dies before the employer's asset share is fully run down. The Fund Actuary will apportion the remaining assets to the other Fund employers at the formal valuation.

7.6 Partial cessations

The Fund will consider employer requests for "partial" cessation arrangement based on the specific circumstances and risks posed by any such request.

8 What are the statutory reporting requirements?

8.1 Reporting regulations

The Public Service Pensions Act 2013 requires the Government Actuary's Department to report on LGPS funds in England and Wales after every three-year valuation, in what's usually called a section 13 report. The report includes advice on whether the following aims are achieved:

- Compliance
- Consistency
- Solvency
- Long term cost efficiency

8.2 Solvency

Employer contributions are set at an appropriate solvency level if the rate of contribution targets a funding level of at least 100% over an appropriate time, using appropriate assumptions compared to other funds. Either:

(a) employers collectively can increase their contributions, or the Fund can realise contingencies to target a greater than 100% funding level

or

(b) there is an appropriate plan in place if there is, or is expected to be, a reduction in employers' ability to increase contributions as needed.

8.3 Long-term cost efficiency

Employer contributions are set at an appropriate long-term cost efficiency level if the contribution rate makes provision for the cost of current benefit accrual, with an appropriate adjustment for any surplus or deficit.

To assess this, the Fund may consider absolute and relative factors.

Relative factors include:

1. comparing LGPS funds with each other
2. the implied deficit recovery period
3. the investment return required to achieve full funding after 20 years.

Absolute factors include:

1. comparing funds with an objective benchmark
2. the extent to which contributions will cover the cost of current benefit accrual and interest on any deficit
3. how the required investment return under relative considerations compares to the estimated future return targeted by the investment strategy
4. the extent to which contributions paid are in line with expected contributions, based on the rates and adjustment certificate
5. how any new deficit recovery plan reconciles with, and can be a continuation of, any previous deficit recovery plan, allowing for Fund experience.

These metrics may be assessed by GAD on a standardised market-related basis where the Fund's actuarial bases don't offer straightforward comparisons.

Appendices

Appendix A – The regulatory framework

A1 Why do funds need a Funding Strategy Statement?

The Local Government Pension Scheme (LGPS) regulations require funds to maintain and publish a Funding Strategy Statement (FSS). According to the Ministry for Housing, Communities and Local Government (MHCLG) the purpose of the FSS is to document the processes the Fund uses to:

- establish a clear and transparent fund-specific strategy identifying how employers' pension liabilities are best met going forward
- *support the desirability of maintaining as constant and stable primary contribution rate as possible, as defined in Regulation 62(5) of the LGPS Regulations 2013*
- *ensure that the regulatory requirements to set contributions to ensure the solvency and long-term cost efficiency of the Fund are met.*
- *explain how the Fund balances the interests of different employers.*
- *explain how the Fund deals with conflicts of interest and references other policies/strategies.*

To prepare this FSS, the Fund has used guidance jointly prepared the Scheme Advisory Board (SAB), MHCLG, and by the Chartered Institute of Public Finance and Accountancy (CIPFA) dated January 2025.

The Fund has a fiduciary duty to scheme members and obligations to employers to administer the scheme competently to keep employer contributions at an affordable level. The Funding Strategy Statement sets out how the Fund meets these responsibilities.

A2 Consultation

Both the LGPS regulations and most recent CIPFA guidance state the FSS should be prepared in consultation with "*persons the authority considers appropriate*". This should include '*meaningful dialogue… with council tax raising authorities and representatives of other participating employers*'.

The consultation process included:

1. A draft version of the FSS circulated on dd mmmm yyyy for comments by all participating employers
2. Employers Forum on 8 December 2025 where all employers, whether attending in person or online, had the opportunity to raise questions about the changes made to the FSS.
3. Comments requested by dd mmmm yyyy allowing x days for comments to be submitted.
4. Closure of the consultation on dd mmmm yyyy
5. Draft FSS presented to Pension Committee & Board for approval on dd mmmm yyyy subject to no material changes following the consultation.
6. Publication of approved FSS will be made after 31 March 2026.

The Fund also shared the draft FSS with the Department for Education and facilitated a meeting to discuss the changes made and the implications of the Fund's funding policies on academy employers.

A3 How is the FSS published?

The FSS is emailed to participating employers and is published on the website at haringeypensionfund.co.uk. A full copy is included in the Fund's annual report and accounts. Copies are freely available on request and sent to investment managers and independent advisers.

Any other channels for Haringey Pension Fund to consider. This could include:

- publishing on the Administering Authority's website
- publishing on social media
- local publicity, for example in Council newsletters
- sending copies to each employer
- sending a summary statement to all scheme members
- including the full statement or summary in final accounts
- adding the FSS to the agenda of pension Fund AGMs
- sending copies to members of the Pension Committee & Board
- sending copies to employee/pensioner representatives
- sending copies to investment managers and independent advisers
- making copies freely available on request.

A4 How often is the FSS reviewed?

The FSS is reviewed in detail at least every three years as part of the valuation. Amendments may be made before then if there are regulatory or operational changes. Any amendments will be consulted on, agreed by the Pensions Committee & Board and included in the Pensions Committee & Board meeting minutes.

A5 How does the FSS fit into the overall Fund documentation?

The FSS is a summary of the Fund's approach to funding liabilities. It isn't exhaustive – the Fund publishes other statements including the investment strategy statement, governance strategy and communications strategy. The Fund's annual report and accounts also includes up-to-date Fund information.

You can see all Fund documentation at haringeypensionfund.co.uk.

Appendix B – Roles and responsibilities

B1 The Fund is required to:

1. operate a pension Fund
2. collect employer and employee contributions, investment income and other amounts due to the pension Fund as stipulated in LGPS Regulations
3. have an escalation policy in situations where employers fail to meet their obligations
4. pay from the pension Fund the relevant entitlements as stipulated in LGPS Regulations
5. invest surplus monies in accordance with the relevant regulations
6. ensure that cash is available to meet liabilities as and when they fall due
7. ensure benefits paid to members are accurate and undertake timely and appropriate action to rectify any inaccurate benefit payments
8. take measures as set out in the regulations to safeguard the fund against the consequences of employer default
9. manage the valuation process in consultation with the Fund's actuary
10. prepare and maintain an FSS and associated funding policies and SIP/ISS, after proper consultation with interested parties
11. monitor all aspects of the Fund's performance and funding, and amend the FSS/ISS accordingly
12. establish a policy around exit payments and payment of exit credits/debits in relation to employer exits
13. effectively manage any potential conflicts of interest arising from its dual role as both fund administrator and scheme employer
14. enable the local pension board to review the valuation and FSS review process and as set out in their terms of reference
15. support and monitor a Local Pension Board (LPB) as required by the Public Service Pensions Act 2013, the Regulations and the Pensions Regulator's relevant Code of Practice

B2 Individual employers are required to:

1. Ensure staff who are eligible are contractually enrolled and deduct contributions from employees' pay correctly after determining the appropriate employee contribution rate (in accordance with the Regulations),
2. provide the Fund with accurate data and understand that the quality of the data provided to the Fund will directly impact on the assessment of their liabilities and their contributions. In particular, any deficiencies in their data may result in the employer paying higher contributions than otherwise would be the case if their data was of high quality
3. pay all ongoing contributions, including employer contributions determined by the actuary and set out in the rates and adjustments certificate, promptly by the due date
4. develop a policy on certain discretions and exercise those discretions as permitted within the regulatory framework

5. make additional contributions in accordance with agreed arrangements in respect of, for example, augmentation of scheme benefits and early retirement strain

6. notify the administering authority promptly of all changes to active membership that affect future funding

7. Pay any exit payments on ceasing participation in the Fund timely provide the fund with accurate data and understand that the quality of the data provided to the Fund will directly impact on the assessment of their liabilities and their contributions. In particular, any inaccuracies in data may result in the employer paying higher contributions than otherwise would be the case if their data was of high quality.

B3 The Fund Actuary should:

1 prepare valuations including the setting of employers' contribution rates at a level to ensure Fund solvency and long-term cost efficiency based on the assumptions 26 set by the administering authority and having regard to the FSS and the LGPS Regulations

2 provide advice so the Fund can set the necessary assumptions for the valuation

3 prepare advice and calculations in connection with bulk transfers and the funding aspects of individual benefit-related matters such as pension strain costs, ill health retirement costs, compensatory added years costs, etc

4 provide advice and valuations to the Fund so that it can make decisions on the exit of employers from the fund

5 provide advice to the Fund on bonds or other forms of security against the financial effect on the fund of employer default

6 assist the Fund in assessing whether employer contributions need to be revised between valuations as permitted or required by the regulations

1 ensure that the Fund is aware of any professional guidance or other professional requirements that may be relevant in the role of advising the Fund.

2 Identify to the Fund and manage any potential conflicts of interest that may arise in the delivery the contractual arrangements to the Fund and other clients.

B4 Local Pension Boards (LPB):

Local Pension Boards have responsibility to assist the administering authority to secure compliance with the LGPS regulations, other legislation relating to the governance and administration of the LGPS, any requirements imposed by the Regulator in relation to the LGPS, and to ensure the effective and efficient governance and administration of the LGPS. It will be for each fund to determine the input into the development of the FSS (as appropriate within fund's own governance arrangements) however this may include:

1. Assist with the development and review the FSS

2. Review the compliance of scheme employers with their duties under the FSS, regulations and other relevant legislation

3. Assist with the development of and review communications in relation to the FSS.

B5 Employer guarantors:

1 Department for Education - To pay cessation debts in the case of academy cessations (where the obligations are not being transferred to another MAT) and to consider using intervention powers if an academy is deemed to be in breach of the regulations.

2 Other bodies with a financial interest (outsourcing employers)

B6 Other parties:

3 internal and external investment advisers ensure the investment strategy statement (ISS) is consistent with the Funding Strategy Statement

4 investment managers, custodians and bankers play their part in the effective investment and dis-investment of Fund assets in line with the ISS

5 auditors comply with standards, ensure Fund compliance with requirements, monitor and advise on fraud detection, and sign-off annual reports and financial statements

6 governance advisers may be asked to advise the Fund on processes and working methods

7 internal and external legal advisers ensure the Fund complies with all regulations and broader local government requirements, including the Fund's own procedures

8 the Ministry for Housing, Communities and Local Government, assisted by the Government Actuary's Department and the Scheme Advisory Board, work with LGPS funds to meet Section 13 requirements.

Appendix C – Glossary

Actuarial certificates

A statement of the contributions payable by the employer (see also rates and adjustments certificate). The effective date is 12 months after the completion of the valuation.

Actuarial valuation

An investigation by an actuary, appointed by an Administering Authority into the costs of the scheme and the ability of the fund managed by that authority to meet its liabilities. This assesses the funding level and recommended employer contribution rates based on estimating the cost of pensions both in payment and those yet to be paid and comparing this to the value of the assets held in the Fund. Valuations take place every three years (triennial).

Administering Authority (referred to as 'the fund')

A body listed in Part 1 of Schedule 3 of the regulations who maintains a fund within the LGPS and a body with a statutory duty to manage and administer the LGPS and maintain a pension fund (the fund). Usually, but not restricted to being, a local authority.

Admission agreement

A written agreement which provides for a body to participate in the LGPS as a scheme employer

Assumptions

Forecasts of future experience which impact the costs of the scheme. For example, pay growth, longevity of pensioners, inflation, and investment returns,

Code of Practice

The Pensions Regulator's General Code of Practice.

Debt spreading arrangement

The ability to spread an exit payment over a period of time

Deferred debt agreement

An agreement for an employer to continue to participate in the LGPS without any contributing scheme members

Employer covenant

The extent of the employer's legal obligation and financial ability to support its pension scheme now and in the future.

Funding level

The funding level is the value of assets compares with the liabilities. It can be expressed as a ratio of the assets and liabilities (known as the funding level) or as the difference between the assets and liabilities (referred to as a surplus or deficit).

Fund valuation date

The effective date of the triennial fund valuation.

Guarantee / guarantor

A formal promise by a third party (the guarantor) that it will meet any pension obligations not met by a specified employer. The presence of a guarantor will mean, for instance, that the fund can consider the employer's covenant to be as strong as its guarantor's.

Local Pension Board

The board established to assist the Administering Authority as the Scheme Manager for each Fund.

Non-statutory guidance

Guidance which although it confers no statutory obligation on the parties named, they should nevertheless have regard to its contents

Notifiable events

Events which the employer should make the Administering Authority aware of

Past service liabilities

The cost of pensions already built up or in payment

Pension committee

A committee or sub-committee to which an administering authority has delegated its pension function

Pensions Administration Strategy

A statement of the duties and responsibilities of scheme employers and Administering Authorities to ensure the effective management of the scheme

Primary and secondary employer contributions

Primary employer contributions meet the future costs of the scheme and Secondary employer contributions meet the costs already built up (adjusted to reflect the experience of each scheme employer). Contributions will therefore vary across scheme employers within a Fund.

Rates and adjustments certificate

A statement of the contributions payable by each scheme employer (see actuarial certificates)

Scheme Manager

A person or body responsible for managing or administering a pension scheme established under section 1 of the 2013 Act. In the case of the LGPS, each Fund has a Scheme Manager which is the Administering Authority.C1 Managing risks
The Fund has a risk management programme to identify and control financial, demographic, regulatory and governance risks.

The role of the Combined Pensions Committee & Board is set out in Part Three, Section B of the Council's Constitution. Further details of Committee & Board's terms of reference are available on the Council's website.

The Fund considers strategic risks which are monitored throughout the year by the Pensions Committee & Board. Details of these key risks are available on the Pensions Committee & Board's governance website in advance of each meeting.

The Fund also manages specific funding risks as below.

Appendix D – Risks and Controls

D2 Financial risks

Risk	Summary of Control Mechanisms
Fund assets fail to deliver returns in line with the anticipated returns underpinning the valuation of liabilities and contribution rates over the long-term.	Only anticipate long-term returns on a relatively prudent basis to reduce risk of under-performing. Assets invested on the basis of specialist advice, in a suitably diversified manner across asset classes, geographies, managers, etc. Analyse progress at three yearly valuations for all employers. Inter-valuation roll-forward estimate of liabilities between valuations at whole Fund level.
Inappropriate long-term investment strategy.	Overall investment strategy options considered as an integral part of the funding strategy. Asset liability modelling used to assess appropriate interaction between funding strategy and investment strategy.
Active investment manager under-performance relative to benchmark.	Quarterly investment monitoring analyses market performance and active managers relative to their index benchmark.
Pay and price inflation significantly more than anticipated.	The focus of the actuarial valuation process is on real returns on assets, net of price and pay increases. Inter-valuation monitoring gives early warning. Some inflation-linked assets are included as part of investment strategy to mitigate this risk. Employers pay for their own salary awards and should be mindful of the geared effect on pension liabilities of any bias in pensionable pay rises towards longer-serving employees.
Effect of possible increase in employer's contribution rate on service delivery and admission/scheduled bodies	An explicit stabilisation arrangement has been agreed as part of the funding strategy. Other measures are also in place to limit sudden increases in contributions.
Orphaned employers give rise to added costs for the fund	The Fund seeks a cessation debt (or security/guarantor) to minimise the risk of this happening in the future. If it occurs, the actuary calculates the added cost spread pro-rata among all employers.

