



Annual Pension Fund Report and Accounts

For the year ended 31 March 2020

Contents

Introduction.....	3
Management and Financial Performance Report	5
Governance Arrangements.....	6
Service Delivery	8
Pension Fund Advisers	9
Management Report for 2019/20.....	11
Membership.....	13
Investment Policy and Performance Report	17
Investment Strategy	18
Responsible Investment.....	20
Fund Managers.....	21
Investment Performance	24
Investment Pooling.....	24
Market Background.....	26
Scheme Administration Report	30
Local Government Pension Scheme.....	31
Administration Service Delivery	31
Administration KPIs and Statistics.....	33
Communications Policy	34
Pensions Administration Strategy.....	35
Actuarial Funding Report	36
Funding Position.....	37
Funding Strategy Statement.....	38
Statement of Fund Actuary	39
Financial Report	41
Director of Finance’s Responsibilities	42
Statement of the Director of Finance	42
Appendices.....	43

Introduction

Haringey Council presents its Annual Report and Accounts of the Haringey Local Government Pension Fund for the year ended 31st March 2020.

The Local Government Pension Scheme (LGPS) is a defined benefit pension scheme for the employees of local government and related organisations within the UK. It is a national scheme run locally by councils nominated as “Administering Authorities”. Haringey Pension Fund was established on 1st April 1965.

Haringey Council is the Administering Authority in the London Borough of Haringey and runs the Scheme to provide retirement benefits to all eligible employees of Haringey Council and other scheme employers who participate in the fund in the borough. More detail about these organisations can be found in the Membership section on page 13. The Management report on page 11 provides further information about how the scheme is run. The Scheme’s registration number is 00329316RX.

Scheme Rules

The benefits payable for members of the scheme in respect of service from 1st April 2014 are based on career average revalued earnings. Pensions are increased each year in line with the Consumer Price Index. For service prior to April 2014 benefits are based on final salary and years of service. Other than in accordance with legislative requirements, there were no increases to benefits in payment in the year. The Administration report on page 32 provides details about the administration of the Scheme.

Membership

There were 6,091 active members (2019: 6,445), 9,027 (2018: 8,733) deferred members, and 7,905 (2018: 7,794) pensioners and dependents receiving benefits. More details can be found in the Membership section on page 13.

Financial position

The financial statements and notes in Appendix 1 show that the value of the Fund's assets decreased by £56m to £1,327m as at 31 March 2020 (2019, £1,383m). The performance reported varied across the portfolio over the year, with the fund's private equity and renewable energy infrastructure investments delivering the best returns and significantly outperforming target. Equities, properties and other alternatives assets had negative net assets returns over the year with the multi sector credit portfolio suffering the most losses with double digit losses in the year.

Investments

During the year the rate of return on the Fund's investments was -3.7%. This was 2.5% below the Fund's target of -1.2% for the year. The Fund participates in a benchmarking group maintained by the Pensions and Investment Research

Consultants (PIRC): around two thirds of all LGPS Funds take part in this benchmarking group. The median performance in the benchmarking group in 2019/20 was a return of -4.1%. Over the course of 2019/20, Haringey's investment performance was in the 38th percentile out of all the funds which took part in this benchmarking (1st percentile being the best performing fund, 100th being the worst). However, Haringey's performance was in the 33rd, 13th, and 16th percentiles over the rolling three, five and ten year periods which ended on 31 March 2020 respectively, showing that over the medium and long term the fund benchmarks well against its peers. More details of the investment strategy and the performance can be found on page 19.

Funding position

The last formal valuation of the funding position took place as at 31st March 2019, when the funding level was 100%. Details can be found in the Funding report on page 38. The next formal valuation will be carried out over the course of the 2022/23 financial year as at 31st March 2022.

Management and Financial Performance Report

- Governance Arrangements
- Service Delivery
- Pension Fund Advisers
- Management report for 2019/20
- Membership

Governance Arrangements

Haringey Council in its role as Administering Authority has delegated responsibility for administering the Pension Scheme to the Pensions Committee and Board. Details of the individuals who served on the Pensions Committee and Board during 2019/20 are shown below.

The terms of reference for Pensions Committee and Board are set out in the Council's constitution. The committee fulfils the duties required by regulations for the Council to operate a Pensions Board. The Committee and Board consists of elected Councillors, and employer and employee representatives all with equal voting rights. Councillors are selected by their respective political Groups and their appointments are confirmed at a meeting of the full Council. They were not appointed for a fixed term but the membership is reviewed regularly by the political groups. The other representatives were appointed by their peer groups. The membership of the Committee during the 2019/20 year was:

Councillor Matt White	Chair
Councillor John Bevan	Vice Chair
Councillor Viv Ross	Member
Councillor Dr James Chiriyankandath	Member
Councillor Paul Dennison	Member
Councillor Noah Tucker	Member
Randy Plowright	Employee Representative
Ishmael Owarish	Employee Representative
Keith Brown	Employer Representative

Contact Details for Pensions Committee and Board

Pensions Committee and Board

C/O: Pensions Team

London Borough of Haringey

5th Floor, Alexandra House,

London, N22 7TR.

Governance Compliance Statement

The Pension Fund has published a Governance Compliance Statement in accordance with the LGPS Regulations and this is set out in Appendix 2. The objective of the statement is to make the administration and stewardship of the Pension Fund transparent and accountable to all stakeholders.

Service Delivery

Haringey Council Pension Service includes accounting, investments and pensions administration activity, this is managed by Haringey Council officers within the finance department. The pension service receives support from other services across the Council such as legal, human resources, procurement and democratic services.

The key tasks for the investments and accounting staff of the fund include:

- Support to the Committee and Board to set investment strategy and monitor investment performance;
- Managing the contracts with the Pension Fund's advisers;
- Producing the annual Pension Fund workplan and Annual report and accounts; and
- Maintaining the key governance statements the Pension Fund is required to publish (the current versions can be found in the Appendices to this report).

The Scheme Administration report on page 32 sets out the key tasks of the pensions administration service.

The Pension Fund's internal auditors are Mazars Public Sector Internal Audit Limited. Regular audits are carried out on both pension fund investments and pensions administration.

Key Officer Contacts

Director of Finance (S151 Officer)	Jon Warlow
Assistant Director Corporate Governance (Monitoring Officer)	Bernie Ryan
Head of Pensions, Treasury and Chief Accountant	Thomas Skeen
Pensions Administration Manager	Janet Richards

Pension Fund Advisers

The Pension Fund retains a number of advisers to provide specialist advice and services. The contracts with these advisers are reviewed on a regular basis. A list of all advisers is provided below:

Secretary to the Committee	Assistant Director Corporate Governance (Monitoring Officer)
Scheme Administrator	Director of Finance (S151 Officer)
Actuary	Hymans Robertson LLP
Investment Managers	Allianz Global Investors Aviva Investors BlackRock CBRE Global Investors Copenhagen Infrastructure Partners (CIP) Legal & General Investment Management (LGIM) London CIV (Ruffer LLP & CQS Subfunds) Pantheon
Custodian	Northern Trust
Investment Consultants	Mercer UK Limited
Independent Adviser	John Raisin Financial Services Limited
Bankers	Barclays Bank Plc
Legal advisers	Assistant Director Corporate Governance (Monitoring Officer)
Additional Voluntary Contribution providers	Clerical and Medical Equitable Life Assurance Society Prudential Assurance
Internal Auditors	Mazars Public Sector Internal Audit Limited
External Auditors	BDO LLP
Investment Pool	London Collective Investment Vehicle (CIV)

Pensions Committee and Board Attendance 2019/20

Attendee	Voting Right	11-Jul-19	19-Sep-19	19-Nov-19	20-Jan-20	05-Mar-20
Councillor Matt White	√	√	√	√	√	√
Councillor John Bevan	√	√	√	√	√	√
Councillor Dr James Chiriyankandanth	√	√	√	√	x	√
Councillor Noah Tucker	√	√	√	√	√	√
Councillor Paul Dennison	√	√	√	√	√	x
Councillor Viv Ross	√	√	√	√	√	√
Keith Brown	√	√	√	√	√	√
Randy Plowright	√	√	√	√	√	√
Ishmael Owarish	√	√	√	√	√	√

Training was provided to committee members on a wide range of topics. Training sessions are generally held prior to meetings of the committee, or on half day slots as is deemed necessary consistent with the committee's work plan at a given point. Committee members are also able to receive training from external providers, and this was the case throughout 2019/20. Training was provided in line with CIPFA's knowledge and skills framework to ensure that the committee members received appropriate training.

Management Report for 2019/20

Financial Performance

The investment performance during the year was -3.7% relative to its own bespoke benchmark of -1.2% - so the Fund underperformed its target by 2.5%, underperformance was driven by the final quarter of the year following the onset of the Covid-19 pandemic. The majority of the Fund's investment managers delivered positive returns, the best performance came from the fund's private equity and renewable energy infrastructure investments which delivered double digit returns.

In the medium to long term, the Fund has underperformed target slightly with returns of 2.1% against target of 3.5% over 3 years and returns of 6.1% against 6.9% over five years. All fund managers, other than the Multi Asset Credit (MAC) manager, who have been engaged over 3 and 5 year periods, which provide a more meaningful view of performance figures than the 1 year figures, have delivered positive returns over these timescales. The MAC manager show negative return over 3 years most of which can be attributed to challenges faced by all managers in this asset class in the first quarter of 2020 due to the Covid-19 virus outbreak.

