



Local Government Pensions Board

Date: MONDAY, 12 DECEMBER 2022
Time: 4.00 pm
Venue: COMMITTEE ROOM - 2ND FLOOR WEST WING, GUILDHALL

Members: Mark Wheatley (Chairman) Christina McLellan
David Pearson Paul Wilkinson
James Tumbridge (Deputy Vacancy
Chairman)

Enquiries: Chris Rumbles
tel. no.: 020 7332 1405
christopher.rumbles@cityoflondon.gov.uk

Accessing the virtual public meeting

Members of the public can observe this virtual public meeting at the below link:
www.youtube.com/watch?v=0Mv7VRAii00

A recording of the public meeting will be available via the above link following the end of the public meeting for up to one civic year. Please note: Online meeting recordings do not constitute the formal minutes of the meeting; minutes are written and are available on the City of London Corporation's website. Recordings may be edited, at the discretion of the proper officer, to remove any inappropriate material.

John Barradell
Town Clerk and Chief Executive

AGENDA

1. **APOLOGIES**

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

3. **MINUTES**

To agree the public minutes and non-public summary of the meeting on 22nd June 2022.

For Decision
(Pages 5 - 8)

4. **PENSION BOARD (LGPS) ADMINISTRATORS REPORT**

Report of the Chamberlain.
(to be read in conjunction with a non-public appendix at item 10)

For Information
(Pages 9 - 14)

5. **SUBJECT: PENSIONS COMMITTEE UPDATE REPORT (PUBLIC)**

Report of the Chamberlain.

For Information
(Pages 15 - 46)

6. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

7. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

8. **EXCLUSION OF THE PUBLIC**

MOTION - That the public be excluded from the meeting for the following items that relate to business under the remit of the Court of Common Council acting in line with requirements of the Public Services Pensions Act 2013 relating to pensions scheme governance, to which Part VA and Schedule 12A of the Local Government Act 1972 public access to meetings provisions to not apply.

For Decision

Part 2 - Non-Public Agenda

9. **PENSIONS COMMITTEE UPDATE REPORT (NON PUBLIC)**

Report of the Chamberlain.

For Information
(Pages 47 - 54)

10. **THE CITY CORPORATION'S PENSIONS SCHEME - UPDATE**

Report of the Chamberlain.
(non-public appendix to be read in conjunction with item 4)

For Information
(Pages 55 - 56)

11. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

12. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

Part 3 - Confidential Agenda

13. **MINUTES**

To agree the confidential minutes of the Local Government Pensions Board meeting on 22nd June 2022.

For Decision

This page is intentionally left blank

LOCAL GOVERNMENT PENSIONS BOARD

Wednesday, 22 June 2022

Minutes of the meeting of the Local Government Pensions Board held as a virtual public meeting and available to view at www.youtube.com/watch?v=tJOpJVbrvcg

Present

Members:

Mark Wheatley (Chairman)

Christina McLellan

James Tumbridge (Deputy Chairman)

Officers:

Kate Limna

- Corporate Treasurer

Jeff Henegan

- Chamberlain's Department

Christopher Rumbles

- Town Clerk's Department

Graham Newman

- Pensions Manager

Emma Moore

- Chief Operating Officer

With James Tumbridge in the Chair.

The Chairman referred to Martin Newnham having recently departed the City Corporation, following which he had decided to stand down from his role on the Local Government Pensions Board. The Chairman thanked Martin for his contribution during his time on the Board, particularly during the last year as Deputy Chairman.

1. **APOLOGIES**

Apologies were received from Paul Wilkinson, David Pearson and Martin Newnham.

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

There were no declarations of interest.

3. **ORDER OF THE COURT OF COMMON COUNCIL**

The Board received an Order of the Court of Common Council dated 21st April 2022 appointing the Committee and agreeing its terms of reference for the ensuing year.

The Chairman referred to a separate process following the introduction of a new Target Operating Model and Governance Review changes and the introduction of new committees. This would be looking at the timetabling of meetings going forwards and also which committees Members would be precluded from sitting on and the criteria for this.

RECEIVED

4. **ELECTION OF CHAIR**

The Board proceeded to elect a Chair in accordance with Standing Order No. 29.

Mark Wheatley, being the only Board Member expressing their willingness to serve, was duly elected Chairman for the ensuing year.

5. ELECTION OF DEPUTY CHAIR

The Board proceeded to elect a Deputy Chair in accordance with Standing Order No. 30.

James Tumbridge, being the only Member expressing their willingness to serve, was duly elected Deputy Chairman for the ensuing year.

6. MINUTES OF THE PREVIOUS MEETING

RESOLVED – That the public minutes and non-public summary of the Local Government Pensions Board meeting on 7 February 2022 be approved as an accurate record of the meeting.

Matters Arising

McCloud Judgement – The Board noted that information relating to the judgement was now fully searchable and easily accessible through the City of London Pension Fund website on the resources page. There had previously been an issue with an incorrect link being used.

7. THE CITY CORPORATION'S PENSIONS SCHEME - UPDATE

The Board received a report of the Chamberlain providing information regarding a range of topics in relation to the City Corporation's Local Government Pension Scheme.

The Corporate Treasurer referred to two areas to highlight to the Board where an update can be provided later on the agenda. These being two complaints that had been received as part of the Internal Disputes Resolution Process as well as two data breaches that had occurred in the last six days. Further information on both of these would be provided during non-public session.

The Deputy Chairman questioned the severity of the data breaches and whether the Information Commissioner's Officer (ICO) had been notified and the Corporate Treasurer confirmed they were minor breaches that did not require reporting to the ICO.

The Deputy Chairman asked for an explanation of the Internal Disputes Resolution Process to allow the Board a greater understanding of the process.

The Corporate Treasurer explained that the Internal Disputes Resolution Process (IDRP) was an agreed process, generally around ill-health, where if a Scheme Member was put forward for ill-health retirement and this was not granted then they could put forward a complaint. A three-stage process would then be followed to consider the complaint under the IDRP.

As part of this process, recommendations could be made on areas where it was considered the employer could perhaps look at doing something different. These complaints were very rarely received at the City Corporation, but with two having been received in the last six weeks.

The Deputy Chairman questioned whether there was a commonality of issue and the Corporate Treasurer confirmed further information could be provided on this point in non-public session.

The Deputy Chairman took the opportunity to raise Pension Board training. The Deputy Chairman referred to training being given to the Board at meetings and of his completion of all relevant online training modules, but suggested it was difficult to remember those requiring a refresh given the infrequent nature of the Board. The Deputy Chairman questioned whether officers could alert Board Members to any training where a refresh would be required, which the Corporate Treasurer agreed to review and consider how this could be managed.

The Corporate Treasurer acknowledged that it was important for Board Members to be made aware of changes to certain modules and where they would benefit completing these again. The Corporate Treasurer agreed to take the point away for consideration and report back.

RESOLVED: That the report be received and its content noted.

8. **THE CITY OF LONDON: LOCAL GOVERNMENT PENSION SCHEME - RISK REGISTER**

The Board considered a report of the Chamberlain providing a review of the Risk Register for the Local Government Pensions Board.

The Board were reminded of a question raised at the previous meeting around cyber security and whether pensions administration should be looked at differently to other areas of the City Corporation when considering externally hosting data. Members noted the position had been reviewed and it had been concluded that, given the City Corporation was the administrative authority for pensions and all associated data that it would be appropriate for pensions cyber security to be dealt with in line with all other areas at the City Corporation. As such, there was no proposal to amend the risk at this point in time.

The Deputy Chairman raised a question regarding hosting through a third-party provider, the security this offered in terms of pensions obligations and whether there were appropriate controls in place and the risk profile sufficient. The Corporate Treasurer responded assuring the Board that she was satisfied that all cyber security requirements were being met, with these having been reviewed and put in place as part of the project to move over to a third-party provider and with a dedicated IT representative to help with the transition moving forward.