Risk	Summary of Control Mechanisms
Effect of possible asset underperformance as a result of climate change	The Fund's management of these risks is covered by its Investment Strategy Statement and includes (but is not limited to) its investments in low carbon equity pooled investment vehicles and renewable energy infrastructure. Additional modelling of climate change scenarios is provided by the Fund Actuary and investment adviser to confirm resilience of investment strategy to the modelled changes

D3 Demographic risks

Risk	Summary of Control Mechanisms
Pensioners living longer, thus increasing cost to fund.	Set mortality assumptions with some allowance for future increases in life expectancy. The Fund Actuary has direct access to the experience of over 50 LGPS funds which allows early identification of changes in life expectancy that might in turn affect the assumptions underpinning the valuation.
Maturing fund – ie proportion of actively contributing employees declines relative to retired employees.	Continue to monitor at each valuation, consider seeking monetary amounts rather than % of pay and consider alternative investment strategies.
Deteriorating patterns of early retirements	The Fund pools all ill health early retirement strain costs between employers to pool risk
Reductions in payroll causing insufficient deficit recovery payments	In many cases this may not be sufficient cause for concern and will in effect be caught at the next formal valuation. However, there are protections where there is concern, as follows: Employers in the stabilisation arrangement may be brought out of that mechanism to permit appropriate contribution increases. For other employers, review of contributions is permitted in general between valuations and may require a move in deficit contributions from a percentage of payroll to fixed monetary amounts.

D4 Regulatory risks

Risk	Summary of Control Mechanisms
Changes to national pension requirements and/or HMRC rules eg changes arising from public sector pensions reform.	The Fund considers all consultation papers issued by the Government and comments where appropriate. The Fund is monitoring the progress on the McCloud court case and will consider an interim valuation or other appropriate action once more information is known. The government's long term preferred solution to GMP indexation and equalisation - conversion of GMPs to scheme benefits – is built into the actuarial valuation.
Time, cost and/or reputational risks associated with any DLUHC intervention triggered by the Section 13 analysis.	Take advice from Fund Actuary on position of Fund and consideration of proposed valuation approach relative to anticipated Section 13 analysis.
Changes by Government to particular employer participation in LGPS funds, leading to impacts on funding and/or investment strategies.	The Fund considers all consultation papers issued by the Government and comments where appropriate. Take advice from Fund Actuary on impact of changes on the Fund and amend strategy as appropriate.

D5 Governance risks

Risk	Summary of Control Mechanisms
Fund unaware of structural changes in an employer's membership (e.g., large fall in employee members, large number of retirements) or not advised of an employer closing to new entrants.	The Fund has a close relationship with employing bodies and communicates required standards e.g., for submission of data. The actuary may revise the rates and adjustments certificate to increase an employer's contributions between triennial valuations Deficit contributions may be expressed as monetary amounts.
Actuarial or investment advice is not sought, or is not heeded, or proves to be insufficient in some way	The Fund maintains close contact with its specialist advisers. Advice is delivered via formal meetings involving Elected Members, and recorded appropriately. Actuarial advice is subject to professional requirements such as peer review.

Risk	Summary of Control Mechanisms
Fund failing to commission the Fund Actuary to carry out a termination valuation for a departing Admission Body.	The Fund requires employers with Best Value contractors to inform it of forthcoming changes. Community Admission Bodies' memberships are monitored and, if active membership decreases, steps will be taken.
An employer ceasing to exist with insufficient funding or adequacy of a bond.	The Fund believes that it would normally be too late to address the position if it was left to the time of departure. The risk is mitigated by: Seeking a funding guarantee from another scheme employer, or external body, where-ever possible. Alerting the prospective employer to its obligations and encouraging it to take independent actuarial advice. Vetting prospective employers before admission. Where permitted under the regulations requiring a bond to protect the Fund from various risks. Requiring new Community Admission Bodies to have a guarantor. Reviewing bond or guarantor arrangements at regular intervals. Reviewing contributions well ahead of cessation if thought appropriate.
An employer ceasing to exist resulting in an exit credit being payable	The Fund regularly monitors admission bodies coming up to cessation. The Fund invests in liquid assets to ensure that exit credits can be paid when required.

D6 Employer covenant assessment and monitoring

Many of the employers participating in the fund, such as admission bodies (including TABs and CABs), have no local tax-raising powers. The Fund assesses and monitors the long-term financial health of these employers to assess an appropriate level of risk for each employer's funding strategy.

Type of employer	Assessment	Monitoring
Council	Tax-raising, no individual assessment required	n/a

Type of employer	Assessment	Monitoring
Academies	Government-backed, covered by DfE guarantee in event of MAT failure	Check that DfE guarantee continues, after regular scheduled DfE review
Admission bodies (including TABs & CABs)	All new admission bodies are required to provide a form of security, such as a guarantee from the letting employer, and indemnity or bond. The security must be to the satisfaction of the Fund as well as the letting employer	Will be reassessed on an annual basis

D7 Climate risk and TCFD reporting

The fund has considered climate-related risks when setting the funding strategy. To consider the resilience of the strategy the fund has carried out in-depth asset liability modelling to stress test both the funding and the investment strategies against possible future climate scenarios.

The Fund has carried out climate scenario analysis incorporating both stress testing, and narrative-based scenario analysis for the Council at the 2025 valuation. The narrative approach explores the complex and interrelated risks associated with climate change by defining a specific extreme, downside risk (in this instance a food shock) and constructing narratives around potential policy and market responses, noting these may be sub-optimal. This approach allows consideration to be given to the impact of sudden, severe downside risks in the short term, the interdependencies that arise and potential immediate actions. Coupling this approach with stress testing (to better understand the impact of possible climate scenarios) has allowed the Fund to assess a range of outcomes that may arise, and assess the resilience of the Fund under these scenarios.

The results show that:

1. When considering climate scenario stress tests, the Fund appears to be generally resilient to different climate scenarios, with generally modest impacts versus the base case modelled

2. The results of the downside, narrative analysis suggest that the Fund is likely to be resilient in the face of some severe downside risk events (in comparison to the base case), but not all.

Climate scenario analysis helps assess risks and tests the resilience of current and long-term strategies under various scenarios. This helps to identify vulnerabilities across both assets and liabilities. Identification of these vulnerabilities can inform risk management processes (see figure 1), helping the Fund ensure appropriate controls and mitigations are in place. Scenario analysis therefore supports informed decision-1. making, and may be used in future to assist with disclosures prepared in line with Task Force on Climate-Related Financial Disclosures (TCFD) principles.

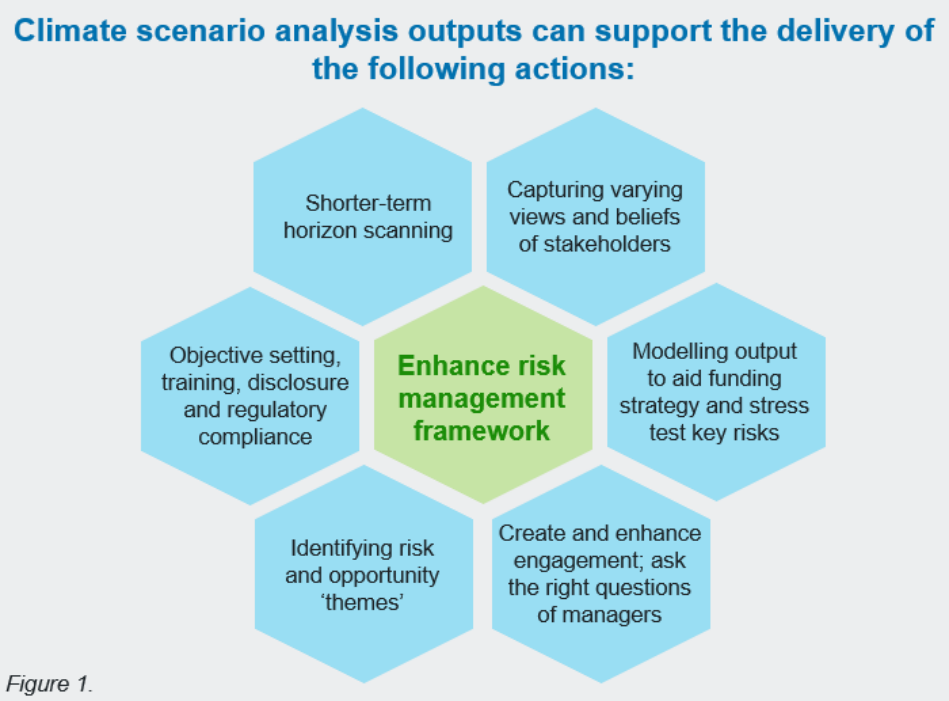


Figure 1.

This climate analysis was not applied to the funding strategy modelling for the Fund's smaller employers. However, given that the same underlying model is used for all employers and that the Council makes up the vast majority of the Fund's assets and liabilities, applying the climate analysis to all employers was not deemed proportionate at this stage and would not be expected to result in any changes to the agreed contribution plans.

The Fund has a Responsible Investment Policy Framework and a separate Climate Change Policy, both of which were last agreed by Pensions Committee & Board in September 2019.

D8 Gender Pension Gap reporting

The government published its consultation "Local Government Pension Scheme in England and Wales: Access and Fairness" in May 2025. One of the proposals as part of this consultation was to include gender pension gap reporting in the 2025 valuation report. Regulation around reporting will be laid down in March 2026 and as such, the Fund has reported on the gender pension gap in the 2025 valuation report (appendix 9).

Reporting has been included for active members, pensioner members and by employer using the local government pension scheme funds account return (SF3) categorisation.

Appendix E – Actuarial assumptions

The key outputs from an employer's funding valuation are its contribution rate requirement (see Section 2 for further details) and its funding level (see Section 4). For both calculations the Fund actuary requires actuarial assumptions.

The Fund typically reviews and sets the actuarial assumptions used for funding purposes as part of the triennial valuation. Those assumptions are then used until the next triennial valuation (updated for current market conditions where appropriate).

The Fund has reviewed the actuarial assumptions used for funding purposes as part of the 2025 valuation. These are set out below.

E1 What are actuarial assumptions?

Actuarial assumptions are required to value the Fund's liabilities because:

- There is uncertainty regarding both the timing and amount of the future benefit payments (the actual cost can't be known until the final payment is made). Therefore to estimate the cost of benefits earned to date and in the future, assumptions need to be made about the timing and amount of these future benefit payments
- The assets allowed to an employer today are a known figure. However, the future investment return earned on those assets and future cashflows into the fund are uncertain. An assumption is needed about what those future investment returns will be

There are two types of actuarial assumptions that are needed to perform an actuarial valuation: **financial assumptions** determine the expected amount of future benefit payments and the expected investment return on the assets held to meet those benefits, whilst **demographic assumptions** relate primarily to the expected timing of future benefit payments (i.e. when they are made and for how long).

All actuarial assumptions are set as best estimates of future experience with the exception of the discount rate assumption which is deliberately prudent to meet the regulatory requirement for a 'prudent' valuation.

Any change in the assumptions will affect the value that is placed on future benefit payments ('liabilities'), but different assumptions don't affect the actual benefits the fund will pay in future.

E2 What funding bases are operated by the Fund?

A *funding basis* is the set of actuarial assumptions used to value an employer's (past and future service) liabilities. The Fund operates two funding bases for funding valuations: the *ongoing participation basis* and the *low-risk exit basis*. All actuarial assumptions are the same for both funding bases with the exception of the discount rate – see further details below.

E3 What financial assumptions are used by the Fund?

Discount rate

The discount rate assumption is the average annual rate of future investment return assumed to be earned on an employer's assets from a given valuation date.

The Fund uses a risk-based approach to setting the discount rate which allows for prevailing market conditions on the valuation date (see 'Further detail on the calculation of financial assumptions') and the Fund's investment strategy.

The discount rate is determined by the *prudence level*. Specifically, the discount rate is calculated to be:

The average annual level of future investment return that can be achieved on the Fund's assets over a 20 year period with a x% likelihood.

The prudence level is the likelihood. The prudence levels used by the fund are as follows:

Funding basis	**Prudence level**
Ongoing participation	80%
Low-risk exit	85%

CPI inflation

The CPI inflation assumption is the average annual rate of future Consumer Price Index (CPI) inflation assumed to be observed from a given valuation date. This assumption is required because LGPS benefit increases (in deferment and in payment) and revaluation of CARE benefits are in line with CPI.

The Fund uses a risk-based approach to setting the CPI inflation assumption which allows for prevailing market conditions on the valuation date (see 'Further detail on the calculation of financial assumptions').

The CPI inflation assumption is calculated to be:

The average annual level of future CPI inflation that will be observed over a 20 year period with a 50% likelihood

Salary growth

The salary growth assumption is linked to the CPI inflation assumption via a fixed margin. The salary increases assumption is 0.5% above the CPI inflation assumption plus a promotional salary scale.

E4 Further detail on the calculation of financial assumptions

The discount rate and CPI inflation assumptions are calculated using a risk-based method. To assess the likelihood associated with a given level of investment return or a given level of future inflation, the fund actuary uses Hymans Robertson's propriety economic scenario generator; the *Economic Scenario Service* (or *ESS*). The model uses statistical distributions to project a range of 5,000 different possible outcomes for the future behaviour of different asset classes and wider economic variables, such as inflation.

The table below shows the calibration of the model as at 31 March 2025 for some sample asset classes and economic variables. All returns are shown net of fees and are the annualised total returns over 5, 10 and 20 years. Yields and inflation refer to the simulated yields at that time horizon.

