

NOTICE OF MEETING

PENSIONS COMMITTEE AND BOARD

Thursday, 21st January, 2021, 7.00 pm - MS Teams (watch it [here](#))

Members: Councillors John Bevan (Chair), Julie Davies (Vice-Chair), James Chiriyankandath, Paul Dennison, Viv Ross, and Noah Tucker

Employer / Employee Members: Ishmael Owarish, Keith Brown, and Randy Plowright

Quorum: 3 Council Members and 2 Employer / Employee Members

1. FILMING AT MEETINGS

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

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

2. APOLOGIES FOR ABSENCE

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 16 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 LBHPP, 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 Assistant Director of Corporate Governance and 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. MEMBERSHIP

To confirm one employer member, as appointed by employers, and one employee member, as appointed by trade unions, for a four year term of office.

8. MINUTES (PAGES 1 - 12)

To confirm and sign the minutes of the Pensions Committee and Board meeting held on 23 November 2020 as a correct record.

9. PENSION ADMINISTRATION REPORT (PAGES 13 - 16)

This report provides updates regarding:

- The amount of visits made to the Haringey pension fund website;
- An update in light of the current Coronavirus pandemic; and
- Details of an employer joining the pension fund.

10. PENSION FUND QUARTERLY UPDATE AND INVESTMENTS UPDATE (PAGES 17 - 28)

This report provides updates on the following matters in respect of the three months to 30 September 2020:

- Investment asset allocation;
- Independent Advisor's Market Commentary;
- Update on the Fund's accounts and annual report;
- Funding position update;
- Investment Performance;
- London Collective Investment Vehicle (LCIV) Update; and
- Stewardship Update.

11. REVIEW OF CONFLICTS OF INTEREST POLICY (PAGES 29 - 44)

This report introduces the proposed Conflicts of Interest Policy.

12. PROPOSED AMENDMENT TO THE CONSTITUTION - MEMBERSHIP OF THE PENSIONS COMMITTEE AND BOARD (PAGES 45 - 48)

This report proposes to amend the wording of the constitution in relation to employer representatives of the Pensions Committee and Board to bring it in line with Pensions Regulations.

13. LOCAL AUTHORITY PENSION FUND FORUM (LAPFF) VOTING UPDATE (PAGES 49 - 52)

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

14. RISK REGISTER (PAGES 53 - 70)

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

15. FORWARD PLAN (PAGES 71 - 78)

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

16. NEW ITEMS OF URGENT BUSINESS

17. DATES OF FUTURE MEETINGS

To note the dates of future meetings:

4 March 2021

18. EXCLUSION OF THE PRESS AND PUBLIC

Items 19-21 are likely to be subject to a motion to exclude the press and public from the meeting as they contain exempt information as defined in Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); para 3; namely information relating to the financial or business affairs of any particular person (including the authority holding that information).

19. NEW ITEMS OF EXEMPT URGENT BUSINESS

20. PENSION FUND QUARTERLY UPDATE AND INVESTMENTS UPDATE (PAGES 79 - 130)

As per item 10.

21. EXEMPT MINUTES (PAGES 131 - 134)

To confirm and sign the exempt minutes of the Pensions Committee and Board meeting held on 23 November 2020 as a correct record.

Fiona Rae, Principal Committee Co-ordinator
Tel – 020 8489 3541
Fax – 020 8881 5218
Email: fiona.rae@haringey.gov.uk

John Jones
Monitoring Officer (Interim)
River Park House, 225 High Road, Wood Green, N22 8HQ

Wednesday, 13 January 2021

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MINUTES OF THE PENSIONS COMMITTEE AND BOARD MEETING HELD ON MONDAY, 23RD NOVEMBER, 2020, 7.00 - 8.55 PM

PRESENT: Councillor John Bevan (Chair), Councillor Julie Davies (Vice-Chair), Councillor James Chiriyankandath, Councillor Paul Dennison, Councillor Viv Ross, Councillor Noah Tucker, Ishmael Owarish, Keith Brown, and Randy Plowright.

In attendance: Leigh Lloyd-Thomas (BDO), Matthew Vosper (BDO), Alex Goddard (Mercer), and Steve Turner (Mercer).

1. FILMING AT MEETINGS

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

2. APOLOGIES

Apologies for absence were received from John Raisin (Independent Advisor); it was noted that the meeting date had been rearranged and that the new date conflicted with another local authority Pensions Committee meeting.

3. URGENT BUSINESS

There was no urgent business.

4. DECLARATIONS OF INTEREST AND CONFLICTS OF INTEREST

There were no declarations of interest.

5. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS

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

6. RECORD OF TRAINING UNDERTAKEN SINCE LAST MEETING

It was noted that all members of the Pensions Committee and Board had attended a training session on 23 November 2020 entitled: Investing in Multi Factor Climate Transition Strategy.

It was also noted that the Chair had undertaken the following training: London CIV Low Carbon briefing, North London Pension Funds Chairs' Forum, LGPS Live: Local

Government Pension Scheme briefing, CIV Budget briefing, and Pension Trustees Circle Virtual Forum Update and Group Discussion.

7. MINUTES

RESOLVED

That the minutes of the Pensions Committee and Board meeting held on 20 October 2020 be confirmed and signed as a correct record.

8. PENSION ADMINISTRATION REPORT

The Pensions Manager introduced the report which provided an update on pension administration matters. It was noted that Lunchtime UK was no longer leaving the Pension Fund. It was also explained that KM Cleaning had left the scheme as an employer as their contract for Local Government Pension Scheme schools had ceased on 31 August 2020.

The Chair noted that one school had taken back cleaning staff as their employees; it was commented that it was unusual for a school to provide its own cleaners and it was enquired how this affected the pensions of these staff. The Pensions Manager stated that these staff would remain in the pension scheme and it would be as if they had never left. It was explained that these staff had been employed by the school in the past, then transferred (TUPEd) to KM Cleaning, and then returned to being employees of the school and had therefore always remained in the scheme.

Cllr Denniston noted that less information was provided to pension scheme members in hard copy and therefore the number of visits to the website was more important. It was highlighted that the number of visits to the website was generally reducing and enquired whether there was a strategy to increase these numbers. The Pensions Manager explained that, when letters were sent to pension scheme members, information about the website was always provided and members could access the website if they wished. It was clarified that there was no comprehensive record of all pension scheme members' email addresses; these were only recorded if they were provided by pension scheme members.

RESOLVED

1. To note the information in the report which gave a breakdown of the amount of visits made to the Haringey pension fund website and an update regarding pension administration matters.
2. To note that K M Cleaning had left as an employer in the scheme.

9. PENSION FUND ANNUAL REPORT AND STATEMENT OF ACCOUNTS 2019/20

The Head of Pensions and Treasury introduced the report which presented the Pension Fund Annual Report and audited Accounts for 2019/20 for the Pension Committee and Board's approval. The draft annual audit report from the Fund's external auditor, BDO, was also presented. It was explained that the annual report and accounts would normally be considered in July but that the deadline had been extended due to the Covid-19 pandemic. The Pensions Committee and Board was asked to note the interim findings of the annual report and accounts. It was highlighted that the audit was very near completion and that the conclusion would be finalised in the next few days; it was noted that there was no audit opinion yet but the BDO Partner working on the audit would expand on this later in the meeting. It was added that no major changes were anticipated but that, if there were any, they would be reported back to the Pensions Committee and Board.

As the audit had not concluded, the Pensions Committee and Board was asked to delegate authority to Director of Finance, after consultation with the Chair, to make any necessary final changes and approve the final accounts, subject to reporting back any major changes. Additionally, it was requested to authorise the Chair of the Pensions Committee and Board and Director of Finance to sign the letter of representation to the auditor to acknowledge the Council's responsibility for the fair presentation of the information in the financial statement and annual report.

The Head of Pensions and Treasury provided a summary of the annual report that was included in the agenda pack. It was noted that there had been a modest growth of 51 members in 2019-2020, some movement of members to retired and deferred membership, and a slight reduction in active membership. It was explained that there had been a slight reduction in the Pension Fund's value as a result of the Covid-19 pandemic and that, at 31 March 2020, there had been a negative return of 3.7% which equated to a loss in value of approximately £56 million. It was noted that this did not compare well against the benchmark target of -1.2% but it was highlighted that the Pension Fund had outperformed the average local authority fund performance which was -4.1%. It was added that most of the losses as a result of the Covid-19 pandemic had now been recovered.

A member of the Pension Committee and Board noted that the annual report showed that, compared to 2010-2011, there were 30% more pensioners drawing their payment and 8% fewer paying members; it was enquired whether this was a concerning trend and whether there should be a strategy for the Council to transition more staff from temporary to permanent posts. The Head of Pensions and Treasury noted that the Council was not the only employer in the Pension Fund and so the actions of a number of employers had impacts. It was explained that Pension Funds were designed to operate so that all members could retire and draw their payments. It was acknowledged that people were living longer and that it would be important to ensure that the Pension Fund's assets matched its liabilities; it was noted that, when the liabilities were last valued, there were sufficient assets.

A member noted that Millbrook Park Primary School and Braybourne Mulberry School were employers in the Pension Fund but were not located in Haringey. The Pensions Manager explained that Millbrook Park Primary School was not located in Haringey

but was part of a Multi-Academy Trust (MAT) and could join the Pension Fund. In relation to Braybourne Mulberry School, it was noted that Braybourne provided the catering for Mulberry School. It was also explained that there may be different arrangements in different Pension Funds. It was clarified that the actual pension benefit rules were the same across the Local Government Pension Scheme (LGPS) but that, in relation to redundancy packages, the statutory payment was universal and the calculation of the enhanced payment was agreed locally.

It was noted that all of the Haringey Pension Fund managers except one had signed up to the United Nations (UN) Principles for Responsible Investment initiative; it was enquired whether this fund manager could be required to sign up. The Assistant Director of Finance noted that this fund manager was one of the renewable energy managers and it was believed that they had not signed up due to their size and the fact that they were not based in the UK. It was explained that the Pensions Committee and Board may need to exercise caution in imposing requirements as it may not be possible for all managers to comply.

A member of the Pensions Committee and Board believed that there were smaller sign up costs for smaller businesses and asked whether it would be possible to write to this manager and ask them to join the UN initiative. The Assistant Director of Finance understood that the sign up costs were quite costly but noted that it would be possible to write to the manager to obtain some feedback. It was agreed that the Pension Fund would contact the manager to see whether they wanted to be a signatory and to determine whether there were any barriers to joining the UN initiative. It was added that, in future, any renewable energy investments would be managed through the London Collective Investment Vehicle (CIV) and this issue would be considered when the London CIV appointed their manager.

A member noted that some Pension Funds invested in university halls of residents and that these were not being occupied during the Covid-19 pandemic; it was enquired whether this presented any investment risks for the Haringey Pension Fund. The Head of Pensions and Treasury explained that this would not present a risk as contracts for halls of residence had been signed for the year and the universities would be liable for any defaults. It was confirmed that the Pension Fund had not experienced any loss of income and, in terms of future years, it was noted that the sign up rate for the upcoming university year was similar to previous years.

It was clarified that i-connect was a system that connected payroll and pensions which provided both monthly and annual updates about individual contributions. It was explained that this system was already used by Haringey Council and was being rolled out to other employers in the Pension Fund.

The Chair enquired whether the Pension Fund regularly wrote to people about joining the scheme. The Pensions Manager explained that staff were automatically brought into the pension scheme when they joined relevant employment. It was noted that staff had a choice to opt out of the scheme but that this choice needed to be reaffirmed every three years.

It was noted that the report presented to the Pensions Committee and Board was not the finalised report and some members expressed concern that they would not be

approving the final version. The Head of Pensions and Treasury explained that the report would be finalised in the next few days and that issues were more likely to be removed from the report rather than added; it was also confirmed that any major changes would be reported to the Pensions Committee and Board.

The Head of Pensions and Treasury explained that, in addition to the annual report, the statement of accounts was presented to the Pension Committee and Board. It was noted that contributions had gone up by approximately £4 million, mainly due to secondary payments, and benefit payments had decreased significantly, mainly due to the departure of College of Haringey, Enfield, and North East London (CoNEL) from the Pension Fund. It was added that most other numbers were comparable to the accounts from 2018-2019.

Leigh Lloyd-Thomas, BDO, noted that conducting the audit remotely had taken longer and that the government had extended the deadline for submitting the annual report and accounts. He provided an update on the auditor's key findings. It was noted that the materiality, or the level over which differences needed to be reported, was 1% of the Pension Funds investment assets, or £13 million. It was stated that there were no errors in the accounts and it was considered that the funds were well managed.

It was explained that the audit risks were set out in the audit progress report. In relation to the management override of controls risk, it was reported that, once the final portion of testing which related to seven journals was completed, it should be possible to sign off the accounts. In relation to the pension liability risk, it was noted that there had been a marked reduction in liabilities this year due to pay and pension increase assumptions and the flattening out of life expectancy assumptions. Leigh Lloyd-Thomas, BDO, also noted that this was a triennial year where all membership data was refreshed; it was explained that this data would be used in the 31 March 2021 accounting valuation.