The Corporate Treasurer explained that moving forwards, this risk register would become the property of Pensions Committee and it would be their responsibility to review this, whilst taking into consideration any comments from Local Government Pensions Board.

The Corporate Treasurer further explained how Pensions Committee would be making all pensions related decisions at the City Corporation moving forwards, with Local Government Pensions Board having a role in scrutinizing the decisions taken. This would bring the City Corporation in line with other Local Government Pensions Scheme administrators and provide clearer governance.

The Deputy Chairman referred to the number of helpful updates on McCloud and, with Royal Assent being given in March to the Public Service pensions and Judicial Officers Act (the Act), how this would impact the current risk profile and see it come down. The Deputy Chairman added that he would welcome more clarity on this point and to understand what the timetable was to hit the target score

In response, it was clarified that the Act in March was not specific to the Local Government Pensions Scheme and that it related to public sector pensions schemes as a whole, with there being an expectation that a remedy would be introduced for each scheme. The Act offered general terms covering what must happen and be brought into law; it would then be for specific public sector pension schemes to prepare appropriate guidance on how each scheme would address the issues raised. Formal guidance and technical regulations were needed from central government before a remedy could be implemented for the Local Government Pensions Scheme.

Resolved: The Board Members: -

- Noted the existing risks and actions presented on the Local Government Pensions Board risk register; and
- Confirm there were no further risks relating to the pension administration overseen by the Local Government Pensions Board.

9. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD

There were no questions.

10. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There was no additional items of business.

11. EXCLUSION OF THE PUBLIC

RESOLVED: That the public be excluded from the meeting for the following items that relate to business under the remit of the Court of Common Council acting in line with requirements of the Public Services Pensions Act 2013 relating to pensions scheme governance, to which Part VA and Schedule 12A of the Local Government Act 1972 public access to meetings provisions to not apply.

12. CONFIDENTIAL MINUTES

The confidential minutes of the Local Government Pensions Board meeting on 7th February 2022 were approved as an accurate record of the meeting.

The meeting closed at 2.28pm

Chairman

Contact Officer: Chris Rumbles
christopher.rumbles@cityoflondon.gov.uk

Agenda Item 4

Committee(s)	Dated:
Local Government Pensions Board	12 December 2022
Subject: The City Corporation's Pensions Scheme - Update	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of Funding?	
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: The Chamberlain	For Information
Report author: Graham Newman – Chamberlain's Department	

Summary

The City of London Corporation established a Pensions Committee (the Committee) in April 2022 and its first meeting was held on 11 July 2022 with subsequent meetings on 27 September 2022 and 29 November 2022. The Committee is responsible for all functions and responsibilities relating to the City of London Pension Fund including arrangements for the investments, administration and management of the fund

The Local Government Pensions Board has responsibility for assisting the Pensions Committee to ensure the effective and efficient governance and administration of the scheme. The role is one of providing oversight of assurance in the governance of the scheme administration and not in decision making.

The following table shows the scheme administration details that have reported to the Pensions Committee since the last Local Government Pensions Board meeting on 22 June 2022.

Item	Update
Annual schedule of events for the Pensions Scheme	Update provided (Appendix A).
Documentation of communications which are circulated to scheme members	The Pensions Committee considered all documentation issued to scheme members by the Pensions Office at its meetings on 27 September and 29 November. This is reported in the Pensions Committee Update report on today's agenda.
Information of Scheme Record Keeping	As the Scheme's administrating authority, the City is responsible for making sure the scheme has good records. The City is required to ensure it has accurate, complete and up-to-date records and should have controls and processes in place to maintain these standards. Failure to maintain complete and accurate records can risk not meeting legal obligations as set by the Pensions

	<p>Regulator which could lead to fines and/or enforcement action being taken.</p> <p>The City's scheme data is measured once a year and the data scores are submitted to the Pensions Regulator (tPR) in the annual scheme return</p> <p>There have been no amendments since the last Board meeting.</p>
A record of any complaints or disputes under the Scheme's complaints procedure	2 IDRPs cases have been received since the last Board meeting.
Public Service Pensions Reporting Breaches of Pension Law	There has been 1 data breach since the last Board meeting.
Any audit reports relating to the administration of the Scheme	None to report
Any reports relating to the administration of the Pension Scheme which have been considered by other Committees	None to report.
Pension Administration System	<p>The City uses a pensions administration system known as Altair that is provided by the supplier Heywood.</p> <p>A project was started in 2021 to update the system and the pension data from the City's servers was successfully moved to a hosted environment provided by Heywood in November of that year.</p> <p>The Pensions Office met with Heywoods, the pensions software provider, in September 2022 to begin discussions in respect of implementing the Member Self-Service system.</p> <p>Once in place, this will allow scheme members to directly access their data, run basic estimate calculations and update their personal details. This system may also be used for providing Annual Benefit Statements.</p> <p>The current working plan is that testing will begin in the new calendar year and will go live in the new financial year.</p>
Public Sector Pensions Legal Challenge	<p><u>Lord Chancellor and Secretary of State for Justice v McCloud and others</u></p> <p>On 10 March 2022 the Public Service Pensions and Judicial Offices Act 2022 received Royal Assent.</p> <p>The main purpose of the Act was to implement the 'McCloud Remedy' in the public service pension schemes, however further guidance and legislation is required before any action can be taken in respect of the LGPS</p>

	<p>The City of London Pension Fund is compliant with current guidance and all available information has been recorded on the Fund's website,</p> <p>www.cityoflondonpensions.org/resources/</p> <p>An update was included with the 2022 Annual Benefit Statements</p>
Pension Board Training	<p>All Members of the Board are asked to check their TPR online training and continue to complete any outstanding modules they may have.</p> <p>Details in respect of training modules completed by each Member are included on the Non-Public agenda (Appendix B).</p> <p>The Pensions Manager will be reviewing topics for training to cover in the coming year.</p>

Recommendation

The Board is recommended to consider the information provided in the following reports and provide any comments in relation to this information.

Appendices:

Appendix A – Annual Schedule of Events

Appendix B – Member Training (NON-PUBLIC)

Graham Newman

Pensions Manager | Chamberlain's Department

T: 020 7332 1132

E: graham.newman@cityoflondon.gov.uk

This page is intentionally left blank

Local Government Pension Administration - Schedule of Events 2022/23

Date Due	Event	Completed
1 December 2021	Publication of Pension Fund Accounts and Annual Report	Draft accounts published only. Awaiting sign off on City Fund Accounts.
31 st January 2022	HMRC Event 22 Report – List of Annual Allowance cases exceeding the Previous years' threshold.	26 January 2022
February 2022	Tax Return for Quarter 3 (to 31/12/2021)	12 January 2022
1 April 2022	Employee Contribution band review/ implementation.	1 April 2022
1 April 2022	Revaluation of CARE benefits.	1 April 2022
1 Monday in April following Tax Year End	Pensions Increase (PI) – Annual Inflation increase.	11 April 2022
May 2022	Tax return for Quarter 4 (to 31/3/2022)	29 April 2022 – Successfully migrated to the new HMRC Managing Pension Schemes service
31 May 2022	Pensioner P60s distributed	23 May 2022
1 June 2022	Automatic Enrolment for City of London Employees	1 June 2022
June/July 2022	Valuation data to the pension fund's actuary	6 July 2022
31 July 2022	Publish draft City Fund Accounts (including the Pension Fund Accounts)	TBC
August 2022	Tax return for Quarter 1 (to 30/06/2022)	18 August 2022
31 st August 2022	Issue of Annual Benefit Statements deadline.	11 August 2022
30 September 2022	Employee Contribution Band review	30 September 2022
5 October 2022	Issue of Annual Allowance (AA) Saving Statements deadline	5 October 2022
31 October 2022	Automatic re-enrolment declaration to the Pensions Regulator	31 October 2022
November 2022	Tax return for Quarter 2 (to 30/09/2022)	15 November 2022
November 2022	Scheme Return to the Pensions Regulator	TBC
1 December 2022	Publication of Pension Fund Accounts and Annual Report	

Appendix A

31 st January 2023	HMRC Event 22 Report – List of Annual Allowance cases exceeding the Previous years' threshold.	
February 2023	Tax Return for Quarter 3 (to 31/12/2022)	
1 April 2023	Employee Contribution band review/ implementation.	
1 April 2023	Revaluation of CARE benefits.	
1 Monday in April following Tax Year End	Pensions Increase (PI) – Annual Inflation increase.	
May 2023	Tax return for Quarter 4 (to 31/3/2023)	

Committee(s): Local Government Pensions Board	Dated: 12 December 2022
Subject: Pensions Committee Update Report (Public)	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: The Chamberlain	For Information
Report author: Kate Limna – Chamberlain’s Department	

Summary

The Local Government Pensions Board has responsibility for assisting the Pensions Committee to ensure the effective and efficient governance and administration of the scheme. The role is one of providing oversight of assurance in the governance of the scheme administration and not in decision making. This report summarises the reports and decisions made by the new Pensions Committee on the public agenda at their meetings on 11 July, 27 September and 29 November 2022.