		Annualised total returns							Economic Variables				
		Cash	Index Linked Gilts (medium)	Fixed Interest Gilts (medium)	UK Equity	Developed World ex UK Equity	Property	CorpMedium A	Inflation (RPI)	17 year real yield (RPI)	Inflation (CPI)	17 year real yield (CPI)	17 year yield
5 years	16th %'ile	3.5%	1.7%	2.2%	0.1%	-0.5%	0.2%	2.5%	2.2%	1.4%	1.2%	1.5%	4.8%
	50th %'ile	4.3%	4.5%	4.3%	8.2%	8.2%	6.8%	4.9%	3.8%	2.4%	2.8%	2.4%	5.8%
	84th %'ile	5.1%	7.5%	6.2%	16.4%	16.9%	14.1%	7.1%	5.3%	3.3%	4.3%	3.3%	7.1%
10 years	16th %'ile	3.6%	2.7%	4.2%	2.5%	2.1%	2.3%	4.5%	1.3%	0.8%	0.8%	0.8%	3.9%
	50th %'ile	4.6%	4.7%	5.4%	8.6%	8.5%	7.3%	6.0%	3.0%	2.1%	2.5%	2.1%	5.3%
	84th %'ile	5.8%	6.9%	6.5%	14.6%	14.8%	12.7%	7.3%	4.6%	3.3%	4.1%	3.3%	7.1%
20 years	16th %'ile	3.1%	2.9%	5.0%	3.8%	3.7%	3.5%	5.5%	1.0%	-0.5%	0.7%	-0.5%	1.6%
	50th %'ile	4.5%	4.6%	5.8%	8.4%	8.3%	7.3%	6.5%	2.5%	1.2%	2.3%	1.3%	3.6%
	84th %'ile	6.3%	6.4%	6.5%	12.9%	13.1%	11.3%	7.4%	4.2%	3.0%	3.9%	3.0%	6.2%
	Volatility (Disp) (1 yr)	0%	7%	5%	16%	19%	15%	7%	1%		1%		

The ESS model is recalibrated monthly. The Fund actuary uses the most recent calibration of the model (prior to the valuation date) to set financial assumptions for each funding valuation.

E5 What demographic assumptions are used by the Fund?

The Fund uses advice from Club Vita to set demographic assumptions, as well as analysis and judgement based on the fund's experience.

Demographic assumptions vary by type of member, so each employer's own membership profile is reflected in the assumptions that apply to them.

Life expectancy

The longevity assumptions are a bespoke set of VitaCurves produced by detailed analysis and tailored to fit the fund's membership profile.

Allowance has been made for future improvements to mortality, in line with the 2024 version of the continuous mortality investigation (CMI) model published by the actuarial profession. The core parameters of the model apply. However, the starting point has been adjusted by +0.25% (for males and females) to reflect the difference between the population-wide data used in the CMI and LGPS membership. A long-term rate of mortality improvements of 1.5% pa applies.

Other demographic assumptions	
Retirement in normal health	Members are assumed to retire at the earliest age possible with no pension reduction.
Promotional salary increases	Sample increases below
Death in service	Sample rates below
Withdrawals	Sample rates below
Retirement in ill health	Sample rates below
Family details	A varying proportion of members are assumed to have a dependant partner at retirement or on earlier death. At age 65 this is assumed to be 55% for males and 54% for females). Dependant of a male is 3.5 years younger than him Dependent of a female is 0.6 years older than her
Commutation	65% of maximum under HMRC limits.
50:50 option	no members will choose the 50:50 option.

Males

Incidence per 1000 active members per year								
Age	Salary scale	Death before retirement	Withdrawals		Ill-health tier 1		Ill-health tier 2	
		FT &PT	FT	PT	FT	PT	FT	PT
20	105	0.17	388.14	487.81	0.00	0.00	0.00	0.00
25	117	0.17	256.38	322.22	0.00	0.00	0.00	0.00
30	131	0.20	181.91	228.58	0.00	0.00	0.00	0.00
35	144	0.24	142.13	178.58	0.10	0.07	0.02	0.01
40	151	0.41	114.43	143.73	0.16	0.12	0.03	0.02
45	159	0.68	107.48	134.98	0.35	0.27	0.07	0.05
50	167	1.09	88.60	111.14	0.90	0.68	0.23	0.17
55	173	1.70	69.77	87.56	3.54	2.65	0.51	0.38
60	174	3.06	62.19	78.01	6.23	4.67	0.44	0.33
65	174	5.10	38.17	47.88	11.83	8.87	0.00	0.00

Females

Incidence per 1000 active members per year								
Age	Salary scale	Death before retirement	Withdrawals		Ill-health tier 1		Ill-health tier 2	
		FT &PT	FT	PT	FT	PT	FT	PT
20	105	0.10	338.33	336.51	0.00	0.00	0.00	0.00
25	117	0.10	227.65	226.40	0.10	0.07	0.02	0.01
30	131	0.14	190.83	189.75	0.13	0.10	0.03	0.02
35	144	0.24	164.70	163.71	0.26	0.19	0.05	0.04
40	151	0.38	137.08	136.21	0.39	0.29	0.08	0.06
45	159	0.62	127.92	127.09	0.52	0.39	0.10	0.08
50	167	0.90	107.85	107.03	0.97	0.73	0.24	0.18
55	173	1.19	80.47	79.94	3.59	2.69	0.52	0.39
60	174	1.52	64.85	64.35	5.71	4.28	0.54	0.40
65	174	1.95	30.91	30.66	10.26	7.69	0.00	0.00

Appendix F – Academies & Free Schools

Effective date	**1 April 2026**
Date approved	**dd mmmm yyyy**
Next review date	**March 2029**

F1 Introduction

The purpose of this policy is to set out the administering authority's funding principles relating to academies, including free schools, and Multi-Academy Trusts (MATs).

F2 Aims and Objectives

The administering authority's objectives related to this policy are as follows:

- to state the approach for the treatment and valuation of academy liabilities and asset shares on conversion from a local maintained school, if establishing as a new academy or when joining or leaving a MAT
- to state the approach for setting contribution rates for academies
- to outline the responsibilities of academies seeking to consolidate
- to outline the responsibilities of academies when outsourcing

F3 Background

As described in section 5.2 of the FSS, new academies join the Fund on conversion from a local authority school or on creation of new provision. For funding purposes, academies will join the academies pool.

Funding policy relating to academies and MATs remains at the Fund's discretion with guidance on how the Fund will apply this discretion set out within this policy.

F4 Guidance and regulatory framework

The Local Government Pension Scheme Regulations 2013 (as amended) contains general guidance on Scheme employers' participation within the Fund which may be relevant but is not specific to academies.

There is currently a written ministerial guarantee of academy LGPS liabilities, which was reviewed in 2022.

This has been further supplemented by the 'DfE Academy Trust LGPS Guarantee policy' of May 2023 - DfE local government pension scheme guarantee for academy trusts: pensions policy for outsourcing arrangements - GOV.UK (www.gov.uk)].

Academy guidance from the Department for Education and Ministry of Housing, Communities and Local Government may also be relevant.

F5 Statement of Principles

This Statement of Principles covers the Fund's approach to funding academies and MATs. Each case will be treated on its own merits but in general:

- the Fund will seek to apply a consistent approach to funding academies that achieves fairness to the ceding councils, MATs and individual academies.
- academies must consult with the Fund, prior to carrying out any outsourcing activity, including pass-through arrangements. The Fund expects academies to ensure that any outsourcing complies with the requirements set out in the 'DfE Academy Trust LGPS Guarantee policy' and confirm to the Fund that the requirements are met. Where the Guarantee policy terms cannot be met, and no suitable alternative is agreed, the Fund may refuse admission of the contractor as an admission body
- the Fund's approach is to treat all academies as employers within a single funding pool, fully sharing pension risks
- the Fund will generally consider receiving additional academies into the Fund as part of a consolidation exercise.

F6 Policies

Admission to the Fund

As set out in section 5.2 of the FSS.

Asset allocation on conversion

The asset allocation for a new academy is carried out in two parts.

The first part is to calculate the asset share that will transfer from the council to the academy pool. This is based on:

- the value of the liabilities of the transferring active members
- the estimated funding level of the council's active members, having first allocated the council's assets to fully fund its deferred and pensioner members; this estimate funding level is then capped at 100%.

The value of the transferring liabilities is multiplied by the estimated and capped funding level to determine an asset share to transfer from the council to the academy pool.

The second part is to calculate the asset share that will be allocated from the academy pool to the new academy. This is based on:

- the value of the liabilities of the transferring active members
- the estimated funding level of the academy pool, after allowing for the transfer of the new academy's liabilities and asset share from the council.

The value of the transferring liabilities is multiplied by the estimated funding level of the academy pool, so that all academies retain the same funding level within the pool.

The asset share allocated to a new academy will therefore likely be different to the asset share transferred from the council to the academy pool.

Contribution rate

New academy contribution rates are based on the current funding strategy (set out in section 2 of the FSS). All academies within the pool pay a common contribution rate However, the Fund does retain discretion to put in place alternative arrangements for new academies that are materially different in funding profile from the Fund's existing academies. Examples include where academies are transferring under a consolidation exercise from another fund.

F7 Multi-academy trusts

Asset tracking

The Fund's policy is to share risks fully between academies in the pool. Assets for each academy are recalculated at each triennial valuation so that each academy has the same funding level.

Academies leaving a MAT (but continuing as an employer)

As set out in section 5.2 of the FSS, if an academy leaves one MAT and joins another in the Haringey Pension Fund, all active, deferred and pensioner members transfer to the new MAT. The individual asset share of that academy will be transferred to the new MAT in full, noting that this may be more (or less) than 100% of the transferring liabilities.

F8 Merging of MATs (contribution rates)

If two MATs in the Fund merge during the period between formal valuations, the new merged MAT will continue to pay the academy pool rate until the rates are reassessed at the next formal valuation.

F9 Cessations of academies and multi-academy trusts

A cessation event will occur if a current academy or MAT ceases to exist, either as an entity or as an employer in the Fund.

The cessation approach will depend on the circumstances:

- If the cessation event occurs due to an academy or MAT merging with another academy or MAT within the Fund, all assets and liabilities from each of the merging entities will be combined and will become the responsibility of the new merged entity.
- If the MAT is split to become/join more than one new/existing employer within the Fund, the actuary will calculate a split of the assets and liabilities to be transferred from the exiting employer to the new employers in consultation with the Fund and the affected employers
- In all other circumstances, and following payment of any cessation debt, the ceasing academy or MAT would be treated the same as any other employer, as described in section 7.5.

F10 Academy consolidations

If an academy or MAT is seeking to merge with another MAT outside the Haringey Pension Fund they would need to seek approval from the secretary of state to consolidate their liabilities (and assets) into one LGPS fund. This approach is under consideration in the Government's Scheme improvements (access and protections) consultation which closed on 22 December 2025. Relevant outcomes of that consultation will be reflected in this policy when available. .

The Fund's preferred approach is for all active, deferred and pensioner liabilities relating to a consolidating academy to transfer into or out of the Fund, along with all the asset share allotted to the consolidating academy.

Where a direction order has been granted the Fund will accept academy consolidations into the Fund. The Fund will provide the necessary administrative assistance to academies seeking to consolidate into another LGPS fund. However, the academy (or MAT) will be fully liable for all actuarial, professional and administrative costs.

F11 Outsourcing

An academy (or MAT) may outsource or transfer a part of its services and workforce to another employer. The employer makes an admission agreement with the Fund and becomes a new participating Fund employer for the duration of the contract and transferring employees remain eligible for LGPS membership.

The contractor will pay towards the LGPS benefits accrued by the transferring members for the duration of the contract, but ultimately the obligation to pay for these benefits will revert to the academy (or MAT) at the end of the contract.

The contribution rate payable by the contractor will be set in line with FSS.

It is essential for any academy (or MAT) considering any outsourcing to contact the Fund initially to fully understand the administrative and funding implications. The academy should also read and fully understand the Fund's FSS.

Academies must ensure that the requirements set out in the 'DfE Academy Trust LGPS Guarantee policy' are met before completing an outsourcing. Where the Guarantee policy terms cannot be met, and no suitable alternative is agreed, the Fund may refuse the contractor entry to the Fund as an admission body.

F12 Accounting

Academies (or MATs) may choose to prepare combined FRS102 disclosures (e.g. for all academies within a MAT). Any pooling arrangements for accounting purposes may be independent of the funding arrangements e.g. academies are pooled for contribution and funding risks but may still prepare individual disclosures.

Each academy or MAT remains responsible for communicating their own accounting requirements to the Fund Actuary (or other provider) that is preparing their FRS102 disclosure.

Appendix G – New Employers

Effective date	**1 April 2026**
Date approved	**dd mmmm yyyy**
Next review date	**March 2029**

G1 Introduction

The purpose of this policy is to set out the administering authority's approach to admitting new contractors into the Fund on a pass-through basis. In addition, and subject to review on a case-by-case basis, the Fund may be willing to apply its pass-through principles to other admission bodies where liabilities are covered by a guarantor within the Fund.

It should be noted that this statement is not exhaustive and individual circumstances may be taken into consideration where appropriate.

G2 Aims and Objectives

The administering authority's aims and objectives related to this policy are as follows:

- To set out the Fund 's approach to admitting new contractors / admission bodies, including the calculation of contribution rates and how risks are shared under the pass-through arrangement.
- To outline the process for admitting new contractors / admission bodies into the Fund .

G3 Background

Employees outsourced from local authorities, police and fire authorities or from non-maintained schools (generally academies, regulated by the Department for Education (DfE)) must be offered pension benefits that are the same, better than, or count as being broadly comparable to, the Local Government Pension Scheme (as per the Best Value Authorities Staff Transfer (Pensions) Direction 2007). This is typically achieved by employees remaining in the LGPS and the new employer becoming an admission body to the Fund and making the requisite employer contributions.

Pass-through is an arrangement whereby the letting authority (e.g. a local authority or an independent school) retains the main risks of fluctuations in the employer contribution rate during the life of the contract, and the risk that the employer's assets may be insufficient to meet the employees' pension benefits at the end of the contract.

G4 Guidance and regulatory framework

The Local Government Pension Scheme Regulations 2013 (as amended) set out the way in which LGPS funds should determine employer contributions and contain relevant provisions regarding the payment of these, including the following:

- Schedule 2 Part 3 sets out the entities eligible to join the Fund as an admission body, their key responsibilities as an admission body and the requirements of the admission agreement.

- Regulation 67 – sets out the requirement for employers to pay contributions in line with the Rates and Adjustments (R&A) certificate and provides a definition of the primary rate.