The Fund participates in a benchmarking group maintained by the Pensions and Investment Research Consultants (PIRC): around two thirds of all LGPS funds take part in this benchmarking group. The median performance in the benchmarking group in 2019/20 was a return of -4.1%. Haringey achieved -3.7% which exceeded the median performance by all LGPS funds in 2019/20. Over the course of 2019/20, Haringey's investment performance was in the 38th percentile out of all the funds which took part in this benchmarking, (1st percentile being the best performing fund, 100th being the worst). Haringey's performance was in the 33rd and 13th percentiles over the rolling three and five year periods which ended on 31 March 2020 respectively, showing strong performance over the longer term.

In 2019/20, the fund's assets decreased by £56m from £1,383m to £1,327m. In the 2018/19 financial year, the corresponding figure was an increase of £27m, and investment performance of 5.7%. The decrease in this financial year is due to across the board fall in many asset classes triggered by the Covid-19 outbreak.

Administrative Management Performance

The Fund's maintains a Pension Administration Strategy Statement, which was last updated in early 2018 and is reviewed regularly. During the financial year 2019/20 no formal action has been taken against any employers. The only breaches of the performance standards have been minor and have been dealt with informally. The timeliness of contribution payments from employers in the Fund has been monitored by the Pensions Committee and Board and issues have been followed up by the Fund's officers. Membership of the Fund has increased by 51 in the financial year (from 22,972 in 2018/19 to 23,023 in 2019/20).

Risk Management

Risk management is inherent to all pensions activity: both within the investment and administration of the fund. All activities carried out by officers of the fund include processes and procedures to manage relevant risks, and decision making by the

Pensions Committee and Board includes robust risk assessment. The Pensions Committee and Board tables a version of the fund's risk register in every meeting, where different areas of the risk register are reviewed and discussed in each meeting, with new risks added when they are identified. The highest rated risks are reviewed in every meeting. The risk register is available in the public section of the Pensions Committee and Board meetings which are published online.

The fund completes regular data matching exercises via specialist software provided by the fund's administration system, for example to identify pensioners who have passed away. The fund also receives National Fraud Initiative (NFI) data for matching purposes.

Investment risk is a key risk which the Fund is exposed to due to the range of different types of assets the Fund has chosen to invest in. All investments are undertaken in line with the Local Government Pension Scheme (Management & Investment of Funds) Regulations 2016 and in consideration of advice from the Fund's investment management consultant and from the Independent Adviser.

The Committee and Board has set an investment strategy which involves a wide range of asset classes and geographical areas. This provides diversification which reduces the risk of low and volatile returns. Following the decision to invest a large portion of the Fund on a passive basis, the risk of underperforming the benchmark has been reduced.

The vast majority of the Pension Fund's assets are managed by external fund managers and they are required to provide audited internal controls reports regularly to the Council, which set out how they ensure the Fund's assets are safeguarded against loss and misstatement.

The Committee and Board consider reports on investment performance, responsible investment activities and other pertinent matters relating to investment risk and fund managers at each committee meeting.

The Council's pensions team, employed on behalf of the fund, are subject to annual audits, both by the external auditor (appointed by Public Sector Audit Appointments), and by the Council's internal auditor. Internal audits are performed separately for the fund's administration and investment/accounting functions. External and internal audits have been generally positive in recent years.

Membership

Haringey Council is the Administering Authority for the Haringey Pension Fund and eligible staff are members of the scheme. In addition the Pension Fund has a number of other organisations (scheduled and admission bodies) participating in the Fund.

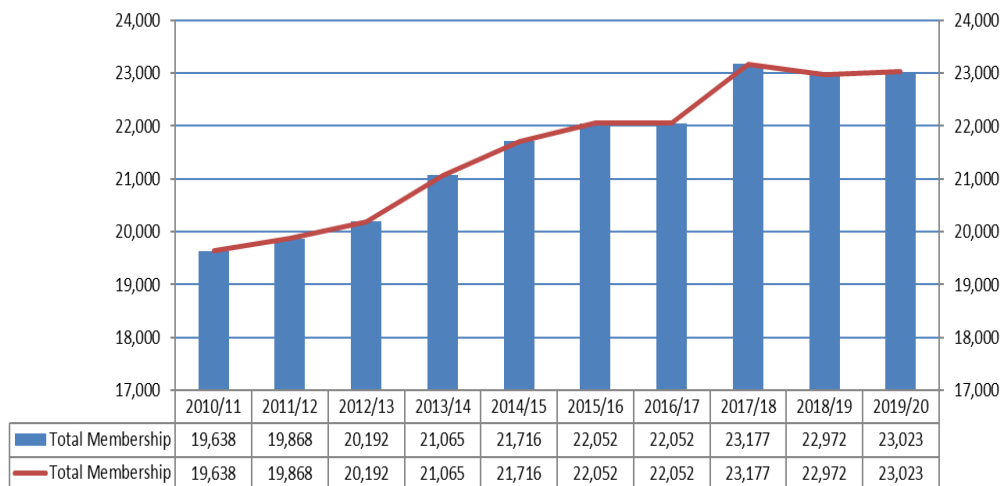
A scheduled body is a public body which is required by law to participate in the LGPS. Each scheduled employer is listed in the LGPS regulations. The most common type of scheduled employers are academy schools.

There are two types of admitted bodies:

- A transferee admission body is an employer permitted to participate in the LGPS. This might be a non profit making body carrying out work that is similar in nature to a public service like local government, or it might be a private company to which a service or assets have been outsourced. The majority of the fund's admitted bodies fall into this category.
- A community admission body is an organisation providing a public service in the UK otherwise than for gain. The organisation is expected to have sufficient links with the Council such that it is regarded as having a community interest. The fund has only two employers who fall into this category.

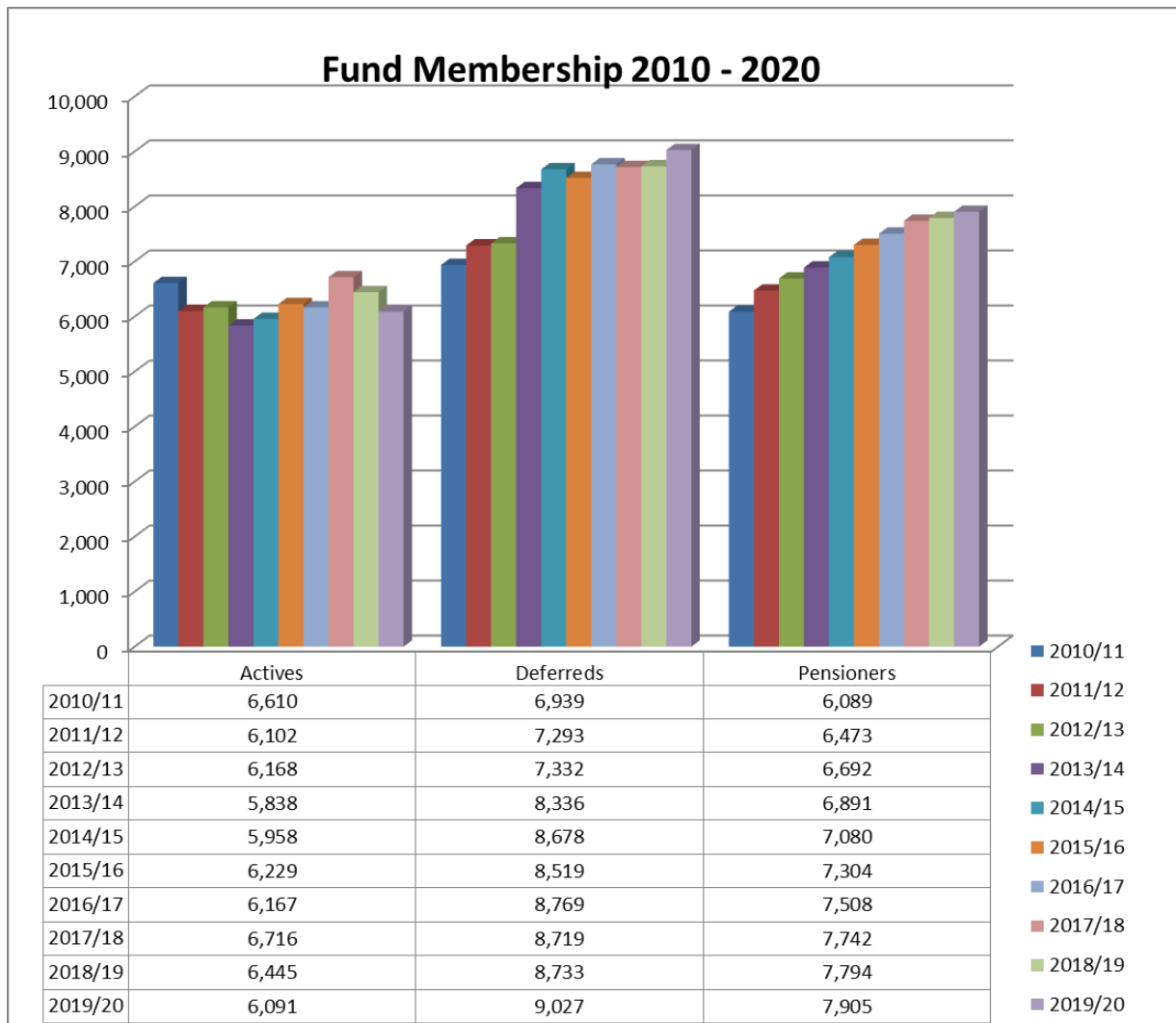
The membership of the Pension Fund at 31st March 2020 compared with the previous financial year is shown in the table below.