It was stated that the key legal cases at present were GMP (gender equality), McCloud (age discrimination), and Goodwin (spousal pensions). In relation to GMP, it was explained that the actuary had not included any GMP indexation in last year's accounts but had applied full GMP indexation this year, assuming that the Council would take liability for this. It was noted that McCloud was also now included and the auditor was content that the liability included the correct amount. Leigh Lloyd-Thomas stated that, although the liability had reduced, it could be lower and this may be reflected by a further reduction at the next valuation of mortality. It was clarified that the actuaries national index was based on the 2018 data for mortalities but that the 2019 data suggested a further flattening of longevity.

It was noted that the auditor had also examined investment assets, particularly focusing on fund that were carrying harder to value assets, such as property, infrastructure, and private equity, to ensure that the valuations had factored in the impact of the Covid-19 pandemic. In relation to property, the auditor considered the impact of the valuation uncertainty warning issued by the manager and decided that it was not sufficiently significant to require specific reference in the audit report but had suggested that the uncertainties over fund pricing should be included in the valuation notes. In relation to private equity and infrastructure, it was considered that there were

no major concerns and the auditor was content that the harder to value funds had factored in an appropriate reduction in valuation.

Leigh Lloyd-Thomas, BDO, noted that the testing of benefits payable and contributions in had now completed and no errors had been found. The letter of representation was included in the audit progress report and there was only one instance where the auditor had sought specific representations; it was explained that this asked the Pensions Committee and Board to confirm the pension actuarial assumptions around financial and mortality assumptions. It was added that this was recommended by the actuary and any opinions on the assumptions were sought before the deadline of 30 November 2020. It was noted that the audit fees were included in the report, with additional funds budgeted this year relating to the Covid and triennial valuations.

A member of the Pensions Committee and Board noted that some retail companies were not paying rent at present and it was enquired how this might affect the Pension Fund's portfolio. Leigh Lloyd-Thomas, BDO, explained that retail was a known issue, even prior to the Covid-19 pandemic. A number of retail rents had been reduced during the pandemic and it was unknown whether the rates would increase to their former amounts. It was noted that the Pension Fund did have some investments in UK retail and these would have to be monitored in the future.

RESOLVED

1. To note the findings of the external auditor in their report, attached as Annexe 1 to the report.
2. To note the content of the Pension Fund Annual Report and Fund Accounts for 2019/20.
3. To approve the Pension Fund Annual Report and Fund Accounts for 2019/20.
4. To delegate authority to the Director of Finance, after consultation with Chair of the Pensions Committee and Board, to make any necessary final changes to the published accounts and approve the Audited Statement of Accounts for 2019/20, subject to reporting back any significant changes made, to ensure that the accounts were signed off by the 30 November deadline.
5. To authorise the Chair of the Pensions Committee and Board and Director of Finance (S151 Officer) to sign the letter of representation to the Auditor to acknowledge the Council's responsibility for the fair presentation of the information in the financial statement and the Pension Fund Annual Report.

10. INVESTMENT MANAGEMENT CONSULTANCY SERVICES TENDER

The Head of Pensions and Treasury introduced the report which provided an update on the Pension Fund's investment management consultancy services tender. It was explained that the existing contract was due to end on 31 March 2021 and the report set out the proposals for the Fund to tender a new investment management

consultancy service. It was also noted that the Pensions Committee and Board would be asked to approve the selection at its next meeting, following the tender process.

It was highlighted that there was an amendment to the recommendations as the proposed contract was now for a three year term with possible extension for one further year, rather than a two year term with possible extension for one further year.

It was noted that, under the procurement rules, only officers could be members of an interview panel. Cllr Ross stated that members of the Pensions Committee and Board had previously observed the interview process, without formal involvement as members of the interview panel, to fulfil their oversight role and enquired whether this would be possible for this contract. The Chair agreed that this would be beneficial. It was noted that the provisional interview date was 8 January 2021 and it was agreed that all Pensions Committee and Board members would be invited to observe the interview process.

The Pensions Committee and Board agreed to note the report and noted the amendment to the recommendations, namely that the proposal was for the Fund to tender for a new three year contract with possible extension for one further year, rather than for a two year contract with possible extension for one further year.

RESOLVED

1. To note the proposals for the Fund to tender for a new **three year** contract for investment management consultancy services, with possible extension for one further year; this would be similar to the contract that is about to lapse.
2. To note that this contract award will be made following a procurement exercise carried out by officers, using the National LGPS Framework; and
3. To note that the Pensions Committee and Board will be asked to approve the appointment of the successful bidder once the selection process is complete.

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

The Head of Pensions and Treasury introduced the report which provided an update on Local Authority Pension Fund Forum (LAPFF) voting activities. It was explained that, in this quarter, there had been three voting recommendations. The Pension Fund's equity manager, Legal and General Investment Management (LGIM), had voted in line with all three LAPFF recommendations but, in all cases, the results of the votes had been contrary to the LAPFF recommendations.

RESOLVED

To note the report.

12. RISK REGISTER

The Head of Pensions and Treasury introduced the report which provided an update on the Fund's risk register and an opportunity for the Pensions Committee and Board to further review the risk score allocation. It was stated that the Pensions Committee and Board may wish to review risk 22 which related to the potential liabilities due to the McCloud and Guaranteed Minimum Payment (GMP) rulings. It was explained that some assessment of the risks had indicated that the impact was estimated to be 0.3% of 1% of the fund at a value of approximately £4 million. It was noted that risk 22 was currently rated 'very high' (red) but suggested that it might be more appropriately rated 'moderate' (yellow). It was clarified that the risk ratings, from lowest to highest risk, were: low (green), moderate (yellow), high (amber), and very high (red).

Some members of the Pensions Committee and Board enquired whether it might be appropriate to increase the risk ratings of risk 23 (Brexit) and risk 58 (the London Collective Investment Vehicle's (LCIV) investment strategy). The Head of Pensions and Treasury acknowledged that some Brexit changes would come into force from 1 January 2020 but that, in relation to the Pension Fund, there were limited actions that could be taken in advance; it was noted that the unknown nature of this issue was recognised. In relation to the LCIV, it was noted that the LCIV were engaging on investment issues and it was explained that this risk would be kept under review.

RESOLVED

1. To note the risk register.
2. **To reduce the risk rating of risk 22 from very high to moderate.**
3. To note that the area of focus for review at the meeting was Governance and Legal.

13. FORWARD PLAN

The Head of Pensions and Treasury introduced the report and explained that the two investment reports scheduled for the meeting in January 2021, Gilts Portfolio and Residential Property, may be considered at a later date depending on progress.

Some members noted that an issue had been raised at a previous meeting about the Pension Fund's exposure to companies investing in illegal settlements in the West Bank, as defined by the United Nations (UN). It was enquired what the next steps would be to disinvest from these companies.

The Chair explained that, since the issue had been raised at the last meeting, he had liaised with other North London Pension Committee Chairs who met on a regular basis. It was noted that, as the holding of shares linked to illegal settlements was so small and the cost of changing would be about £10 million, the Chairs had asked the Local Authority Pension Fund Forum (LAPFF) to investigate and provide a report on their findings.

The Head of Pensions and Treasury explained that the Pension Fund did not invest in these companies directly. It was noted that all equities investments were done on a passive basis; this meant that the fund manager was instructed to select investments that replicated the market and this was how the Pension Fund had come to invest in these companies. As such, it was not possible to force the fund manager to disinvest from these companies. However, it was noted that the Pension Fund, like a number of other funds, had appointed and was a member LAPFF who advocated and engaged with companies directly when there were concerns about their approach to Environmental, Social, and Governance (ESG) issues. It was added that the Pension Fund had indirectly invested in 12 companies that were identified as investing in illegal settlements. It was noted that this related to approximately 0.21% of 1% of the Pension Fund's investments, which was approximately £3 million.

Members noted that this was a small investment but that a number of Pension Funds would be in a similar position and the overall amount invested could be more substantial. It was also noted that there were additional companies which were not on the UN list but which had been identified by campaign groups. It was acknowledged that the approach of applying pressure through Pension Committee Chairs was sensible as a starting point. It was agreed that an update on this issue would be provided within the quarterly report at the next Pensions Committee and Board meeting and that the LAPFF report would be included as an appendix.

The Head of Pensions and Treasury noted that The Pensions Regulator (TPR) required Pensions Committee and Board members to receive regular training. Members were asked to complete or re-complete TPR's training needs analysis so that any relevant training could be organised. Members were also encouraged to complete TPR's online learning programme, the public service toolkit. It was noted that the relevant links would be circulated to members.

RESOLVED

1. To note the work plan, the training programme, and the update on member training, attached as Appendices 1-3 of the report.
2. To complete The Pension Regulator's public service toolkit and training needs analysis.

14. IMPLEMENTATION OF THE RAFI MULTI FACTOR CLIMATE TRANSITION STRATEGY

The Head of Pensions and Treasury introduced the report which presented the result of further assessment of the RAFI Multi Factor Climate Transition (MFCT) index in line with Committee and Board instructions and summarised implementation considerations for the Fund. It was noted that the report recommended implementation of the RAFI MFCT (Developed) strategy and it was explained that further information was set out in the exempt appendix to the report.

The Chair thanked the members of a local organisation who had been in contact about clarifying the recommendations in this report; it was noted that the amended recommendations had been included as a late paper.

It was explained that the Pension Fund had been seeking to reduce its carbon intensity. It was noted that a test of the RAFI MFCT strategy had been undertaken and it was found that, had this strategy been used for the Pension Fund, it would have resulted in reduced carbon intensity and would have outperformed the current strategy in all periods tested. It was commented that the only outstanding issue was the cost of moving to the RAFI MFCT (Developed) strategy; it was noted that Mercer was awaiting further information from Legal and General Investment Management and that it may be possible to discuss this in more detail in the exempt section of the meeting.

The Pensions Committee and Board agreed to the recommendations and agreed the amendment to the recommendations, namely to note that moving to the RAFI Multi Factor Climate Transition Strategy will reduce carbon intensity, rather than will reduce the Fund's carbon intensity.

Following consideration of the exempt information,

RESOLVED

1. To agree to implement the RAFI Multi Factor Climate Transition (Developed) strategy set out in Appendix 1 and delegate the authority to implement the strategy to the Assistant Director of Finance, subject to confirmation of costs by Legal and General Investment Management.
2. If the above recommendation is agreed, to delegate authority to the Assistant Director of Finance to update and republish the fund's Investment Strategy Statement consistent with this change.
3. To note that moving to the RAFI Multi Factor Climate Transition Strategy will reduce ~~the Fund's~~ carbon intensity by 70% compared to the current index and will further reduce ~~the Fund's~~ carbon intensity by 7% annually.
4. To note that moving to the RAFI Multi Factor Climate Transition Strategy will reduce the Fund's equity portfolio carbon footprint overall by 50% compared to current levels.

15. PERFORMANCE REVIEW OF THE PENSION FUND'S INVESTMENT MANAGEMENT CONSULTANTS

The Head of Pensions and Treasury introduced the report which provided a review of the performance of the Pension Fund's investment management consultants, Mercer, over the past twelve months. It was explained that the Competition and Markets Authority (CMA) had required the Pension Fund to review the performance of its investment management consultants. It was noted that the Pensions Committee and Board had agreed six strategic objectives for reviewing performance at its meeting on 19 November 2019.

It was explained that the performance review itself contained exempt information which would be considered in detail in the exempt section of the meeting. Once the Pensions Committee and Board had reviewed this performance, the results would be reported back to the CMA.

Following consideration of the exempt information,

RESOLVED

1. To note the performance review of the Fund's appointed investment management consultants against agreed strategic objectives; the review was attached as a exempt appendix to the report.
2. To delegate authority to the Head of Pensions to communicate the outcome of this review to the Competition & Markets Authority in order to fulfil reporting requirements.

16. NEW ITEMS OF URGENT BUSINESS

There were no new items of urgent business.

17. DATES OF FUTURE MEETINGS

It was noted that the future Pensions Committee and Board meetings were scheduled for:

21 January 2021
4 March 2021

18. EXCLUSION OF THE PRESS AND PUBLIC

It was noted that items 19-22 contained exempt information as defined in Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); para 3; namely information relating to the financial or business affairs of any particular person (including the authority holding that information).

RESOLVED

That the press and public be excluded from the meeting for consideration of items 19-22 as they contained exempt information as defined in Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); para 3; namely information relating to the financial or business affairs of any particular person (including the authority holding that information).

19. IMPLEMENTATION OF THE RAFI MULTI FACTOR CLIMATE TRANSITION STRATEGY

The Committee considered the exempt information.

20. PERFORMANCE REVIEW OF THE PENSION FUND'S INVESTMENT MANAGEMENT CONSULTANTS

[The representatives from Mercer left the meeting for the duration of this item.]

The Committee considered the exempt information.

21. EXEMPT MINUTES

RESOLVED

That the exempt minutes of the Pensions Committee and Board meeting held on 20 October 2020 be confirmed and signed as a correct record.

22. NEW ITEMS OF EXEMPT URGENT BUSINESS

There were no new items of exempt urgent business.