- Regulation 64 - covers the requirements for a cessation valuation following the exit of a participating employer from the Fund .

G5 Statement of principles

This statement of principles covers the admission of new contractors to the Fund on a pass-through basis. Pass-through is the default approach for the admission of all new contractors to the Fund from the effective date of this policy. For the avoidance of doubt, this would apply to contracts established by the council and by academy trusts (“the letting authority”).

Fixed contribution rate

The contractor’s pension contribution rate is fixed for the duration of the contract. For contracts longer than seven years, the contractor’s contribution rate will typically be reset to be equal to the letting authority’s total contribution rate in force at the April following the seven year review date.

Funding position of the admission body

The letting authority retains responsibility for variations in funding level, for instance due to investment performance, changes in market conditions, longevity, and salary experience under its pass-through arrangement, irrespective of the size of the outsourcing.

The administering authority will review the funding position of the contractor at each triennial valuation and after every seven year period, if the contract extends that far. The administering authority may require the letting authority to make additional contributions to the Fund in respect of the pass-through arrangement. This will be requested if the administering authority believes there to be a material deterioration in the admission body’s funding position that is not likely to be recovered by the next valuation date.

Additional admission body costs

The contractor will meet the cost of additional liabilities arising from (non-ill health) early retirements and augmentations.

Ill health experience will be pooled with the letting authority and no additional strain payments will be levied on the contractor in respect of ill health retirements.

Security

The contractor will not typically be required to obtain an indemnity bond, as long as both the administering authority and the letting authority agree that it is not required. In this case the letting authority understands that it retains all the risk when the contractor exits the Fund, including any unpaid contributions or strain costs. The administering authority may still require a bond to cover redundancy costs, at the Fund’s discretion.

Where an academy is the letting authority, the Fund will expect academies to ensure and confirm that the outsourcing complies with the requirements set out in the 'DfE Academy Trust LGPS Guarantee policy (DfE local government pension scheme guarantee for academy trusts: pensions policy for outsourcing arrangements - GOV.UK (www.gov.uk)) before permitting an admission body in the Fund. Where this requirement is met, no additional risk assessment or security will typically be required for the admission body as the pension liabilities will be covered by the DfE Academy Guarantee.

Admission body asset share

All assets and liabilities relating to the contractor's staff will remain the ultimate responsibility of the letting authority during the period of participation. However, there will be a notional transfer of assets to the contractor within the Fund, to allow the funding position of the admission body to be tracked and for the notional required contribution rate to be calculated for comparison.

At the end of the contract (or when there are no longer any active members participating in the Fund, for whatever reason), the admission agreement will cease and no further payment will be required from the contractor (or the letting authority) to the Fund, save for any outstanding regular contributions and/or invoices relating to the cost of early retirement strains and/or augmentations and/or salary experience. Likewise, no "exit credit" payment will be payable from the Fund to the contractor (or letting authority). The letting authority will retain responsibility for the contractor's deferred and pensioner members through subsumption.

Documentation

The terms of the pass-through agreement will be documented by way of the admission agreement between the administering authority, the letting authority, and the contractor.

All existing admission agreements are unaffected by this policy excepting that the DfE Academy Trust LGPS Guarantee policy is retrospective and so may cover admission bodies not otherwise covered prior to May 2023.

The principles outlined above are the default principles which will apply; however, the letting authority may request the specific details of a particular agreement to differ from the principles outlined above.

The administering authority is not obliged to agree to a departure from the principles set out in this policy but will consider such requests and engage with the letting authority. The administering authority has the final say in any such discussions.

G6 Policy and process

Compliance

Adherence to this policy is the responsibility of the relevant responsible service manager for any given outsourcing.

The administering authority and the fund actuary must always be notified that an outsourcing has taken place, regardless of the number of members involved.

Where an academy is guaranteeing a pass-through arrangement, the academy must ensure and confirm that the outsourcing complies with the requirements set out in the 'DfE Academy Trust LGPS Guarantee policy' (DfE local government pension scheme guarantee for academy trusts: pensions policy for outsourcing arrangements - GOV.UK (www.gov.uk)).

Contribution rates

The fixed contribution rate payable by the contractor over the period of participation will be set equal to the total rate payable by the letting authority at the time the contract begins (assessed on a likelihood of success of 80% as at the most recent triennial valuation), and subject to review after seven years.

This means that the contractor's contribution rate will not typically change every three years, following the triennial actuarial valuation. For contracts longer than seven years, the contractor's contribution rate will typically be reset to be equal to the letting authority's total contribution rate in force at the April following the seven year review date.

Risk sharing and cessation valuation

The letting authority will retain the risk of the contractor becoming insolvent during the period of admission and so no indemnity bond will typically be required by the Fund from contractors participating on a pass-through basis. The letting authority is effectively guaranteeing the contractor's participation in the Fund.

A cessation valuation is required when a contractor no longer has any active members in the Fund. This could be due to a contract coming to its natural end, insolvency of a contractor or the last active member leaving employment or opting out of the LGPS.

Where a pass-through arrangement is in place, the Fund assets and liabilities associated with outsourced employees are retained by the letting authority. At the end of the admission, the cessation valuation will therefore record nil assets and liabilities for the ceasing employer and therefore no cessation debt or exit credit is payable to or from the Fund.

The contractor will be required to pay any outstanding regular contributions and/or unpaid invoices relating to the cost of (non-ill health) early retirement strains and/or augmentations at the end of the contract.

However, in some circumstances, the contractor will be liable for additional pension costs that arise due to items over which it exerts control. The risk allocation is as follows for a contract of seven years or less (longer contracts are additionally exposed to changes in the rate of the letting authority at the review point):

Risks	Letting authority	Contractor/ Admission body
Surplus/deficit prior to the transfer date	✓	
Interest on surplus/deficit	✓	
Investment performance of assets held by the Fund	✓	
Changes to the discount rate that affect past service liabilities	✓	
Changes to the discount rate that affect future service accrual	✓	
Change in longevity assumptions that affect past service liabilities	✓	

Changes to longevity that affect future accrual	✓	
Price inflation affects past service liabilities	✓	
Price inflation / pension increases that affect future accrual	✓	
Exchange of pension for tax free cash	✓	
Ill health retirement experience	✓	
Strain costs attributable to granting early retirements (not due to ill health (e.g. redundancy, efficiency, waiving actuarial reductions on voluntary early retirements)		✓
Greater/lesser level of withdrawals	✓	
Rise in average age of contractor's employee membership	✓	
Changes to LGPS benefit package*	✓	✓
Excess liabilities attributable to the contractor granting pay rises that exceed those assumed in the last formal actuarial valuation of the Fund*	✓	✓
Award of additional pension or augmentation		✓

**Depending on commercial agreement*

The risk allocation should be agreed between the contractor and letting authority before the contract commences and should be appropriately detailed in the service agreement and legal documentation.

G7 Accounting valuations

Accounting for pensions costs is a responsibility for individual employers.

It is the administering authority's understanding that contractors may be able to account for such pass-through admissions on a defined contribution basis and therefore no formal FRS102 / IAS19 report may be required. Contractors are effectively paying a fixed rate and are largely indemnified from the risks inherent in providing defined benefit pensions. Contractors should clarify this with their auditors.

As the letting authority retains most of the pension fund risk relating to contractors, it is the administering authority's understanding that these liabilities (and assets) should be included in the letting authority's FRS102 / IAS19 disclosures.

The above is the default approach unless the administering authority is otherwise notified. Contractors should clarify the treatment of pension costs with their auditors.

G8 Application

Letting authorities may request terms which differ from those set out in this policy and any such request will be considered by the Administering authority.

All existing admission agreements (i.e. which commenced prior to the effective date of this policy) are unaffected by this policy, but individual circumstances may be considered using these principles.

Retendered or relet contracts

Contracts that are retendered and involve second-generation TUPE transfers will be considered to be new pass-through agreements as the default approach. The original admission agreement will be ended or novated to reflect that a new pass-through agreement is in place.

The employer will be considered to have ceased, triggering a cessation valuation and the implementation of the Fund's policy on exiting employers. This may lead to an exit credit or payment.

The new contract and (updated) admission agreement will reflect that the employer is commencing participation in the Fund as if a completely new employer, typically without responsibility for any previous deferred or pensioner members that may be been associated with the previous contract.

Relet contracts can be a complex area involving separately negotiated terms between parties. The Fund will discuss each case individually and take additional advice if necessary.

G9 Process

The procurement department at each letting authority that has responsibility for staff/service outsourcing must be advised of this policy. The process detailed below must be adhered to by the letting authority and (where applicable) the winning bidder.

- **Tender Notification** - The letting authority should publicise this pass-through policy as part of its tender process to bidders.

- **Initial notification to Pension Team** – The letting authority should contact the administering authority when a tender (or re-tender) of an outsourcing contract is taking place and staff (or former staff) are impacted. The administering authority must be advised prior to the start of the tender and the letting authority must also confirm that the terms of this policy have been adhered to.

- **Confirmation of winning bidder** – The letting authority should immediately advise the administering authority of the winning bidder.

- **Request for winning bidder to become an admission body** – The winning bidder (in combination with the letting authority), should request to the administering authority that it wishes to become an admission body within the Fund.

- **Template admission agreement** – a standard pass-through admission agreement will be used for admissions under this policy. It will set out all agreed points relating to the employer contribution rate, employer funding responsibilities, and exit conditions. Only in exceptional circumstances, and only with the prior agreement of the Administering authority, will the wording within the standard agreement be changed. All admission agreements must be reviewed (including any changes) by the administering authority.

- **Signed admission agreement** – A fully executed admission agreement must be in place before the Fund will accept contributions.

G10 Cost

The letting authority will be liable to meet any costs incurred by the administering authority for work relating to pass-through arrangements which includes (but is not limited to) any actuarial fees.

G11 Related Policies

The fund's approach to setting regular employer contribution rates is set out in the Funding Strategy Statement, specifically "Section 2 – How does the Fund calculate employer contributions?".

The treatment of new employers joining the Fund is set out in the in the Funding Strategy Statement, specifically "Section 5 – What happens when an employer joins the Fund?"

The treatment of employers exiting the Fund is set out in the in the Funding Strategy Statement, specifically "Section 7 – What happens when an employer leaves the Fund?"

Appendix H - Employer exits

Effective date	**1 April 2026**
Date approved	**dd mmmm yyyy**
Next review date	**March 2029**

H1 Introduction

The purpose of this policy is to set out the administering authority's approach to dealing with circumstances where a scheme employer leaves the Fund and becomes an exiting employer (a cessation event).

It should be noted that this policy is not exhaustive. Each cessation will be treated on a case-by-case basis. However, certain principles will apply as governed by the regulatory framework (see below) and the fund's discretionary policies.

H2 Aims and Objectives

The administering authority's aims and objectives related to this policy are as follows:

- To confirm the approach for the treatment and valuation of liabilities for employers leaving the fund.
- To provide information about how the Fund may apply its discretionary powers when managing employer cessations.
- To outline the responsibilities of (and flexibilities for) exiting employers, the administering authority, the actuary and, where relevant, the original ceding scheme employer (usually a letting authority).

H3 Background

As described in section 7, a scheme employer may become an exiting employer when a cessation event is triggered eg when the last active member stops participating in the fund. On cessation from the Fund, the administering authority will instruct the fund actuary to carry out a valuation of assets and liabilities for the exiting employer to determine whether a deficit or surplus exists. The Fund has full discretion over the repayment terms of any deficit, and the extent to which any surplus results in the payment of an exit credit.

H4 Guidance and regulatory framework

The Local Government Pension Scheme Regulations 2013 (as amended) contain relevant provisions regarding employers leaving the Fund (Regulation 64) and include the following:

- Regulation 64 (1) – this regulation states that, where an employing authority ceases to be a scheme employer, the administering authority is required to obtain an actuarial valuation of the liabilities of current and former employees as at the termination date. Further, it requires the Rates & Adjustments Certificate to be amended to show the revised contributions due from the exiting employer

- Regulation 64 (2) – where an employing authority ceases to be a scheme employer, the administering authority is required to obtain an actuarial valuation of the liabilities of current and former employees as at the exit date. Further, it requires the Rates & Adjustments Certificate to be amended to show the exit payment due from the exiting employer or the excess of assets over the liabilities in the fund.

- Regulation 64 (2ZAB) – the administering authority must determine the amount of an exit credit, which may be zero, taking into account the factors specified in paragraph (2ZC) and must:
  a) Notify its intention to make a determination to-
     (i) The exiting employer and any other body that has provided a guarantee to the Exiting Employer
     (ii) The scheme employer, where the exiting employer is a body that participated in the Scheme as a result of an admission agreement
  b) Pay the amount determined to that exiting employer within six months of the exit date (subject to the employer meeting its employer responsibilities and requirements around member details and payments to the Fund), or such longer time as the administering authority and the exiting employer agree.

- Regulation (2ZC) – In exercising its discretion to determine the amount of any exit credit, the administering authority must have regard to the following factors-
  a) The extent to which there is an excess of assets in the Fund relating to that employer in paragraph (2)(a)
  b) The proportion of this excess of assets which has arisen because of the value of the employer's contributions
  c) Any representations to the administering authority made by the exiting employer and (where that employer participates in the scheme by virtue of an admission agreement) any body listed in paragraphs (8)(a) to (d)(iii) of Part 3 to Schedule 2 of the Regulations: and
  d) Any other relevant factors

- Regulation 64 (2A) & (2B)– the administering authority, at its discretion, may issue a suspension notice to suspend payment of an exit amount for up to three years, where it reasonably believes the exiting employer is to have one or more active members contributing to the Fund within the period specified in the suspension notice.

- Regulation 64 (3) – in instances where it is not possible to obtain additional contributions from the employer leaving the Fund or from the bond/indemnity or guarantor, the contribution rate(s) for the appropriate scheme employer or remaining fund employers may be amended.

- Regulation 64 (4) – where it is believed a scheme employer may cease at some point in the future, the administering authority may obtain a certificate from the fund actuary revising the contributions for that employer, with a view to ensuring that the assets are expected to be broadly equivalent to the exit payment that will be due.

- Regulation 64 (5) – following the payment of an exit payment to the fund, no further payments are due to the Fund from the exiting employer.

- Regulation 64 (7A-7G) – the administering authority may enter into a written deferred debt agreement, allowing the employer to have deferred employer status and to delay crystallisation of debt despite having no active members.

- Regulation 64B (1) – the administering authority may set out a policy on spreading exit payments.