Total Membership Growth



The table above shows an overall increase in membership of 0.2% over the past year. Active membership in the Fund reduced by 354 (5.5%) in the year due to natural attrition which is reflected in combined increase of 405 (2.5%) in deferred or pensioner membership. It is anticipated that there will be modest increases in overall membership as new employers are admitted into the Fund and as more staff move into the deferred and pensioner groups.

The table below shows the breakdown of membership between active members, deferred and pensions over the past ten years.



A schedule of the membership from each of the employers is shown below:

Employer Organisation	Active Members	Deferred Beneficiaries	Pensioners and Dependants	Employee Contributions £	Employer Contributions £
Scheduled Bodies					
Haringey Council	4401	8014	7,206	7,329,646.56	29,182,042.05
Haringey Magistrates	0	17	16	-	-
Greig City Academy	45	50	8	69,975.16	182,581.33
Homes for Haringey	613	290	287	1,374,404.76	3,738,408.02
John Loughborough School	0	11	8	-	-
Fortismere School	46	35	18	74,706.96	201,740.84
Alexandra Park School	64	35	13	95,816.62	293,582.67
Woodside School	68	26	9	107,537.72	285,436.78
Eden School	19	15	-	16,889.56	49,108.44
Harris Academy Coleraine	33	29	2	29,248.66	84,204.28
Harris Academy Philip Lane	38	24	4	25,592.72	76,046.79
AET Trinity Primary	23	17	7	25,420.04	83,433.89
AET Noel Park	42	20	5	42,211.49	118,505.79
Haringey 6th Form Centre	46	35	7	101,825.15	260,472.11
St Pauls & All Hallows Infants Academy	15	7	2	13,195.67	42,200.31
St Pauls & All Hallows Junior Academy	16	6	-	11,728.26	38,765.56
St Michaels N22 Academy	10	13	3	9,421.84	30,758.74
St Ann CE Academy	10	15	6	9,048.56	30,108.16
Holy Trinity CE Academy	20	12	2	18,997.86	67,277.84
Brook House Primary (formally Hartsbrook)	34	12	-	41,873.71	98,452.44
St Thomas More School	52	8	10	64,871.12	223,803.02
Heartlands High School	66	64	2	92,938.40	210,633.74
Milbrook Park Primary School	30	3	-	23,834.54	78,411.43
Harris Academy Tottenham	29	6	-	42,411.94	126,948.00
The Octagon	8	7	1	14,723.96	41,989.98
London Academy of Excellence Tottenham	18	5	-	22,993.06	73,007.93
Dukes Aldridge Academy	57	18	2	101,347.85	358,389.40
The Grove School	33	4	-	28,829.42	80,743.43
LDBS Central	4	0	-	11,777.20	31,649.42
Braybourne Mulberry School	6	0	-	-	-
Scheduled Bodies Sub Total	5,846	8,798	7,618	9,801,269	36,088,702

Admitted Bodies					
Haringey Age UK	0	2	17	-	-
CSS (Haringey) Ltd	0	20	51	-	-
Haringey Citizen Advice Bureau	3	0	9	6,802.37	89,534.94
Jarvis Workspace Ltd	0	19	24	-	-
Alexandra Palace Trading Co.	1	7	14	2,790.12	150,361.24
Urban Futures London Ltd	0	8	2	-	-
Enterprise (formerly Accord) Ltd	0	33	46	-	-
Mittie (formerly Trident) Securities Ltd	0	0	2	-	-
Initial Catering Ltd	0	1	1	-	-
OCS Group Ltd	0	1	1	-	-
Harrisons Catering	0	1	2	-	-
R M Education PLC	0	3	-	-	-
TLC At Cooperscroft (formerly Rokeley Dene)	4	11	11	5,650.83	-
Ontime Parking Solution	0	2	2	-	-
Europa	0	0	1	-	-
Veolia	63	40	38	134,500.17	32,472.78

Pension Fund Annual Report 2019/20

Employer Organisation	Active Members	Deferred Beneficiaries	Pensioners and Dependants	Employee Contributions £	Employer Contributions £
Churchills	0	1	3	-	-
Fusion Lifestyle	11	40	11	12,869.50	-
Cofely Workplace Limited(formally Balfour Beatty Workforce)	0	16	27	-	-
Lunchtime St Gildas School	1	0	-	218.42	1,481.19
Lunchtime St Francis De Sales School	0	0	1	1,911.05	11,054.31
Lunchtime St Marys School	0	1	1	43,532.29	190,443.37
Lunchtime St Pauls RC School	2	0	1	2,159.76	6,032.78
Lunchtime Ferry Lane School	0	1	2	-	-
Lunchtime Bounds Green School	4	0	-	2,563.82	6,631.91
ABM Weston Park School	1	0	1	-	-
ABM Muswell Hill	1	1	-	1,060.26	548.42
Caterlink Bruce Grove School	0	3	-	-	-
Superclean Willow School	0	2	-	-	-
Absolutely Catering Rokesly School	2	1	-	1,257.37	2,791.34
Caterlink Holy Trinity School	0	0	1	-	-
Caterlink St Michaels School	0	1	-	-	-
Caterlink St Pauls and All Hallows School	5	0	-	-	-
Lunchtime Seven Sisters	0	0	1	778.31	815.58
Lunchtime Welbourne	3	0	-	2,095.40	6,520.58
Lunchtime Earlsmead	2	1	-	1,806.20	1,557.14
Amey Community Ltd	61	6	7	56,228.16	14,884.77
K M Cleaning	2	1	2	-	-
Pabulum Lea Valley Primary	3	0	-	2,216.09	10,012.89
Pabulum St John Vianney	2	1	-	1,260.83	5,618.56
Pabulum St Martin de Porres	2	0	-	1,797.37	8,737.85
Pabulum South Harringay	2	0	2	1,207.32	5,970.70
Pabulum Earham School	2	0	1	577.19	3,672.94
Pabulum Belmont School	2	0	1	1,192.28	6,611.70
Pabulum Tetherdown	3	0	-	2,388.52	13,070.33
Pabulum Alexandra Primary	3	0	-	1,442.69	6,767.46
Pabulum St Peter in Chains	0	1	-	251.80	1,358.00
Hillcrest Cleaning Chestnuts	0	0	1	719.58	3,937.94
Lunchtime St Marys Priory School	0	1	2	193.77	539.24
Ategi Limited	2	2	-	4,466.90	22,690.63
Hertfordshire Catering Limited	6	0	-	5,240.87	30,494.71
Hillcrest Stroud Green	0	0	-	349.50	1,912.80
Haringey Education Partnership	21	0	-	9,040.20	42,261.56
Olive Dining St Marys Priory	2	0	-	2,060.03	13,507.22
ISS Mediclean	3	0	-	-	-
Schools Office Services (cheshunt)	1	0	-	-	-
Pabulum North Harringay School	1	0	1	489.20	3,077.38
Birkin Cleaning Services Ltd (Hornsey)	3	0	-	886.04	5,912.22
Olive Dining St Peter in Chains	1	0	-	638.60	4,047.43
Olive Dining St Francis de Sales	4	0	-	1,078.04	1,608.27
Olive Dining St Gildas	1	0	-	127.71	332.03
Olive Dining St Mary CE School	3	0	-	3,036.45	13,123.13
NVIRO Ltd Dukes Aldridge Academy	12	1	-	3,412.64	13,109.14
Admitted Bodies Total	245	229	287	320,298	733,504
GRAND TOTAL	6,091	9,027	7,905	10,121,566.44	36,822,206.87