CHAIR: Councillor John Bevan

Signed by Chair

Date

Report for: Pensions Committee and Board – 21 January 2021

Title: Pensions Administration Report

Report authorised by: Thomas Skeen, Assistant Director of Finance (Deputy s151 Officer)

Lead Officer: Janet Richards, Pensions Manager,
janet.richards@haringey.gov.uk, 020 8489 3824

Ward(s) affected: Not applicable

Report for Key/

Non Key Decision: Non Key Decision

1. Describe the issue under consideration

1.1. The report provides:

- An update on the amount of visits made to the Haringey pension fund website.
- An update in light of the current Coronavirus pandemic.
- Details of an employer joining the pension fund.

2. Cabinet Member Introduction

2.1. Not applicable.

3. Recommendations

The Pensions Committee and Board is asked:

3.1 To note this report which gives a breakdown of the amount of visits made to the Haringey pension fund website and an update regarding pension administration matters.

3.2 To note and approve the admission of Little Engineers Nursery, an Academy which is part of the LDBS Academies Trust, as a new scheduled employer in the pension fund.

4. Reason for decision

4.1. Not applicable.

5. Alternative options considered

5.1. Not applicable.

6. Background information:**Website Views**

- 6.1. The visits to the Haringey website www.haringeypensionfund.co.uk for the last month is as follows (presented with prior year comparator figures):

Month	users	Page views
November 2020	351	691
November 2019	315	536

- 6.2. For November 2020, the average amount of users per month to the pension website was 351 and they viewed 691 pages, nearly 2 pages per user. The number of users and pages viewed has increased from the previous year.
- 6.3. There has been less pensioner deaths notified in November 2020 during the coronavirus pandemic compared to the average pensioner death for the five previous years. The table below illustrates the number of pensioner deaths in November this year and the average in November in the last 5 years. The deaths in the November are as follows:

Month	Average Pensioner Deaths 2015 to 2019	Pensioner Deaths 2020	Increase /Decrease
November	24	19	Decrease of 5

- 6.4. Little Engineers Nursery is a nursery school in the London Diocesan Board for Schools (LDBS) Academies Trust. The Little Engineers Nursery will be an employer within the pension fund. Ten members of support staff from Holy Trinity School will be transferring to the nursery. The support staff are currently eligible and will be eligible to be members of the Haringey Local Government Pension Scheme. The school will be notified of the employers contribution rate.

7. Contribution to strategic outcomes

Not applicable.

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

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

Assistant Director of Corporate Governance

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

9. Use of Appendices

Not applicable.

10. Local Government (Access to Information) Act 1985

Not applicable.

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Report for: Pensions Committee and Board – 21 January 2021

Title: Pension Fund Quarterly Update and Investments Update

Report authorised by: Thomas Skeen, Assistant Director of Finance (Deputy s151 Officer)

Lead Officer: Oladapo Shonola, Head of Pensions & Treasury,
Oladapo1.shonola@haringey.gov.uk, 020 8489 1860

Ward(s) affected: Not applicable

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

1. Describe the issue under consideration

1.1. To report the following in respect of the three months to 30 September 2020:

- Investment asset allocation;
- Independent Advisor's Market Commentary;
- Update on the Fund's accounts and annual report;
- Funding position update;
- Investment Performance;
- London Collective Investment Vehicle (LCIV) Update; and
- Stewardship Update;

2. Cabinet Member Introduction

2.1. Not applicable.

3. Recommendations

The Pensions Committee and Board is asked:

3.1. To note the information provided in respect of the activity in the three months to 30 September 2020.

4. Reason for Decision

4.1. Not applicable.

5. Other options considered

5.1. Not applicable.

6. Background information

- 6.1. This update report is produced on a quarterly basis. The Local Government Pension Scheme Regulations require the Pensions Committee and Board to review investment performance. Confidential Appendix 2 to this report provides information to this end.
- 6.2. This report also provides an update on the work of the London Collective Investment Vehicle (CIV) and commentary on the markets from Fund's Independent Advisor.

7. Contribution to Strategic Outcomes

7.1. Not applicable.

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

Finance and Procurement

- 8.1. The Chief Financial Officer (s151 Officer) has been consulted on this report and there is no direct financial impact from the contents of this report.

Legal Services

- 8.2. The Council as administering authority for the Haringey Pension Fund must periodically review the suitability of its investment portfolio to ensure that returns, risk, and volatility are all appropriately managed and are consistent with its overall investment strategy.
- 8.3. All monies must be invested in accordance with the Investment Strategy Statement (as required by Regulation 7 of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016) and members of the Committee should keep this duty in mind when considering this report and take proper advice on the matter.

Comments of the Independent Advisor

- 8.4. As appended to this report in Appendix 1.

Equalities

- 8.5. The Local Government Pension Scheme is a defined benefit open scheme enabling all employees of the Council to participate. There are no impacts in terms of equality from the recommendations contained within this report.

9. Use of Appendices

- 9.1. Appendix 1: Independent Advisor's Market commentary
9.2. Confidential Appendix 2: Pension Fund Performance
9.3. Confidential Appendix 3: LAPFF Interim Report on Company Engagement in the Occupied Palestinian Territories/Israeli Territories.

10. Local Government (Access to Information) Act 1985

- 10.1. Not applicable.

11. Market Commentary

- 11.1. A market commentary on quarter three of 2020 prepared by the Fund's Independent Advisor is attached at Appendix 1 to this report.

12. Update on the Fund's Accounts and Annual Report

- 12.1. The Fund's accounts and annual report are usually presented to the Pensions Committee and Board in July for the committee's approval. This would normally be expected to take place prior to 31 July in line with government deadlines. However, for 2019/20, exceptionally, the government has delayed the deadline by which it is expected that audits are concluded and accounts approved to 30 November 2020.
- 12.2. The Fund's annual accounts were delayed in being produced (compared to previous years), due to delays in receiving valuation information for some of the fund's assets, the draft accounts were published at the same time as the Council's accounts on 29 June 2020. Additionally, some of the information which would be included in the fund's annual report was unavailable within normal timescales.
- 12.3. The auditors had completed their work ahead of the 30 November 2020 deadline and were ready to sign off and issue the audit opinion on the 2019/20 pension fund annual accounts. The audit partner informed officers in late November that they will not be issuing their audit opinion on the pension fund by 30 November 2020 as previously planned. This is due to a direction from the National Audit Office that both the audit opinion for the council and pension fund accounts have to be issued together, and given the audit of the council's will not be completed until January 2021, issuance of the audit opinion for the pension fund will also be delayed.

13. Funding Position Update

13.1. At the most recent valuation 31 March 2019, the Fund had a funding position of 100.4% - meaning that the fund's investment assets were sufficient to pay all pension benefits accrued at that date, based on the underlying actuarial assumptions used.

13.2. The Fund's Actuary, Hymans Robertson LLP, has calculated an indicative funding position update for 31 March 2020, and this showed a decrease to a 92.8% funding level. This position was down from 31 December 2019 which showed 104.6%.

13.3. The 100.4% funding level as at 31 March 2019 corresponded to a net surplus of £6m, which has decreased to an indicative deficit of £102m as at 31 March 2020. This is largely due to the impact of Covid 19 on global markets, but most of the decrease has been recovered in the quarter ending 30 June 2020.

14. Portfolio Allocation Against Benchmark

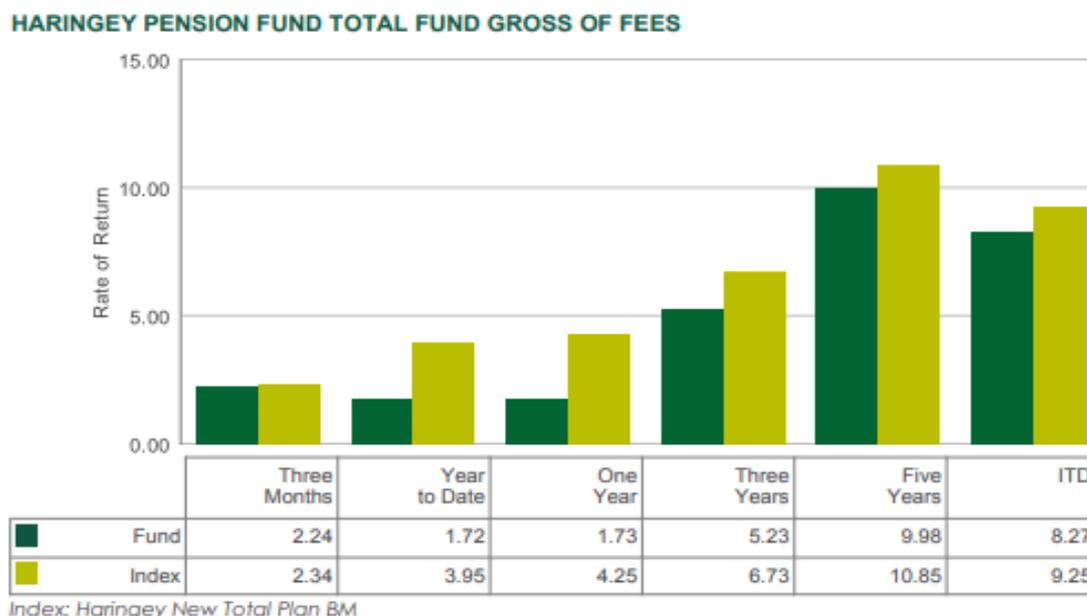
14.1. The value of the fund increased by £30.5m between June 2020 and September 2020 – further details are shown in the following table. The increase between the quarters is largely due to recovery of losses incurred when the economy was shut down due to Covid 19.

Total Portfolio Allocation by Manager and Asset Class

	Value	Value	Value	Value	Value	Value	Allocation	Strategic	Variance
	30.06.2019	30.09.2019	31.12.2019	30.06.2020	30.03.2020	30.09.2020	30.09.2020	Allocation	
	£'000	£'000	£'000	£'000	£'000	£'000	%	%	%
Equities									
Multi Factor Global	284,769	295,041	300,675	274,810	235,740	298,238	20.13%	20.20%	-0.07%
Emerging Markets Low Carbon	103,074	102,019	106,392	103,032	86,999	107,741	7.27%	7.10%	0.17%
Global Low Carbon	296,821	293,894	306,198	293,085	245,870	307,475	20.75%	20.20%	0.55%
Total Equities	655,351	684,664	690,954	670,927	568,609	713,454	48.14%	47.50%	0.64%
Bonds									
Index Linked	199,815	217,271	196,822	220,605	217,519	175,531	11.85%	10.00%	1.85%
Property									
Aviva	0	50,000	49,792	47,763	47,865	48,098	3.25%	5.00%	-1.75%
CBRE	99,581	99,615	99,277	93,855	97,214	97,178	6.56%	7.50%	-0.94%
Private equity									
Pantheon	67,763	69,354	67,376	71,742	70,569	72,585	4.90%	5.00%	-0.10%
Multi-Sector Credit									
CQS	113,411	114,093	115,625	108,233	96,013	143,461	9.68%	10.00%	-0.32%
Multi-Asset Absolute Return									
Ruffer	155,325	134,675	136,012	134,632	132,914	136,140	9.19%	7.50%	1.69%
Infrastructure Debt									
Allianz	43,068	44,860	46,976	41,692	42,260	46,286	3.12%	2.50%	0.62%
Renewable Energy									
CIP	5,086	7,657	8,127	16,493	15,952	18,636	1.26%	2.50%	-1.24%
Blackrock	23,318	23,198	23,355	26,686	26,493	26,474	1.79%	2.50%	-0.71%
Cash & NCA									
Cash	31,730	15,713	16,763	18,764	12,804	4,056	0.27%	0.00%	0.27%
Total Assets	1,384,168	1,423,761	1,467,390	1,451,392	1,328,212	1,481,899	100%	100%	0.00%

Investment Performance

14.2. A performance strategy report is attached to this report at Confidential Appendix 2, this is prepared by the Fund's Custodian, Northern Trust. The Fund's overall returns for the quarter are summarised in the chart below:



15. London Collective Investment Vehicle (LCIV) Update

15.1. The London CIV held a business update meeting on 19 November 2020. This meeting was attended by the Chair of the Pensions Committee and Board.

15.2. There have been two key permanent appointments at the LCIV in the past few months:

- Vanessa Shia – Head of Private Markets;
- Gus Loriot – Responsible Investment Manager.

15.3. The LCIV continues to implement its business plan. There continues to be a focus on expanding the portfolio of assets available to client funds. Redington have been appointed to be the advisor in the manager selection of Renewables and ISIO have been appointed in the equivalent role for the selection of a Private Debt manager. These two funds are expected to launch toward the end of Q1 2021.

15.4. The LCIV continues to collaborate with the Local Pension Partnership to establish the London Fund that will focus on investments in the London. The Fund has now received approval from the FCA and is expected to launch in December 2020.

15.5. Three sub fund managers remain under enhanced monitoring one of which is CQS who have been in this position for over 10 months. Following the decision by the LCIV executive committee to appoint a second multi asset credit (MAC) manager, further detail on the process for doing this and how the two managers will operate is summarised below.