In addition to the 2013 Regulations summarised above, Regulation 25A of the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 ("the Transitional Regulations") give the Fund the ability to levy a cessation debt on employers who have ceased participation in the Fund (under the previous regulations) but for whom a cessation valuation was not carried out at the time. This policy document describes how the Fund expects to deal with any such cases.
This policy also reflects statutory guidance from the Department for Levelling Up, Housing and Communities on preparing and maintaining policies relating to employer exits. Interested parties may want to refer to an accompanying guide that has been produced by the Scheme Advisory Board.

These regulations relate to all employers in the fund.

H5 Statement of Principles

This Statement of Principles covers the fund's approach to exiting employers. Each case will be treated on its own merits but in general:

- it is the fund's policy that the determination of any surplus or deficit on exit should aim to minimise, as far as is practicable, the risk that the remaining, unconnected employers in the Fund have to make contributions in future towards meeting the past service liabilities of current and former employees of employers leaving the fund.
- the fund's preferred approach is to request the full payment of any exit debt (an exit payment), which is calculated by the actuary on the appropriate basis (section 7). This would extinguish any liability to the Fund by the exiting employer.
- the fund's key objective is to protect the interests of the fund, which is aligned to protecting the interests of the remaining employers. A secondary objective is to consider the circumstances of the exiting employer in determining arrangements for the recovery of the exit debt.

H6 Policies

On cessation, the administering authority will instruct the fund actuary to carry out a cessation valuation to determine whether there is any deficit or surplus as defined in section 7.

Where there is a deficit, payment of this amount in full would normally be sought from the exiting employer. The fund's normal policy is that this cessation debt is paid in full in a single lump sum within 28 days of the employer being notified.

However, the Fund will consider written requests from employers to spread the payment over an agreed period, in the exceptional circumstance where payment of the debt in a single immediate lump sum could be shown by the employer to be materially detrimental to the employer's financial situation (see Repayment flexibility on exit payments below).

In circumstances where there is a surplus, the administering authority will determine, at its sole discretion, the amount of exit credit (if any) to be paid to the exiting employer (see Exit credits below).

Approach to cessation calculations

Cessation valuations are carried out on a case-by-case basis at the sole discretion of the Fund depending on the exiting employer's circumstances. However, in general the following broad principles and assumptions may apply, as described in Appendix E and summarised below:

Type of employer	Cessation exit basis	Responsible parties for unpaid or future deficit emerging
Scheduled bodies i.e. Haringey Council	Low-risk basis[1]	Shared between other fund employers
Academies	Low-risk basis	DfE guarantee may apply, otherwise see below
Admission bodies (CABs)	Low-risk basis	Shared between other fund employers (if no guarantor exists)
Admission bodies (TABs)	Ongoing basis[2]	Letting authority (where applicable), otherwise shared between other fund employers

[1]Cessation is assumed not to be generally possible, as Scheduled Bodies are legally obliged to participate in the LGPS. In the rare event of cessation occurring (eg machinery of Government changes), these cessation principles would apply.

[2]Where a TAB has taken, in the view of the administering authority, action that has been deliberately designed to bring about a cessation event (eg stopping future accrual of LGPS benefits), then the cessation valuation will be carried out on a low-risk basis.

Cessation of academies and multi-academy trusts (MATs)

A cessation event will occur if a current academy or MATs cease to exist as an entity or an employer in the fund.

The cessation treatment will depend on the circumstances:

- If the cessation event occurs due to an academy or MAT merging with another academy or MAT within the fund, all assets and liabilities from each of the merging entities will be combined and will become the responsibility of the new merged entity.
- If the MAT is split into more than one new or existing employers within the fund, the actuary will calculate a split of the assets and liabilities to be transferred from the exiting employer to the new employers. The actuary will use their professional judgement to determine an appropriate and fair methodology for this calculation in consultation with the administering authority.
- In all other circumstances, and following payment of any cessation debt, section 7 of the FSS would apply.

Further details are included in the Fund's Academies & Free Schools policy in Appendix F.

H7 Repayment flexibility on exit payments

Deficit spreading arrangement (DSA)

The fund will consider written requests from exiting employers to spread an exit payment over an agreed period, in the exceptional circumstance where payment of the debt in a single immediate lump sum could be shown by the employer to be materially detrimental to the employer's financial situation.

In this exceptional case, the fund's policy is:

- The agreed spread period is no more than three years, but the Fund could use its discretion to extend this period in certain circumstances.
- The fund may consider factors such as the size of the exit payment and the financial covenant of the exiting employer in determining an appropriate spreading period.

- The exiting employer may be asked to provide the administering authority with relevant financial information such as a copy of its latest accounts, sources of funding, budget forecasts, credit rating (if any) etc. to help in this determination.
- Payments due under the DSA may be subject to an interest charge.
- The fund will only consider written requests within six months of the employer exiting the fund. The exiting employer would be required to provide the Fund with detailed financial information to support its request.
- The fund will take into account the amount of any security offered and seek actuarial, covenant and legal advice in all cases.
- The fund proposes a legal document, setting out the terms of the exit payment agreement, would be prepared by the Fund and signed by all relevant parties prior to the payment agreement commencing.
- The terms of the legal document should include reference to the spreading period, the annual payments due, interest rates applicable, other costs payable and the responsibilities of the exiting employer during the exit spreading period.
- Any breach of the agreed payment plan would require payment of the outstanding cessation amount immediately.
- Where appropriate, cases may be referred to the S151 Officer for consideration and considered on its individual merit.

Deferred debt agreement (DDA)

The fund's preferred policy is for the spreading of payments, as detailed above, to be followed in the exceptional circumstances where an exiting employer is unable to pay the required cessation payment as a lump sum in full. However, in the event that spreading of payments will create a high risk of bankruptcy for the exiting employer, the Fund may exercise its discretion to set up a deferred debt agreement as described in Regulation 64 (7A)).

The employer must meet all requirements on Scheme employers and pay the secondary rate of contributions as determined by the fund actuary until the termination of the DDA.

The administering authority may consider a DDA in the following circumstances:

- The employer requests the Fund consider a DDA.
- The employer is expected to have a deficit if a cessation valuation was carried out.
- The employer is expected to be a going concern.
- The covenant of the employer is considered sufficient by the administering authority.

The administering authority will normally require:

- A legal document to be prepared, setting out the terms of the DDA and signed by all relevant parties prior to the arrangement commencing.(including details of the time period of the DDA, the annual payments due, the frequency of review and the responsibilities of the employer during the period).
- Relevant financial information for the employer such as a copy of its latest accounts, sources of funding, budget forecasts, credit rating (if any) to support its covenant assessment.
- Security be put in place covering the employer's deficit on their cessation basis and the Fund will seek actuarial, covenant and legal advice in all cases.

- Regular monitoring of the contribution requirements and security requirements
- All costs of the arrangement are met by the employer, such as the cost of advice to the fund, ongoing monitoring or the arrangement and correspondence on any ongoing contribution and security requirements.

A DDA will normally terminate on the first date on which one of the following events occurs:

- The employer enrols new active fund members.
- The period specified, or as varied, under the DDA elapses.
- The take-over, amalgamation, insolvency, winding up or liquidation of the employer.
- The administering authority serves a notice on the employer that the administering authority is reasonably satisfied that the employer's ability to meet the contributions payable under the DDA has weakened materially or is likely to weaken materially in the next 12 months.
- The fund actuary assesses that the employer has paid sufficient secondary contributions to cover all (or almost all) of the exit payment due if the employer becomes an exiting employer on the calculation date (ie employer is now largely fully funded on their low-risk basis).
- The fund actuary assesses that the employer's value of liabilities has fallen below an agreed *de minimis* level and the employer becomes an exiting employer on the calculation date.
- The employer requests early termination of the agreement and settles the exit payment in full as calculated by the fund actuary on the calculation date (ie the employer pays their outstanding cessation debt on their cessation basis).

On the termination of a DDA, the employer will become an exiting employer and a cessation valuation will be completed in line with this policy.

H8 Exit credits

The administering authority's entitlement to determine whether exit credits are payable in accordance with these provisions shall apply to all employers ceasing their participation in the Fund after 14 May 2018. This provision therefore is retrospectively effective to the same extent as provisions of the Local Government Pension Scheme (Amendment) Regulations 2020.
The administering authority will determine the amount of exit credit to be payable (noting that this could be nil). However, in making a determination, the administering authority will take into account the following factors.

a) the extent to which there is an excess of assets in the Fund relating to the employer over and above the liabilities specified.

b) the proportion of the excess of assets which has arisen because of the value of the employer's contributions.

c) any representations to the administering authority made by the exiting employer, guarantor, ceding Scheme Employer (usually the Letting Authority) or by a body which owns, funds or controls the exiting employer; or in some cases, the Secretary of State.

d) any other relevant factors

Admitted bodies

i. No exit credit will be normally payable in respect of admissions who joined the Fund before 14 May 2018 unless it is subject to a risk sharing arrangement as per paragraph iii) below. Prior to this date, the payment of an exit credit was not permitted under the Regulations and this will have been reflected in the commercial terms agreed between the admission body and the letting authority/awarding authority/ceding employer. This will also apply to any pre-14 May 2018 admission which has been extended or 'rolled over' beyond the initial expiry date and on the same terms that applied on joining the fund.

ii. No exit credit will normally be payable to any admission body who participates in the Fund via the mandated pass-through approach. For the avoidance of doubt, whether an exit credit is payable to any admission body who participates in the Fund via the "Letting employer retains pre-contract risks" route is subject to its risk sharing arrangement, as per paragraph iii) below. Note that this decision remains as a discretion by the administering authority, who will decide on a case-by-case basis.

iii. The fund will make an exit credit payment in line with any contractual or risk sharing agreements which specifically covers the ownership of exit credits/cessation surpluses or if the admission body and letting authority have agreed any alternative approach (which is consistent with the Regulations and any other legal obligations). This information, which will include which party is responsible for which funding risk, must be presented to the Fund in a clear and unambiguous document with the agreement of both the admission body and the letting authority/awarding authority/ceding employer and within one month (or such longer time as may be agreed with the administering authority) of the admission body ceasing participation in the fund.

iv. In the absence of this information or if there is any dispute from either party with regards interpretation of contractual or risk sharing agreements as outlined in iii), the Fund will withhold payment of the exit credit until such disputes are resolved and the information is provided to the administering authority.

v. Where a guarantor arrangement is in place, but no formal risk-sharing arrangement exists, the Fund will consider how the approach to setting contribution rates payable by the admission body during its participation in the Fund reflects which party is responsible for funding risks. This decision will inform the determination of the value of any exit credit payment.

vi. If the admission agreement ends early, the Fund will consider the reason for the early termination, and whether that should have any relevance on the fund's determination of the value of any exit credit payment. In these cases, the Fund will consider the differential between employers' contributions paid and the size of any cessation surplus.

vii. If an admission body leaves on a low-risk basis (because no guarantor is in place), then any exit credit will normally be paid in full to the employer.

viii. The decision of the Fund is final in interpreting how any arrangement described under iii), v), vi) and vii) applies to the value of an exit credit payment.

Scheduled bodies and designating bodies

i. Where a guarantor arrangement is in place, but no formal risk-sharing arrangement exists, the Fund will consider how the approach to setting contribution rates payable by the employer during its participation in the Fund reflects which party is responsible for funding risks. This decision will inform the determination of the value of any exit credit payment.

ii. Where no formal guarantor or risk-sharing arrangement exists, the Fund will consider how the approach to setting contribution rates payable by the employer during its participation in the Fund reflects the extent to which it is responsible for funding risks. This decision will inform the determination of the value of any exit credit payment.

iii. The decision of the Fund is final in interpreting how any arrangement described under i) and ii) applies to the value of an exit credit payment.

iv. If a scheduled body or designating body becomes an exiting employer due to a reorganisation, merger or take-over, then no exit credit will be paid.

v. If a scheduled body or resolution body leaves on a low-risk basis (because no guarantor is in place), then any exit credit will normally be paid in full to the employer.

General

i. The fund will advise the exiting employer as well as the letting authority and/or other relevant scheme employers of its decision to make an exit credit determination under Regulation 64.

ii. Subject to any risk sharing or other arrangements and factors discussed above, when determining the cessation funding position the Fund will generally make an assessment based on the value of contributions paid by the employer during their participation, and the assets allocated when they joined the fund.

iii. The fund will also factor in if any contributions due or monies owed to the Fund remain unpaid by the employer at the cessation date. If this is the case, the fund's default position will be to deduct these from any exit credit payment.

iv. The final decision will be made by the pension manager, in conjunction with advice from the fund's actuary and/or legal advisors where necessary, in consideration of the points held within this policy.

v. The fund accepts that there may be some situations that are bespoke in nature and do not fall into any of the categories above. In these situations, the Fund will discuss its approach to determining an exit credit with all affected parties. The decision of the Fund in these instances is final.

vi. The guidelines above at point v) in the 'Admitted bodies' section, and at points i) and ii) in the 'Scheduled bodies and designating bodies' section, make reference to the Fund 'considering the approach to setting contribution rates during the employer's participation'. The different funding approaches, including the parameters used and how these can vary based on employer type, are covered in detail in Table 1 (section 2). Considering the approach taken when setting contribution rates of the exiting employer may help the Fund to understand the extent to which the employer is responsible for funding the underlying liabilities on exit. For example, if contribution rates have always been based on ongoing assumptions then this may suggest that these are also appropriate assumptions for exit credit purposes (subject to the other considerations outlined within this policy). Equally, a shorter than usual funding time horizon or lower than usual probability of success parameter may reflect underlying commercial terms about how responsibility for pension risks is split between the employer and its guarantor. For the avoidance of doubt, each exiting employer will be considered in the round alongside the other factors mentioned above.

Disputes

In the event of any dispute or disagreement on the amount of any exit credit paid and the process by which that has been considered, the appeals and adjudication provisions contained in Regulations 74-78 of the LGPS Regulations 2013 would apply.

H9 Practicalities and process

Responsibilities of ceasing employers

An employer which is aware that its participation in the Fund is likely to come to an end must:

- advise the fund, in writing, of the likely ending of its participation (either within the terms of the admission agreement in respect of an admission body (typically a three month notice period is required) or otherwise as required by the Regulations for all other scheme employers). It should be noted that this includes closed employers where the last employee member is leaving (whether due to retirement, death or otherwise leaving employment).
- provide any relevant information on the reason for leaving the Fund and, where appropriate, contact information in the case of a take-over, merger or insolvency.
- provide all other information and data requirements as requested by the administering authority which are relevant, including in particular any changes to the membership which could affect the liabilities (eg salary increases and early retirements) and an indication of what will happen to current employee members on cessation (eg will they transfer to another fund employer, will they cease to accrue benefits within the fund, etc.).