Investment Policy and Performance Report

Investment Strategy

Responsible Investment

Fund Managers

Investment Performance

Investment Pooling

Market Developments 2019/20

Investment Strategy

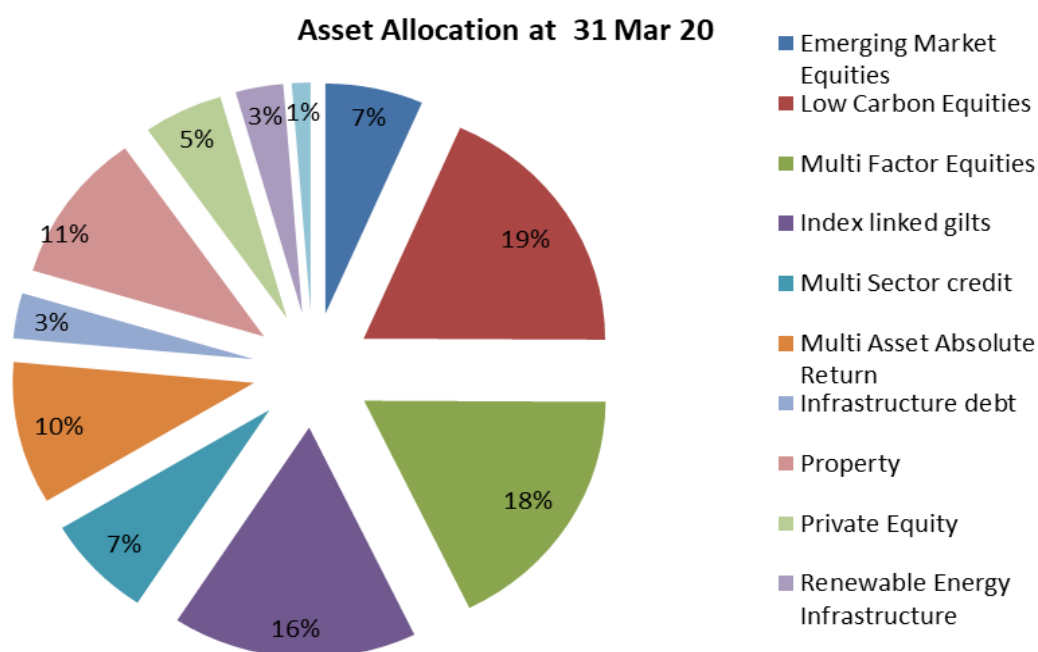
The Pension Fund’s investment strategy is formulated within the parameters of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

The Pensions Committee and Board is responsible for setting the investment strategy with the aid of independent advice from the Pension Fund’s advisers. Day to day investment decisions are delegated to fund managers.

The strategy is set out in detail in the Investment Strategy Statement, which is shown in Appendix 3 to this report. All investments were externally managed, with the exception of a small allocation of cash used to meet benefit payments, which was held in-house.

The current strategic asset allocation includes allocations to passively managed equity, index linked gilts, multi sector credit, private equity, infrastructure debt, renewable energy infrastructure, a multi asset absolute return fund, and UK property. The UK long lease property is now fully funded following a call by the fund manager during the year. The renewable energy infrastructure mandate continues to be funded in 2019/20. Funding of the infrastructure mandate now stands at 3.2% which is 1.8% short of target weight of 5% of overall portfolio.

The actual asset allocation as at 31st March 2020 is illustrated by the below chart.

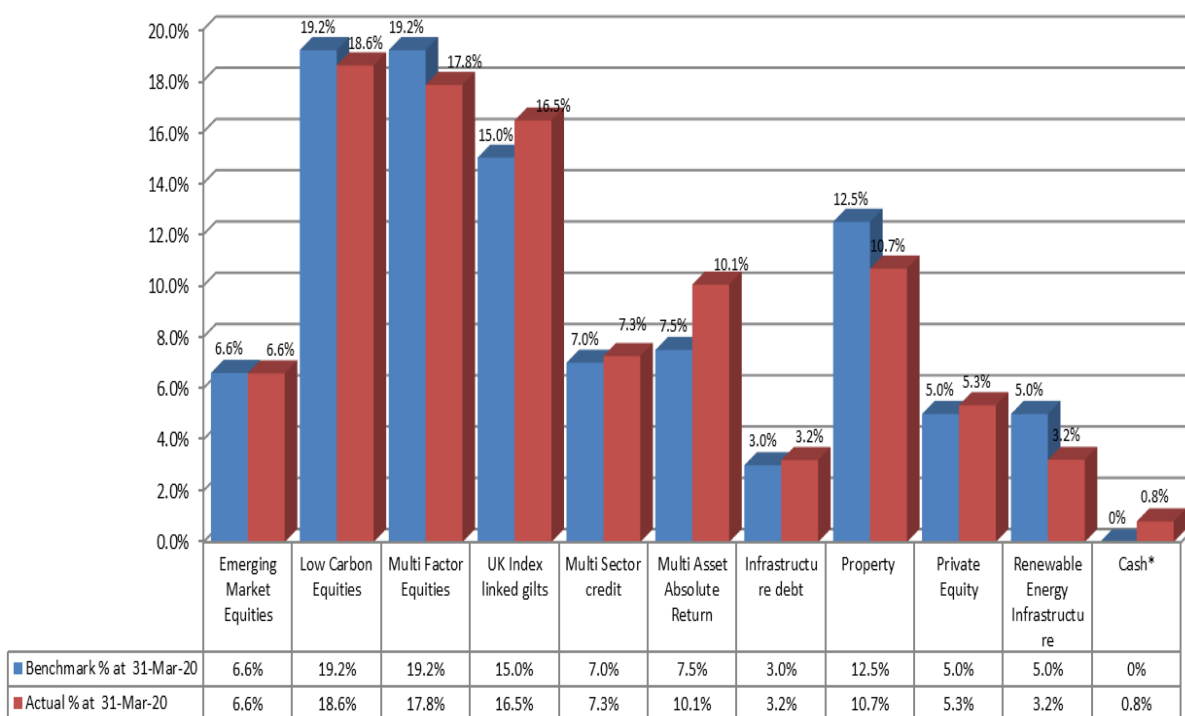


*includes current asset/liability balances

The Fund’s benchmark showing target asset allocation during 2019/20 is shown below, alongside the actual allocation of the Fund’s investments at 31st March 2020.

The financial statements show that the Fund is invested in pooled funds and the breakdown in the table below shows the allocation of the underlying holdings.

Asset Class - Benchmark vs Actual 31/3/20



* includes current asset/liability balances

Custodial Arrangements

The Council employs Northern Trust to act as independent custodian of the Pension Fund’s investments. As professional custodians, they employ a rigorous system of controls to ensure the safekeeping of assets entrusted to them. The custodian is responsible for the settlement of all day-to-day investment transactions, collection of investment income and the safe custody of the Pension Fund’s investments.

Responsible Investment

The Pension Fund believes that the adoption by companies of positive Environmental, Social and Governance (ESG) principles can enhance their long term performance, sustainability and increase their financial returns. These issues are of concern to the Fund because it is considered that companies who do not have regard for the social and environmental impact of their business, or who conduct their business in a way which is not sustainable over the longer term are in danger of adversely affecting the future prospects of the company, and potentially the company's long term valuation.

Due to the need to prioritise the fiduciary duty, the Fund does not participate in stock screening or exclusionary approaches. Instead the Fund seeks to influence the behaviour of companies through engagement. This engagement is undertaken through the following parties:

- The Fund's investment managers
- Local Authority Pension Fund Forum (LAPFF)
- Maintaining Tier 1 Signatory status to the UK Stewardship code

The Fund maintains membership of the LAPFF in order that engagement can be undertaken on its behalf.

In addition to this, all but one of the Fund's managers are signatories to the 'United Nations Principles for Responsible Investment' initiative.

At each committee meeting the Pensions Committee and Board receive reports on the engagement activity undertaken on behalf of the Fund, by the fund managers in relation to voting alerts from LAPFF, covering environmental issues, governance and remuneration and all other responsible investment issues.

The Fund incorporates ESG considerations into all decision making when making alterations to the investment strategy, but the fund is mindful of the fact that the fiduciary duty must take precedence over any other considerations when investing the fund. The fund has made a number of investments in recent years which have a clear ESG benefit. The fund has committed circa £70m to be invested in renewable energy infrastructure funds, and 50% of the fund's developed market equity investments and 100% of the fund's emerging market equity investments are held within low carbon funds, which reduces the carbon emissions associated with these investments by approximately 70%. All investments must be judged solely on their own merit, and while some investments may have a clearly identifiable ESG aspect, ESG is considered for all investments that the Fund makes: for example by ensuring that equity managers vote in line with LAPFF recommendations.

For further information regarding the Fund's approach to investing responsibly, please see the Investment Strategy Statement at Appendix 3.

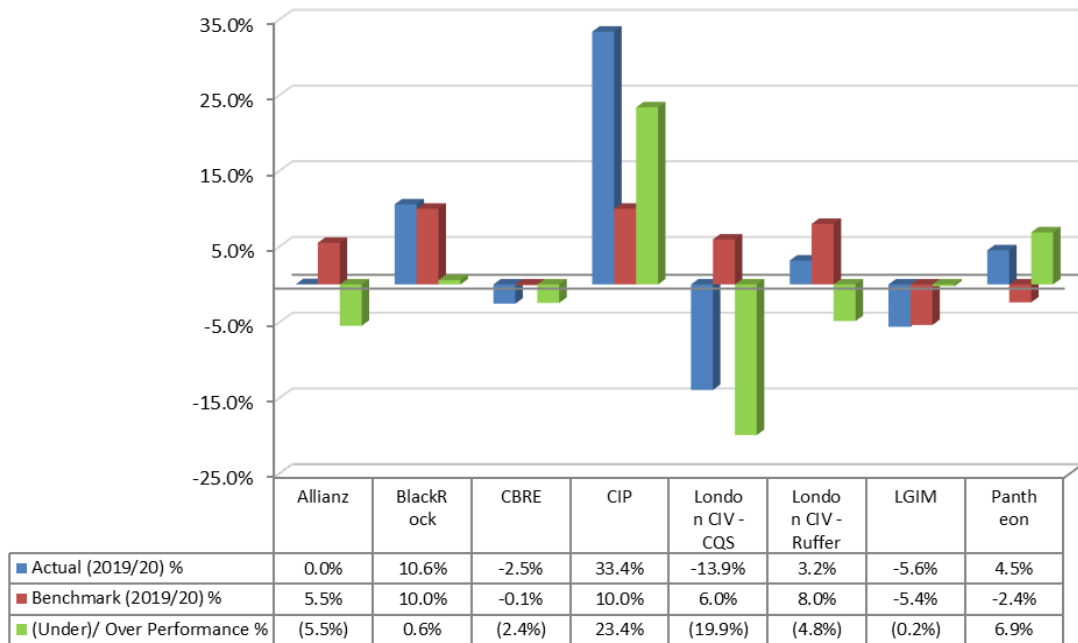
Fund Managers

The Pension Fund has appointed external fund managers to undertake day to day management of the Fund's investments. Each fund manager is appointed with a mandate covering a defined asset class or classes with a target set that relates to a benchmark covering the asset class or classes they are managing. The fund managers in place during the 2019/20, the asset classes they cover, their percentage of the Fund's investments at 31st March 2020 and targets are shown in the table below.