Recommendation

Members are asked to note the report.

Main Report

Background

1. In November 2021, the Policy and Resources Committee considered a report covering the committee structure proposals arising from the Governance Review (Governance Review: Committee Structure Considerations). Within that report, Members were asked to consider the creation of a new body to have responsibility for discharging the Corporation’s responsibilities as an administering authority of the Local Government Pension Scheme (LGPS). The creation of such a committee had been raised during the Member engagement process for the Governance Review.
2. At that meeting Members agreed to the creation of a Pensions Committee, and this was subsequently endorsed by the Court of Common Council (the Court) in December 2021. The terms of reference, membership and meeting arrangements for the new Pension Committee, were agreed by the Policy & Resources Committee at their February 2022 meeting and agreed by the Court of Common Council on 15 April 2022. The Terms, of Reference are attached at **Appendix A**.
3. The following Members were elected to the Pensions Committee by the Court:
 - Ian David Luder, J.P., Alderman (4 years)

- James Henry George Pollard, Deputy (4 years)
 - David James Sales (4 years)
 - Sir David Wootton, Alderman (4 years)
 - Shahnaz Bakth, (2 years)
 - Timothy Richard Butcher, (2 years)
 - Deputy Madush Gupta (2 years)
 - Deputy Adrien Meyers (2 years)
4. The Pensions Committee met for the first time on 11 July 2022 where Alderman Ian Luder was elected Chair and Timothy Butcher was elected Deputy Chair. At this meeting, the Committee agreed to co-opt one independent member, Clare James. Ms James is an actuary who had been a Common Councilman until standing down at the last election. The Committee met again on 27 September 2022 and most recently on 29 November 2022.

Training

5. Training has been provided at the start of each Committee meeting as follows:
- Overview of the LGPS - delivered by Barnett Waddingham (July Meeting)
 - Investment Training - delivered by Mercer (Sept Meeting)
 - Actuarial Training – delivered by Barnett Waddingham (Nov Meeting)
6. In addition all Members of the Committee are required to complete the Pension Regulator's (tPR) training modules in respect of the public sector pension schemes. An update on this will be provided in the non-public part of this meeting.

Administration

7. At each meeting the Pensions Committee has received the Administrators Update and there is a separate report covering this on today's Agenda. In addition, at its meetings on 27 September and 30 November, the Pensions Committee reviewed all the correspondence that is issued to Scheme Members.














LGPS – Key Performance Indicators.

8. At their meeting on 27 September the Committee asked for key performance data in respect of the work carried out by the Pensions Administration Office. Attached at Appendix B are the statistics provided to the Committee at their meeting on 29 November. Members commented that where the performance was below 95% a short explanation should be provided.

Risk Register

9. The Risk Register for the Pensions Committee is an amalgamation of the risks that were on the Local Government Pension Board Risk Register and relevant risks from the Financial Investment Board Risk Register; it is reviewed at each meeting. Following the September meeting 3 additional risks were introduced covering Short Term cashflow, Breach of GDPR/Data Protection Regulations and Pension Scheme Administration. Members reviewed the risks at the November meeting and confirmed that the appropriate controls were in place and there were no further risks relating to the service. The Risk Register is attached at Appendix C(i) with the CoL Risk Matrix attached as Appendix C(ii). The report to the November Pensions Committee can be found [here](#) and table 1 below provides a summary of the risks.

Table 1: Risk Summary

Risk code	Risk title	Current Risk Score	Current Risk Score Indicator
CHB Pensions 009	McCloud Remedy	16	
CHB Pensions 001	Insufficient assets - Pensions Fund	8	
CHB Pensions 010	Targeted returns – Pension Fund	6	
CHB Pensions 006	Employer Insolvency	4	
CHB Pensions 007	Cyber Security	4	
CHB Pensions 011	Service provider failure	4	
CHB Pensions 012	Governance/Legislative Compliance	4	
CHB Pensions 013	Failure to discharge responsible investment duties	4	
CHB Pensions 003	Short term Cash flow (new)	4	
CHB Pensions 004	Breach of GDPR/Data Protection regulations (new)	4	
CHB Pensions 008	Pension Scheme Administration (new)	4	
CHB Pensions 005	Fraud	2	
CHB Pensions 002	Actuarial Valuation	1	

Pooling in the LGPS

10. At their first meeting, Members received a paper setting out the background on asset pooling in the LGPS and the London LGPS Collective Investment Vehicle (LCIV) – the asset pool of which the City of London Corporation Pension Fund is a member. The report can be found [here](#).

Pension Fund Annual Report 2021/22

11. The Committee received a report regarding the 2021/22 Pension Fund Annual Report. The LGPS Regulations require administering authorities to publish an Annual Report by 1 December each year. Members of the Local Government Pensions Board are aware that there has been a delay in approving the 2020/21 City Fund accounts, which include the Pension Fund accounts, due to a national technical issue around the accounting of infrastructure assets which affects all local authorities.

12. As a consequence of this, and as the City Corporation is changing its auditors, the audit of the City Fund Accounts and the Pension Fund Accounts for 2021/22 has not formally commenced. The Pension Fund Annual Report for 2020/21 has been published in draft, and in order to meet the requirements of the LGPS Regulations, the 2021/22 Pension Fund Annual Report was published in draft on 1 December 2022. The Pension Fund Annual Report for 2021/22 can be found [here](#).

Conclusion

13. The new Pensions Committee held its first meeting on 11 July and has subsequently met on 27 September and 29 November. This report is a summary of the reports and decisions made under the public side of the agenda.

Appendices

- Appendix A Terms of Reference
- Appendix B LGPS Key Performance Indicators
- Appendix C(i) Pensions Committee Risk Register
- Appendix 1 CoL Risk Matrix

Kate Limna

Corporate Treasurer

T: 020 7332 3952

E: kate.limna@cityoflondon.gov.uk

PENSIONS COMMITTEE – TERMS OF REFERENCE

1. Constitution

A non-ward committee consisting of:

- Up to eight Members elected by the Court of Common Council, at least one of whom shall have fewer than five years' service on the Court at the time of their appointment
- Up to three independent members (i.e., non-Members of the Court of Common Council) co-opted to the Committee on the advice of the Chamberlain, with voting rights.

N.B. - No Member of the Pension Committee shall be a Member of the Local Government Pensions Board, or be the Chair or Deputy Chair of the Corporate Services Committee, the Finance Committee, or the Policy & Resources Committee simultaneously.

2. Quorum

The quorum consists of any three elected Members.

3. Membership

As set out in paragraph 1 above.

4. Terms of Reference

To undertake statutory functions on behalf of the Local Government Pension Scheme (LGPS) and ensure compliance with the Local Government Pensions Scheme Regulations ("the Regulations"), relevant legislation, and best practice as advised by the Pensions Regulator (tPR).