15.6. The LCIV plan to retain CQS as a High yield and Leveraged Loans Fund manager and appoint another manager that will focus on the whole of market for multi asset credit. Members of the Pensions Committee and Board will recall a discussion on this topic at the October 2020 meeting which London CIV officers attended. At the time, the LCIV position was that the Fund had to transfer 50% of investment assets to the new manager or disinvest from the LCIV MAC fund altogether. The latest solution means that the Haringey Pension Fund will not be forced to divest 50% of its assets to a new, yet to be appointed, manager unless the Fund wishes to do so.

16. Stewardship Update

Signatories to the United Nations Principles of Responsible Investment (UNPRI)

16.1. The Committee enquired why one of the Fund's investment managers was still a non-signatory to the UNPRI charter and asked officers to pursue this with the affected manager. The manager has now confirmed to the Fund that it has submitted the relevant documentation to be a signatory and would be a recognised signatory from February 2021.

Update on Companies Operating in Occupied Palestinian Territory/Israeli Settlement

16.2. It was agreed at the last Committee meeting that the Fund would allow LAPFF in their role as Environmental, Social, and Governance (ESG) engagement lead for the Fund to start engaging with the companies where the Fund hold investments and have been identified as carrying out specific business activities related to the Israeli settlements in the Occupied Palestinian Territory by the United Nations Human Rights Council (UNHRC). As previously reported, the Haringey Pension Fund holds no shares directly but has some exposure to the listed companies via pooled investment vehicles. This limits direct actions that can be taken by the Fund to effectively pressure these companies which was why the Committee agreed to pursue this through the LAPFF.

16.3. The LAPFF had in fact engaged with companies operating in the Israeli settlements/occupied territories prior to the issuance of the UNHRC report – especially those in which LAPFF member funds collectively hold a high number of shares. Following the issuance of the report, LAPFF has committed to continuing the process of engagement using the UNHR report as a point of reference for their engagement activities going forward.

16.4. So far, the main thrust of engagement with these companies has focussed on requesting that the companies produce robust, independent and credible human rights impact assessments in line with the UN Guiding Principles on Business and Human Rights. The LAPFF will continue with this approach for now and use it as a way to ensure the Fund has sufficient information to continue to challenge these companies and hold them to account both in respect of their human rights and financial performance.

- 16.5. As a next step to the above, in the case where these companies are not either engaging or making required progress, the LAPFF will be willing to consider escalation strategies such as providing voting recommendations at AGMs, exploring instigating collective investor engagement initiatives and using targeted press coverage to facilitate accountability.
- 16.6. An interim report issued by the LAPFF on engagement activities with companies operating in the Occupied Territory is attached at Confidential Appendix 3 of this report.

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JOHN RAISIN FINANCIAL SERVICES LIMITED

Independent Advisors Report

Market Background July to September 2020

The Quarter was positive for both Listed Equity and Bond markets. The MSCI World Index was up 8% (in \$ terms). Equity markets however saw clear diversification of performance across both geographies and sectors. The United States, Asia (excluding Japan) and Emerging Markets all saw returns around 9%-11% (in \$ terms). In contrast European Equities were flat (in Euro terms) and UK equities fell 3% (in £ terms). Growth stocks continued their long trend of outperforming Value stocks. The MSCI World Growth index returned 12% (in \$ terms) while the MSCI World Value Index returned 4%. While technology and distribution generally did well (assisted by the COVID-19 restrictions) it was not so positive for financial stocks (held back by potential loan defaults and long term low interest rate expectations) and in particular energy (hampered by lower fuel demand). High Government Bond prices continued while both Investment Grade and High Yield Corporate Credit had a clearly positive Quarter.

US Equities enjoyed another positive Quarter with the S&P 500 Index increasing by 9% over period June to September. The S&P 500 which had closed at 3,100 on 30 June closed at 3,363 on 30 September an increase of approaching 9%. The actions of the US Federal Reserve (continuing both ultra low interest rates and huge bond buying and announcing a more flexible approach to inflation targeting), some recovery in the US economy and the nature of the US stock market (with around a 25% weighting to just 5 huge technology orientated companies) all contributed to this continued rally.

The Federal Open Markets Committee (FOMC) of the US Federal Reserve which introduced extraordinary measures to support the economy and financial markets in March 2020 continued and indeed expanded this approach. The ultra low interest rate policy introduced in March was maintained at the July and September meetings when the FOMC maintained "*the target range for the federal funds rate at 0 to ¼ percent.*" On 27 August 2020 the FOMC announced an update to its strategic approach to monetary policy. Significantly the update included both changes that mean the Committee will be more tolerant going forward of inflation above 2% in order to compensate for previous long running low inflation and also that a low unemployment level will no longer be sufficient on its own to result in interest rate rises. These changes clearly indicated that the US interest rates could remain ultra low for a very long time.

The Press Statement issued after the September FOMC meeting clearly indicated that interest rates will be held at their current ultra low levels for a lengthy period. After referring to inflation "*running persistently*" below the 2% inflation target it was stated the Committee "*expects*" to maintain the present target range for the federal funds rate of 0 to ¼% "*until labor market conditions have reached levels consistent with the Committee's assessment of maximum employment and inflation has risen to 2 percent and is on track to moderately exceed 2 percent for some time.*" Forecasts issued after the September FOMC meeting indicated Federal Reserve policymakers expect no interest rate rises until at least the end of 2023.

While the July to September Quarter was clearly positive for US Equities volatility was also present. Having risen from 3,100 on 30 June to record closing high of 3,581 on 2 September the market then fell back to 3,237 on 23 September before recovering to 3,363 on 30 September. A particular feature of the performance, and potentially the heightened risks, of US markets is importance of just five stocks. – Apple, Alphabet, Amazon, Facebook and Microsoft. These companies have benefitted significantly in the COVID-19 environment. These companies, which numerically account for 1% of the companies in the Index have grown to account for around a quarter of the total S&P 500 Index by market capitalisation. However, as in early September, when they falter, even briefly, their sheer size potentially endangers the US equity market in general.

While US economic activity and employment were both still well below their levels at the beginning of 2020, they continued to recover somewhat during the July to September Quarter. The “advance” estimate from the US Bureau of Economic Analysis of 29 October 2020, indicated that *“Real gross domestic product (GDP) increased at an annual rate of 33.1 percent in the third quarter of 2020... In the second quarter, real GDP decreased 31.4 percent.”* However, output remained below pre COVID levels.

Unemployment which had been 3.5% in December 2019 reached 14.7% in April 2020. It had fallen to 10.2% by July and to 7.9% in September. This is however still the highest US unemployment rate since January 2013. Also, these headline unemployment statistics may be categorised as overoptimistic the reason being that some of those who initially lost their jobs in the US have now fallen out of the headline measure due to the Bureau of Labour Statistics labelling them either re-employed in part-time jobs or ineligible for work. Inflation as measured by the Personal Consumption Expenditures (PCE) index (the US Federal Reserve’s favoured measure) continued to run clearly below the Federal Reserve’s 2% target. The respected University of Michigan Survey of Consumers indicated, for September, the highest level of consumer confidence for 6 months. Notably however the September survey results commentary included the following narrative *“the recent gains [in sentiment] are encouraging even though they were largely due to upper income households. Indeed, the data indicate that lower income households face continued income and job losses compared with the modest gains expected by upper income households. Also, lower income households more frequently anticipated real income declines. Without a renewed federal stimulus and enhanced unemployment payments, the income gap will widen.”*

Despite a recovery in output in the July to September Quarter Eurozone GDP remained clearly below pre COVID levels. Eurozone equities were flat with, for example, the MSCI EMU Index rising by only 0.2% (in Euro terms). There were signs of clearly rising COVID rates in September. The European Central Bank made no changes to interest rate or bond buying policy at its July and September monetary policy meetings.

While Eurozone unemployment, aided by furlough schemes, worsened little during the Quarter (it was 7.8% in June and 8.3% in September) the inflation trend became even more worrying with the Eurozone experiencing deflation in both August and September 2020. In 2019 headline Eurozone inflation was well below the ECB policy objective of below, but close to 2% over the medium term. By December 2019 Eurozone headline inflation had climbed to 1.3%. By June 2020 it was however only 0.4% and in August the Eurozone slipped into deflation with headline inflation at minus 0.2%. In September it fell to minus 0.3%. Declines in energy prices and a stronger Euro were amongst the causes.

In July the European Union agreed to establish a 750 billion Euro Recovery Fund consisting of £390 billion Euros of grants and 360 billion Euros of loans to be allocated amongst European Union states. This amounts to a large fiscal stimulus package. The agreement is also a step towards further European Union integration. The funds will be borrowed by the European Commission and guaranteed by all European Union member states. Italy and Spain are both likely recipients of significant grant aid under this arrangement.

The UK equity market declined during the Quarter and again clearly lagged world markets in general. The FTSE All Share index was down around 3%. A lack of progress on post Brexit arrangements and increasing COVID cases in September were negative influences on performance. The oil and financial sectors, which account for about 30% of the Index, performed poorly. For example, BP and Shell which comprise about 5% of the entire Index lost approximately 25% of their value during the July to September Quarter.

While data released by the Office for National Statistics indicated increased GDP over the Quarter monthly GDP was very clearly lower than in February 2020, prior to the full impact of COVID-19. Consumer Price Inflation (CPI), which had been 1.5% in March 2020 remained well below the Bank of England target of 2%. CPI was 1.0% in July, 0.2% in August and 0.5% in September. The Bank of England made no changes to interest rates or its bond buying policy at either its August or September Monetary Policy Committee meetings.

Japanese Equities (as measured by the Nikkei 225 Index) gained 4% over the Quarter. Japanese Core CPI inflation which despite huge monetary stimulus since 2013 has remained well below the 2% target has, since, the onset of the COVID-19 crisis turned, worryingly, into deflation. Japanese Core CPI which was 0.8% in January 2020 was 0% in July, minus 0.4% in August and minus 0.3% in September. The Bank of Japan maintained its previous ultra accommodative monetary policy stance at its meetings in both July and September 2020.

In late August Japan's longest serving Prime Minister Shinzo Abe announced his resignation due to ill health. This raised concerns regarding the future of Japanese economic policy given his creation of "Abenomics" which sought to revive the Japanese economy through the "three arrows" of ultra loose monetary policy, fiscal policy and structural/industrial reforms. However, his successor Yoshihide Suga quickly announced continuity which allayed investors concerns particularly given it is anticipated that there may be a greater emphasis on structural reform under Mr Suga.

Despite continuing US – China trade tensions Asia (excluding Japan) and Emerging Market equities enjoyed a clearly positive Quarter during July to September as they had in the previous (April to June) Quarter. Relative US dollar weakness was a positive for Asian/Emerging Markets. China, Singapore, South Korea and China all have strong technology sectors which have benefitted from the COVID-19 environment. The MSCI AC Asia (excluding Japan) returned 11% (in \$ terms). The MSCI Emerging Markets Index returned 10% (in \$ terms).

The National Bureau of Statistics of China reported that the Chinese economy grew by 4.9% (year on year) in the third Quarter of 2020. This compared with growth of 3.2% reported for the previous Quarter and a fall of 6.8% for the January to March 2020 Quarter. Alone of the world's major economies China's economy was larger (by about 1%) than a year ago. A number of factors account for this not least relative success in controlling COVID-19 (aided by the commanding/controlling nature of the regime as well as experience), state support for industry and expanding exports including of technology, medical and protective equipment.

In an environment of Central Bank support and the ongoing COVID-19 crisis the low yields previously associated with the leading Government Bonds – US, UK and Germany continued in this Quarter although both the US and UK 10 Year yields rose slightly (and therefore prices fell slightly). The US 10 Year yield rose from 0.66 to 0.68 while the UK 10 Year Yield rose from 0.17 to 0.23. Corporate credit enjoyed another positive Quarter.

In conclusion the July to September Quarter was broadly positive for financial markets. Further economic recovery together with huge fiscal and in particular monetary stimulus all provided support to the markets. While continuing market buoyancy is favourable to investors including Pension Funds it should be remembered that the COVID-19 pandemic continued throughout the Quarter. Also, the financial wellbeing of many individuals, particularly the economically less well off, have been significantly adversely affected in the context of the COVID-19 pandemic.

John Raisin Financial Services Limited
Company Number 7049666 registered in England and Wales.
Registered Office 130 Goldington Road, Bedford, MK40 3EA
VAT Registration Number 990 8211 06

Report for: Pensions Committee and Board – 21 January 2021

Title: Conflicts of Interest Policy

Report authorised by: Thomas Skeen, Assistant Director of Finance (Deputy s151 Officer)

Lead Officer: Oladapo Shonola, Head Pensions & Treasury,
Oladapo1.shonola@haringey.gov.uk, 020 8489 1860

Ward(s) affected: N/A

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

1. Describe the issue under consideration

1.1. This report introduces the proposed Conflict of Interest Policy.

2. Cabinet Member Introduction

2.1. Not applicable.

3. Recommendations

The Pensions Committee and Board is asked:

3.1. To approve and adopt the Conflicts of Interest Policy as set out in Appendix 1 to the report.

4. Other options considered

4.1. Not applicable.

5. Background information

5.1. From April 2015, certain public sector pension schemes must be governed and administered under the Public Service Pensions Act 2013 (“Act”). Therefore, managers and Pensions Committee and Board members must comply with a number of legal requirements. One of the requirements is ensure that no individual has a Conflict of Interest.