Responsibilities of Administering Authority

The administering authority will:

- gather information as required, including, but not limited to, the following:
    - details of the cessation - the reason the employer is leaving the Fund (ie end of contract, insolvency, merger, machinery of government changes, etc.) and any supporting documentation that may have an effect on the cessation.
    - complete membership data for the outgoing employer and identify changes since the previous formal valuation.
    - the likely outcome for any remaining employee members (eg will they be transferred to a new employer, or will they cease to accrue liabilities in the fund).
- identify the party that will be responsible for the employer's deficit on cessation (ie the employer itself, an insurance company, a receiver, another fund employer, guarantor, etc.).
- commission the fund actuary to carry out a cessation valuation under the appropriate regulation.
- where applicable, discuss with the employer the possibility of paying adjusted contribution rates that target a 100% funding level by the date of cessation through increased contributions in the case of a deficit on the cessation basis or reduced contributions in respect of a surplus.
- where applicable, liaise with the original ceding employer or guarantor and ensure it is aware of its responsibilities, in particular for any residual liabilities or risk associated with the outgoing employer's membership.
- having taken actuarial advice, notify the employer and other relevant parties in writing of the payment required in respect of any deficit on cessation and pursue payment.

Payment of an exit credit

- If the actuary determines that there is an excess of assets over the liabilities at the cessation date, the administering authority will act in accordance with the exit credit policy above. If payment is required, the administering authority will advise the exiting employer of the amount due to be repaid and seek to make payment within six months of the exit date. However, in order to meet the six month timeframe, the administering authority requires prompt notification of an employers' exit and all data requested to be provided in a timely manner. The administering authority is unable to make any exit credit payment until it has received all data requested.

- At the time this policy was produced, the Fund has been informed by HMRC that exit credits are not subject to tax. However, all exiting employers must seek their own advice on the tax and accounting treatment of any exit credit.

Responsibilities of the actuary

Following commission of a cessation valuation by the administering authority, the fund actuary will:

- calculate the surplus or deficit attributable to the outgoing employer on an appropriate basis, taking into account the principles set out in this policy.

- provide actuarial advice to the administering authority on how any cessation deficit should be recovered, giving consideration to the circumstances of the employer and any information collected to date in respect to the cessation.

- where appropriate, advise on the implications of the employer leaving on the remaining fund employers, including any residual effects to be considered as part of triennial valuations.

Appendix I - Contribution Reviews

Effective date	**1 April 2026**
Date approved	**dd mmmm yyyy**
Next review date	**March 2029**

I1 Introduction

The purpose of this policy is to set out the administering authority's approach to reviewing contribution rates between triennial valuations.

It should be noted that this statement is not exhaustive and individual circumstances may be taken into consideration where appropriate.

I2 Aims and objectives

The administering authority's aims and objectives related to this policy are as follows:

- To provide employers with clarity around the circumstances where contribution rates may be reviewed between valuations.
- To outline specific circumstances where contribution rates will not be reviewed.

I3 Background

The Fund may amend contribution rates between valuations for 'significant change' to the liabilities or covenant of an employer.

Such reviews may be instigated by the Fund or at the exceptional request of a participating employer.

Any review may lead to a change in the required contributions from the employer.

I4 Guidance and regulatory framework

Regulation 64 of the Local Government Pension Scheme Regulations 2013 (as amended) sets out the circumstances under which LGPS contribution rates can be reviewed, including the following;

- Regulation 64 (4) – allows the administering authority to review the contribution rate if it becomes likely that an employer will cease participation in the Fund, with a view to ensuring that the employer is fully funded at the expected exit date.
- Regulation 64A - sets out specific circumstances where the administering authority may revise contributions between valuations (including where a review is requested by one or more employers).

This policy also reflects the Fund's interpretation of statutory guidance from the Ministry of Housing, Communities and Local Government (MCHLG) on preparing and maintaining policies relating to the review of employer contributions. Interested parties may want to refer to an accompanying guide that has been produced by the Scheme Advisory Board as well as the letter from MHCLG to all Administering Authorities regarding Government's intention to consult on changes to the Regulations as they apply to revision of contribution rates.

I5 Statement of principles

This statement of principles covers review of contributions between valuations. Each case will be treated on its own merits, but in general:

- The administering authority reserves the right to review contributions in line with the provisions set out in the LGPS Regulations.
- An employer can request a review but must provide evidence of why a review may be justified along with the initial request
- The decision to make a change to contribution rates rests with the administering authority, subject to consultation with relevant employers during the review period.
- Full justification for any change in contribution rates will be provided to relevant employers.
- Advice will be taken from the Fund actuary in respect of any review of contribution rates.
- Any revision to contribution rates will be reflected in the Rates & Adjustment certificate.

I6 Policy

Circumstances for review

The Fund would consider the following circumstances as a potential trigger for review:

- in the opinion of an administering authority there are circumstances which make it likely that an employer (including an admission body) will become an exiting employer sooner or later than anticipated at the last valuation;
- an employer is approaching exit from the Fund within the next two years and before completion of the next triennial valuation;
- there are changes to the benefit structure set out in the LGPS Regulations which have not been allowed for at the last valuation;
- it appears likely to the administering authority that the amount of the liabilities arising or likely to arise for an employer or employers has changed significantly since the last valuation;
- it appears likely to the administering authority that there has been a significant change in the ability of an employer or employers to meet their obligations (e.g. a material change in employer covenant, or provision of additional security);
- it appears to the administering authority that the membership of the employer has changed materially such as bulk transfers, significant reductions to payroll or large-scale restructuring; or
- where an employer has failed to pay contributions or has not arranged appropriate security as required by the administering authority.

Employer requests

The administering authority will also consider a request from any employer to review contributions where the employer has undertaken to meet the costs of that review and sets out the robust reasoning for the review.

The administering authority would expect the reason for the review to fall into one of the above categories, such as a belief that their covenant has changed materially, or they are going through a significant restructuring impacting their membership. If the reason does not explicitly meet the criteria a contribution review will not take place.

The administering authority will require additional information to support a contribution review made at the employer's request. The specific requirements will be confirmed following any request and this is likely to include the following as a minimum:

- a copy of the latest accounts;
- details of any additional security being offered (which may include insurance certificates);
- budget forecasts; and/or
- information relating to sources of funding.

The costs incurred by the administering authority in carrying out a contribution review (at the employer's request) will be met by the employer. These will be confirmed upfront to the employer prior to the review taking place.

Other employers

When undertaking any review of contributions, the administering authority will also consider the impact of a change to contribution rates on other Fund employers. This will include the following factors:

- The existence of a guarantor.
- The amount of any other security held.
- The size of the employer's liabilities relative to the whole Fund.

The administering authority will consult with other Fund employers as necessary.

Effect of market volatility

Except in circumstances such as an employer nearing cessation, the administering authority will not consider market volatility or changes to asset values as a basis for a change in contributions outside a formal valuation.

In particular, a contribution rate review will not be considered for local authority employers where it is primarily in order to manage surpluses in between formal triennial actuarial valuations. However, if a contribution change is proposed by the Fund, this may take account of changes in markets and asset values since the last formal valuation.

Documentation

Where revisions to contribution rates are necessary, the Fund will provide the employer with a note of the information used to determine these, including:

- Explanation of the key factors leading to the need for a review of the contribution rates, including, if appropriate, the updated funding position.
- A note of the new contribution rates and effective date of these.

- Date of next review.
- Details of any processes in place to monitor any change in the employer's circumstances (if appropriate), including information required by the administering authority to carry out this monitoring.

The Rates & Adjustments certificate will be updated to reflect the revised contribution rates.

I7 Related Policies

The Fund's approach to setting employer contribution rates is set out in the Funding Strategy Statement, specifically "Section 2 – How does the Fund calculate employer contributions?".

Appendix J – Ill-health risk management

Effective date	**1 April 2026**
Date approved	**dd mmmm yyyy**
Next review date	**March 2029**

J1 Introduction

The purpose of this policy is to set out the administering authority's approach to managing the risk arising due to ill health retirements.

It should be noted that this statement is not exhaustive and individual circumstances may be taken into consideration where appropriate.

J2 Aims and objectives

The administering authority's aims and objectives related to this policy are as follows:

- To explain the approach taken to manage ill health risk
- To specify circumstances where a review of experience may lead to additional contributions.
- To outline the key risks and benefits to this arrangement.

J3 Background

Additional liabilities can arise following the retirement of members due to ill health. These additional liabilities can include the unreduced early payment of pension benefits and the award of additional service. The level of pension benefits paid on ill health depends on the severity of the member's condition.

The LGPS Regulations require the additional liabilities to be funded by way of payments from employers. Payment of large lump sums to meet strains as and when they arise can lead to unexpected payments and put significant strain on employers' budgets. LGPS funds are able to put arrangements in place which mitigate the risk of having to pay a large cash sum due to an ill-health retirement strain.

To mitigate this risk to employers and to evidence good governance and risk management, the Fund operates a risk-sharing mechanism (i.e. self-insurance) which spreads the cost across the Fund's active employers.

J4 Guidance and regulatory framework

The Local Government Pension Scheme Regulations 2013 (as amended) set out the benefits payable to members and the way in which additional benefits (such as those arising on ill health early retirement) should be funded. These include the following:

9 Regulation 35 – permits the early retirement of pension on ill-health grounds.

10 Regulation 39 – sets out the calculation of the pension payable in the instance of ill-health retirement.

11 Regulation 68 – sets out the additional contributions payable by the employer to meet the liability strain caused by a member retiring through ill health.

J5 Statement of principles

This statement of principles covers the risk-sharing mechanism in place to manage the risks created by ill-health retirements. In general:

12 This mechanism applies to all active employers in the Fund; employers are unable to opt out of this mechanism

13 Regular contributions payable by employers will include amounts equal to the total expected cost of assumed ill health retirements.

14 Employers will not be required to pay additional lump sum amounts to meet ill-health retirement strains.

15 Active employer asset shares will be adjusted (proportionate to payroll) to spread the cost of ill-health retirements across the Fund's active employers, resulting in consistent and stable impact on funding levels across employers.

16 Both Tier 1 and Tier 2 ill health retirement strains will be covered by this mechanism. (Tier 3 ill-health retirements represent temporary pension payments which pose a less material risk to the employers in most cases)

J6 Policy

Purpose

The purpose of this risk-sharing mechanism is to share the cost of ill-health retirement experience across all active employers within the Fund.

Eligibility

All active employers are subject to the risk-sharing mechanism, and ill-health experience since 1 April 2020 has been subject to this arrangement.

Operation

The mechanism works as follows:

- Contribution rates are set by the Fund Actuary every three years as part of the triennial valuation.
- Primary contribution rates include allowance for the expected cost of assumed ill health retirements (expressed as a percentage of payroll)
- Active employer asset shares will be adjusted (proportionately with payroll) to spread the cost of ill-health retirements across the Fund's active employers at each triennial valuation
- Note that this mechanism covers the initial employer strain cost which is an estimate of the capitalised cost of the ill-health retirement. It does not monitor the actual cost of ill-health early retirements thereafter: in effect, each employer bears the risks (and receives the potential benefits) of its ill-health members incurring a higher or lower cost over the remainder of the ill-health retiree's life than was allowed for by the strain cost.
- Since no additional money is paid into the Fund for any ill-health retirement event, there is a risk that an unusually high number of ill health retirements could lead to a material decrease in funding levels across all active employers, which may lead to increase in employer contributions at the next valuation.

The ill-health retirement experience across eligible employers is likely to differ. This mechanism aims to result in an ill-health retirement having the same funding impact across all active employers, thereby spreading the ill-health risk.

Review and additional contributions

The administering authority will review the level of ill-health experience across all employers at each triennial valuation, and also the risk-sharing mechanism. Actual experience over the inter-valuation period will also be factored into the next triennial valuation employer contribution rate setting process.

In extreme circumstances e.g. unusually high level of ill health retirement strains resulting in a significant decline in employer funding levels, the Fund has discretion to seek additional contributions (a fixed percentage of payroll per employer) to help meet ill-health retirement strain costs.

Costs

The costs of operating the risk-sharing mechanism will be met by the Fund.

J7 Related Policies

The fund's approach to setting regular employer contribution rates is set out in the Funding Strategy Statement, specifically "Section 2 – How does the fund calculate employer contributions?".

2025 Valuation - Governance Audit Trail

This paper is addressed to Haringey Council, in its capacity as Administering Authority of the Haringey Pension Fund ("the Fund"). It has been prepared for the purpose of providing an audit trail of the Fund's governance process and key decisions taken throughout the 2025 triennial funding valuation ("the valuation").

This paper has not been prepared for use for any other purpose and should not be so used. The paper should not be disclosed to any third party except as required by law or regulatory obligation or with our prior written consent. We accept no liability where the paper is used by or disclosed to a third party unless we have expressly accepted such liability in writing. Where this is permitted, the paper may only be released or otherwise disclosed in a complete form which fully discloses our advice and the basis on which it is given.

Overview

Under LGPS Regulations, all funds have a statutory obligation to carry out a formal valuation every three years. The Regulations set out the responsibilities of the Administering Authority to obtain the following:

- An actuarial valuation report setting out the assets and liabilities of the Fund, including
- A Rates and Adjustments Certificate setting out the contribution rates payable by all participating employers in the Fund for the next three years.

To complete the formal valuation, the Administering Authority undertakes actuarial advice to review assumptions and funding strategy with key decisions being taken to the Pensions Committee and Board (PCB) for approval.

Throughout the valuation, the Fund engages with various stakeholders including the Pensions Committee and Board, and Employers, which includes a formal consultation period on funding strategy and outcomes.

To ensure a robust governance process has been followed, and in line with best practice, the Fund has maintained a governance audit trail throughout the valuation to document key decisions (and decision-makers) that have affected funding strategy and outcomes. This paper summarises the audit trail – the Fund also holds a full decisions log for future reference and audit.

2025 governance process

The triennial actuarial valuation is a significant exercise carried out by the Fund. A high-level audit trail is set out below. This is split into two areas – section A covering the key funding strategy decisions and section B covering stakeholder engagement.