To be responsible for:

- a) formulating, publishing and periodically review strategies and policies around the Pension Fund, for example (but not limited to) investments, responsible investment, funding, and administration.
- b) selecting and appointing suitability qualified external service providers, such as investment managers and advisors as required.
- c) monitoring the Pension Fund's investment arrangements including asset allocation, the performance of investment managers and advisors, and asset pooling arrangements (noting that the Pension Fund is a shareholder of the London CIV pool).
- d) monitoring liabilities, making arrangements for the triennial actuarial valuation of the Pension Fund, and considering and approving the required employer contribution levels for each employer within the Fund.
- e) dealing with the admission and cessation of employers as and when necessary and to review the ability of admitted bodies to meet their obligations to the Pension Fund.
- f) ensuring the Corporation effectively discharges its obligations to scheme members and employers as an administering authority.
- g) considering and approving the Pension Fund's Annual Report as well as all other statutory statements required under the Regulations.

- h) working with, receiving and considering comments from the Local Government Pensions Board (a scrutiny and non-decision-making body established under the Regulations) in pursuit of good governance of the LGPS.
- i) ensuring that arrangements are in place for consultation with stakeholders as necessary.
- j) developing and maintaining the appropriate level of knowledge and understanding to carry out their duties effectively (including completion of the Pensions Regulator's Public Service toolkit).

NOTE: whilst it is the expectation and intention that corporate policies are applied in respect of the Pension Committee's activities, such matters must always be considered in light of the specific regulatory requirements that apply to the administration of the LGPS. Therefore, where relevant and insofar as such policies impact the Pension Fund, they will need to be reviewed by the Pension Committee.

City of London Local Government Pension Scheme - Administration Key Performance Indicators

Task	Target	Result 2021/22	Result 2020/21	Result 2019/20
Initial payment of retirement benefits	5 days	98.61 %	97.58 %	98.88 %
Process refund and make payment	5 days	98.44 %	100.00 %	100.00%
Statement notifying estimate of retirement benefits	20 days	96.17 %	97.78 %	97.03 %
Statement detailing transfer-in credit	20 days	100.00 %	100.00 %	100.00 %
Transfers-out payments	20 days	100.00 %	100.00 %	100.00 %
Answering general correspondence:	10 days	96.83 %	96.41 %	96.42 %
Payment of lump sum death grants:	5 days	100.00 %	95.45 %	96.51 %
Letters to dependant's in respect of benefits due:	5 days	94.44 %	100.00 %	93.75 %

Task	Target	Result to-date 01/04/2022 – 31/10/2022
Initial payment of retirement benefits	5 days	97.42 %
Process refund and make payment	5 days	93.44 %
Statement notifying estimate of retirement benefits	20 days	94.83 %
Statement detailing transfer-in credit	20 days	100.00 %
Transfers-out payments	20 days	100.00 %
Answering general correspondence:	10 days	94.85 %
Payment of lump sum death grants:	5 days	89.47 %
Letters to dependant's in respect of benefits due:	5 days	97.14 %

Local Government Pension Scheme Membership		
	Data as at 31 March 2021	Data as at 31 March 2022
Actives	4,638	4,729
Deferred	5,037	5,118
Pensioners	4,359	4,565
Totals	14,034	14,412

Active Members

Scheme members that are currently paying into the Scheme.

Deferred Members

Members that have left the scheme before retirement age and have been awarded a 'Deferred Pension'.

Pensioner Members

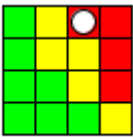
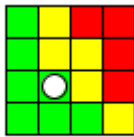

Scheme members in receipt of their pension.

CHB Pensions Committee Detailed risk register EXCLUDING COMPLETED ACTIONS

Report Author: Amanda Luk

Generated on: Thursday 17 November 2022

Rows are sorted by Risk Score




Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
Pensions 009 McCloud Remedy	<p>Cause: Implementation of the proposed remedy following new pension legislation and scheme specific regulations for the removal of age discrimination from the LGPS due to the McCloud judgement.</p> <p>Event: The impact of scheme amendments upon scheme members, Pensions Office and scheme employers due to implementation of the proposed remedy for McCloud.</p> <p>Effect: The Pensions Office is unable to adequately comply with legislative and regulatory amendments arising from the proposed McCloud remedy.</p>		16	<p>In December 2018, the Court of Appeal ruled that the “underpin protection” included in the 2014 LGPS reforms directly discriminated against some younger pension scheme members – this is now referred to as the McCloud Judgement or McCloud.</p> <p>On 15 July 2019 the government confirmed that the difference in treatment would be remedied in the LGPS and subsequently published a consultation document that set out options for how the government proposed to remove the discrimination.</p> <p>In February 2021 HM Treasury published its response to the consultation document and set out</p>		4	01-Oct-2023	

<p>Page 24</p> <p>20 Jan-2022</p> <p>Caroline Al-Beyerty</p>				<p>its preferred remedy choice.</p> <p>Further legislative changes are required before the remedy can be implemented, however, due to the complexity of the proposed remedy pension administrators and pension systems providers have commenced development of systems and processes based on current understandings to enable the remedy to be implemented.</p> <p>On 10 March 2022 the Public Services and Judicial Offices Act 2022 received Royal Assent.</p> <p>The main purpose of the Act was to support the implementation of the McCloud remedy, however further guidance and legislation is required before it can be applied directly to the LGPS.</p> <p>17 November 2022</p>				
								Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB Pensions 009a	DLUHC has confirmed the proposed remedy and the intention to introduce legislation to the statute books from 1 April 2023 but applied retrospectively to 31 March 2012 and 31 March 2014. The Pensions Office will need to understand what this means, develop processes and calculations to apply the regulations for the amended schemes and should be aware of all relevant correspondence issued by the DLUHC, LGA & HMRC and regularly attend seminars, forums, webinars and user groups.	<p>Continue with membership of working groups including South East Counties Senior Officer Group (SECSOG), Aquila Heywood Remedy Implementation Group, to ensure development of software and understanding of legislation.</p> <p>Attend conferences, webinars, forums and seminars as appropriate and keep up to date with bulletins and guidance from the Home Office.</p>	Graham Newman	17-Nov-2022	01-Oct-2023

APPENDIX C(i)

CHB Pensions 009b	Identification of eligible scheme members who will qualify for the remedy. All data must be reviewed and if necessary amended. In some cases data may be missing and must be requested from employers and previous pension providers.	<p>Perform data review exercise in bulk and individually to identify scheme members who may qualify and/or identify missing data.</p> <p>Software provider currently developing systems to identify qualifying scheme member on bulk reports.</p> <p>Develop data process to request missing information and scheme member record update.</p>	Graham Newman	17-Nov-2022	01-Oct-2023
CHB Pensions 009c	System Development Calculation/Revaluation.	<p>Software provider currently developing calculations and recalculations of deferred benefits and those already in receipt of pension to identify incorrect values and any over/underpayments.</p> <p>Development should include bulk calculations and calculations for individuals, include revised pension amounts, arrears payable/collectible (benefits and contributions) plus interest payable if applicable.</p>	Graham Newman	17-Nov-2022	01-Oct-2023
CHB Pensions 009d	Working in conjunction with LGA to prepare communications and standard responses (FAQs) to be sent to affected scheme members.	<p>It will be essential for communications to be regular and clear. Further detail about the proposed remedy and delivery of it, including scheme members who may be affected, must be known prior to any specific remedy communications.</p> <p>The Pensions Office website carries current information from various sources including DLUHC. Further communications will be added when they are released.</p> <p>The Annual Benefit Statements (ABS) contain a statement on McCloud provided by the LGA.</p> <p>The ABS will need to be amended following implementation of the amended regulations as it is anticipated McCloud data will need to be included for each scheme member.</p> <p>Scheme members who may be affected will need a final communication confirming if benefit values have been amended and if so by how much, including value of arrears and interest if applicable.</p>	Graham Newman	17-Nov-2022	01-Oct-2023