- 5.2. A Conflicts of Interest Policy has been established to guide Pensions Committee and Board members, officers, and advisers. Along with other constitutional documents, including the various Codes of Conduct, it aims to ensure that they do not act improperly or create a perception that they may have acted improperly. It is an aid to good governance, encouraging transparency and minimising the risk of any matter prejudicing decision making or management of the Fund
- 5.3. A copy of the Conflicts of Interest Policy can be found at Appendix 1.
- 5.4. A copy of this policy will be sent to all Pensions Committee and Board members, senior Managers, and advisors, who will then complete 'Conflicts of Interest Declaration Form'. This is a process that is repeated annually.
- 5.5. A Register of Interests has been established and will be updated when required. It will be available for inspections before all meetings of the Board, and any material interests will be disclosed on the annual report.
- 5.6. The last version of the conflicts of interest policy was approved at the Pensions Committee and Board meeting in March 2019, it is good practice to regularly review the policy to ensure it remains current.

6. Comments of the Chief Financial Officer and financial implications

- 6.1. There are no financial considerations.

7. Comments of the Assistant Director of Corporate Governance

- 7.1. The Assistant Director of Corporate Governance has been consulted in the preparation of this report, and makes the following comments.
- 7.2. The Assistant Director of Corporate Governance supports the recommendation made in the report, as a key tool in ensuring good governance in decision making.
- 7.3. The Act in Section 7 (5) defines "conflict of interest", relation to a person, as a financial or other interest which is likely to prejudice the person's exercise of functions as a member of the board (but does not include a financial or other interest arising merely by virtue of membership of the scheme or any connected scheme). The policy follows guidance issued by the LGPS, and contains the 3 minimum aspects to what a policy should contain, namely:
 - Examples of scenarios giving rise to conflicts of interest
 - Examples of scenarios how conflicts may arise specifically in relation to a member of the Board;

- How to deal with such conflicts when they arise.

8. Equalities and Community Cohesion Comments

8.1. There are no equalities issues arising from this report.

9. Head of Procurement Comments

9.1. Not applicable.

10. Policy Implications

10.1. Not applicable.

11. Use of Appendices

11.1. Appendix 1: Conflicts of Interest Policy and Declaration of Interests Form.

12. Local Government (Access to Information) Act 1985

12.1. Not applicable.

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London Borough of Haringey Pension Fund Conflicts of Interest Policy

1. Introduction

- 1.1 Conflicts of interest have always existed for those with Local Government Pension Scheme (LGPS) administering authority responsibilities as well as for advisers to LGPS funds. This simply reflects the fact that many of those managing or advising LGPS funds will have a variety of other roles and responsibilities, for example as a member of the scheme, as an Elected Member of an employer participating in the LGPS or as an adviser to more than one LGPS administering authority. In addition, they may have an individual personal, business or other interest which might conflict, or be perceived to conflict, with their role managing or advising LGPS funds.
- 1.2 It is generally accepted that LGPS administering authorities have both fiduciary and public law duties to act in the best interests of both the scheme beneficiaries and participating employers. This, however, does not preclude those involved in the management of the fund from having other roles or responsibilities which may result in an actual or potential conflict of interest. Accordingly, it is good practice to document within a policy, such as this, how any such conflicts or potential conflicts are to be managed.
- 1.3 This is the Conflicts of Interest Policy of the London Borough of Haringey Pension Fund (LBHPF), which is managed by London Borough of Haringey (LBH). The Policy details how actual and potential conflicts of interest are identified and managed by those involved in the management and governance of the LBHPF whether directly or in an advisory capacity.
- 1.4 This Conflicts of Interest Policy is established to guide the Pensions Committee and Board, officers and advisers. Along with other constitutional documents, including the various Codes of Conduct, it aims to ensure that they do not act improperly or create a perception that they may have acted improperly. It is an aid to good governance, encouraging transparency and minimising the risk of any matter prejudicing decision making or management of the Fund otherwise.

2. Aims and Objectives

- 2.1 In relation to the governance of the Fund, the Administering Authority's objectives are to ensure that:
 - All members of the Pensions Committee and Board and staff charged with the financial administration and decision-making with regard to the Fund are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them.
 - The Fund is open in all its dealings and readily provides information to interested parties.
 - All relevant legislation is understood and complied with.
 - The Fund is at the forefront of best practice for LGPS funds.

- All Conflicts of Interest are managed appropriately.
- 2.2 The identification and management of potential and actual conflicts of interest is therefore integral to the Administering Authority achieving its governance objectives.

3. Application of this policy

- 3.1 This Conflicts of Interest Policy applies to all Pensions Committee and Board members including employee and employer representatives, whether voting members or not. It applies to all staff supporting the LBHPF.
- 3.2 This Policy and the issue of conflicts of interest in general must be considered in light of each individual's role, whether this is a management, advisory or assisting role.
- 3.3 The Head of Pensions will monitor potential conflicts for less senior officers involved in the daily management of the Pension Fund and highlight this Policy to them as appropriate.
- 3.4 This Policy also applies to all advisers and suppliers to the Fund, in relation to their role in advising or supplying the Fund.
- 3.5 In this Policy, reference to advisers includes all advisers, suppliers and other parties providing advice and services to the Administering Authority in relation to pension fund matters. This includes but is not limited to actuaries, investment consultants, independent advisers, fund managers, lawyers, custodians and AVC providers. Where an advisory appointment is with a firm rather than an individual, reference to "advisers" is to the lead adviser(s) responsible for the delivery of advice and services to the Administering Authority rather than the firm as a whole.
- 3.6 In accepting any role covered by this Policy, those individuals agree that they must:
- acknowledge any potential conflict of interest they may have;
 - be open with the Administering Authority on any conflicts of interest they may have;
 - adopt practical solutions to managing those conflicts; and
 - plan ahead and agree with the Administering Authority how they will manage any conflicts of interest which arise in future.
- 3.7 The procedures outlined later in this policy provide a framework for each individual to meet these requirements.

4. Legislative and related context

- 4.1 There are a number of requirements relating to the management of potential or actual conflicts of interest for those involved in LGPS funds which are included in legislation or guidance. These are summarised in Appendix 1.

5. Other administering Authority Requirements

5.1 Individuals to whom this policy applies may also be required to adhere to other requirements in relation to conflicts of interest. This includes:

- Pensions Committee and Board members who are required to adhere to the LBH Members' Code of Conduct.
- Employees who are required to adhere to the LBH Staff Code of Conduct.
- Advisers who are expected to have their own policies or protocols.

5.2 Further information is provided in Appendix 2.

6. What is a Conflict or potential Conflict and how will it be managed?

6.1 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:

- has a responsibility or duty in relation to the management of, or provision of advice to, the LBHPF, and
- 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. Some examples of potential conflicts are included in Appendix 3.

6.2 LBH encourages a culture of openness and transparency and encourages individuals to be vigilant; have a clear understanding of their role and the circumstances in which they may have a conflict of interest, and of how potential conflicts should be managed.

6.3 LBH will evaluate the nature of any dual interests or responsibilities that are highlighted and assess the impact on Pension Fund operations and good governance were an actual conflict of interest to materialise.

6.4 Ways in which conflicts of interest may be managed include:

- the individual concerned abstaining from discussion, decision-making or providing advice relating to the relevant issue.
- the individual being excluded from the meeting(s) and any related correspondence or material in connection with the relevant issue.
- a working group or sub-committee being established, excluding the individual concerned, to consider the matter outside of the formal meeting (where the terms of reference permit this to happen).

6.5 Provided that the Administering Authority (having taken any professional advice deemed to be required) is satisfied that the method of management is satisfactory, LBH shall endeavour to avoid the need for an individual to resign due to a conflict of interest. However, where the conflict is considered to be so fundamental it cannot be effectively managed, or

where a Pension Board member has an actual conflict of interest as defined in the Public Service Pensions Act 2013, the individual will be required to resign from their role.

7. Responsibility

7.1 The Administering Authority for the LBHPF must be satisfied that conflicts of interest are appropriately managed. For this purpose, the Monitoring Officer is the designated individual for ensuring the procedure outlined below is adhered to. However, it is the responsibility of each individual covered by this Policy to identify any potential instances where their personal, financial, business or other interests might come into conflict with their pension fund duties.

8. Operational procedures

8.1 Declaration at Appointment

8.1.1 On appointment to their role or on the commencement of this Policy if later, all individuals will be provided with a copy of this Policy and be required to complete a Declaration of Interest form. See Appendix 4. The information contained in this declaration will be collated into the Pension Fund's Register of Conflicts of Interest.

8.2 Declaration at Meetings

8.2.1 At the commencement of any Pensions Committee and Board or other formal meeting where pension fund matters are to be discussed, the Chair will ask all those present who are covered by this Policy to declare any new potential conflicts.

8.2.2 These will be recorded in the Fund's Register of Conflicts of Interest. In addition, the latest version of the register will be made available to the Chair of every meeting prior to that meeting.

8.2.3 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. The Chair should then decide whether the conflicted or potentially conflicted individual needs to leave the meeting during the discussion on the relevant matter or to withdraw from voting on the matter.

8.2.4 If such a conflict is identified outside of a meeting the notification must be made to the Monitoring Officer and where it relates to the business of any meeting, also to the Chair of that meeting. The Monitoring Officer, in consultation with the Chair where relevant, will consider any necessary action to manage the potential or actual conflict.

8.2.5 Where information relating to any potential or actual conflict has been provided, the Monitoring Officer may seek such professional advice as he or she thinks fit on how to address any identified conflicts.

8.2.6 Any such potential or actual conflicts of interest and the action taken must be recorded in the Fund's Register of Conflicts of Interest.

8.3 Annual Declaration

8.3.1 Every 12 months all individuals will complete a new Declaration of Interest confirming that their information contained in the Register is correct or highlighting any changes that need to be made to the declaration.

8.4 Conduct at Meetings

8.4.1 There may be circumstances when a representative of employers or members wishes to provide a specific point of view on behalf of an employer (or group of employers) or member (or group of members). The Administering Authority requires that any individual wishing to speak from an employer's or member's viewpoint must state this clearly, e.g. at a Pensions Committee and Board meeting, and that this will be recorded in the minutes.

9. Operational procedures for advisers

9.1 Although this policy applies to all of the key advisers, the operational procedures outlined in 8.1 and 8.3 above relating to completing declarations do not apply to advisers. Instead all advisers must:

- be provided with a copy of this Policy on appointment and whenever it is updated
- adhere to the principles of this Policy
- provide, on request, information as to how they will manage and monitor actual or potential conflicts of interests relating to the provision of advice or services to LBH as Administering Authority
- notify the Assistant Director Corporate Governance immediately should a potential or actual conflict of interest arise.

9.2 All potential or actual conflicts notified by advisers will be recorded in the Fund's Register of Conflicts of Interest.

10. Monitoring and reporting

10.1 The Fund's Register of Conflicts of Interest may be viewed by any interested party by appointment during normal business hours. In addition information relating to conflicts of interest will be published in the Fund's Annual Report and Accounts.

10.2 In order to identify whether the objectives of this Policy are being met the administering authority will review the Register of Conflicts of Interest on an annual basis and consider whether there has been any potential or actual conflicts of interest that were not declared at the earliest opportunity.

11. Key Risks

11.1 The key risks to the delivery of this Policy are outlined below all of which could result in an actual conflict of interest arising and not being properly managed. Head of Pensions will monitor these and other key risks and consider how to respond to them, taking advice from the Monitoring Officer as appropriate.

The key risks are:

- Insufficient training or poor understanding in relation to individuals' roles on pension fund matters.
- Insufficient training or failure to communicate the requirements of this Policy.
- Absence of the individual nominated to manage the operational aspects of this Policy and no one deputising or failure of that individual to carry out the operational aspects in accordance with this Policy.
- Failure by the Chair of the Pensions Committee and Board to take appropriate action when a conflict is highlighted at a meeting.

12. Costs

12.1 All costs related to the operation and implementation of this Policy will be met directly by LBHPF. However, no payments will be made to any individuals in relation to any time spent or expenses incurred in the disclosure or management of any potential or actual conflicts of interest under this Policy.

Legislation, Regulation and Guidance on Conflicts of Interest

The requirements in relation to the management of potential or actual conflicts of interest for those involved in LGPS funds are contained in various elements of legislation and guidance.

The Public Service Pensions Act 2013

Section 5 of this Act requires that the scheme manager (in the case of the LGPS, this is the administering authority) must be satisfied that a local pension board member does not have a conflict of interest at the point of appointment and from time to time thereafter. It also requires local pension board members (or nominated members) to provide reasonable information to the scheme manager for this purpose. Haringey Pensions Committee and Board carries out the functions of the local pension board.

The Act defines a conflict of interest as “a financial or other interest which is likely to prejudice the person’s exercise of functions as a member of the board (but does not include a financial or other interest arising merely by virtue of membership of the scheme or any connected scheme).” Further, the Act requires that scheme managers must have regard to any such guidance that the national scheme advisory board issue.