Section A: Funding strategy

1. *Review of assumptions*

The Fund Actuary reviewed the funding assumptions as part of the valuation (as set out in a paper entitled 'Advice on assumptions', dated 27 May 2025).All assumptions are the Fund Actuary's 'best estimate' except for the discount rate assumption which includes a margin of prudence required by the LGPS Regulations. Based on the analysis and wider factors, the Fund officers considered an appropriate prudence level to reflect the current funding and economic environment.

Key decisions or outcomes:

- The Fund adopted a prudence level of 80% (previously 70% at the 2022 valuation) for 'ongoing' funding to reflect the increased uncertainty and volatility in markets. This change was noted by the PCB on 24 July 2025, following an assumptions training session held before the meeting. The PCB formally agreed to the change in

prudence level on 1 December 2025. The Fund believes this level of prudence strikes an appropriate balance between managing longer-term risk and shorter-term affordability for employers in the current environment.

- All other assumptions were adopted in line with the Fund Actuary's best estimate assumptions set out in the assumptions advice.

2. *Valuation of assets and liabilities (whole Fund)*

The whole Fund result provides a solvency check to ensure that it continues to meet the objectives set out under Regulation 62. The Fund Actuary valued the Fund's liabilities at 31 March 2025 using the assumption noted at the July 2025 PCB meeting. The liability value was compared to the market value of the Fund's assets at the valuation date to give a funding level of 139% as set out in a paper entitled 'Initial results' dated 8 October 2025. The paper also provides other funding metrics, experience analysis, risks and sensitivities to inform the Fund's ongoing risk management framework.

Key decisions or outcomes:

- The whole Fund position was noted at the PCB meeting on 1 December 2025.

3. *Review of funding strategy (Local Authority and Academies)*

The Fund currently operates a stabilisation policy for the Local Authority (Haringey Council) and Academies which restricts increase/decreases in contribution rates to +/-1% of pay per annum. The Fund carried out a review of the funding strategy for these employers (as set out in a paper entitled '2025 valuation funding and investment strategy review', dated 17 April 2025). The ALM analysis carried out by the Fund Actuary reviewed the longer-term strategy (measured by likelihood of success), short-term risks (such as the risk of contributions having to increase at the next valuation, known as the 'Risk of Regret') and various stress tests (such as the impact of higher inflation, or lower returns on growth assets, on outcomes). The funding strategy also considered the importance of qualitative factors such as inter-generational fairness, the long-term cost of the scheme and the existing stabilisation policy.

The Fund also carried out a review of the academy funding strategy (as set out in a paper entitled 'Academy funding considerations', dated 28 October 2025). The analysis considered various options of academy pooling, how to set contribution rates and other funding matters.

Key decisions or outcomes:

- Given the increased uncertainty in the wider environment and benefits of the stability mechanism it was decided that now was an appropriate time to align the stabilisation parameters of +1%/-1% for the Council and academies (previously +/-0.5% for Haringey Council and +/-2% for Academies). This will help provide greater stability of contribution rates and consistency of reductions between academies and LEA schools since future increases are limited in pace. Therefore, the update to the stability mechanism will also provide protection against larger changes upwards or downwards in contribution rates in the future, supporting affordability and providing increased budgeting certainty.
- The outcomes were discussed at the PCB meeting on 11 September 2025, and it was formally agreed at the 1 December Pensions Committee and Board that the Council would benefit from the maximum reduction permitted under the existing stabilisation approach. This was reflected through no phasing of the reduction (i.e. an immediate reduction). Therefore, the Council will receive a 3% reduction of pay in year 1 and will remain at this level for the next 2 years. Given the strong results from the quantitative analysis and consideration of qualitative factors it was deemed an immediate reduction would still comfortably meet the Fund's long term funding objectives.
- Following the academy review, it was decided to operate an Academy Pool under a "full pooling" arrangement which helps share funding risks across employers in the pool. The 2025-26 academy pool common

contribution rate was calculated as 17.6% of pay using a payroll-weighted average approach. The actuarial modelling supported an immediate 3% reduction and further details can be found in the Academies policy in Appendix F of the Funding Strategy Statement.

4. *Review of funding strategy (all other employers)*

To set contributions for all other employers, the Fund Actuary carried out risk-based contribution rate modelling to project each employer's asset share over a range of future economic scenarios. The contribution rate depends on the following factors:

- **the funding target** – how much money the Fund aims to hold for each employer
- **the time horizon** – the time over which the employer aims to achieve the funding target
- **the likelihood of success** – the proportion of modelled scenarios where the funding target is met.

The Fund (with advice from the Fund Actuary) carried out a review of the funding strategy for the other employers to assess appropriate factors for setting contributions to be paid over the next 3 years. These factors include the modelling parameters (as set out above) and any broader qualitative factors such as surplus management considerations to meet intergenerational fairness, long-term cost efficiency and stability objectives set out in the Regulations.

Key decisions or outcomes:

- For the 2025 valuation, the *minimum likelihood of success* used to set employer contribution rates was updated to 80% to align with the agreed prudence level at 2025, except for CABs who use 85% due to the difference in employer covenant.
- *Time horizons* for each employer group remain unchanged from 2022.
- A higher *Target funding level* of 120% was agreed to be applied to the Local Authority and Academies to help protect the employers from future market volatility. In addition, it aligns with the update to the Fund's investment approach regarding adopting a 'Reserve management' framework which considers a 20% funding buffer.
- Rates for TABs and CAB, which typically have shorter time horizons and may be approaching exit, were permitted to be as low as 0% of pay if supported by contribution modelling outcomes i.e. there was no restrictions to contribution reductions.
- Pass-through employers remain at their current contribution rate as per the funding strategy statement (i.e. the contribution rate for pass-through employers is fixed for the duration of their contract).

5. *Review of Funding Strategy Statement and policies*

The Funding Strategy Statement ("the FSS") forms an integral part of the framework that sets employer contributions. The Fund officers reviewed an updated draft FSS in October 2025 in collaboration with the Fund Actuary. Furthermore, additional funding policies were reviewed in quarter 1 of 2026.

Key decisions or outcomes:

- The FSS and policy documents at the 2022 valuation were already broadly in line with the new FSS guidance requirements and therefore no fundamental changes have been made to the structure or content of the FSS as part of this review for the 2025 valuation. However, a full review of the Fund's FSS was carried out, with minor changes to make the document compliant with the updated FSS guidance and key principles document.

- Changes in assumptions and employer funding strategy (as set out above in sections 1, 2 and 3) were included in the draft FSS.
- Each policy was reviewed at 2025 to reflect the new guidance and any technical or regulatory changes; however, the content of each policy remains largely unchanged from 2022, with the exception of the academy policy with the Fund adopting a 'full pooling' approach.
- The draft FSS and policies were agreed by the PCB on 1 December 2025 and put out for consultation in during December 2025 (with a closing date of 31 January 2026). The consultation was sent to all Fund employers and the Department for Education ("DfE").
- The Fund created three new additional funding policies, namely, an academy policy, an ill-health risk management policy, and a contribution rate review policy. This provides users of the FSS more information regarding these areas, improving understandability and transparency. These policies can be found in the appendices to the Fund's FSS.
- The final FSS is set to be approved at the March 2026 PCB and takes effect from 1 April 2026.

6. *Final valuation report (including Rates & Adjustments Certificate and other appendices)*

The final valuation report must be formally signed off by 31 March 2026 in line with the Regulations. This report must include a Rates & Adjustments Certificate setting out the contributions payable by all participating employers. The report should also include further appendices to meet additional reporting requirements for national benchmarking and disclosures, as set out in guidance from the Government Actuary's Department (GAD).

Key decisions or outcomes:

- The draft version of the final valuation report is set to be noted by PCB in March 2026.
- The final valuation report includes the following appendices:
    - Rates and Adjustments Certificate setting out all employer contributions for the next 3 years.
    - Section 13 dashboard in line with GAD requirements, noting the funding level using national standardised assumptions (known as the SAB basis) was 114%.
    - Gender Pension Gap reporting in line with requirements
    - Summary of the climate change scenario analysis which tests the resilience of the Fund's funding strategy to climate change scenarios (noting further detail was provided to the Fund and discussed with Fund officers in the paper entitled '2025 Climate Scenario Analysis Output Report', dated July 2025)

Section B: Stakeholder engagement

In addition to setting funding strategy, the Fund has engaged with employers and the PCB throughout the valuation exercise. A summary of this stakeholder engagement is detailed below.

1. *Employer pre-valuation communication*

   The Fund issued all employers with a document in June 2025 setting out key themes and provided an early indication of high-level valuation outcomes to provide a platform for future engagement throughout the valuation process.

2. *Employer results*

   The Fund issued individual employer results schedules during December 2025 (and January 2026), detailing their own funding position and the proposed contribution rates from the next three years. The Fund also notified pass-through employers of the contribution rate to be paid. Alongside these results, the Fund issued each employer with a copy of the draft FSS for consultation.

3. *Employer forum*

   All employers were invited to attend an employer forum on 8 December 2025 hosted by the Fund (alongside the Fund Actuary) to discuss the valuation, employer results, funding strategy and next steps (including the consultation process).

4. *FSS consultation*

   All employers (and wider stakeholder, such as DfE) were invited to comment on the draft FSS during the consultation period which ran from early December 2025 to 31 January 2026. To help meet expectations set out in new guidance on running an effective FSS consultation, the Fund has actively sought out engagement from all stakeholders using an employer engagement portal hosted by the Fund Actuary.

5. *Officer meetings*

   Throughout the valuation, Fund officers and the Fund Actuary participated in regular meetings (at least once a month) to ensure that the governance of the valuation and the key decisions were duly considered, with supporting analysis where necessary.

6. *Pensions Committee and Board (PCB)*

   Key decisions on funding strategy have been approved (or noted) by the PCB throughout the valuation to ensure best practice and robust governance of decision making (as set out in Section A above). Committee and Board training has been provided where necessary to improve committee skills and knowledge on technical subject matter. This helps members to be equipped to make informed decisions or challenge outcomes if required.

Summary & next steps

The Fund has carried out the formal valuation in line with Regulation 62 and has sought to meet best practice guidance throughout, with robust decision making and effective stakeholder engagement. A summary of this Governance Audit Trail timeline is contained in the Appendix below.

The formal valuation process concludes on 31 March 2026, and the employer contribution rates (and new FSS) will take effect from 1 April 2026.

The next formal valuation will take place as at 31 March 2028, although the Fund will begin to prepare for key decisions and outcomes in advance of this date.

The Fund will seek to maintain (and improve) on the level of disclosure of governance at future valuations to ensure best practice and transparency of key decisions.

Julie Baillie FFA C.Act	Allan Woodhouse FFA C.Act
Fund Actuary	Actuary

For and on behalf of Hymans Robertson LLP

Appendix – Governance audit trail timeline

The timeline of key decisions and governance process throughout the valuation is below:

Item	Date	Decision makers	Key decision(s)
Valuation planning	23 April 2025	Fund officers & Fund Actuary	Agreed valuation timetable (updating an earlier version from summer 2024)
Local Authority contribution rates (proposed)	17 April 2025	Fund officers & Fund Actuary	Consider allowing maximum reductions permitted under stabilisation mechanism (effective from 1 April 2026 for 3 years)
Assumptions (proposed)	27 May 2025	Fund officers & Fund Actuary	Increase prudence to 80% (from 70%)
Data (provided)	31 August 2025	Fund officers & Fund Actuary	n/a - see 2025 Valuation Data report for more information
Whole Fund results (draft)	8 October 2025	Fund officers, Fund Actuary & PCB	n/a - Funding level of 139% was noted at December PCB
Academy Funding Considerations	26 November 2025	Fund officers & Fund Actuary	Move to full pooling for academies
Funding strategy (other employers)	November 2025	Fund officers & Fund Actuary	Agreed funding parameters and employer contribution rates (as described in section 3)
Local authority contribution rates, assumptions, draft FSS and employer results (approved)	1 December 2025	PCB	Contributions approved (immediate 3% p.a. reduction for Local Authority), draft FSS and Assumptions approved
Draft employer results issued	December 2025 and January 2026	Fund officers, Fund Actuary & Employers	n/a
Consultation period	Early December to 31 January 2026	Fund officers & Employers	n/a

Item	Date	Decision makers	Key decision(s)
Additional funding policies review	Quarter 1 2026	Fund officers & Fund Actuary	Creation of two new additional funding policies, namely, contribution rate reviews and ill-health risk management
Final valuation report (incl. R&A certificate) and final FSS	March 2026	Fund officers, Fund Actuary & PCB	Final report (incl. R&A) and final FSS approved. Governance audit trail and FSS Consultation Summary noted.

London | Birmingham | Glasgow | Edinburgh

Hymans Robertson LLP is a limited liability partnership registered in England and Wales with registered number OC310282. Authorised and regulated by the Financial Conduct Authority and licensed by the Institute and Faculty of Actuaries for a range of investment business activities.

© Hymans Robertson LLP 2026. All rights reserved.

Draft Funding Strategy Statement Consultation Summary

This paper is addressed to Haringey Council, in its capacity as Administering Authority of the Haringey Pension Fund ("the Fund"). It has been prepared for the purpose of providing a summary of the consultation on the Fund's draft Funding Strategy Statement ("the FSS") which forms part of the stakeholder engagement at the 2025 triennial funding valuation ("the valuation").

This paper has not been prepared for use for any other purpose and should not be so used. The paper should not be disclosed to any third party except as required by law or regulatory obligation or with our prior written consent. We accept no liability where the paper is used by or disclosed to a third party unless we have expressly accepted such liability in writing. Where this is permitted, the paper may only be released or otherwise disclosed in a complete form which fully discloses our advice and the basis on which it is given.

Funding Strategy Statement (FSS)

Under LGPS Regulations, all funds have a statutory obligation to produce an FSS. It is a key document for the Fund, in two ways:

1. *The inputs it requires:* the Fund's officers and Pensions Committee and Board (PCB) need to go through a process to be satisfied that the Fund is managing funding risks and will be collecting an appropriate level of contributions from all employers in the Fund. The FSS provides a helpful framework for organising this process and covering all the necessary areas.
2. *The outputs it gives:* the finalised FSS itself should be a clear and transparent reference point for the Fund's stakeholders, to set out how the Fund manages funding risks and provide proof that the contribution arrangements are solidly derived, fair and consistent. It will also help in any future discussions with employers, perhaps where an approach is queried or questions are raised.

The FSS is prepared in collaboration with the Fund Actuary and forms an integral part of the framework within which to carry out the triennial valuation to set employer contributions. The FSS also outlines how the funding strategy fits in with the investment strategy.