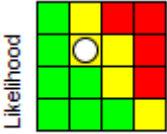
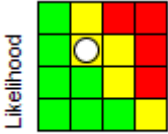

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB Pensions 001 Insufficient assets Page 26 17-Dec-2019 Caroline Al-Beyerty	Cause: The asset allocation of the Pension Fund portfolio is unable to fund long term liabilities due to market movements Event: There are insufficient assets to meet liabilities Effect: Reduced income or lower than anticipated growth. Participating employers are required to provide further funding through increased contributions to finance liabilities.	 Likelihood Impact	8	The Pension Fund's absolute return target has been set at 5.2% annually from 1st April 2020 by the Financial Investment Board (which is consistent with the strategy for funding the Fund's liabilities).. As at 30 September 2022, the Fund is underperforming its absolute return target across all time horizons. Financial Markets have been very volatile over the last 6-9 months due to the war in Ukraine, increasing inflation and interest rates and the September mini budget, This has affected stock markets, with the FTSE All Share, MSCI AC World and MSCI World all returning negatively for the year ended 30 September.	 Likelihood Impact	4	31-Mar-2023	 Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB Pensions 001a	The Investment Strategy of the Pension Fund is reviewed at least every three years following the triennial valuation with proper advice from the Investment Consultant.	The Pension Fund Investment Strategy was reviewed following the completion of the 2019 triennial valuation of the Fund's liabilities, by the Financial Investment Board in July 2020. This ensured that the Investment Strategy remained appropriate in the context of the Fund's updated liabilities valuation and the current investment environment.	Kate Limna/ Sarah Port	17-Nov-2022	31-Mar-2023

APPENDIX C(i)

		The 2022 triennial actuarial valuation is currently being undertaken by the scheme Actuary, Barnett Waddingham and once this is completed, the Investment Strategy Statement will be reviewed by the Pensions Committee.			
CHB Pensions 001b	The investment performance of the Pension Fund is measured against absolute return targets required to meet long term objectives. This will be reported to the Pensions Committee throughout the year and is supplemented by market insight from the Corporation's Investment Consultant who will assist any strategic decisions required in between the three-year formal strategy reviews.	The investment performance of the Pension Fund is brought to each Pensions Committee for consideration.	Kate Limna/ Sarah Port	17-Nov-2022	31-Mar-2023

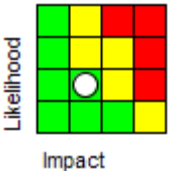
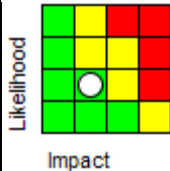

APPENDIX C(i)

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<p>CHB Pensions 010 Targeted returns - Pension Fund</p> <p>08-Mar-2018 Caroline Al-Beyerty</p>	<p>Cause: Fund managers (including the London CIV) fail to achieve the targeted investment returns because</p> <ul style="list-style-type: none"> • unsuitable fund managers are appointed, • individual fund managers underperform against the benchmarks agreed by the Committee, • aggregate fund manager performance fails to achieve the long-term targets • Number of investors in a fund may diminish below a minimum level causing the fund to close <p>Event: Failure to be seen to manage the funds responsibly.</p> <p>Effect: Supervisory intervention over management of the Funds.</p>	 <p>Likelihood</p> <p>Impact</p>	6	<p>The performance of fund managers and their aggregate performance is reported against target to the Pensions Committee. The Pensions Committee will set a diversified investment strategy to mitigate volatility and as such it expects different parts of the strategy to outperform at different times.</p> <p>The London CIV is a pooling vehicle for which the City of London Pension Fund is a shareholder. Currently 20% of CoL PF assets under management are held in two funds – Global Alpha Growth Fund (managed by Baillie Gifford) and Alternative Credit Fund (managed by CQS).</p> <p>17 November 2022</p>	 <p>Likelihood</p> <p>Impact</p>	6	31-Mar-2023	 Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB Pensions 010a	Investment managers' performance and their aggregate performance is measured against appropriate benchmarks and will be monitored by the Pensions Committee throughout the year. It is supplemented by market insight from the Corporation's investment consultants which provides	The performance report for the Pension Fund to 30 September 2022, along with the Investment Consultant's quarterly report (to 30-September) is reported to the Pensions Committee on 29 November 2022.	Amanda Luk;/ Kate Limna	17-Nov-2022	31-Mar-2023

APPENDIX C(i)

	<p>peer group comparisons; checks on movement of key officers; and reviews on the incorporation of ESG considerations in implementing their investment strategies.</p> <p>Fund managers are invited to meet with Officers and Members to account for their performance as and when deemed necessary/as required.</p>				
CHB Pensions 010b	<p>Under the Government pooling agenda, London CIV is the asset pool operator for London LGPS funds.</p> <p>The LCIV holds monthly updates for Shareholders advising on latest developments for examples, product development and ESG/Climate related actions.</p>	<p>At the October monthly meeting, the LCIV had no changes to the monitoring status of funds, but were keeping a close watch on how Fund Manager performance particularly in this volatile market.</p> <p>At a recent meeting the 5 current investors in the Global Alpha Growth Fund were advised that should the number of investors fall below 3, an orderly exit from the fund may be considered.</p>	Amanda Luk; Kate Limna	17-Nov-2022	31-Mar-2023

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB Pensions 006 Employer insolvency Page 30 17-Dec-2019 Caroline Al-Beyerty	Cause: Processes not in place to capture or review covenant of individual employers. Event: Employer becomes insolvent or is abolished with insufficient funding to meet liabilities. Effect: Fund would pick up the liabilities potentially leading to increased contribution rates for other employers.		4	Since 2013 the LGPS regulations generally require all admission bodies to enter into an indemnity or bond to cover the possibility of an employer becoming insolvent or prematurely leaving the Fund. This would mean the Fund and the remaining employers would have to meet the outgoing employer's liabilities in the Fund. The actuary assesses the value of these risks to the Fund and sets the value for a bond, generally for a three-year period. It is generally a requirement of the City of London for all new admission agreements to have a bond and the responsibility of the admission body to arrange and regularly reassess the bond.		4	31-Mar-2023	 Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB Pensions 006a	Bond indemnity/guarantee required for admitted bodies and incorporated into admission agreements where appropriate.	Recent admissions to the scheme have provided a bond.	Graham Newman	21-Jan-2022	31-Mar-2023

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB Pensions 007 Cyber security Dec-2019 Coline Al-Beyerty	Cause: IT system failures due to ineffective procedures - Inadequately trained staff. Event: Breach of Corporate IT systems and Cyber security. Effect: Inaccurate benefits paid or delayed to scheme members. Financial penalties/ sanctions. (iv) Breach of Data Protection regulations. (v) Loss/corruption of data.	 Likelihood	4	A malicious breach of Corporate IT systems may lead to a failure of the pensions administration system and/or a breach of Data Protection regulations. A failure of the pensions administration system or a breach of the Data Protection Regulations may mean a failure or inability to calculate benefits accurately and on time which may lead to financial penalties and sanctions being imposed by the governing industry bodies such as the Pensions Regulator or Information Commissioner's Office.	 Likelihood	4	31-Mar-2023	 Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB Pensions 007a	Pensions administration staff to be aware of the corporate policy regarding cyber security and to follow the guidelines given.	Corporate online training regarding cyber-security to be carried out by all staff and reviewed as required.	Graham Newman	17-Nov-2022	31-Mar-2023
CHB Pensions 007b	Corporate and departmental specific software to be updated as required to ensure the latest and most secure version is being used.	To ensure the most up-to-date software is being used, staff should update their computers as and when prompted.	Graham Newman	17-Nov-2022	31-Mar-2023
CHB Pensions 007c	Ensuring that the pensions administration software is included in the departmental business continuity plans.	Updating the business impact analysis details used in the departmental continuity plan as required.	Graham Newman	17-Nov-2022	31-Mar-2023
CHB Pensions 007d	Pensions administration staff to be aware of Data Protection legislation.	Data Protection reviewed and all staff reminded of the legislation and its importance. Processes amended for home working since 23 March 2020, ensuring the protection of scheme member data.	Graham Newman	17-Nov-2022	31-Mar-2023