Investment Manager	Mandate	Asset Class	Passive /Active	Benchmark	Target (3 Yr Rolling Period)	Strategic Allocation	Allocation at 31 Mar 2020
LGIM	Passive Global Equities & Bonds	Global Multi Factor Equities	Passive	RAFI Multi Factor Global Unhedged	Benchmark	9.60%	9.19%
LGIM	Passive Global Equities & Bonds	Global Multi Factor Equities	Passive	RAFI Multi Factor Global Hhedged	Benchmark	9.60%	8.64%
LGIM	Passive Global Equities & Bonds	Emerging Markets Equities	Passive	FT World Global Emerging Markets GBP Unhedged	Benchmark	6.60%	6.58%
LGIM	Passive Global Equities & Bonds	Global Low Carbon Equities	Passive	MSCI World Low Carbon Target Index Unhedged	Benchmark	9.60%	9.51%
LGIM	Passive Global Equities & Bonds	Global Low Carbon Equities	Passive	MSCI World Low Carbon Target Index Hedged	Benchmark	9.60%	9.10%
LGIM	Passive Global Equities & Bonds	Index Linked Gilts	Passive	FTA Index Linked Over 5 Years Index	Benchmark	15.00%	16.45%
CBRE	Property	Property	Active	HSBC/APUT Balance Funds Index	+1% (Gross) of Fees p.a	7.50%	7.37%
Pantheon	Private Equity	Private Equity	Active	MSCI World Index plus 3.5%	Benchmark	5.00%	5.37%
CQS	Multi Sector Credit	Multi Sector Credit	Active	LIBOR plus 5%	Benchmark	7.00%	7.26%
London CIV - Ruffer subfund	Multi Asset Absolute Return	Multi Asset	Active	8.00%	Benchmark	7.50%	10.05%
Allianz	Infrastructure Debt	Infrastructure Debt	Active	5.50%	Benchmark	3.00%	3.20%
Aviva	Long lease UK Property	Long lease UK Property	Active	50% FTSE Actuaries 5-15 Year Gilt Index, 50% FTSE 15 year + Gilt Index plus 1.5%	Benchmark	5.00%	3.62%
Copenhagen Infrastructure Partners	Renewable Energy	Renewable Energy	Active	10.00%	Benchmark	2.50%	1.21%
Blackrock	Renewable Energy	Renewable Energy	Active	10.00%	Benchmark	2.50%	2.02%
					Total	100%	100%

The fund had invested funds with eight managers (including two sub fund managers the LCIV; CQS and Ruffer) for the whole of 2019/20; investment in the Aviva fund commenced part way through the year. The Covid-19 pandemic caused significant disruption to the markets in March meaning that only three out of eight fund managers who were invested with for the whole year achieved positive returns. The fund's private equity and renewable energy infrastructure investments outperformed relative benchmark and also delivered positive return in 2019/20.

Fund Manager Performance Against Benchmark



LGIM (Passive equity (including low carbon), and index linked gilts) – The manager performed broadly in line with target as expected as the portfolio is invested passively. Equity markets delivered stable positive returns for most of the financial year, however the advent of Covid-19 had the most impact on equities leading to most of gains made in the financial year were lost in the first quarter of 2020. The manager delivered net negative return in line with benchmark. The manager has achieved positive returns in the three year (1.68%), five year (5.47%) and since inception (8.04%).

CBRE (Property)– The manager achieved negative returns of -2.5% against benchmark of -0.1% leading to underperformance of -2.4%. The manager has achieved positive returns in the three year (4.1%), five year (5.1%) and since inception (5.55%).

PANTHEON (Private Equity) – the private equity manager delivered a positive return of 4.5% in the year, against a target benchmark of -2.4% leading to relative positive return to benchmark of 6.9%. This manager has achieved significant positive returns in the three year (8.8%), five year (13.9%) and since inception (8.9%).

ALLIANZ (Infrastructure Debt) – The manager significantly underperformed target benchmark of 0.0% in the year by 5.5%. All funds have now been drawn for this investments which are invested via a limited partnership structure in a total of five assets that include two roads, a port and two university halls of residence. The investment will now continue to yield income to the fund for the remainder of the life of the investment which is anticipated to be in the region of 25 years. The manager has achieved positive returns in the three year (1.59%), five year (5.13%) and since inception (5.23%).

London CIV - CQS (Multi Sector Credit) – The manager achieved negative returns of 13.9% against target benchmark of 6.0% multi sector credit portfolio significantly lagged target benchmark of in 2019/20, by 19.9%. The asset class has faced challenging conditions in 2019/20 due to impact of the pandemic, however the manager has recovered some of the losses in subsequent quarters of 2020. Given the size of the underperformance in 2019/20, the fund has achieved negative return of 2.61% in the three year. In the five year and since inception, the manager has achieved returns of 0.38% and 0.64% respectively.

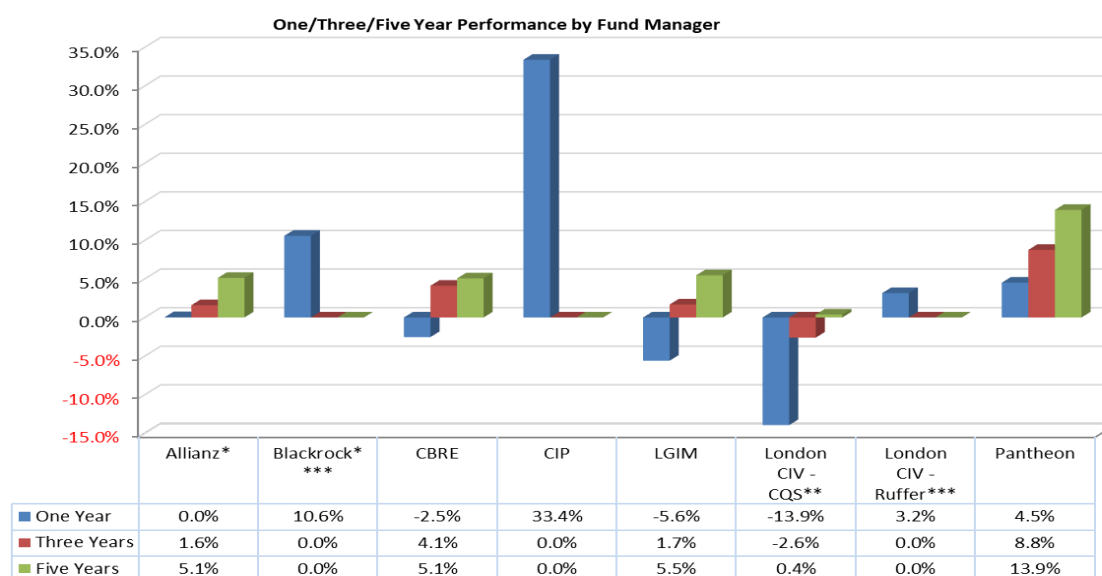
London CIV – Ruffer (Multi Asset Absolute Return) – The manager achieved 3.2% underperforming target benchmark of 8.0% by 4.8%. The investment was made to increase downside protection for the fund and to diversify from listed equities, and indeed, in the period of market correction in the first quarter of 2020, the fund did perform better than the fund’s listed equity funds. Overall however, performance across the year significantly lagged target.

Blackrock (Renewable Energy Infrastructure) – This investment is via a closed ended limited partnership structure, similar to private equity. Following a slow start, the manager achieved significant positive return of 10.58% this year. Overall, the manager has achieved positive returns of 1.7% since inception.

Copenhagen Infrastructure Partners (Renewable Energy Infrastructure) – This investment is via a closed ended limited partnership structure, similar to private equity. The manager had a very strong year with positive return of 33.4% outperforming benchmark of 10.0% by 23.4%. Overall, the manager has achieved positive returns of 14.8% since inception.

Aviva (Long Lease UK Property) – The objective of this fund is to deliver returns by investing in low risk UK property assets with long term income streams. The manager has not had a full year of trading, but it was a challenging first year of investments in the Fund.

Fund managers’ performance over the past three and five years is illustrated by the below chart.