The current FSS was approved by the Pensions Committee and Board at the 2022 valuation and is published on the Fund's website here.

2025 FSS review

In January 2025, updated guidance for preparing and maintain a FSS was published by the Ministry of Housing, Communities and Local Government ("MHCLG"), the Scheme Advisory Board's ("SAB"s') Compliance and Reporting Committee and the Chartered Institute of Public Finance and Accountancy ("CIPFA"). The updated guidance replaces 2016 guidance produced by CIPFA.

The FSS and policy documents at the 2022 valuation were broadly in line with the new FSS guidance requirements and therefore no fundamental changes have been made to the structure or content of the FSS as part of this review for the 2025 valuation. However, a full review of the Fund's FSS has been carried out, with minor changes made to ensure the document is compliant with the updated FSS guidance and key principles document.

Hymans Robertson LLP is a limited liability partnership registered in England and Wales with registered number OC310282. Authorised and regulated by the Financial Conduct Authority and licensed by the Institute and Faculty of Actuaries for a range of investment business activities.

© Hymans Robertson LLP 2026. All rights reserved.

The Fund has also reviewed its policies and funding strategy at the 2025 valuation, and the most significant changes include:

1. Review of funding assumptions

The Fund Actuary has reviewed the funding assumptions as part of the 2025 valuation. These have been updated to reflect emerging experience and market conditions as at 31 March 2025. All assumptions are 'best estimate' except for the discount rate assumption which includes a margin of prudence required by the LGPS Regulations.

The Fund Actuary models 5,000 simulations of possible future economic outcomes to set robust funding plans at whole fund level and for each individual employer. At the 2025 valuation, the Fund has adopted a prudence level of 80% (previously 70% at the 2022 valuation) for 'ongoing' funding to reflect the increased uncertainty and volatility in markets, and this change was agreed by Pensions Committee in December 2025. This means that the Fund assumes a level of investment return (discount rate) that is achieved in 80% of the simulations of the future. The Fund believes this strikes an appropriate balance between managing longer-term risk and shorter-term affordability for employers in the current environment.

2. Review of contribution rate calculations

Section 2 of the draft FSS sets out the approach to setting employer contribution rates. The approach is largely unchanged from 2022, with the following exceptions:

- **Minimum likelihood of success** (in Table 1) - updated to 80% to align with the agreed prudence level at 2025, except for CABs (updated to 85% to reflect the differences in employer covenant)
- **Target funding level** (also in Table 1) **-** 120% was agreed to be applied to the Local Authority and Academies to help protect the employers from future market volatility. In addition, it aligns with the update to the Fund's investment approach regarding adopting a 'Reserve management' framework which considers a 20% funding buffer.

3. Review of additional policy documents

To help employers navigate the FSS, the Fund has set out specific policies in the following areas (and these will be included as appendices in the Final FSS document:

- Academies & free schools policy (new)
- New Employers policy
- Employers exits policy
- Contribution reviews policy (new)
- Ill-health risk management policy (new)

Each existing policy document from the last triennial valuation has been reviewed at 2025 to reflect the new guidance and any technical or regulatory changes. However, the content of each policy remains largely unchanged from 2022. The Fund also have drafted three additional funding policies to provide users of the FSS more information regarding these areas, improving understandability and transparency.

Employers were encouraged to read any of the additional policies that may impact their participation in the Fund (eg academies and MATs should read the academies policy, which documents operational aspects of the new pooling arrangements).

2025 FSS consultation

The draft FSS were agreed by Pension Committee in December 2025 and then put out for wider consultation. The consultation was open to all Fund employers and wider stakeholders such as the Department for Education (DfE).

The recently updated FSS guidance sets out best practice principles that funds should follow and encourages funds to consider the effectiveness of the of the FSS consultation. To help meet these expectations, the Fund has actively sought out engagement from all stakeholders using an employer engagement portal hosted by the Fund Actuary. Employers have been encouraged to provide feedback on the consultation process, the FSS accessibility, and to provide any further questions or comments on the content within the draft FSS.

From the responses received via the engagement portal, most employers found the FSS to be helpful and with sufficient detail and time to prepare a response (see appendix for a summary of responses to this accessibility survey). The Fund has engaged with employers (and other stakeholders) where specific comments (and questions) on the content of the Fund's FSS have been raised (see appendix for a summary of these questions and the Fund's responses).

Next steps

The FSS consultation period closed on 31 January 2026.

All comments received during the consultation are considered by Fund Officers before preparing the final 2025 valuation FSS for sign off (which will then take effect from 1 April 2026). The final FSS provides the framework (until the next review date), for all employers participating in the Fund including new employers joining and employers exiting the Fund over this period.

The PCB will be asked to approve the final version of the FSS at its March 2026 meeting.

The next full review of the FSS is due to take place as part of the 2028 formal funding valuation, however, ad-hoc revisions to the FSS and policies are to be expected in response to emerging issues and new legislation or guidance. Any material changes will be brought to PCB for noting and approval if necessary.

Julie Baillie FFA C.Act	Allan Woodhouse FFA C.Act
Fund Actuary	Actuary

For and on behalf of Hymans Robertson LLP

Appendix 1 – Survey on the FSS accessibility and consultation process

The Fund shared the draft FSS with all employers and requested that they all access an Employer Engagement Portal (hosted by the Fund Actuary) to share their views on the FSS, ensuring the fund has facilitated and can document an effective FSS consultation.

At the time of writing, 39% of the 44 employers who were issued employer results (and invited to respond to the consultation) have responded via the Portal. The Fund views this as a very successful response rate and is a significant increase in employer engagement from previous valuations. Note 11 active pass-through employers were also eligible to respond to the consultation however there was no responses received.

Employers were surveyed on the accessibility of the FSS document and the consultation process to ensure this has been effective (or otherwise). A summary of these responses is below:

1. Employer responses via the portal

Employer responders	39%
Non responders	61%

2. The FSS is clear and concise, it uses plain English and avoids acronyms, where possible

Strongly agree	29%
Agree	35%
Neither agree or disagree	35%
Disagree	0%
Strongly disagree	0%

3. The FSS is informative and I have sufficient time to prepare a response within the FSS consultation period

Strongly agree	29%
Agree	29%
Neither agree or disagree	41%
Disagree	0%
Strongly disagree	0%

4. I have been provided with sufficient detail about the policies adopted within or alongside the FSS, such as policies on employer exits

Strongly agree	29%
Agree	29%
Neither agree or disagree	41%
Disagree	0%
Strongly disagree	0%

5. I understand what the next steps in the process will be and how the outcome of the consultation will be communicated

Strongly agree	29%
Agree	29%
Neither agree or disagree	41%
Disagree	0%
Strongly disagree	0%

Appendix 2 – Employer questions and comments on the FSS

Within the Employer Engagement Portal, employers were asked to provide any specific questions or comments on the draft FSS. A summary of these questions / comments, including some additional questions we have observed from stakeholders (e.g. the DFE) across the LGPS in general, and the Fund's general view in response to these are below. Note, these have been grouped into the following categories:

- **Contribution strategy, including modelling approach & parameters**: how the fund has calculated employer contribution rates.
- **Surplus management**: how the fund is managing employer surpluses via contribution rates (and policies).
- **Policies**: questions on specific funding policies, either contained within the core FSS document or the additional policy documents.
- **Other funding factors:** other questions or comments on valuation outcomes, not specifically related to aspects of the FSS.

Contribution strategy, including modelling approach & parameters

Contribution setting factors - Minimum likelihood of success ('prudence')

Question / comment: *The fund is being too prudent / has increased prudence. What is the rationale? The ongoing basis is now as prudent as a basis typically used for exiting employers.*

Response: Regulations set out a requirement for the Fund to set prudent assumptions for valuing pension benefits to support the aims of solvency, stability and to ultimately protect member benefits. 'Prudence' is not clearly defined anywhere in the Regulations or supporting guidance. However, it is generally accepted that funds should aim to strike a balance of not being too prudent or imprudent. This typically leads to prudence levels falling somewhere between 66% and 85% across the LGPS. The level of prudence adopted at any point in time reflects several factors, including each fund's risk appetite and the prevailing funding and economic environment.

It is the Fund's view that there are increased uncertainties around inflation, future investment returns and wider risks such as climate at the 2025 valuation. Given the wider economic environment, coupled with the current funding position, the Fund has taken the view to increase prudence to 80% (from 70% in 2022) to support longer-term stability and cost efficiency.

Also note, exit valuations are typically carried out using assumptions that have an equivalent 85-90% prudence level attached, meaning the Fund's ongoing funding basis is lower.

The level of prudence has been approved by the PCB as part of the over-arching governance of the valuation process and will remain under review at future valuations. In the future, given different economic or funding conditions, it may be appropriate to reduce prudence to continue to support the Fund's aims of affordable, stable contributions for employers.

Contribution setting factors - time horizon

Question / comment: *the time horizon should be reduced by 3 years from the previous valuation, which would result in quicker surplus return.*

Response: The time horizon is set to reflect an employer's participation, eg a long-term, ongoing participant can have a longer-term funding plan to aid stability, and therefore we do not intend to change the time horizon whether an employer is in deficit or in surplus.

Contribution setting factors – target funding level

Question / comment: *the Fund is targeting a funding level greater than 100% which means that employers are not benefiting fully from the surplus position.*

Response: This higher funding target is being applied due to the significant increase in the funding position observed over a relatively short period of time since the 2022 valuation. In addition, it aligns with the update to the Fund's investment approach regarding adopting a 'Reserve management' framework which considers a 20% funding buffer. It is possible that the significant improvement in the funding position could be reversed at future valuations due to the volatile nature of asset returns and market factors underpinning liability valuations. For this reason, the Fund is of the view that the funding strategy should allow for a gradual release of surplus back to employers and the application of the 120% funding target is designed to achieve this. The Fund have adopted the approach for academies and local authority, maintaining consistency in treatment between academies and maintained schools.

In practice, however, this 120% funding target is not directly influencing rates payable following the 2025 valuation i.e. contribution rates are reducing in line with the maximum reduction permitted under the contribution stability mechanism. If a 100% funding target was applied, the rates payable by academies and the Local Authority would therefore be identical to those set at the 2025 valuation.

Surplus management

Contributions - stabilisation

Question / comment: *Stabilisation of contribution rates is leading to overfunding and not returning surplus quickly enough.*

Response: The use of stabilisation parameters for employers (which limits increases/decreases in contribution rates to ±1% of pay pa) is based on our aim to reduce contribution volatility and support long-term planning for employers. This approach is consistent with the Fund's broader funding strategy and risk management objectives, and this policy has been supported by employers throughout multiple valuations (noting this is a common approach adopted throughout the LGPS).

Recovery / surplus return periods

Question / comment: *the implied surplus return periods are too long and not consistent with the time horizons used when employers were in deficit.*

Time horizon for deficit recovery is clear, but it is unclear how quickly surplus is being returned. Application of a stabilisation and/or higher funding target means that surplus return period is longer than the stated time horizon.

Response: The Fund's approach to setting contribution rates is detailed in the Fund FSS's (and set out under 'modelling approach' above). The actuary has modelled an approach that aims for at least 120% funding in 20 years' time, not whether the employer is in surplus or deficit at a single snapshot in time (the valuation date, or time 0). This future time period reflects the ongoing, long-term nature of the employer.

Calculations that imply a longer surplus return period are more often based on a very simplistic approach that doesn't appropriately capture the future funding risks and the evolution of the funding position over the next 20 years and is not aligned to our FSS and the funding approach used by the Fund.

Policies

Asset allocation for converting academies

Question / comment: *initial funding levels of academies upon conversion are capped at 100% (even when the local authority is in significant surplus). The academy has contributed towards this surplus (as an LEA school) and should benefit in full. In the past, when local authorities were in deficit, academies took on a share of this deficit on conversion.*

Response: On conversion from LEA status, assets of no more than the fully funded (100%) value of the transferring liabilities are transferred to the Academy/MAT. When the local authority is in surplus, this ensures that any surplus in respect of the transferring liabilities is retained by the local authority. This is appropriate because the local authority is responsible for meeting the deferred and pensioners obligations of former staff of the transferring school. This provides protection to the local authority from adverse market conditions that may arise and worsen the funding position (specifically, in respect of the legacy deferred and pensioner obligations).

This common approach is applied across the LGPS in line with principles that generally apply when determining asset shares in other situations (eg bulk transfers of membership in/ out of the scheme or between LGPS funds).

If it was possible to identify the deferred and pensioners obligations of each converting LEA school, we could allow for the transfer of these liabilities to the Academy/MAT, and any surplus could also transfer (as the local authority wouldn't be on risk for any shortfall emerging in respect of these legacy liabilities). However, it is not practical (or possible in most cases) to identify the legacy deferred and pensioner obligations of each LEA school – this would be a significant and costly administration task / it would place a huge burden on the schools to provide this data / we would not be confident that the required data would be available.

Other funding factors

Post valuation experience

Question / comment: *the funding position of employers has likely improved significantly since the valuation date due to market movements, and this should be reflected in the contribution rates.*

Response: Where there is a significant event after the valuation, it is possible to take this into consideration when setting contribution rates. The Fund has experienced strong investment performance since 31 March 2025; however, we consider this to be simply a consequence of general market movements over that time. In our view, general market performance and fluctuations is not an appropriate factor to consider as 'post valuation experience'. This is also true had investment performance been poor over this period. The impact of this experience (if it holds in the future) will be reflected in the funding positions (and future contribution rate considerations) as part of the 2028 valuation.

Peer comparison of employer contribution rates

Question / comment: *Contribution rates being paid by similar employers in this fund or in other funds are lower. Other similar employers have received greater reductions in contribution rates.*

Response: Peer comparison with other employers in the Fund, or indeed across other LGPS funds, should be avoided. Comparing contribution outcomes can be misleading and does not mean that any employers are paying 'too much' or indeed 'too little' relative to another. The funding strategy (and contribution rate) for each employer in the Fund reflects its own unique circumstances - including the funding position, demographic profile and employer covenant. Similarly, contribution outcomes across different LGPS funds will vary, reflecting various funding and investment strategy decisions, local circumstances, and risk appetite.

Each employer is responsible for funding the benefits of their own employees (past and future), so employers paying more now are likely to pay less in the future, and vice versa (all else being equal).

This page is intentionally left blank

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

Document is exempt

This page is intentionally left blank

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

Document is exempt

This page is intentionally left blank

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

Document is exempt

This page is intentionally left blank

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

Document is exempt

This page is intentionally left blank

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

Document is exempt

This page is intentionally left blank