APPENDIX C(i)

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB Pensions 011 Service provider failure - Pension Fund 08-Mar-2018 Caroline Al-Beyerty	Cause: Corporate, financial, economic or cybersecurity threats result in service provision withdrawal or liquidation of partner organisations. Event: Failure of fund manager, investment consultant or other service provider without notice. Effect: Pension Fund asset valuations at risk or a period of time without service provision.	 Likelihood Impact	4	Officers meet regularly with fund managers, investment consultants and other service providers. Officers write to all counterparties requesting latest internal control report from fund managers and custodian ahead of the closure of accounts. 17 November 2022	 Likelihood Impact	4	31-Mar-2023	 Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB Pensions 11a	Detailed due diligence is carried out when new fund managers, investment consultant or other service provider are appointed.	New manager due diligence undertaken in consultation with investment consultant. There are currently no plans to appoint any additional managers. The investment consultant contract was recently re-tendered via the National LGPS procurement framework. Following a rigorous and competitive exercise Mercer were appointed to the role in October 2021.	Sarah Port; Kate Limna	17-Nov-2022	31-Mar-2023
CHB Pensions 11b	Review of internal control reports on annual basis.	Corporate Treasury compile an archive of the most up to date relevant annual internal control reports issued by all issuing fund managers and custodian as part of statement of account compilation across Funds. All internal control reports from the pooled fund managers have been received where available. Officers are in the process of reviewing the findings of the reports to ensure they remain satisfied with the control environments operated by the Corporation's appointed asset managers.	Amanda Luk; Kate Limna	17-Nov-2022	31-Mar-2023
CHB Pensions 11c	Monitor markets regularly through financial publications and seek advice of managers and investment consultant when appropriate.	Officers regularly monitor financial press and industry publications particularly in search of any news regarding entities that have an existing relationship across the Corporation's Funds.	Sarah Port; Kate Limna	17-Nov-2022	31-Mar-2023

APPENDIX C(i)

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB Pensions 12 Governance/ Legislative Compliance 08-Mar-2018 Caroline Al-Beyerty	Cause: Lack of understanding of the applicable statutory requirements such as investment regulations, prudential code etc. Inadequate oversight of the operations and developments at the regional pool operator, the London CIV. Event: Committee Members and officers do not have appropriate skills or knowledge to discharge their responsibilities including the calculation and payment off benefits. Regulatory breach. The Pension Fund's pooled assets are managed inappropriately. Effect: Inappropriate decisions are made leading to a financial impact or a breach of legislation or service not provided in line with best practice and legal requirements. Potential regulatory fines. The financial value of the Pension Fund's assets is impaired.	 Likelihood Impact	4	As the committee has recently been established, officers will produce a comprehensive training plan incorporating best practice to ensure committee members have access to acquiring the appropriate levels of knowledge and understanding. 17 November 2022	 Likelihood Impact	2	31-Mar-2023	 Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB Pensions 012a	Training provided to Committee Members on a range of investment topics and asset classes on a needs basis. Continued Professional Development (CPD) records maintained and updated annually.	A review will be undertaken of the skills set of the Members of the new Pension Committee. All Members of the Committee will be expected to complete the Pension Regulator's Public Services Toolkit within 12 months of joining the Committee.	Amanda Luk; Kate Limna	17-Nov-2022	31-Mar-2023
CHB Pensions 12b	Job descriptions used at recruitment to attract candidates with skills and experience related to investment finance. The Corporation maintains membership of CIPFA's Pension Network, the LAPFF, LPFA and PLSA – all providing access to training opportunities via courses, seminars and conferences.	Officers continue to attend training courses, seminars forums, webinars, user groups and conferences were deemed appropriate to enhance understanding of markets, financial instruments, regulatory and statutory reporting issues and administration. The team has successfully recruited to a number of posts following a redesign of the team structure.	; Kate Limna/ Sarah Port	17-Nov-2022	31-Mar-2023
CHB Pensions 12c	Training plans in place for all staff as part of the performance appraisal arrangements, which are reviewed every six months.	Performance and development appraisals continue to be carried out in line with corporate policy.	Kate Limna/ Sarah Port	17-Nov-2022	31-Mar-2023

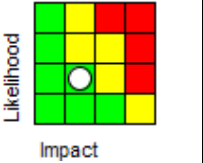
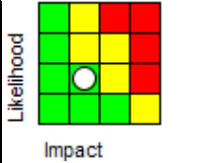

APPENDIX C(i)

CHB Pensions 12d	External professional advice sought where required.	The investment consultant attends each meeting of the Pensions Committee providing advice on investment matters.	Sarah Port; Kate Limna	17-Nov-2022	31-Mar-2023
CHB Pensions 12e	The Committee maintains regular oversight of the London CIV.	The Chair of the Pension's Committee is the City's representative on the London CIV (with the Deputy chair acting as the alternate representative). The Chair is expected to attend 2 general meetings a year and will also sit on the Shareholder Committee (4 meetings a year)	Sarah Port; Kate Limna	17-Nov-2022	31-Mar-2023

APPENDIX C(i)

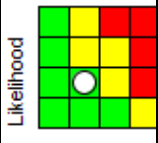
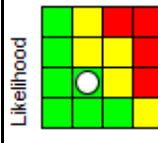

	on an annual basis. The Committee (along with other relevant Committees/Boards) will receive an annual Transparency Report from the PRI from which it can evaluate progress against responsible investment goals.	the PRI's deadline on 10 May 2021. Owing to operational issues at the PRI, the assessment reports for PRI Signatories were not released until September 2022. The Corporation's assessment report will be reported to this Committee and other Boards which now have investment oversight responsibilities at their next meetings.	Limna		
CHB Pensions 13c	As part of the regular management and monitoring of investment mandates, the Pensions Committee and responsible officers challenge investment managers on ESG issues arising in the portfolio. The Investment Consultant will report to the Committee on its monitoring of ESG risks on a quarterly basis.	The Committee will receive regular updates on ESG standings amongst its appointed investment managers from the Investment Consultant on a quarterly basis. As part of the City's Climate Action Strategy, new climate risk expectations for existing and potential investment managers have been established and these form part of the regular ongoing monitoring of managers' performance.	Sarah Port; Kate Limna	17-Nov-2022	31-Mar-2023
CHB Pensions 13e	There is a general commitment by the City Corporation to meeting the standards of the new 2020 UK Stewardship Code and needs to ensure compliance is developed. The Committee (reviews asset stewardship across its investment mandates on an annual basis and uses the exercise to encourage better ESG outcomes amongst its existing managers (this will need to be done in conjunction with other committees which now have investment oversight responsibilities).	All of the Pension Fund's UK-based pooled fund managers (i.e. excluding the alternative assets portfolio) are signatories to the Stewardship Code. Officers will review the requirements of the 2020 UK Stewardship Code.	Kate Limna/ Sarah Port	17-Nov-2022	31-Mar-2023
CHB Pensions 13f	The Committee (along with other relevant Boards/Committees) has been assigned several key actions which will enable the Corporation to deliver its Climate Action Strategy. Key to this is achieving a clear plan on how to achieve Paris-alignment by 2040.	With the support of a specialist external consultancy firm, an in depth review of the climate risk exposure involving the use of scenario analysis, the development of a transition pathway consistent with a net zero by 2040 commitment, and the establishment of expectations for existing and potential mandates has been completed. The transition pathway itself involves a series of specific actions with various deadlines which the Committee (along with other relevant Boards and Committees) will target over the coming years.	Kate Limna/ Sarah Port	17-Nov-2022	31-Mar-2023

APPENDIX C(i)