The Local Government Pension Scheme Regulations 2013

Regulation 108 of these Regulations applies the requirements of the Public Service Pensions Act (as outlined above) to the LGPS, placing a duty on each administering authority to satisfy itself that local pension board members do not have conflicts of interest on appointment or whilst they are members of the board. It also requires those pension board members to provide reasonable information to the administering authority in this regard.

Regulation 109 states that each administering authority must have regard to guidance issued by the Secretary of State in relation to local pension boards. Further, regulation 110 provides that the national scheme advisory board has a function of providing advice to administering authorities and local pension boards. The shadow LGPS national scheme advisory board has issued guidance relating to the creation of local pension boards including a section on conflicts of interest. This Conflicts of Interest Policy has been developed having regard to that guidance. The guidance can be viewed at:

<http://www.lgpsboard.org/index.php/board-publications/board-guidance>

The Pensions Act 2004

The Public Service Pensions Act 2013 added a number of provisions to the Pensions Act 2004 related to the governance of public service pension schemes and, in particular, conflicts of interest.

Section 90A requires the Pensions Regulator to issue a code of practice relating to conflicts of interest for pension board members. The Pensions Regulator has issued such a code and this Conflicts of Interest Policy has been developed having regard to that code. The code can be viewed at <http://www.thepensionsregulator.gov.uk/public-service-schemes/pension-board-conflicts-of-interest-and-representation.aspx>

Further, under section 13, the Pensions Regulator can issue an improvement notice (i.e. a notice requiring steps to be taken to rectify a situation) where it is considered that the requirements relating to conflicts of interest for Pension Board members are not being adhered to.

The Localism Act 2011

Chapter 7 of this Act requires councillors to comply with the code of conduct of their local authority and that code of conduct must be consistent with the Seven Principles of Public Life (set out below). In addition the Act requires that the code of conduct must include provisions requiring the disclosure and registration of pecuniary interests and interests other than pecuniary interests.

The Seven Principles of Public Life

Otherwise known as the 'Nolan Principles', the seven principles of public life apply to anyone who works as a public office-holder. This includes people who are elected or appointed to public office, nationally and locally, and all staff in:

- the civil service
- local government
- the police
- the courts and probation services
- non-departmental public bodies
- health, education, social and care services

The principles also apply to all those in other sectors that deliver public services. Many of the principles are integral to the successful implementation of this Policy. The principles are as follows:

- selflessness
- integrity
- objectivity
- accountability
- openness
- honesty
- leadership.

Advisers' Professional Standards

Many advisers will be required to meet professional standards relating to the management of conflicts of interest, for example, the Fund Actuary will be bound by the requirements of the Institute and Faculty of Actuaries. Information about these requirements can be viewed at: www.actuaries.org.uk/regulation/pages/conflicts_of_interest

Any Protocol or other document entered into between an adviser and the Administering Authority in relation to conflicts of interest, whether as a requirement of a professional body or otherwise, should be read in conjunction with this Policy.

Other Administering Authority Requirements

In addition to the requirements of this Policy, Pensions Committee and Board members (including employer and employee representatives) are required to adhere to the LBH Members' Code of Conduct or the LBH Code of Conduct for Staff.

Pensions Committee and Board Members

In addition to the requirements of this Policy, Pensions Committee and Board members are required to adhere to the Terms of Reference of the Pensions Committee and Board.

Employees

In addition to the requirements of this Policy, officers of LBH are required to adhere to the LBH Code of Conduct for Staff.

Advisers

The Administering Authority appoints its own advisers. There may be circumstances where these advisers are asked to give advice to LBH or other scheme employers, or even to scheme members or member representatives such as the Trades Unions, in relation to pension matters.

Similarly, an adviser may also be appointed to another administering authority which is involved in a transaction involving the LBHPF and on which advice is required. An adviser can only continue to advise the Administering Authority and another party where there is no conflict of interest in doing so.

Where the Pension Board decides to appoint an adviser, this can be the same person, or organisation as is appointed to advise the Investment advisory Panel or joint advisory Group or Fund officers as long as there is no conflict of interest between the two roles.

The key advisers are all expected to have their own policies or protocols on how conflicts of interest will be managed in their relationships with their clients, and these must be shared with the Fund.

Examples of potential Conflicts of Interest

- a) An elected member on the Pensions Committee and Board is asked to provide views on a funding strategy which could result in an increase in the employer contributions required from the employer he or she represents.
- b) A member of the Pensions Committee and Board is on the board of a Fund Manager that is being considered for appointment.
- c) An officer of the Fund or member of the Pensions Committee and Board accepts a dinner invitation from a service provider who has submitted a bid as part of a tender process.
- d) An employer representative on the Pensions Committee and Board is employed by a company to which the administering authority has outsourced its pension administration services and the Pensions Committee and Board is reviewing the standards of service provided by that company.
- e) The person appointed to consider internal disputes is asked to review a case relating to a close friend or relative.
- f) An employer representative employed by the administering authority and appointed to the Pensions Committee and Board to represent employers generally could be conflicted if he or she only acts in the interests of the administering authority, rather than those of all participating employers. Equally, a member representative, who is also a trade union representative, appointed to the Pension Committee and Board to represent the entire scheme membership could be conflicted if he or she only acts in the interests of their union and union membership, rather than all scheme members.
- g) A Fund adviser is party to the development of a strategy which could result in additional work for their firm, for example, providing assistance with monitoring the covenant of employers.
- h) An employer representative has access to information by virtue of his or her employment, which could influence or inform the considerations or decisions of the Pensions Committee and Board. He or she has to consider whether to share this information in light of their duty of confidentiality to their employer. Their knowledge of this information will put them in a position of conflict if it is likely to prejudice their ability to carry out their functions as a member of the Pensions Committee and Board.

London Borough of Haringey Pension Fund

Declaration of Interests relating to the management of London Borough of Haringey Pension Fund

I, [insert full name], am:

- an officer involved in the management
- Pensions Committee and Board Member

of London Borough of Haringey Pensions Committee and Board and I set out below under the appropriate headings my interests, which I am required to declare under LB Haringey Pension Fund Conflicts of Interest Policy. I have put “none” where I have no such interests under any heading.

Responsibilities or other interests that could result in a conflict of interest (please list and continue overleaf if necessary):

A) Relating to me

B) Relating to family members or close colleagues

Undertaking:

I declare that I understand my responsibilities under the LB Haringey Pension Fund Conflicts of Interest Policy. I undertake to notify the Head of Pensions of any changes in the information set out above.

Signed

Date

Name

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Report for: Pensions Committee and Board – 21 January 2021

Title: Proposed Amendments to the Constitution (Part Three, Responsibility for Functions)

Report authorised by: John Jones, Interim Monitoring Officer

Lead Officer: Ayshe Simsek, Democratic Services and Scrutiny Manager,
ayshe.simsek@haringey.gov.uk, 020 8489 2929

Ward(s) affected: Not applicable

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

1. Describe the issue under consideration

- 1.1 The Council constitution governs the organisation of Council decision making. It is kept under review and, when necessary, amendments are proposed to Standards Committee for consideration and recommendation on to Full Council, in accordance with Article 14.03 (Changes to the Constitution).
- 1.2 This report seeks approval to amend the wording in relation to employer representatives of the Pensions Committee and Board to bring it in line with Pensions Regulations. If this proposal is agreed by the Standards Committee, it will be recommended to Full Council. The proposal is also being presented to the Pensions Committee and Board and any comments made will be reported to the Standards Committee meeting on 25 January 2021.

2. Cabinet Member Introduction

Not applicable.

3. Recommendations

The Pensions Committee and Board is asked:

- 3.1 To note the proposed amendment of the wording in relation to employer representatives of the Pensions Committee and Board to bring it in line with Pensions Regulations.
- 3.2 To comment on the proposals.

4. Reasons for decision

To ensure that the Council constitution is accurate and includes all of the necessary information.

5. Alternative options considered

To not agree the changes to the Council constitution and/ or defer consideration. This option is not recommended as it would delay the implementation of an accurate and complete constitution.

6. Background information

- 6.1 The Pensions Committee and Board consists of six councillor members, two employer representatives, and two employee representatives. The employer and employee representatives are co-opted members who serve for a period of four years and are eligible for re-appointment.
- 6.2 The two employer representatives are nominated by employers other than the Council. It has proved difficult to fill all of the employer representative positions and one position has been vacant for a number of years.
- 6.3 The Local Government Pension Scheme (Amendment) (Governance) Regulations 2015 (the Pensions Regulations) state that an employer representative must have 'the capacity to represent employers'. However, the requirements in the Council constitution are worded more narrowly and state that employer representatives must be 'from scheduled and admitted employers'.
- 6.4 It is proposed that the wording in the Council constitution is amended so that it replicates the wording from the Pensions Regulations. The proposed amendment would change the wording as follows (additions in bold text, deletions in strikethrough text): 'Two representatives ~~from~~ **who have the capacity to represent** scheduled and admitted employers'.
- 6.5 The amended wording would provide consistency with the Pensions Regulations but would also provide a wider pool of potential employer representatives and it is hoped that this would assist in filling the employer representative vacancy.
- 6.6 The proposals will be presented to the Pensions Committee and Board meeting on 21 January 2021. Any comments made by the Pensions Committee and Board will be presented verbally at the Standards Committee meeting on 25 January 2021.

7. Contribution to strategic outcomes

The Council's constitution supports the governance of the Council and its decision making thereby assisting the Council to meet its strategic outcomes.

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

Finance and Procurement

8.1 There are no financial implications arising from this report.

Legal

8.2 The proposed changes to the Council constitution were taken forward with Legal Service assistance.

Equality

8.3 There are no equality matters in this report.

9. Use of Appendices

Not applicable.

10. Local Government (Access to Information) Act 1985

The Council Constitution which can be found at:

<http://www.haringey.gov.uk/local-democracy/about-Council/Council-constitution>.

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Report for: Pensions Committee and Board – 21 January 2021

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

Report authorised by: Thomas Skeen, Assistant Director of Finance (Deputy s151 Officer)

Lead Officer: Oladapo Shonola, Head of Pensions & Treasury,
oladapo1.shonola@haringey.gov.uk, 020 8489 1860

Ward(s) affected: Not applicable

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

1. Describe the issue under consideration

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

2. Cabinet Member Introduction

- 2.1. Not applicable.

3. Recommendations

The Pensions Committee and Board is asked:

- 3.1. To note this report.

4. Reason for Decision

- 4.1. Not applicable.

5. Other options considered

- 5.1. Not applicable.

6. Background information

6.1. The voting alert received from LAPFF and outcome of votes, as well as how the fund's equity manager, Legal and General Investment Management (LGIM) voted, is detailed below.

Company	Description	LAPFF Recommendation For/Oppose	LGIM Vote For/Oppose	AGM Vote outcome
The Procter & Gamble	<ul style="list-style-type: none"> Efforts to eliminate deforestation report 	For	For	For (67%)
BHP Group Ltd	<ul style="list-style-type: none"> Amendment to the constitution of BHP Group Ltd: 	For	For	Oppose (90%)
	<ul style="list-style-type: none"> Cultural Heritage Protection; and 	For	Oppose	Withdraw (N/A)
	<ul style="list-style-type: none"> Lobbying related to Covid-19 recovery" 	For	For	Oppose (78%)

7. Contribution to Strategic Outcomes

7.1. Not applicable.

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

Finance and Procurement

8.1. There are no further finance or procurement comments arising from this report.

Legal

8.2. The Assistant Director of Governance was consulted on the content of this report. There are no legal issues directly arising from this report.

Equalities

8.3. There are no equalities issues arising from this report.

9. Use of Appendices

9.1. Not applicable.

10. Local Government (Access to Information) Act 1985

10.1. Not applicable.

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Report for: Pensions Committee and Board – 21 January 2021

Title: Risk Register - Review/Update

Report authorised by: Thomas Skeen, Assistant Director of Finance (Deputy s151 Officer)

Lead Officer: Oladapo Shonola, Head of Pensions & Treasury,
oladapo1.shonola@haringey.gov.uk, 020 8489 1860

Ward(s) affected: Not applicable

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

1. Describe the issue under consideration

- 1.1. This paper provides an update on the Pension Fund's risk register and 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 asked:

- 3.1. To note the risk register.
- 3.2. To note that the area of focus for review at the meeting was Administration and Communication.

4. Reason for Decision

- 4.1. Not applicable.

5. Other options considered

- 5.1. Not applicable.

6. Background information

- 6.1. The Pensions Regulator requires that the Pensions Committee and Board establish and operate internal controls. These must be adequate for the purpose of securing that the scheme is administered and managed in accordance with the scheme rules and in accordance with the requirements of the law.
- 6.2. The Pensions Committee and Board approved a full version of the risk register on 20 September 2016 and from each meeting after this date different areas of the register have been reviewed and agreed so that the risk register always remains current.
- 6.3. An abridged version of the full register is attached. This highlights the areas to be considered for this Pensions Committee and Board meeting in line with the agreed work plan for regular review of the risk register. Red rated risks are highlighted separately.

7. Contribution to Strategic Outcomes

- 7.1. Not applicable.

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

Finance and Procurement

- 8.1. The Chief Finance Officer confirms that there are no financial implications directly arising from this report.

Legal

- 8.2. The Assistant Director of Corporate Governance has been consulted on the content of this report. The recommendation would enhance the administering authority's duty to administer and manage the Scheme and is in line with the Pension Regulator's Code of Practice.

Equalities

- 8.3. There are no equalities issues arising from this report.

9. Use of Appendices

- 9.1. Appendix 1: Haringey Pension Fund Risk Register (Abridged Version)

10. Local Government (Access to Information) Act 1985

10.1. Not applicable.

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Risk Register - Haringey Pension Fund

Risk No	Cat Ref	Risk	Risk Ranking
GOVERNANCE			
1	GOV1	Pension Fund Objectives are not defined and agreed leading to lack of focus of strategy to facilitate the aims of the LGPS.	3
2	GOV2	Frequent and/or extensive turnover of committee members causing a loss of technical and operational knowledge about the Fund and an inexperienced Committee/Board.	12
3	GOV3	Members have insufficient knowledge of regulations, guidance and best practice to make good decisions.	12
4	GOV4	Member non-attendance at training events.	8
5	GOV5	Officers lack the knowledge and skills required to effectively advise elected members and/or carry out administrative duties.	4
6	GOV6	Committee members have undisclosed conflicts of interest.	3
7	GOV7	The Committee'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.	4
8	GOV8	Known risks not monitored leading to adverse financial, reputational or resource impact.	4
9	GOV9	Failure to recognise new Risks and/or opportunities.	4
10	GOV10	Weak procurement process leads to legal challenge or failure to secure the best value for the value when procuring new services.	5
11	GOV11	Failure to review existing contracts means that opportunities are not exploited.	4

Risk No	Cat Ref	Risk	Risk Ranking
INVESTMENTS			
48	INV1	That the assumptions underlying the Investment and Funding Strategies are inconsistent.	10
49	INV2	That Fund liabilities are not correctly understood and as a consequence assets are not allocated appropriately.	5
50	INV3	Incorrect understanding of employer characteristics e.g. strength of covenant.	10
51	INV4	The Fund doesn't take expert advice when determining Investment Strategy.	5
52	INV5	Strategic investment advice received from Investment Consultants is either incorrect or inappropriate for Fund.	10
53	INV6	Investment Manager Risk - this includes both the risk that the wrong manager is appointed and /or that the manager doesn't follow the investment approach set out in the Investment Management agreement.	10
54	INV7	Relevant information relating to investments is not communicated to the Committee in accordance with the Fund's Governance arrangements.	4
55	INV8	The risks associated with the Fund's assets are not understood resulting in the Fund taking either too much or too little risk to achieve its funding objective.	10
56	INV9	Actual asset allocations move away from strategic benchmark.	12
57	INV10	No modelling of liabilities and cash flow is undertaken.	5
58	INV11	The risk that the investment strategy adopted by London CIV through fund manager appointments does not fully meet the needs of the Fund.	15

Risk Register - Haringey Pension Fund

Risk No	Cat Ref	Risk	Risk Ranking
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Risk No	Cat Ref	Risk	Risk Ranking
59	INV12	Risk that the Fund's investment performance, valuation and funding level is significantly reduced following the Coronavirus pandemic	15

GOVERNANCE			
12	GOV12	Weak process and policies around communicating with a scheme members and employers means that decisions are not available for scrutiny.	3
13	GOV13	Lack of engagement from employers/members means that communicating decisions becomes a "tick box" exercise and accountability is not real.	12
14	GOV14	Failure to comply with legislation and regulations leads to illegal actions/decisions resulting in financial loss and / or reputational damage	5
15	GOV15	Failure to comply with guidance issued by The Pensions Regulator (TPR) and Scheme Advisory Board (SAB), or other bodies, resulting in reputational damage.	10
16	GOV16	Pension fund asset pooling restricts Haringey Pension Fund's ability to fully implement a desired mandate	5
17	GOV17	The Fund adopts and follows ill-suited investment strategy.	10
18	GOV18	The Fund's Governance processes are impaired following the Coronavirus Pandemic resulting in a lack of controls, or delays to decision making causing harm to the fund	10

COMMUNICATION			
60	COM1	Members don't make an informed decision when exercising their pension options whilst employers cannot make informed decisions when exercising their discretions leading to possible complaints and appeals against the Fund	12
61	COM2	Communication is overcomplicated and technical leading to a lack of engagement and understanding by the user (including members and employers).	6
62	COM3	Employer doesn't understand or carry out their legal responsibilities under relevant legislation.	12
63	COM4	Apathy from members and employers if communication is irrelevant or lacks impact leading to uninformed users.	9
64	COM5	Employers don't meet their statutory requirements leading to possible reporting of breaches to the Pension Regulator.	8
65	COM6	Lack of information from Employers impacts on the administration of the Fund, places strain on the partnership between Fund and Employer.	12

Risk Register - Haringey Pension Fund

Risk No	Cat Ref	Risk	Risk Ranking
LEGISLATION			
19	LEG1	Failure to adhere to LGPS legislation (including regulations, order from the Secretary of State and any updates from The Pension Regulator) leading to financial or reputational damage	5
20	LEG2	Lack of access to appropriate legislation, best practice or guidance could lead to the Fund acting illegally.	5
21	LEG3	Lack of skills or resource to understand complex regulatory changes or understand their impact.	8
22	LEG4	Risk that LGPS legislation regarding the benefits framework for the scheme changes significantly (and possibly at short notice) leading to increased fund liabilities due to McCloud and GMP rulings.	8
23	LEG5	Risk of legislation change post Brexit having negative impact on the fund	12

ACCOUNTING			
24	ACC1	The Pension Fund Statement of Accounts does not represent a true and fair view of the Fund's financing and assets.	5
25	ACC2	Internal controls are not in place to protect against fraud/mismanagement.	5
26	ACC3	The Fund does not have in place a robust internal monitoring and reconciliation process leading to incorrect figures in the accounts.	8
27	ACC4	Market value of assets recorded in the Statement of Accounts is incorrect leading to a material misstatement and potentially a qualified audit opinion.	10
28	ACC5	Inadequate monitoring of income (contributions) leading to cash flow problems.	4
29	ACC6	Rate of contributions from employers' in the Fund is not in line with what is specified in actuarial ratings and adjustment certificate potentially leading to an increased funding deficit or surplus.	5

Risk No	Cat Ref	Risk	Risk Ranking
FUNDING/LIABILITY			
66	FLI1	Funding Strategy and Investment considered in isolation by Officers, Committee and their separate actuarial and investment advisors	10
67	FLI2	Inappropriate Funding Strategy set at Fund and employer level despite being considered in conjunction with Investment Strategy.	10
68	FLI3	Inappropriate Investment and Funding Strategy set that increases risk of future contribution rate increases.	10
69	FLI4	Processes not in place to capture or failure to correctly understand changes to risk characteristics of employers and adapting investment/funding strategies.	10
70	FLI5	Processes not in place to capture or review when an employer may be leaving the LGPS.	10
71	FLI6	Processes not in place to capture or review funding levels as employer approaches exiting the LGPS.	10

Risk Register - Haringey Pension Fund

Risk No	Cat Ref	Risk	Risk Ranking
30	ACC7	The fund fails to recover adhoc /miscellaneous income adding to the deficit.	6
31	ACC8	Transfers out increase significantly as members transfer to DC funds to access cash through new pension freedoms.	8
32	ACC9	Risk of the fund's accounts being delayed beyond statutory deadlines due to impacts of coronavirus pandemic. Delays beyond 30 November would mean the Fund would be unable to produce its annual report by the statutory deadline	12
33	ACC10	Risk of misstatement of figures in the Fund's accounts and potential audit qualification due to material uncertainty at the year end caused by the Coronavirus pandemic	9

Risk No	Cat Ref	Risk	Risk Ranking
72	FLI7	Investment strategy is static, inflexible and does not meet employers and the Fund's objectives.	5
73	FLI8	Process not in place to ensure new employers admitted to the scheme have appropriate guarantor or bond in place.	5
74	FLI9	Level of bond not reviewed in light of change in employers pension liabilities.	8
75	FLI10	Processes not in place to capture or review covenant of individual employers.	8
76	FLI11	Processes not in place to capture and understand changes in key issues that drive changes to pension liabilities.	5
77	FLI12	Risk of the fund experiencing liquidity issues in the wake of the coronavirus pandemic, as a result of cashflow demands to pay pensions, and inability to sell investment assets or being forced to sell these in challenging market conditions, crystallising	5

ADMINISTRATION			
34	ADM1	Failure to act within the appropriate legislative and policy framework could lead to illegal actions by the Fund and also complaints against the Fund.	10
35	ADM2	Pension structure is inappropriate to deliver a first class service	5
36	ADM3	Insufficiently trained or experienced staff leading to knowledge gaps	8
37	ADM4	Failure of pension administration system resulting in loss of records and incorrect pension benefits being paid or delays to payment.	5

Colour Risk Level

Risk Register - Haringey Pension Fund

Risk No	Cat Ref	Risk	Risk Ranking
38	ADM5	Failure to pay pension benefits accurately leading to under or over payments.	8
39	ADM6	Failure of pension payroll system resulting in pensioners not being paid in a timely manner.	8
40	ADM7	Not dealing properly with complaints leading to escalation that ends ultimately with the ombudsman	4
41	ADM8	Data protection procedures non-existent or insufficient leading to poor security for member data	10
42	ADM9	Loss of funds through fraud or misappropriation by officers leading to negative impact on reputation of the Fund as well as financial loss.	5
43	ADM10	Officers do not have appropriate skills and knowledge to perform their roles resulting in the service not being provided in line with best practice and legal requirements. Succession planning is not in place leading to reduction of knowledge when an officer leaves.	10
44	ADM11	Cybersecurity, the risk posed to data and assets held by the fund, such as personal sensitive data regarding beneficiaries of the Fund.	10
45	ADM12	Risk of being unable to administer pension benefits due to the Coronavirus pandemic	5

Risk No	Cat Ref	Risk	Risk Ranking
		Low	
		Moderate	
		High	
		Very High	

Risk Register - Haringey Pension Fund

ADMINISTRATION								
Risk No	Cat Ref	Risk	Current Controls	Impact	Likelihood	Probability	Responsibility	Timescale
34	ADM1	Failure to act within the appropriate legislative and policy framework could lead to illegal actions by the Fund and also complaints against the Fund.	<p>Ensure staff are adequately trained.</p> <p>Appropriate checking processes.</p> <p>Professional advice. Close working with other Funds. Policies kept up to date and discussed at PCB. Regular updates on legislative/regulatory background provided to the PCB.</p>	5	2	10	PCB; DoF; HoP; PAM	Ongoing
35	ADM2	Pension structure is inappropriate to deliver a first class service	<p>New structure implemented from October 2016. Officers feel the new structure is functioning well, and that having all pensions staff in one team rather than split between HR and Finance is beneficial. The objectives of the pensions teams are being met.</p>	5	1	5	HoP; PAM	Ongoing

Risk Register - Haringey Pension Fund

ADMINISTRATION								
Risk No	Cat Ref	Risk	Current Controls	Impact	Likelihood	Probability	Responsibility	Timescale
36	ADM3	Insufficiently trained or experienced staff leading to knowledge gaps	<p>Training programme for staff including CPD qualification in some places. Regular briefings and updates on LGPS changes from CIPFA and other training providers.</p> <p>Staff in pensions administration and investments/accounting attend events, conferences and training sessions. The Head of Pensions, and Senior Pensions Accountants are both CCAB qualified accountants who complete annual CPD requirements.</p> <p>Pensions Administration team have access to online training portal provided by the Fund's Administration software provider to ensure that all Administration staff receive continuous training/development.</p>	4	2	8	DoF; HoP	Ongoing
37	ADM4	Failure of pension administration system resulting in loss of records and incorrect pension benefits being paid or delays to payment.	<p>Pensioner administration system Altair is subject to daily software backups and off-site duplication of records.</p> <p>The business recovery plan once implemented allows the pension administration system to be run from an alternative site.</p> <p>Software is no longer using Haringey Council server, meaning this will not be subject to disruption if there is an issue with Council IT.</p>	5	1	5	PAM	Ongoing

Risk Register - Haringey Pension Fund

ADMINISTRATION								
Risk No	Cat Ref	Risk	Current Controls	Impact	Likelihood	Probability	Responsibility	Timescale
38	ADM5	Failure to pay pension benefits accurately leading to under or over payments.	<p>The pension administration system, Altair, allows for all pensioner benefits to be automatically calculated by the administration system.</p> <p>Pension benefits payments are double checked by another team member before payments released. They are also checked by the Pensions Manger and Head of Pensions or S151 Officer before payments are authorised on SAP.</p>	4	2	8	PAM	Ongoing
39	ADM6	Failure of pension payroll system resulting in pensioners not being paid in a timely manner.	<p>Pensioner payroll system is subject to daily software backups and off-site duplication of records.</p> <p>The business recovery plan once implemented allows the pension administration system to be run from an alternative site.</p>	4	2	8	PAM	Ongoing

Risk Register - Haringey Pension Fund

ADMINISTRATION								
Risk No	Cat Ref	Risk	Current Controls	Impact	Likelihood	Probability	Responsibility	Timescale
40	ADM7	Not dealing properly with complaints leading to escalation that ends ultimately with the ombudsman	<p>The Fund has an Internal Dispute Resolution Policy (IDRP) which has been approved by the Committee. This was last approved in March 2019.</p> <p>In attempting to resolve any complaints by members, the IDRP will guide officers to ensure that due process is applied through out the process.</p> <p>The Pensions Service understands that by comparison to other LGPS Funds it receives very low numbers of complaints. Of the 2 cases that ultimately were escalated to the Pensions Ombudsman in the past 3 years, both were found in the Council's favour.</p>	4	1	4	PCB; HoP; PAM	Ongoing
41	ADM8	Data protection procedures non-existent or insufficient leading to poor security for member data	<p>The Council's data protection policy is issued to and signed by all staff.</p> <p>The Council has in place a system that ensures pension fund data is sufficiently protected.</p> <p>Staff trained in data protection and regularly reminded of its importance.</p>	5	2	10	HoP; PAM	Ongoing
42	ADM9	Loss of funds through fraud or misappropriation by officers leading to negative impact on reputation of the Fund as well as financial loss.	Robust accounting checks and adherence with best practice including undertaking regular reconciliation of payments undertaken or received into the Fund.	5	1	5	HoP	Ongoing

Risk Register - Haringey Pension Fund

ADMINISTRATION								
Risk No	Cat Ref	Risk	Current Controls	Impact	Likelihood	Probability	Responsibility	Timescale
43	ADM10	Officers do not have appropriate skills and knowledge to perform their roles resulting in the service not being provided in line with best practice and legal requirements. Succession planning is not in place leading to reduction of knowledge when an officer leaves.	<p>The selection process for recruiting officers is rigorous and focussed on the requirements of the role. Also detailed job descriptions/person specification are used to wittle down and appoint officers with the right level of skills, knowledge and experience.</p> <p>Training/Personal Development plans are put in place for each staff member following annual performance appraisal.</p> <p>Results of recent My Conversation appraisals within the department have been positive.</p>	5	2	10	HoP	Ongoing
44	ADM11	Cybersecurity, the risk posed to data and assets held by the fund, such as personal sensitive data regarding beneficiaries of the Fund.	<p>The Council performs an annual healthcheck and penetration testing on all Council IT.</p> <p>Heywoods, the provider of the pensions administration software undertakes regular penetration testing using an external specialist and reports the results of this to the Pensions Service.</p>	5	2	10	PCB; DoF; HoP; PAM	Ongoing

COMMUNICATIONS: RISK MANAGEMENT FRAMEWORK

Risk No	Cat Ref	Risk	Current Controls	Impact	Probability	Overall Risk Rating	Responsibility	Timescale
60	COM1	Members don't make an informed decision when exercising their pension options whilst employers cannot make informed decisions when exercising their discretions leading to possible complaints and appeals against the Fund	<p>Communication Strategy in place that outlines the most appropriate mode of communication and how the Fund will communicate with all stakeholders including its members and employers.</p> <p>Member provided with explanatory notes and guidance to enable them to make informed decision and given access to further pension support.</p>	4	3	12	PAM; HoP	Ongoing
61	COM2	Communication is overcomplicated and technical leading to a lack of engagement and understanding by the user (including members and employers).	Members and Employers are provided with explanatory notes, factsheets, access to a pension help desk and a dedicated Communications Team. In addition the Fund's website provides a one stop shop for information about the Scheme and benefits.	3	2	6	PAM; HoP	Ongoing
62	COM3	Employer doesn't understand or carry out their legal responsibilities under relevant legislation.	<p>Ensure information communicated to Employers is clear and relevant by using simple understandable wording.</p> <p>Where available use standard template/information from the LGA.</p>	4	3	12	PAM; HoP	Ongoing
63	COM4	Apathy from members and employers if communication is irrelevant or lacks impact leading to uninformed users.	Ensure all communication and literature is up to date and relevant and reflects the latest position within the pensions environment including LGPS regulations and other relevant overriding legislation.	3	3	9	PAM; HoP	Ongoing

COMMUNICATIONS: RISK MANAGEMENT FRAMEWORK								
Risk No	Cat Ref	Risk	Current Controls	Impact	Probability	Overall Risk Rating	Responsibility	Timescale
64	COM5	Employers don't meet their statutory requirements leading to possible reporting of breaches to the Pension Regulator.	<p>Provide training to employers that is specific to their roles and responsibilities in the LGPS. Employer access to a portal with regular updates in line with legislation.</p> <p>The Pensions Manager and other staff carry out site visits to employers as necessary to provide information and training to them.</p>	4	2	8	PAM; HoP	Ongoing
65	COM6	Lack of information from Employers impacts on the administration of the Fund, places strain on the partnership between Fund and Employer.	All forms available on our website and Employer has access to specialist support from Fund Officers.	4	3	12	PAM; HoP	Ongoing

RED RATED RISKS								
Risk No	Cat Ref	Risk	Controls/Mitigations	Impact	Probability	Overall Risk Rating	Responsibility	Timescale
58	INV11	The risk that the investment strategy adopted by London CIV through fund manager appointments does not fully meet the needs of the Fund.	<p>The Fund is a founding member of London CIV and actively engages with them.</p> <p>The CIV has to reach consensus among its 32 funds, there is therefore a persistent risk that the full complement of mandates in the Fund may not be replicated by London CIV. However, there is acknowledgement within LGPS that more niche illiquid mandates will not transition into the pools in the near future due to the inefficiencies involved.</p> <p>Haringey has had a number of interactions with the CIV, in relation to fund managers, which have been generally positive. Haringey has benefited from fee savings, and has a number of investments that are either via the CIV or under the CIV's oversight. These are however still subject to Haringey specific monitoring meetings with the relevant Investment Manager which are organised by the Head of Pensions and attended by both the Head of Pensions and the Independent Advisor.</p>	5	3	15	HoP	Ongoing

Risk No	Cat Ref	Risk	Controls/Mitigations	Impact	Probability	Overall Risk Rating	Responsibility	Timescale
59	INV12	Risk that the Fund's investment performance, valuation and funding level is significantly reduced following the Coronavirus pandemic	The fund's value declined sharply in March 2020, however it has recovered following this, and at the current time has recovered to a level above that at the latest valuation. However there are significant concerns about global economic growth going forwards, which may result in sustained lower investment performance in the future.	5	3	15	HoP; PCB	Ongoing

Report for: Pensions Committee and Board – 21 January 2021

Title: Forward Plan

Report authorised by: Thomas Skeen, Assistant Director of Finance (Deputy s151 Officer)

Lead Officer: Oladapo Shonola, Head of Pensions & Treasury,
oladapo1.shonola@haringey.gov.uk, 020 8489 1860

Ward(s) affected: Not applicable

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

1. Describe the issue under consideration

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

2. Cabinet Member Introduction

- 2.1. Not applicable.

3. Recommendations

The Pensions Committee and Board is asked:

- 3.1. To identify additional issues and training for inclusion within the work plan and to note the update on member training attached at Appendix 3.
- 3.2. To complete The Pension Regulator's public sector toolkit and training needs analysis.

4. Reason for Decision

- 4.1. Not applicable.

5. Other options considered

- 5.1. Not applicable.

6. Background information

- 6.1. It is best practice for a Pension Fund to maintain a work plan. This plan sets out the key activities anticipated in the coming twelve months in the areas of governance, members/employers, investments, and accounting. The Pensions Committee and Board is invited to consider whether it wishes to amend future agenda items as set out in the work plan.
- 6.2. A review of the Fund's governance arrangements recommended that the Pensions Committee and Board should be provided with an update on member training. Specifically, the Pensions Committee and Board noted the importance of training and required members of the committee to complete the The Pensions Regulator (TPR) public sector toolkit and training analysis to assist with identifying member training needs. This information is provided in Appendix 3 of the report.

7. Contribution to Strategic Outcomes

- 7.1. Not applicable.

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

Finance and Procurement

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

Legal Services Comments

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

Equalities

- 8.3. Not applicable.

9. Use of Appendices

- 9.1. Appendix 1: Forward Plan
- 9.2. Appendix 2: Training Plan.
- 9.3. Appendix 3: Update on TPR Public Service Toolkit/Training Needs Analysis

10. Local Government (Access to Information) Act 1985

10.1. Not applicable.

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APPENDIX 1

21 January 2021	4 March 2021	July 2021	September 2021	November 2021
Standing Items				
Administration Report - Membership Update - Auto-enrolment - Schedule / Admitted Bodies	Administration Report - Membership Update - Auto-enrolment - Schedule / Admitted Bodies	Administration Report - Membership Update - Auto-enrolment - Schedule / Admitted Bodies	Administration Report - Membership Update - Auto-enrolment - Schedule / Admitted Bodies	Administration Report - Membership Update - Auto-enrolment - Schedule / Admitted Bodies
Governance/LGPS Update Report (if required)	Governance/LGPS Update Report (if required)	Governance Update Report (if required)	Governance Update Report (if required)	Governance Update Report (if required)
Work/Forward Plan and Training Opportunities	Work/Forward Plan and Training Opportunities	Work/Forward Plan and Training Opportunities	Work/Forward Plan and Training Opportunities	Work/Forward Plan and Training Opportunities
Risk Register Review / Update (Administration & Communication)	Risk Register Review / Update (Accounting & Investments)	Risk Register Review / Update (Administration & Communication)	Risk Register Review / Update (Accounting & Investments)	Risk Register Review / Update (Funding/Liability)
Quarterly Pension Fund Performance & Investment Update	Quarterly Pension Fund Performance & Investment Update	Quarterly Pension Fund Performance & Investment Update	Quarterly Pension Fund Performance & Investment Update	Quarterly Pension Fund Performance & Investment Update
Quarterly LAPFF Engagement Report	Quarterly LAPFF Engagement Report	Quarterly LAPFF Engagement Report	Quarterly LAPFF Engagement Report	Quarterly LAPFF Engagement Report
Fund Administration and Governance				
Review/update of Fund Conflicts of Interest Policy (if necessary)	Review/update of Internal Disputes Resolution Policy and Pensions Administration Strategy Statement	Annual Pension Fund Accounts and Annual Report (including various statutory documents)		Investment Consultant's Performance Review

21 January 2021	4 March 2021	July 2021	September 2021	November 2021
	Investment Consultancy Services Procurement			
Investments				
	Investment Strategy - Gilts portfolio			
	Investment Strategy - Residential Property (dependent on London CIV progress on developing an investment offering)			
Funding and Valuation				
Training				
Training & Conferences Update	Training & Conferences Update	Training & Conferences Update	Training & Conferences Update	Training & Conferences Update
Governance	Sustainable / Green Investment	Tbc	Tbc	Tbc

TRAINING PROGRAMME

APPENDIX 2

Date	Website	Conference / Event	Training/ Event Organiser	Cost	Delegates Allowed
	http://www.lgpsboard.org/	Scheme Advisory Board Website	LGPS Scheme Advisory Board	Free - Online	N/A
	www.thepensionsregulator.gov.uk	The Pension Regulator's Pension Education Portal	The Pension Regulator	Free - Online	N/A
	https://trusteetoolkit.thepensionsregulator.gov.uk/?redirect=0	The Pension Regulator's Trustee Toolkit	The Pension Regulator	Free - Online	N/A
	http://www.lgpsregs.org/	LGPS Regulation and Guidance	LGPS Regulation and Guidance	Free - Online	N/A
	http://www.lgps2014.org/	LGPS Members Website	LGPS	Free - Online	N/A
	www.local.gov.uk	Local Government Association (LGA) Website	LGA	Free - Online	N/A
26-Jan-21	Local Government Association	Update on LGPS Governance and Investment	LGA	Free - Online	
19-Feb-21	LGPS Local Pension Board Members Spring Seminar 2021 - London CIPFA	LGPS Local Pension Board Officers Spring Seminar 2021	CIPFA/Barnet Waddingham	£140 or CIPFA Pensions Network	N/A

Please contact Dapo Shonola, Head of Pensions, if you wish to attend any of these courses.

Tel No: 020 8489 1860
oladapo1.shonola@haringey.gov.uk
 Email: [ey.gov.uk](http://www.haringey.gov.uk)

APPENDIX 3

Pension Committee and Board member's Name	Public Sector Toolkit (Online)	Training Needs Analysis
Cllr John Bevan (Chair)	✓	✓
Cllr Julie Davis (Vice Chair)		
Cllr Viv Ross	✓	✓
Cllr (Dr) James Chiriyankandath		
Cllr Paul Dennison	✓	✓
Cllr Noah Tucker		
Keith Brown	✓	✓
Ishmael Owarish	x	✓
Randy Plowright	x	✓

Link to the public sector toolkit:

<http://www.thepensionsregulator.gov.uk/public-service-schemes/learn-about-managing-public-service-schemes.aspx#s16691>

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of the Local Government Act 1972.

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