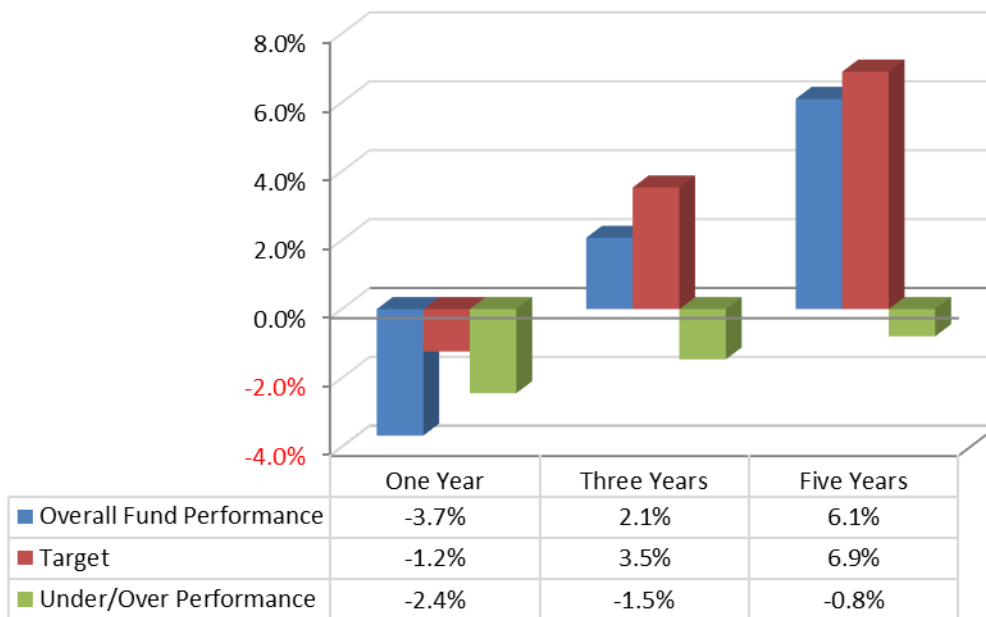


* Commenced Dec 2014; ** Commenced Aug 2014 *** Commenced Dec 2017 **** Commenced May 2017

Investment Performance

The investment performance of the Pension Fund and the fund managers is regularly reviewed by Committee members. Performance reports to compare actual performance against the targets set for the fund managers are provided to and discussed by the Committee quarterly. The overall Pension Fund performance is summarised in the table below. All figures shown are annualised performance figures over the various periods to 31st March 2020.

Overall Fund Performance against Target



Investment Pooling

The fund has two investments made directly through the London CIV, the investment pool for London Boroughs. These are the CQS (Multi Sector Credit), and Ruffer (Multi Asset Absolute Return) investments. Besides this, the fund's passive equity and index linked gilts mandates with Legal and General fall under the CIV's oversight, and the fund benefits from lower fees negotiated on behalf of all funds. The fund therefore has around 77% of all assets held within the pool or under the pool's oversight as at 31 March 2020. Investment management fees for these investments account for approximately 35% of all investment management costs. Those investments outside the pool are generally alternative investments which have proportionally higher fees associated with them.

The remaining investments held outside the pool represent alternative or illiquid investments, and which will remain under regular review to see if it is possible to transition them into the London CIV, or whether it would be in the fund's interests to sell the investments and instead invest via a London CIV strategy.

The fund is a shareholder in the CIV, all London Funds contributed £150k of shareholder capital, which is presented on the fund's balance sheet in Appendix 1 to these accounts. In addition to this, all shareholders in the CIV contribute an annual

service charge of £25k and a development funding charge of £65k (for 2019/20). The fund estimates that the fund has generated a net saving via its participation in the CIV in 2019/20, so CIV costs are offset by ongoing reduced investment management fees for the funds under the CIV's oversight.

Market Developments 2019/20

Market Background**JOHN RAISIN FINANCIAL SERVICES LIMITED****Independent Advisors Report****Market Background 2019-20**

Given the outbreak of COVID-19 and the huge fall in equity markets in late February and March 2020 it is easy to forget that for most of the year 1 April 2019 to 31 March 2020 global stocks increased in value and the world economy continued to experience positive, if modest, economic growth. During April to December 2019 markets were clearly influenced by pessimism and ultimately optimism regarding US-China trade relations, and accommodative major central bank policy. April to December 2019 saw global equities advance with the MSCI World Index up 11% and the United States S&P 500 up 14%.

April to December 2019 saw uncertainty in the United States-China trade relationship. 2019, however, ended positively – on 12-13 December both sides announced significant progress on a “Phase 1” deal. The US S&P 500 index reached a (then) new closing high of 3,169 on 13 December.

April to December saw strong consumer confidence in the United States and low unemployment in the major economies of the United States, the Eurozone and the United Kingdom. US unemployment was 3.5% in December 2019 a fifty-year low and Eurozone unemployment was 7.3% its lowest since the financial crisis of 2008. There were however also concerning economic indicators.

US inflation continued to be clearly below the Federal Reserve’s 2% target. Eurozone and Japanese inflation remained well below the targets of their central banks. Economic growth showed signs of weakness. US annualised growth fell to below 2.5% compared with around 3% for the April to December 2018 period. Chinese growth at around 6% (annualised) was the lowest since 1990.

April to December 2019 saw the US Federal Reserve and the European Central Bank clearly move towards looser more supportive (of both financial markets and the economy) monetary policy. This was in clear contrast to 2018 when both had tightened their monetary policy approach with the Federal Reserve increasing interest rates three times in the period June to December 2018.

In July, September and October 2019 the US Federal Reserve reduced the target range for the federal funds rate by 0.25%. At the press conference following the October meeting Chair Jay Powell stated *“Today we decided to lower the interest rate for the third time this year.... weakness in global growth and trade developments have weighed on the economy and pose ongoing risks. These factors, in conjunction with muted inflation pressures, have led us to lower our assessment of the appropriate level of the federal funds rate...”*

The European Central Bank (ECB) also acted to support financial markets and the Eurozone economy. In June the ECB extended to at least the first half of 2020 the existing ultra-low interest rate policy. In September the ECB further loosened monetary policy including reducing the deposit interest rate by 0.1% to minus 0.5% and reintroducing quantitative easing which was restarted on 1 November at the rate of asset purchases of 20 billion Euros per month. The Bank of Japan continued its huge monetary stimulus programme which commenced in 2013.

The resolution of some of the trade tensions between the United States and China in late 2019 and the further loosening of monetary policy by the US Federal Reserve and ECB in the second half of 2019 had led to a general view that global stocks would continue their long upward trend through 2020. Indeed, on 19 February 2020 the US S&P 500 Index reached a new record closing high of 3,386 almost 5% above the 31 December 2019 closing figure of 3,231.

On 24 February 2020, however, equities across the globe began to rapidly fall following the decision of Italy to quarantine 10 towns in response to COVID-19 (Coronavirus). Concerns regarding COVID-19 then rapidly and hugely affected US equity markets and other major markets. By the end of Friday 28 February, the S&P 500 had fallen approximately 13% from its 19 February all-time high. On 28 February Federal Reserve Chair Jay Powell stated that *"... the coronavirus poses evolving risks to economic activity. The Federal Reserve is closely monitoring developments... We will use our tools and act as appropriate to support the economy."* The actions subsequently taken by, and led by the US Federal Reserve during March 2020 were unprecedented even in comparison to those following the 2008 financial crisis.

The governments of a number of leading world economies - the UK, Canada, France and Italy announced major fiscal initiatives to support their economies and citizens and also, by extension, financial markets on or before 20 March 2020. Measures included income subsidies for laid off workers, tax deferrals and state loans or guarantees for companies. The German Parliament and US Congress also agreed unprecedented fiscal support packages in the last week of March. While these measures were crucial to mitigating the adverse impact of COVID-19 on economies and financial markets it was the extraordinary interventions of the US Federal Reserve which, surely, prevented a financial market meltdown in March 2020.

At an emergency meeting on 3 March 2020, the US Federal Reserve, reduced the target range for federal funds rate (its main interest rate) by ½%, to the range 1 to 1 ¼%. COVID-19 equity related market chaos continued however and was compounded by reaction to an oil price plunge on 9 March arising from Russian and Saudi Arabian action which resulted in a trading break in New York, the first time this measure had been used.

Then in an unscheduled (Sunday) meeting on 15 March the US Federal Reserve intervened on an unprecedented scale. The federal funds rate was reduced by a full 1% to the range 0% to ¼% and an asset purchase programme announced of *"at least"* \$500bn of Treasury bonds and *"at least"* \$200bn of mortgaged backed securities to *"support the smooth functioning of markets...."* To further support the flow of credit to businesses and households the US Federal Reserve also announced measures to ease requirements upon and to support banks and other savings institutions. To directly support not only the US markets and economy but other major developed markets and economies the Federal Reserve also announced, on 15 March 2020, *"co-ordinated action"* with a number of other central banks to lower the cost of borrowing dollars internationally.

The ECB acted decisively on 18 March announcing a 750 billion Euro Pandemic Emergency Purchase Programme (PEPP) covering government and corporate debt to “...counter the serious risks to the... outlook for the euro area posed by the outbreak and escalating diffusion of the coronavirus, COVID-19.” The Bank of England acted decisively reducing Bank Rate by from 0.75% to 0.25% on 10 March and then on 19 March to an all-time low of 0.10% together with the introduction of a £200 billion purchase programme of bonds. On 10 March, it also introduced measures to facilitate further lending to businesses by UK banks.

Turmoil however continued when markets reopened on Monday March 16. The S&P 500 fell by 12% only to rise by 6% on 17 March and then to fall by 5% on 18 March. On 16 March in the context of the clearly rapid spread of COVID-19 in Europe, closures and severe disruption to businesses not only in Europe but the US coupled with an admission by President Trump that the Coronavirus crisis could last till “August, could be July, could be longer...” US markets fell 12%. 18 March was a day of panic in world markets with the FTSE All World equity index falling almost 7%, government bond prices falling, oil prices again plummeting, sterling falling to its lowest level against the dollar since the 1980s. The S&P index closed on Friday 20 March at 2,305 which was 15% lower than at the close on Friday 13 March with liquidity shocks exacerbating the declines in equities.

Then on 23 March, the US Federal Reserve intervened in an unprecedented manner. First it extended its purchases of Treasury Bonds and mortgage backed securities from \$700billion to “the amounts needed to support smooth market functioning and effective transmission of monetary policy...” This meant that to help facilitate the supply of credit to households and businesses the US Federal Reserve was prepared to buy unlimited amounts of government securities. Secondly, in an extraordinary break with previous precedent the Federal Reserve announced initiatives to purchase both new issue and secondary market corporate debt. This meant that in effect the Federal Reserve was prepared to directly support employers and act as a backstop in the corporate bond market.

In the days following this extraordinary intervention by the Federal Reserve of 23 March 2020, financial markets began to recover with the S&P 500 closing at 2,585 on 31 March a full 12% higher than on 20 March. Admittedly, after much argument Congress finally passed a huge \$2.2 trillion fiscal stimulus on 27 March to assist US business and families. However, there can be no doubt that during March 2020 the US Federal Reserve acted decisively and in an unprecedented manner to avoid a financial market meltdown while the US Congress argued over what measures to take.

In summary, over the January to March 2020 Quarter global equity prices fell heavily with the MSCI World Index down 21% (in \$ terms). European and UK equities were especially badly affected with the MSCI EMU Index down 25% (in Euro terms) and the FTSE All Share down 25% (in £ terms). The S&P 500 lost 20% as did the Nikkei 225.

Though the effects of COVID-19 were only really felt by the world economy and financial markets from late February onwards GDP data for the first Quarter 2020 demonstrates the immediate and devastating economic effects. The “Third” estimate from the US Bureau of Economic Analysis, issued on 25 June 2020, indicated that US “gross domestic product (GDP) decreased at an annual rate of 5.0 percent in the first quarter of 2020...” In the previous three Quarters an annualised rate of approximately plus 2% was achieved. Eurozone GDP was down 3.6% in the first Quarter of 2020, compared to the previous Quarter, according to a Eurostat data release of 20 July 2020. Eurostat stated “These were the sharpest declines

observed since time series started in 1995” In each of the previous three Quarters Eurozone GDP increased by plus 0.1%-0.3%.

In conclusion the period April to December 2019 was positive for both equity markets and the world economy. However the effects of COVID-19 in late February and March 2020 resulted in a market crisis which would almost certainly have resulted in a financial market meltdown had it not been for the unprecedented actions of the US Federal Reserve supported by other major central banks and the fiscal policy initiatives announced by the governments of a number of leading world economies.

However, despite unprecedented monetary and fiscal stimulus by central banks and governments world equity markets were down over 20% for the January to March 2020 Quarter and the impact of COVID-19 on the world economy looked extremely serious. Overall, for the year 1 April 2019 to 31 March 2020 world equity markets measured by the MSCI World Index were down over 10%.

John Raisin

27 July 2020

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

Scheme Administration Report

- Local Government Pension Scheme
- Administration Service Delivery
- Administration KPIs and statistics
- Communications Policy
- Pensions Administration Strategy

Local Government Pension Scheme

The Haringey Pension Fund is part of the Local Government Pension Scheme (LGPS), which is a statutory scheme which provides defined pension benefits based on membership and pay levels. The benefits are set out in the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2013 and Local Government Pension Scheme (Transitional, Provision Savings and Amendment) Regulations 2014. Haringey Pension Fund cannot make changes to the scheme, and may only exercise such discretions as are prescribed by the LGPS regulations.

Membership is open to the non-teaching employees of the Administering Authority, all scheduled bodies and certain employees of admitted bodies until the day before age 75. From April 2014, the benefit structure changed from a final salary scheme to career average revalued earnings based scheme, with changes to the accrual rate and to align the normal retirement date with the age at which the state pension commences.

Administration Service Delivery

The Pension Administration service calculates and pays pension benefits, maintains a database of members and is responsible for the interpretation and implementation of the Local Government Pension Scheme regulations and related legislation for the administration of the scheme.

The service operates in accordance with their professional standards and within the regulations laid down by the Local Government Pension Scheme.

Internal Dispute Resolution Procedure

Members of pension schemes have statutory rights to ensure that complaints, queries and problems concerning pension rights are properly resolved.

To facilitate this process, an Internal Disputes Resolution Procedure has been established. In the first instance, members are expected to take up matters with the Pensions Manager, Janet Richards at the following address:

Level 5 Alexandra House
10 Station Road
Wood Green
London
N22 7LR

Alternatively email janet.richards@haringey.gov.uk. If the matter remains unresolved, a stage 1 appeal may be made to the Head of Finance and thereafter, if necessary a further stage 2 appeal may be made to Bernie Ryan, Assistant Director, Corporate Governance at

Level 5 River Park House
225 High Road
Wood Green

London
N22 8HQ

If the problem remains unresolved, members then have the facility to refer the matter to The Pensions Ombudsman, who can be contacted at:

11 Belgrave Road
London
SW1V 1RB

The statutory body responsible for the regulation of pension schemes in the United Kingdom is The Pensions Regulator and can be contacted at the following address:

The Pensions Regulator
Napier House
Trafalgar Place
Brighton
BN1 4DW

A central tracing agency exists to help individuals keep track of deferred pension entitlements from previous employers' pension schemes. An application for a search can be submitted to:

Pension Tracing Service
The Pension Service
Whitley Road
Newcastle upon Tyne
NE98 1BA

The Haringey Pension Fund's details are registered with the tracing agency.

Further information

For information about the Scheme generally, further information about resolving disputes, or an individual's entitlement to benefit, please refer to the Employee's guide, which can be found on the council's website (details below) or contact the Pensions Team, at

Level 5 Alexandra House
10 Station Road
Wood Green
London
N22 7LR

telephone 020 8489 5916 or refer to the Council's website:
www.haringey.gov.uk/pensionfund

Administration KPIs and Statistics

The Fund believes it provides value for money for its members and employers. The fund has previously completed benchmarking against its peers to compare staffing numbers and costs, and found it compared favourably to other similar funds.

Administration statistics are presented below. Those which demonstrate the the cost of the administration service are based on the pensions administration IT system and the recharge from Haringey Council (including staff, premises, support services etc), these differ from 'administrative costs' displayed in the fund's accounts, which include items such as tax charges, legal fees, and ill health liability insurance.

	2018/19	2019/20
Administration Cost per fund member	£35.45	£37.24
Administration FTEs	7.6	7.6
FTEs per 1000 fund members	0.33	0.33

Process	Cases Outstanding 1/4/19	Cases commenced	Cases completed	Cases outstanding 31/3/20	% Completed in 2019/20
Deaths notifying amount of dependents benefits	49	327	387	93	84%
Retirements (estimates)					
- active	70	588	704	105	83%
- deferred	1	20	23	5	86%
Total Retirements (estimates)	71	608	727	110	83%
Retirements (letter actual)					
- active	74	379	399	96	95%
- deferred	4	22	25	10	88%
Retirement (process)					
- active	74	379	399	96	95%
- deferred	4	22	25	10	88%
Deferment					
Calc and notify benefits	478	83	340	631	24%
Transfers in					
Letter (quote)	96	63	171	101	37%
Letter	96	63	171	101	37%
Letter tv out quote	11	111	117	27	94%
Transfer out letter	37	13	19	27	68%
Refund	357	191	191	499	100%
Divorce quote	0	13	15	3	86%
Divorce settlement	0	1	1	0	100%
Joiners	107	314	455	144	69%
Aggregation	21	50	50	13	100%

Communications Policy

Effective communication between the Administering Authority, the scheme members, and the employers within the Fund is essential to the proper management of the Local Government Pension Scheme on a transparent and accountable basis.

The current policy, which has been prepared in accordance with the LGPS regulatory requirement is attached in Appendix 4, and sets out the policy framework within which the Pension Fund communicates with:

- Members of the scheme;
- Representatives of scheme members;
- Scheme employers; and,
- Prospective scheme members.

It identifies the format, frequency and method of distributing information and publicity. It also outlines the processes for promoting the scheme to prospective members and scheme employers.

The Communications Policy includes the provision of a pension's page on the Haringey website www.haringeypensionfund.co.uk. This facility enables staff to access information about the Local Government Pension Scheme in their own home with families and partners who may also have an interest in the benefits of the scheme.

Pensions Administration Strategy

The Fund implemented a Pensions Administration Strategy Statement on 1st April 2011, following consultation with the employers participating in the Fund and approval by Committee, this is regularly reviewed and updated.

This statement sets out the performance standards expected of the Council in its role of Administering Authority for the Fund and those expected of employers participating in the scheme. It seeks to promote good working relationships, improve efficiency and ensure quality of service and data. It sets out details of how performance will be monitored and what action might be taken in the event of persistent failure.

During the financial year 2019/20 no formal action has been taken against any employers. The only breaches of the performance standards have been minor and have been dealt with informally.

The Pensions Administration Strategy Statement can be found on the Haringey Pension Fund website www.haringeypensionfund.co.uk

Actuarial Funding Report

- Funding Position
- Funding Strategy Statement
- Statement of the Fund Actuary

Funding Position

The Pension Fund is independently valued every three years by a firm of actuaries to assess the adequacy of the Fund's assets to meet its long term obligations.

The most recent triennial actuarial valuation of the Fund was carried out as at 31 March 2019 in a report dated 25 February 2020.

The 2019 valuation was carried out in accordance with the Fund's Funding Strategy Statement and Guidelines GN9: Funding Defined Benefits – Presentation of Actuarial Advice published by the Board for Actuarial Standards. The resulting contribution rates reflected the cost of providing year by year accrual of benefits for the active members and the level of funding for each employer's past service liabilities.

The market value of the Fund at the time of the last triennial valuation as at 31 March 2016 was £1,046m. Against this sum liabilities were identified of £1,323m equivalent to a funding deficit of £277m. The movement in the actuarial deficit/surplus between 2016 and the last valuation in 2019 is analysed below:

Reason for Change	Assets £	Liabilities £	Total Movement £
Deficit at last valuation (31 March 2016)	1,046.5	1,322.5	(276.0)
Employee/employer contributions	131.6	-	131.6
Benefits paid out/other expenses	(192.4)	(186.4)	(6.0)
Membership changes	-	283.6	(283.6)
Membership experience vs expectations	4.0	(14.0)	18.0
Investment returns on fund asset	394.6	-	394.6
Future inflation expectations	-	38.0	(38.0)
Actuarial assumptions	-	(65.4)	65.4
Valuation as at 31 March 2019	1,384.3	1,378.3	6.0

The level of funding on an ongoing funding basis increased to 100% from 79% between the triennial actuarial valuations as at 31st March 2016 and as at 31st March 2019. The main reason for the improved position was improved investment returns and membership experiences that were better than projected.

The funding objective of the Fund is to be fully funded. As this objective had not been achieved at the last valuation date it was agreed with the actuary that the past service deficit would be recovered over a period not exceeding 20 years. Further information about the principles for achieving full funding is set out in the Funding Strategy Statement in Appendix 5.

The main assumptions used in the 2019 valuation were:

Investments	Annual nominal rate of return
	%
Discount rate	4.2
	Annual change %
Pay increases	3.3
Price Increases (pension increases)	2.3

Funding Strategy Statement

The Local Government Pension Scheme Regulations require Local Government Pension Funds to prepare, publish and maintain a Funding Strategy Statement in accordance with guidance issued by CIPFA.

The purposes of a Funding Strategy Statement are:

- to establish a clear and transparent fund-specific strategy which will identify how employers' pension liabilities are best met going forward;
- to support the regulatory framework to maintain as nearly constant employer contribution rates as possible; and,
- to take a prudent longer-term view of funding those liabilities.

The Funding Strategy Statement is reviewed in detail every three years alongside the triennial valuation. It is reviewed in collaboration with the Pension Fund's actuary, and after consultation with the Pension Fund's employers and investment advisers. The current statement was reviewed and agreed in March 2020.

The objectives of the Funding policy set out in the Statement are:

- to ensure the long-term solvency of the Fund (and of the share of the Fund notionally allocated to individual employers);
- to ensure that sufficient funds are available to meet all benefits as they fall due for payment;
- not to restrain unnecessarily the investment strategy of the Fund so that the Administering Authority can seek to maximise investment returns (and hence minimise the cost of the benefits) for an appropriate level of risk;
- to help employers recognise and manage pension liabilities as they accrue;
- to minimise the degree of short-term change in the level of each employer's contributions where the Administering Authority considers it reasonable to do so;
- to use reasonable measures to reduce the risk to other employers and ultimately to the Council Tax payer from an employer defaulting on its pension obligations;
- to address the different characteristics of the disparate employers or groups of employers to the extent that this is practical and cost-effective; and
- to maintain the affordability of the Fund to employers as far as is reasonable over the longer term.

The policy is shown in full in Appendix 5.

Statement of Fund Actuary

Pension Fund Accounts Reporting Requirement

Introduction

CIPFA's Code of Practice on Local Authority Accounting 2019/20 requires Administering Authorities of LGPS funds that prepare pension fund accounts to disclose what IAS26 refers to as the actuarial present value of promised retirement benefits. I have been instructed by the Administering Authority to provide the necessary information for the London Borough of Haringey Pension Fund ("the Fund").

The actuarial present value of promised retirement benefits is to be calculated similarly to the Defined Benefit Obligation under IAS19. There are three options for its disclosure in the pension fund accounts:

- showing the figure in the Net Assets Statement, in which case it requires the statement to disclose the resulting surplus or deficit;
- as a note to the accounts; or
- by reference to this information in an accompanying actuarial report.

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

Present value of promised retirement benefits

Year ended	31 March 2020	31 March 2019
Active members (£m)	601	877
Deferred members (£m)	505	568
Pensioners (£m)	709	643
Total (£m)	1,815	2,088

The promised retirement benefits at 31 March 2020 have been projected using a roll forward approximation from the latest formal funding valuation as at 31 March 2019. The approximation involved in the roll forward model means that the split of benefits between the three classes of member may not be reliable. However, I am satisfied that the total figure is a reasonable estimate of the actuarial present value of benefit promises.

Note that the above figures at 31 March 2020 include an allowance for the "McCloud ruling", i.e. an estimate of the potential increase in past service benefits arising from this case affecting public service pension schemes.

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

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

Assumptions

The assumptions used are those adopted for the Administering Authority's IAS19 report and are different as at 31 March 2020 and 31 March 2019. I estimate that the impact of the change in financial assumptions to 31 March 2020 is to decrease the actuarial present value by £156m. I estimate that the impact of the change in demographic and longevity assumptions is to decrease the actuarial present value by £39m.

Financial assumptions

Year ended (% p.a.)	31 March 2020	31 March 2019
Pension Increase Rate	1.9%	2.5%
Salary Increase Rate	2.9%	3.1%
Discount Rate	2.3%	2.4%

Longevity assumptions

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2018 model, an allowance for smoothing of recent mortality experience and a long term rate of 1.25% p.a.. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	21.5 years	23.7 years
Future pensioners (assumed to be aged 45 at the latest formal valuation)	22.7 years	25.3 years

Please note that the longevity assumptions have changed since the previous IAS26 disclosure for the Fund.

Commutation assumptions

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service.

Sensitivity Analysis

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

Sensitivity to the assumptions for the year ended 31 March 2020	Approximate % increase to liabilities	Approximate monetary amount (£m)
0.5% p.a. increase in the Pension Increase Rate	9%	161
0.5% p.a. increase in the Salary Increase Rate	1%	11
0.5% p.a. decrease in the Real Discount Rate	9%	169

The principal demographic assumption is the longevity assumption. For sensitivity purposes, I estimate that a 1 year increase in life expectancy would approximately increase the liabilities by around 3-5%.

Professional notes

This paper accompanies our covering report titled 'Actuarial Valuation as at 31 March 2020 for accounting purposes'. The covering report identifies the appropriate reliances and limitations for the use of the figures in this paper, together with further details regarding the professional requirements and assumptions.

Prepared by:-



Douglas Green FFA

7 May 2020

For and on behalf of Hymans Robertson LLP

Financial Report

- Director of Finance's Responsibilities
- Appendix 1 Pension Fund Accounts and Auditor's Report

Director of Finance's Responsibilities

The financial statements are the responsibility of the Director of Finance (S151 Officer). Pension scheme regulations require that audited financial statements for each Scheme year are made available to Scheme members, beneficiaries and certain other parties, which:

“show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of that year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year, in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom”.

The Director of Finance has supervised the preparation of the financial statements and has, agreed suitable accounting policies, to be applied consistently, making any estimates and judgments on a prudent and reasonable basis.

The Director of Finance is also responsible for making available certain other information about the Scheme in the form of an Annual Report.

The Director of Finance is responsible for ensuring that records are kept in respect of contributions received in respect of any active member of the Scheme and for monitoring whether contributions are made to the Scheme by the Administering Authority and other participating scheme employers by the due dates.

The Director of Finance is responsible for the maintenance and integrity of the financial information of the Scheme included on the Authority's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

The Director of Finance also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

Statement of the Director of Finance

I certify that the financial statements set out in Appendix 1 have been prepared in accordance with the accounting policies set out below and give a true and fair view of the financial position of the Pension Fund at the reporting date and of its expenditure and income for the year ended 31st March 2020.

Jon Warlow, CPFA
Director of Finance (S151 Officer)
 30 October 2020

Appendices

Current approved versions of key policy statements

1. Pension Fund Accounts 2019/20 and Auditors Report
2. Governance Compliance Statement
3. Investment Strategy Statement
4. Communications Policy
5. Funding Strategy Statement