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB Pensions 003 Short term Cash flows 17-Dec-2019 Caroline Al-Beyerty	Cause: Inadequate cash flow planning and monitoring. Event: Delayed settling of benefits/ assets disinvested at inopportune time Effects: Illiquidity or insufficient liquid assets to meet short term obligations		4	Insufficient liquidity to meet pension benefit payments, transfer payments and other costs, or to meet cash calls from fund managers. 10 November 2022		4	31-Mar-2023	 Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB Pensions 003a	The Pension Fund asset allocation is established to ensure appropriate exposure to asset classes.	The Pension fund asset allocation remains within tolerance of control ranges established by Financial Investment Board	Sarah Port/ Kate Limna	17-Nov-2022	31-Mar-2023
CHB Pensions 003b	Alert fund managers in advance of transferring new monies and Fund managers are required to provide sufficient notice of cash calls and redemption payments.	Fund Managers are aware of the contractual notification period of 10 working days for any drawdowns and Officers alert fund managers Trading + X number of working days in advance of a withdrawal (X is dependent on the fund manager).	Sarah Port/Kate Limna	17-Nov-2022	31-Mar-2023
CHB Pensions 003c	Cash flow forecasting to ensure adequate monitoring and planning.	A Cash flow forecast is currently being refined to ensure the Pension Fund is able to meet any obligations required of it.	Sarah Port/ Amanda Luk	17-Nov-2022	31-Mar-2023

APPENDIX C(i)

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score	Risk Update and date of update	Target Risk Rating & Score	Target Date/Risk Approach	Current Risk score change indicator
CHB Pensions 004 Breach of GDPR / Data Protection regulations 10-Nov-2022 Caroline Al-Beverty	Cause: (i) Ineffective procedures. (ii) Inadequately trained staff. (iii) Data Accuracy. (iv) Lack of resources. Event: Scheme members' personal data is released to an unauthorised third party. Effect: (i) Breach of GDPR / Data Protection regulations. (ii) Financial penalties/ sanctions. (iii) Reputational damage	 Likelihood Impact	4 Personal data may be accidentally issued to an incorrect third party or body – e.g. an old postal address may be held for a scheme member or an error is made whilst typing an email address. A breach of the GDPR / DP regulations may lead to financial penalties and sanctions being imposed by the governing industry bodies such as the Pensions Regulator or Information Commissioner's Office. 10 November 2022	 Likelihood Impact	4 31-Mar-2023	 Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB Pensions 004a	Pensions administration staff to be aware of the corporate policy regarding data security and to follow the guidelines given.	Corporate online training regarding data-security to be carried out by all staff and reviewed as required.	Graham Newman	10-Nov-2022	31-Mar-2023
CHB Pensions 004b	Ensuring that any data sent electronically is sent securely / password protected with the password sent separately.	All staff are trained in how to protect documents and send emails securely. However, it is important that this training is kept up-to-date as technology / processes evolve and are changed.	Graham Newman	10-Nov-2022	31-Mar-2023
CHB Pensions004c	Ensuring that member address details are kept up-to-date and that records are updated when the Pensions Office is made aware that the information held is no longer valid.	Notating the member records when the Pensions Office is made aware that the data held is no longer valid prevents their inclusion in any automated bulk mailshots.	Graham Newman	10-Nov-2022	31-Mar-2023
CHB Pensions 004d	Pensions administration staff to be aware of GDPR / Data Protection legislation	GDPR / Data Protection reviewed and all staff reminded of the legislation and its importance. Processes amended for hybrid working since 23 March 2020, ensuring the protection of scheme member data.	Graham Newman	10-Nov-2022	31-Mar-2023

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<p>CHB Pensions 008 Pension Scheme Administration</p> <p>17-Dec-2019 Caroline Al-Beyerty</p>	<p>Cause: (i) Ineffective succession planning. (ii) Inadequately trained staff.(iii) Absences/increased staff turnover.(v) Data Accuracy.(vi) Lack of resources. Event: The failure of administrators to accurately calculate and pay the correct level of benefits. Effect: (i) Inaccurate benefits paid or delayed. (ii) Increased costs. (iii) Financial penalties/ sanctions.</p>		4	<p>The Regulations of the Local Government Pension Scheme (LGPS) set out how LGPS pensions should be calculated; the procedures to be followed in certain circumstances (i.e. normal retirement and ill health retirement); the timeframes/deadlines to be adhered to; and the notifications to be provided to Scheme members.</p> <p>Other bodies such as the Pensions Regulator, HM Revenue & Customs, the Office of National Statistics and the Financial Conduct Authority also impose rules that work alongside the Scheme Regulations or may even supersede them.</p> <p>Incorrect member data, lack of administrative knowledge and skills could lead to incorrect calculation of pension benefits and delays in payment. This may lead to financial penalties and sanctions being imposed by the governing industry bodies such as the Pensions Regulator.</p>		4	31-Mar-2023	
								Constant

APPENDIX C(i)

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB Pensions 008a	Job descriptions used at recruitment to attract candidates with skills and experience related to LGPS administration. The appraisals process to monitor progress and assess training needs.	Ensuring that candidates with the necessary skills and abilities are employed by the City. Once in post, staff continue to receive relevant training and attend courses, seminars and conferences when appropriate. Have trained multiple team members for extra duties due to parental leave cover.	Graham Newman	10-Nov-2022	31-Mar-2023
CHB Pensions 008b	Pensions administrator staff are trained to use the pensions administration software.	Ensuring that administrators are fully trained to use the pension administration software to enable them to provide accurate and efficient calculations. In addition, administrators should know the correct process to report to the software provider any errors encountered with the system in order that they can be investigated and resolved.	Graham Newman	10-Nov-2022	31-Mar-2023
CHB Pensions 008c	Practical disaster recovery/succession plans in place to ensure continuity in the event that key staff leave or are unable to work for a prolonged period of time.	Ensuring that skill sets are not restricted to one staff member alone. Priority cases and work types are identified to ensure continuation in the event that staff or other resources become unavailable. Disaster Recovery reviewed in light of hybrid working.	Graham Newman	10-Nov-2022	31-Mar-2023
CHB Pensions 008e	Accurate and appropriate checking procedures in place at all areas of administration.	All checking procedures reviewed and where necessary amended due to take account of hybrid working.	Graham Newman	10-Nov-2022	31-Mar-2023
CHB Pensions 008f	Scheme Member records are kept up-to-date, with any amendments being made as appropriate.	Ensuring that all administrative staff are aware of the amendments that must be made to a member record during the course of their scheme membership and that they are trained in how to make the necessary changes and updates.	Graham Newman	10-Nov-2022	31-Mar-2023

APPENDIX C(i)

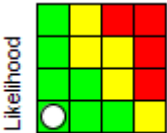
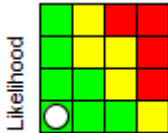
Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB Pensions 005 Fraud Page 41 17-Dec-2019 Caroline Al-Beyerty	Cause: (i) Not notified of death. (ii) Staff acting inappropriately (iii) Pension transfer scams Event: (i) Fraudulent claim of pension benefits (ii) pension benefits transferred to an inappropriate / unauthorised body. Effect: (i) Continued payment of pensions following death. (ii) Overpaid pensions. (iii) Financial loss for the Fund (iv) Financial loss for the scheme member (v) Financial penalties / sanctions (vi) Reputational damage	 Likelihood	2	If the death of a LGPS beneficiary is not reported, their pension may continue to be paid when there is no longer an entitlement. This may be a deliberate failure to report the death or may be where there is no fraudulent intention, but in either case it will lead to benefit overpayment and a potential financial loss. Scammers design attractive offers to persuade members to transfer their pension pot to them or to release funds from it. It is then invested in unusual and high-risk investments or simply stolen outright.	 Likelihood	2	31-Mar-2023	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB Pensions 005a	Robust fraud protection/detection processes.	Use of Mortality Screening Service and Tell Us Once Service Government initiative that allows us to be notified of a death when registered]. Participation in the National Fraud Initiative. Annually sending Life Certificates to Overseas Pensioners.	Graham Newman	17-Nov-2022	31-Mar-2023
CHB Pensions 005b	Ensuring all members that are considering transferring their benefits out of the scheme are made aware of the potential for transfer scams.	All correspondence sent to scheme members considering a transfer-out of the scheme must contain warnings in respect of transfer scams. In addition, website links to appropriate bodies such as the Money Helpline and the Pensions Regulator are included as well as any advisory literature provided by these and similar bodies.	Graham Newman	17-Nov-2022	31-Mar-2023
CHB Pensions 005c	Ensuring all staff are aware of the guidance / instructions provided by the LGA and the Pensions	All staff dealing with transfers should be proficient with the guidance / instructions that have been provided in respect of transfers-out of the scheme. This will help to	Graham Newman	17-Nov-2022	31-Mar-2023

APPENDIX C(i)

	Regulator in respect of transfers-out of the scheme.	spot a transfer scam and/or prevent a payment being made if there is any uncertainty about the receiving scheme.			
CHB Pensions 005d	Robust identity verification processes	Controls in place to verify and ensure the legitimacy of any signed discharge form. This must also include timeframes in respect of how long a letter of authority from a scheme member is valid.	Graham Newman	17-Nov-2022	31-Mar-2023

APPENDIX C(i)

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB Pensions 002 Actuarial valuation Page 43 17-Dec-2019 Caroline Al-Beyerty	Cause: Inappropriate assumptions used by the Actuary/ Inaccurate data supplied to the Actuary for the triennial valuation. Event: Unsuitable triennial actuarial valuation. Effects: Employer contribution rates insufficient to maintain long term cost efficiency & solvency.	 Likelihood Impact	1	The latest full actuarial valuation of the Pension Fund, using member data and investment asset information as at 31 March 2019, has been completed. Using updated financial and demographic assumptions, the actuary has been able to generate an accurate picture of the Pension Fund's funding position (assets compared to liabilities) which has been used to establish appropriate employer contribution rates for use from 1 April 2020. The 2022 actuarial valuation has now commenced and once completed, it will set the employers rates from 1 April 2023.	 Likelihood Impact	1	31-Mar-2023	■
								Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB Pensions 002a	Regular meetings with the Actuary to ensure that assumptions are appropriate involving Officers and Members of the Pensions Committee.	The 2022 triennial valuation has commenced and the draft results will be reported to the November 2022 Pensions Committee. At Pensions Committee on 11 July 2022, a working group was set up to discuss the preliminary triennial valuation results and the robustness of the financial and demographic assumptions used in the valuation process. This working group met on 14 November 2022.	Graham Newman/ Kate Limna	17-Nov-2022	31-Mar-2023
CHB Pensions 002c	Robust Year End procedures and updates.	The Pension Fund Accounts for the year ending 31 March 2021 have been published in draft form, formal sign off has been delayed until the City Fund audit is completed. Whilst the City Fund accounts have been completed, a wider issue has arisen within	Graham Newman/ Kate	17-Nov-2022	31-Mar-2023

		<p>local government around accounting for infrastructure assets; this has meant that any local authority accounts that were not signed off prior to this issue being raised cannot be finalised until the issue is resolved. CIPFA is currently conducting an urgent consultation on how to resolve this issue. The draft Annual report for 2020/21 was published on the City's LGPS website by the statutory date of 1 December 2021</p> <p>The delays are beyond Pension Fund control and have no material impact on the Fund's position.</p> <p>The Pension Fund Accounts for the year ending 31 March 2022 are currently awaiting publication in draft format within the City Fund Accounts. The City Fund accounts have been completed but are awaiting the resolution of the 2020/21 accounting for infrastructure assets issue. The draft Pension Fund annual report for 2021/22 will be uploaded in onto the City of London Pensions website by 1 December 2022.</p>	Limna		
CHB Pensions 002d	Checking for errors or inconsistencies in valuation extract report before submission to the Actuary	Officers review data quality prior to submission to the actuary. Additionally, scheme member data is submitted separately from employer level cash flow data, which are held on two distinct management information systems. As a result, errors are more easily identified during the valuation process itself. For example, if the scheme member data demonstrates that a given number of scheme members belonging to a single employer retired during the valuation period then this should also be evident from the benefit payments reported in the cash flow data.	Graham Newman/ Kate Limna	17-Nov-2022	31-Mar-2023

City of London Corporation Risk Matrix (Black and white version)

Note: A risk score is calculated by assessing the risk in terms of likelihood and impact. By using the likelihood and impact criteria below (top left (A) and bottom right (B) respectively) it is possible to calculate a risk score. For example a risk assessed as Unlikely (2) and with an impact of Serious (2), can be plotted on the risk scoring grid, top right (C) to give an overall risk score of a green (4). Using the risk score definitions bottom right (D) below, a green risk is one that just requires actions to maintain that rating.

(A) Likelihood criteria

	Rare (1)	Unlikely (2)	Possible (3)	Likely (4)
Criteria	Less than 10%	10 – 40%	40 – 75%	More than 75%
Probability	Has happened rarely/never before	Unlikely to occur	Fairly likely to occur	More likely to occur than not
Time period	Unlikely to occur in a 10 year period	Likely to occur within a 10 year period	Likely to occur once within a one year period	Likely to occur once within three months
Numerical	Less than one chance in a hundred thousand (<10-5)	Less than one chance in ten thousand (<10-4)	Less than one chance in a thousand (<10-3)	Less than one chance in a hundred (<10-2)

(B) Impact criteria

Impact title	Definitions
Minor (1)	Service delivery/performance: Minor impact on service, typically up to one day. Financial: financial loss up to 5% of budget. Reputation: Isolated service user/stakeholder complaints contained within business unit/division. Legal/statutory: Litigation claim or find less than £5000. Safety/health: Minor incident including injury to one or more individuals. Objectives: Failure to achieve team plan objectives.
Serious (2)	Service delivery/performance: Service disruption 2 to 5 days. Financial: Financial loss up to 10% of budget. Reputation: Adverse local media coverage/multiple service user/stakeholder complaints. Legal/statutory: Litigation claimable fine between £5000 and £50,000. Safety/health: Significant injury or illness causing short-term disability to one or more persons. Objectives: Failure to achieve one or more service plan objectives.
Major (4)	Service delivery/performance: Service disruption > 1 - 4 weeks. Financial: Financial loss up to 20% of budget. Reputation: Adverse national media coverage 1 to 3 days. Legal/statutory: Litigation claimable fine between £50,000 and £500,000. Safety/health: Major injury or illness/disease causing long-term disability to one or more people objectives: Failure to achieve a strategic plan objective.
Extreme (8)	Service delivery/performance: Service disruption > 4 weeks. Financial: Financial loss up to 35% of budget. Reputation: National publicity more than three days. Possible resignation leading member or chief officer. Legal/statutory: Multiple civil or criminal suits. Litigation claim or find in excess of £500,000. Safety/health: Fatality or life-threatening illness/disease (e.g. mesothelioma) to one or more persons. Objectives: Failure to achieve a major corporate objective.

(C) Risk scoring grid

Likelihood	Impact			
	Minor (1)	Serious (2)	Major (4)	Extreme (8)
X				
Likely (4)	4 Green	8 Amber	16 Red	32 Red
Possible (3)	3 Green	6 Amber	12 Amber	24 Red
Unlikely (2)	2 Green	4 Green	8 Amber	16 Red
Rare (1)	1 Green	2 Green	4 Green	8 Amber

(D) Risk score definitions

RED	Urgent action required to reduce rating
AMBER	Action required to maintain or reduce rating
GREEN	Action required to maintain rating

This is an extract from the City of London Corporate Risk Management Strategy, published in May 2014.

Contact the Corporate Risk Advisor for further information. Ext: 1297

October 2015

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank