



Local Government Pensions Board

Date: FRIDAY, 17 JANUARY 2025

Time: 1.45 pm

Venue: COMMITTEE ROOM - 2ND FLOOR WEST WING, GUILDHALL

Members: Mark Wheatley Scheme Manager Representative, (Chairman) Christina McLellan, Scheme Member Representative
Peter Lisley, Scheme Member Representative (Deputy Chairman) David Pearson, Scheme Member Representative
Alderman Prem Goyal, OBE, Scheme Manager Representative Paul Wilkinson, Scheme Manager Representative

Enquiries: Raquel Pinto
raquel.pinto@cityoflondon.gov.uk

Accessing the virtual public meeting

Members of the public can observe all virtual public meetings of the City of London Corporation by following the below link:

<https://www.youtube.com/@CityofLondonCorporation/streams>

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.

Whilst we endeavour to livestream all of our public meetings, this is not always possible due to technical difficulties. In these instances, if possible, a recording will be uploaded following the end of the meeting.

Ian Thomas CBE
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **MINUTES**
 - a) To agree the public minutes and non-public summary of the Local Government Pensions Board meeting on 18 July 2024
For Decision
(Pages 5 - 8)
 - b) To note the public minutes and non-public summary of the Pensions Committee meeting on 18 June 2024 and 17 September 2024
For Information
(Pages 9 - 18)
4. **ANNUAL REVIEW OF THE BOARD'S TERMS OF REFERENCE**
Report of the Town Clerk.
For Decision
(Pages 19 - 22)
5. **PENSION SCHEME - ADMINISTRATOR'S UPDATE**
Report of the Chamberlain.
For Information
(Pages 23 - 32)
6. **LGPS COMMUNICATIONS ISSUED TO SCHEME MEMBERS**
Report of the Chamberlain.
For Information
(See Supplementary Pack)
7. **PENSIONS COMMITTEE UPDATE REPORT (PUBLIC)**
Report of the Chamberlain.
For Information
(Pages 33 - 34)
8. **COL PENSION FUND: GAD SECTION 13 SUMMARY REPORT**
Report of the Chamberlain.
For Information
(Pages 35 - 52)

9. **RISK REGISTER FOR THE PENSIONS COMMITTEE**

Report of the Chamberlain.

For Information
(Pages 53 - 82)

10. **GENERAL CODE OF PRACTICE COMPLIANCE REVIEW - BARNETT
WADDINGHAM'S REVIEW**

Report of the Chamberlain.

For Information
(Pages 83 - 136)

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

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

13. **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

14. **MINUTES**

a) To agree the non-public minutes of the Local Government Pensions Board meeting on 18 July 2024.

For Decision
(Pages 137 - 142)

b) To note the non-public minutes of the Pensions Committee meeting on 18 June 2024 and 17 September 2024

For Information
(Pages 143 - 164)

15. **PENSIONS COMMITTEE UPDATE REPORT (NON- PUBLIC)**

Report of the Chamberlain.

For Information
(Pages 165 - 170)

16. **INVESTMENT PERFORMANCE MONITORING TO 30 SEPTEMBER 2024**

Report of the Chamberlain.

For Information
(Pages 171 - 192)

17. **LONDON COLLECTIVE INVESTMENT VEHICLE (LCIV) UPDATE**

Report of Chamberlain.

For Information
(Pages 193 - 208)

18. **BREACHES OF THE LAW POLICY - UPDATE**

Report of the Chamberlain.

For Information
(Pages 209 - 212)

19. **LOCAL GOVERNMENT PENSION SCHEME - CASUAL WORKERS**

Report of the Chamberlain.

For Information
(Pages 213 - 222)

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

21. **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

22. **CHAMBERLAIN'S UPDATE**

The Chamberlain to be heard.

For Information

LOCAL GOVERNMENT PENSIONS BOARD

Thursday, 18 July 2024

Minutes of the meeting of the Local Government Pensions Board held at the Guildhall EC2 at 1.45 pm

Present

Mark Wheatley (Chairman)
Peter Lisley (Deputy Chairman)
Christina McLellan
Paul Wilkinson

Officers:

Kate Limna	- Chamberlain's Department
Graham Newman	- Chamberlain's Department
Amanda Luk	- Chamberlain's Department
Raquel Pinto	- Town Clerk's Department
Sarah Port	- Chamberlain's Department

With Paul Wilkinson in the Chair until item 4.

1. APOLOGIES

Apologies were received from David Pearson.

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

There were no declarations of interests.

3. ORDER OF THE COURT OF COMMON COUNCIL

The Board received an Order of the Court of Common Council dated 25 April 2024 appointing the Committee and agreeing its terms of reference for the ensuing year.

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

6. MINUTES RESOLVED –

- That the public minutes of the meeting on 19 January 2024 be approved as an accurate record of the meeting.
- That the public minutes of the Pensions Committee meeting on 19 March 2024 be received.

7. **PENSION SCHEME - ADMINISTRATOR'S UPDATE**

The Board received a report of the Chamberlain providing information on the scheme administration details that have been reported to the Pensions Committee since the last Local Government Pensions Board meeting 19 January 2024.

The Chamberlain highlighted that the pensions administration system (the online member portal) had been rolled out to active scheme members, and there was a target to begin the roll out to pensioners and deferred members in the autumn.

RESOLVED – that the report be received, and its content noted.

8. **PENSIONS COMMITTEE UPDATE REPORT (PUBLIC)**

The Board received a report of the Chamberlain which summarised the reports and decisions made by the Pensions Committee on the public agenda at their meetings on 19 March and 18 June 2024.

The Board noted the following points:

- The Pensions Committee is now operating with full membership, with Timothy McNally and Deputy Christopher Boden joining in January 2024, and Alderman Gregory Jones KC in April 2024.
- The audit plan for the City Fund and Pension Fund accounts had been taken to the Audit and Risk Management Committee and the Finance Committee as well as the Pensions Committee for information. The audit work had commenced for both funds and was expected to be completed by the end of September.
- The risk register was taken to the Pensions Committee every six months with the last iteration having gone to the Committee in March. The Chamberlain highlighted that the McCloud remedy which was originally a 16 (red) had been downgraded to 12 (amber) due to new regulations being issued. The Pensions team were working through the new McCloud regulations with the ultimate aim that the risk would be removed or subsumed into another risk.
- The investment consultant strategic objectives which are reviewed annually, had been finalised and would be submitted to the Pensions Regulator.
- The Department for Levelling Up, Housing & Communities (DLUHC) (now Ministry of Housing, Communities and Local Government (MHCLG) following the general election) had issued a consultation in July 2023, which the City had responded to. DLUHC had produced a response before Christmas and a summary of this was given to the Pensions Committee for information only. The Committee received the paper and discussed the contents in the non-public session of its

meeting, where they felt that Members could discuss the item in its entirety without disclosing any non-public data.

RESOLVED – that the report be received, and its content noted.

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

The Deputy Chairman raised a question following a meeting with the Chairman and Deputy Chairman of the Pensions Committee. An action was raised suggesting that it would be useful for the Board to look at the communications sent to scheme members as well as provide feedback on the pensions website. The Deputy Chairman also asked how the Board would discharge this function and how this would be reviewed going forward.

The Chamberlain advised that Officers would circulate a link to the pensions website and would ask Members to provide feedback. Regarding the communications issued to scheme members; it was suggested that at the Board's next meeting, in January 2025, the team would circulate the whole pack for the Board to look at and provide any feedback, and depending on this feedback, whether Members would be content that only changes that were made or new information that comes to light would be brought back to the Board. The Board unanimously agreed.

The Board also noted that the Chairman and Deputy Chairman of the Pensions Committee had an informal meeting with the Chairman and Deputy Chairman of the Local Government Pensions Board. Positive discussions took place and the purpose of the meeting was to discuss how the two committees could work together effectively while ensuring good governance and outcomes. The Chairman and Deputy Chairman of the Local Government Pensions Board were invited to join the Pensions Committee as observers. Other issues that were discussed during the meeting included how to ensure that the Pensions Committee did not miss anything and what to do should the minutes not provide confidence or assurance to the Board. The vacancies on the Board, and the Committee, were also discussed.

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

There was no other business.

11. **EXCLUSION OF THE PUBLIC**

12. **MINUTES**

RESOLVED –

- That the non-public minutes on 19 January 2024 be approved as an accurate record of the meeting.
- That the non-public minutes of the Pensions Committee meeting on 19 March 2024 be received.

13. **PENSIONS COMMITTEE UPDATE REPORT (NON-PUBLIC)**

The Board received a report of the Chamberlain which summarised the reports and decisions made by the Pensions Committee on the non-public agenda at their meetings on 19 March and 18 June 2024.

14. **PERFORMANCE MONITORING REPORT AS AT 31 MARCH 2024**

The Board received a report of the Chamberlain with information on the investment performance of the Pension Fund and of the various investment managers as at 31 March 2024.

15. **LONDON CIV UPDATE**

The Committee received a report of the Chamberlain providing an update on the London CIV (LCIV), the asset pool operator for London LGPS Funds and in which the Pension Fund is invested in.

16. **PENSION SCHEME - ADMINISTRATOR'S UPDATE NON- PUBLIC APPENDIX**

An update on Member's training was heard, with updates to be received at the next meeting.

RECEIVED.

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

There were no non-public questions.

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

There was no other business.

The meeting closed at 2.55 pm

Chairman

Contact Officer: Raquel Pinto
raquel.pinto@cityoflondon.gov.uk

PENSIONS COMMITTEE **Tuesday, 18 June 2024**

Minutes of the meeting of the Pensions Committee held at Committee Room - 2nd Floor West Wing, Guildhall on Tuesday, 18 June 2024 at 2.00 pm

Present

Deputy Timothy Butcher (Chairman)
David Sales (Deputy Chairman)
Deputy Madush Gupta
Clare James
Deputy Henry Pollard
Deputy Christopher Boden
Timothy James McNally

Officers:

Kate Limna	- Chamberlain's Department
Graham Newman	- Chamberlain's Department
Amanda Luk	- Chamberlain's Department
Sarah Port	- Chamberlain's Department
Raquel Pinto	- Town Clerk's Department

In attendance:

Steve Turner – Mercer

With Deputy Henry Pollard in the Chair until item 4.

1. APOLOGIES

Apologies were received from Alderman Gregory Jones KC.

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

There were no declarations.

3. ORDER OF THE COURT

The Committee received an Order of the Court of Common Council dated 25 April, appointing the Committee and setting its terms of reference for the ensuing year.

RECEIVED

4. ELECTION OF CHAIR

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

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

The Chairman thanked Members for their trust in his re-appointment for another term. The Chairman also took the opportunity to welcome the newest Member

to the Committee, Alderman Gregory Jones KC, and congratulated Steve Turner from Mercer on his permanent role.

5. **ELECTION OF DEPUTY CHAIR**

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

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

6. **MINUTES**

RESOLVED:

- That the public minutes and non-public summary of the Pensions Committee meeting on 19 March 2024 be approved as an accurate record.

7. **WORK PROGRAMME**

The Committee considered a report of the Chamberlain detailing a forward-looking Pensions Committee work programme.

RESOLVED: That Members: -

- Received the report and noted its content.

8. **CITY FUND AND PENSION FUND STATEMENT OF ACCOUNTS UPDATE**

The Committee received a report of the Chamberlain which provided an update on the production of the 2023-24 Statement of Accounts and planning for the 2023-24 audit of the City Fund and Pension Fund.

The City Fund and Pension Fund accounts for 2023-24 were published in draft format by the 31 May statutory deadline. The Committee noted that the external auditors would audit the Pension Fund over the summer, with the City Fund audit also due to start around this time. Due to the timelines of Committee dates, the Committee discussed Officers circulating the Pension Fund audit report prior to the Audit and Risk Committee receiving the report.

RESOLVED: That Members: -

- Note the indicative Pension Fund Audit Plan for 2023-24 as set out in Appendix 2
- Note the responses from Management for the Pension Fund as per Appendix 4

9. **PENSION SCHEME ADMINISTRATOR'S UPDATE**

The Committee received a report of the Chamberlain providing a summary of general information around a range of topics in relation to the administration of the Scheme since the last Committee meeting.

The Chairman raised an issue regarding the target working day for the initial payment of retirement benefits, which was set at 5 days. It was suggested that this be changed to 10 working days, as pensions have become more

complicated, and it took longer to work out the benefits payable. This change was unanimously agreed.

The Committee also discussed the Barnett Waddingham training and the difference between it and the Pensions Regulator 'tPR' training Members had already undertaken. Officers advised that as part of the new regulations coming out, a formal training policy for the Pensions Committee would be required, which would state what training members needed to undertake.

A Member raised concerns regarding accessing the 'Enlighten' training materials from Barnett Waddingham. The Chamberlain explained that a guide had been created to assist Members in accessing the modules, a copy of which was handed out and would also be circulated via email following the meeting.

RESOLVED: That Members –

- Received the report and noted its content.
- Agree to change the initial payment of retirement benefits from 5 days to 10 working days.

10. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

11. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**

There was no other business.

12. **EXCLUSION OF THE PUBLIC**

RESOLVED - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

13. **MINUTES**

RESOLVED:

- That the non-public minutes of the Pensions Committee 19 March 2024, be approved as correct record.

14. **PERFORMANCE MONITORING**

The Committee received a presentation from Mercer regarding the Pension Fund Quarterly Monitoring Report Q1 2024 and a report of the Chamberlain relating to the Investment Performance of the Pension Fund as at 31 March 2024.

15. **LCIV UPDATE**

The Committee received a report of the Chamberlain providing an update on the London CIV, the asset pool operator for London LGPS Funds and in which the Pension Fund invest some of its assets.

16. **DLUHC LETTER: EFFICIENCIES IN LOCAL GOVERNMENT & THE MANAGEMENT OF LOCAL GOVERNMENT PENSION SCHEME (LGPS) FUNDS**
The Chamberlain was heard.
17. **INVESTMENT MANAGER DEEP DIVE - LINDSELL TRAIN AND ARTEMIS**
The Committee considered a report of the Chamberlain and Mercer which provided Members of the Committee with a deep dive into the two UK Equity Managers (Lindsell Train and Artemis).
18. **ALTERNATIVE PRIVATE MARKET ASSET CLASS OPTIONS - DISCUSSION PAPER**
The Committee considered a joint report of the Chamberlain/Mercer which provided the Committee with asset class options that could be invested in as part of the Broad Private Markets asset allocation.
19. **ADMITTED BODY STATUS - REQUEST FOR DELEGATED AUTHORITY**
The Committee considered a report of the Chamberlain seeking delegated authority in order to determine admitted body status for specific contracts.
20. **LONDON CIV AND M&G UK RESIDENTIAL: REQUEST FOR DELEGATED AUTHORITY**
The Committee considered a report of the Chamberlain seeking delegated authority with respect to the London CIV and M&G UK Residential Fund.
21. **NON-PUBLIC APPENDIX - PENSION SCHEME ADMINISTRATOR'S UPDATE**
The Committee received a non-public appendix which was read in conjunction with agenda item 9.
22. **NON PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
There were no questions.
23. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT AND THAT THE COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
There were no urgent matters.

The meeting ended at 4.07 pm

Chairman

Contact Officer: Raquel Pinto
raquel.pinto@cityoflondon.gov.uk

PENSIONS COMMITTEE
Tuesday, 17 September 2024

Minutes of the meeting of the Pensions Committee held at Committee Room 3 - 2nd Floor West Wing, Guildhall on Tuesday, 17 September 2024 at 2.00 pm

Present

Deputy Timothy Butcher (Chairman)
David Sales (Deputy Chairman)
Deputy Madush Gupta
James
Timothy James McNally
Alderman & Sheriff Gregory Jones KC

Officers:

Kate Limna	-	Chamberlain's Department
Graham Newman	-	Chamberlain's Department
Sarah Port	-	Chamberlain's Department
Amanda Luk	-	Chamberlain's Department
Raquel Pinto	-	Town Clerk's Department

In attendance:

Peter Lisley – Deputy Chair of the Local Government Pensions Board
Steve Turner – Mercer

1. APOLOGIES

Apologies were received from Deputy Christopher Boden and Deputy Henry Pollard.

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

There were no declarations.

3. MINUTES

RESOLVED: That: -

- The public minutes and non-public summary of the Pensions Committee meeting on 18 June 2024 were approved as an accurate record.
- The public minutes and non-public summary of the Local Government Pensions Board meeting on 18 July 2024 be received.

4. WORK PROGRAMME

The Committee considered a report of the Chamberlain concerning a forward-looking Pensions Committee work programme.

The Chamberlain suggested that an invitation be made to the Actuary from Barnett Waddingham, to attend the Pensions Committee meeting due to be held on 3 December 2024, for an actuarial valuation discussion, ahead of the

triannual valuation on the 31 March 2025. The discussion would take place in the non-public session. Members unanimously agreed.

RESOLVED: That Members: -

- Received the report and noted its content.

5. **CITY FUND AND PENSION FUND - AUDIT FINDINGS UPDATE**

The Committee received a report of the Chamberlain concerning an update on the audit of the 2023-24 Statement of Accounts for the City Fund and Pension Fund.

The Chamberlain introduced the item highlighting the success of the audit, noting only minor outstanding actions which needed to be addressed before the audit was finalised. Members noted that the paper had been circulated as a late supplementary item, due to ongoing work on the City Fund audit, which would be presented at the next meeting of the Audit and Risk Committee in September. Officers confirmed that the Pension Fund accounts would be signed off by the statutory deadline on the 30 September 2024.

The Chairman commended officers for their efforts in putting together this piece of work, and suggested that in the spirit of good governance, that any outstanding audit recommendations be reviewed by the Committee in six months' time to address any unresolved issues.

A Member raised a query relating to the Section 37 Virgin Media case, querying whether the Auditor had mentioned this issue or if they planned to investigate in more detail next year. The Chamberlain confirmed that the Auditor had considered this and that they were happy with the response that the Pension Fund had provided.

RESOLVED: That Members: -

- Considered the Audit Findings Report for the Pension Fund 2023-24 as set out in Appendix 3.
- Agreed to review the recommendations in the audit findings report in 6 months' time.

6. **PENSION SCHEME ADMINISTRATOR'S UPDATE**

The Committee received a report of the Chamberlain concerning a summary of general information around a range of topics in relation to the administration of the Scheme since the last Committee meeting.

A Member observed that the scheme record keeping, involved measuring data once a year, including both common and conditional data, and asked what the score was, to understand if there were any gaps. Officers confirmed that this information would be circulated to Members outside of the meeting in an email.

The Member also sought clarification with regards to time scales relating to the payment of lump sum death grants as outlined in Appendix D of the report, as the two figures differed. Officers explained this was a typographical error which would be addressed.

The Deputy Chairman of the Local Government Pensions Board raised a question regarding the self-service portal, enquiring whether this would affect target measurements and speed up responses. Officers explained that the portal would enable members to use the retirement planner which would provide an estimate figure, however, for those nearing their retirement, the expectation would be that they contact the team for a personalised figure. It was noted that the portal may reduce the number of estimate requests being made of the team, but those that still make contact can expect an answer within the stated turnaround time.

The Deputy Chairman of the Pensions Committee congratulated the team on the roll out of the portal and on the favourable response they had received from scheme members.

RESOLVED: That Members: -

- Received the report and noted its content.

7. **COL PENSION FUND: GAD SECTION 13 SUMMARY REPORT**

The Committee received a report of the Chamberlain concerning the Government Actuary's Department (GAD) publication of their third Section 13 Report following the 2022 actuarial valuation of the Pension Fund in August 2024. The report provided a review of the Local Government Pension Scheme and was mandated under Section 13 of the Public Services Pensions Act 2013.

The Chamberlain informed Members that the Section 13 summary report was produced after every triennial evaluation to compare LGPS funds on a like for like basis. It was noted that The City of London Corporation Pension Fund had met all the criteria of the Section 13 report, receiving green flags for all aspects except 'asset shock' where a white flag was raised. Officers noted that the asset shock measure looked at the change in average employer pensions costs as a percentage of 'core spending' if there was a fall in markets and the fund's "growth" assets fell by 15% and never recovered. In addition, there were three recommendations for the Scheme Advisory Board which would be discussed prior to the next valuation.

The Chairman inquired about the Corporation's previous valuation, and the Chamberlain confirmed that an amber flag had been noted for the asset shock measure. However, this was not considered a major concern at the time.

Members acknowledged the recommendation concerning long-term cost efficiency for advisory boards and praised the Corporation's robust 20-year plan, which was meticulously followed in each valuation, leading to significant progress.

RESOLVED: That Members: -

- Received the report and noted its content.

8. **RISK REGISTER**

The Committee considered a report of the Chamberlain concerning the Risk Register for the Pensions Committee. The Risk Register is reviewed twice a year. Officers have reviewed the risks and there had been no changes since this was last reported to the Pensions Committee in March 2024.

A Member raised a question on high-risk cybersecurity threats and the need to increase the risk level on the register. Officers noted that although the Corporation has strong defences in place, it did not stop the likelihood of targeted attacks. A supplementary question was asked on whether the City of London has a cybersecurity policy and an incident response plan that includes the pension scheme data. Officers confirmed the Corporation has a cyber security plan and understood that storing data in the cloud reduces risk, which the corporation adheres to. Given the recent Transport for London cyber-attack, Officers agreed to investigate what the overall risk was for cyber security for the Corporation and look to re-word the risk on the Pensions Committee risk register to reflect the concerns raised.

A Member confirmed that the Town Clerk was looking into the issue of cyber security in relation to the organisation and its risk and was paying this issue considerable attention. Consequently, the Committee decided that Officers should reassess the current cyber rating, factoring in the Committee's concerns and contemplating an elevation of the risk level.

RESOLVED: That Members: -

- reviewed the existing risks and actions present on the Pensions Committee's Risk Register,
- agreed to a review of the cyber security risk
- confirmed that appropriate control measures are in place all other risks; and
- confirmed that there are no further risks relating to the services overseen by the Pensions Committee

9. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

10. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**

There was no urgent business.

11. **EXCLUSION OF THE PUBLIC**

RESOLVED - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

12. **MINUTES**

The Pensions Committee considered agenda items 12-14 together.

RESOLVED: That Members: -

- That non-public minutes of the Pensions Committee meeting on 18 June 2024 were approved as an accurate record.
- That the non-public minutes of the Local Government Pensions Board meeting on 18 July 2024 be received.

15. **PERFORMANCE MONITORING**

The Committee received a presentation from Mercer concerning the Pension Fund Quarterly Monitoring Report for Q2 2024 and a report of the Chamberlain relating to the Investment Performance of the Pension Fund as at 31 July 2024.

16. **OPEN ENDED INFRASTRUCTURE FUND**

The Committee considered a report from the Chamberlain concerning three Open Ended Infrastructure funds, following the Committee's in-depth discussion at the June Committee meeting.

17. **HARRIS & LCIV EQUITY VALUE MANAGER REVIEW**

The Committee considered a joint report of the Chamberlain and Mercer which provided Members of the Committee with a comparative report between the Fund's current value manager Harris and the LCIV Global Equity Value Fund (managed by Wellington).

18. **VERITAS & LCIV GLOBAL EQUITY QUALITY MANAGER**

The Committee considered a joint report of the Chamberlain and Mercer, concerning a comparative review between the Fund's current quality manager, Veritas, and the London CIV (LCIV) Global Equity Quality Fund (managed by Morgan Stanley).

19. **LCIV UPDATE**

The Committee received a report of the Chamberlain concerning an update on the London CIV, the asset pool operator for London LGPS Funds and in which the Pension Fund invest some of its assets.

20. **CASHFLOW**

The Committee received a report from the Chamberlain concerning the cashflow for the Pension Fund for the four-year period 2024/25 to 2027/28.

21. **PENSION FUND - DRAFT ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2024**

The Committee received a report from the Chamberlain concerning the draft Pension Fund Annual Report for 2023/24, which included the Pension Fund accounts ended 31 March 2024.

22. **NON-PUBLIC REPORT OF ACTION TAKEN**

The Committee received a report of the Town Clerk, which advised Members of action taken by the Town Clerk in consultation with the Chairman and Deputy Chairman, in accordance with Standing Order Nos. 41(a) and 41(b).

23. PENSION SCHEME ADMINISTRATOR'S UPDATE - NON-PUBLIC APPENDICES

The Committee received a non-public appendix which was read in conjunction with agenda item 6.

24. NON PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE

There were no questions.

25. ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT AND THAT THE COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED

There were two items raised.

At this point in the meeting, in accordance with Standing Order No. 40, a decision was taken to extend the length of the meeting.

The meeting ended at 16:15

Chairman

Contact Officer: Raquel Pinto
raquel.pinto@cityoflondon.gov.uk

Agenda Item 4

Committee(s): Local Government Pensions Board	Dated: 17/01/2025
Subject: Annual Review of the Board's Terms of Reference	Public report: For Decision
This proposal: <ul style="list-style-type: none">• provides statutory duties	N/A
Does this proposal require extra revenue and/or capital spending?	No
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:	Town Clerk
Report author:	Raquel Pinto, Governance Officer

Summary

As part of the post-implementation review of the changes made to the City Corporation's governance arrangements in 2011, it was agreed that all Committees should review their terms of reference annually. This is to enable any proposed changes to be considered in time for the annual reappointment of Committees by the Court of Common Council.

The terms of reference of the Local Government Pensions Board are attached at Appendix 1 to this report for consideration.

Recommendations

It is recommended that:

- the terms of reference of the Board, subject to any comments, be approved for submission to the Court in April 2025, and that any further changes required in the lead up to the Court's appointment of Committees be delegated to the Town Clerk in consultation with the Chairman and Deputy Chairman.

Appendices

- Appendix 1 – Terms of Reference

Raquel Pinto

Town Clerk's Department

E: raquel.pinto@cityoflondon.gov.uk

MAINELLI, Mayor	RESOLVED: That the Court of Common Council holden in the Guildhall of the City of London on Thursday 25 th April 2024, doth hereby appoint the following Committee until the first meeting of the Court in April, 2025
-----------------	--

LOCAL GOVERNMENT PENSIONS BOARD

1. Constitution

A Non-Ward Committee consisting of,

- Three Employer Representatives, of which;
 - Two will be Members of the Court of Common Council (who may not be Members of the Pensions Committee or the Corporate Services Committee);
 - One will be an Officer of the Corporation, nominated by the Town Clerk and Chief Executive; and
- Three Member Representatives, selected by an appointment method determined by the Town Clerk and Chief Executive.

In addition, the Board has the power to appoint one co-opted member (with no voting rights) as an independent advisor to the Board, should the Board require further technical guidance.

2. Quorum

The quorum consists of any three Members, including one Employer Representative and one Member Representative.

3. Membership 2024/25

Three Employer Representatives

Mark Wheatley
 Vacancy
 Paul Wilkinson

Three Member Representatives

David Pearson (appointed for a four-year term expiring April 2025)
 Christina McLellan (appointed for a four-year term expiring April 2028)
 Peter Lisley (appointed for a four-year term expiring in April 2027)

together with the co-opted Member referred to in paragraph 1 above, if required and one Member to be appointed this day. The further vacancy will be re-advertised for the May Court of Common Council meeting.

Each Board Member should endeavour to attend all Board meetings during the year. In the event of consistent non-attendance by any Board member, then the tenure of that membership should be reviewed by the other Board members in liaison with the Scheme Manager.

Board Members must be satisfied that they:

- are conversant with the legislation and associated guidance of the Local Government Pension Scheme (LGPS);
- are conversant with documents recording policy about the administration of the LGPS by the City of London Corporation;
- Have knowledge and understanding of the law relating to pensions and any other matters which are prescribed in regulations, including undertaking appropriate training to develop this knowledge;
- conduct themselves in line with the seven principles of public life;
- do not have any conflict of interest with their role on the Pensions Board.

4. Terms of Reference

In line with the requirements of the Public Services Pensions Act 2013 for the management of the City of London Corporation's Pension Scheme, to be responsible for:

(a) assisting the Scheme Manager (the City of London Corporation) in the following matters:

- Securing compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme and any statutory pension scheme that it is connected to;
- Securing compliance with requirements imposed in relation to the scheme and any connected scheme by the Pensions Regulator; and
- Other such matters as the scheme regulations may specify.

(b) securing the effective and efficient governance and administration of the LGPS for the City of London Pension Fund

The Local Government Pensions Board will ensure it effectively and efficiently complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

The Local Government Pensions Board will also help ensure that the City of London Corporation Pension Fund is managed and administered effectively and efficiently and complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

The Pension Board shall meet at least two times per year.

5. Chairmanship

Any Member of the Board will be eligible to be Chairman. However, to allow reporting to the Court of Common Council, either the Chairman or Deputy Chairman must be a Member of the Court of Common Council.

This page is intentionally left blank

City of London Corporation Committee Report

Committee(s): Local Government Pensions Board	Dated: 17/01/2025
Subject: Pensions Scheme – Administrator’s Update	Public report: For Information
This proposal: <ul style="list-style-type: none"> • provides statutory duties • provides business enabling functions 	
Does this proposal require extra revenue and/or capital spending?	No
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
Report author:	Graham Newman – Chamberlain’s Department

Summary

The administration of the City of London Local Government Pension Scheme (the Scheme) is undertaken by the Pensions Team within the Chamberlain’s Department.

The table below provides a summary of general information around a range of topics in relation to the administration of the Scheme since the last Board meeting on 18 July 2024. Members are asked to note the report and provide feedback.

Item	Update
Annual schedule of events for the administration of the Pensions Scheme	Appendix A provides details of the events / dates that form the main diary of the Scheme administration.
Information of Scheme Record Keeping	<p>As the Scheme’s administrating authority, the City is responsible for making sure the scheme has good records.</p> <p>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.</p> <p>Failure to maintain complete and accurate records can risk not meeting legal obligations as set by the Pensions 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>

Complaints or disputes under the Scheme's Internal Disputes Resolution Process (IDRP)	<p>Since the last Board meeting there have been 11 Stage One IDRP applications and 2 at Stage Two.</p> <p>A breakdown of the IDRP applications is included at Appendix B on the non-public agenda.</p>
Public Service Pensions Reporting Breaches of Pension Law	<p>There has been one breach - one of the scheme's employers did not provide the necessary year end data to allow Annual Benefit Statements to be produced for members of the pension scheme within that employer. At the time of writing, most but not all, of the necessary data has been provided and the Pensions Office continues to work with the employer to collate the necessary information.</p> <p>The breach has been reported to the Pensions Regulator.</p>
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.
Guaranteed Minimum Pensions (GMP) Reconciliation	The project is still ongoing. A report will be brought to the Board once the reconciliation has been completed.
Pension Administration System	<p>The Pensions Office has rolled-out the Online Member Portal which allows members to access their pension record, make amendments to selected personal data (i.e. name and death grant nominees) and to run their own retirement estimates.</p> <p>The portal was used for providing the 2024 annual benefit statements and provides a potential platform for future bulk mailings.</p> <p>The system has been rolled out to all active scheme members and is now also available to retired and deferred members so that access to the portal can continue as active members leave the organisation. An advertising campaign to existing City Pensioners will begin shortly to encourage sign-up, but will make it clear that this is not compulsory.</p> <p>A similar campaign for existing deferred members will follow on from this.</p>
Public Sector Pensions Legal Challenge	<p><u>Lord Chancellor and Secretary of State for Justice v McCloud and others</u></p> <p>With effect from April 2015 (April 2014 for the LGPS) all public sector pension schemes were subjected to reforms that changed the way</p>

	<p>benefits were accrued and the date from which they would become payable.</p> <p>However, the legality of these reforms was successfully challenged and they were found to be discriminatory on the grounds of age. This challenge came to be referred to as 'McCloud'.</p> <p>The government consulted on what method of 'Remedy' should be used to remove the discrimination and 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 set out the intention of the 'McCloud Remedy' and implement it in the public service pension schemes.</p> <p>Further consultation determined the form the Remedy would take in respect of the LGPS and the regulations were formally laid and then implemented with effect from 1 October 2023.</p> <p>For active scheme members retiring after the implementation date, their McCloud eligibility will be assessed by the Pensions Office and if appropriate their benefits will be based upon the terms of the Remedy. In addition, from September 2025 onwards, all Annual Benefit Statements issued to active and deferred members must include details in respect of the Remedy and how it affects their individual benefits.</p> <p>With regards to retired members, all retirements since the introduction of the career average scheme in April 2014 will need to be assessed for eligibility for the McCloud Remedy. For those deemed to be eligible, their benefits in payment will need to be recalculated under the terms of the Remedy and any appropriate adjustments made and arrears paid. This process will also apply for the pensions being paid to the survivors/dependants of an eligible member who passed away before the Remedy was implemented.</p> <p>The Pensions Office has implemented the Remedy in respect of active scheme members and all retirements that have occurred since the implementation date (i.e. 1 October 2023) have been processed on this basis.</p> <p>The Pensions Office, in conjunction with each individual Scheme employer, is currently compiling the details of all retirements since April 2014 to assess eligibility and begin the process of re-calculating benefits where appropriate. Active and deferred scheme members must be provided with details by 31 August 2025 and it is expected that all retired scheme member will have been contact by then.</p> <p>Updates regarding the implementation of the McCloud Remedy will continue to be brought to each Board meeting.</p>
<p>Pension Training</p>	<p>Board</p> <p>All Members of the Board are expected to register for tPR online training and complete the modules in respect of <u>public sector pension schemes</u>.</p> <p>The link for the online training is: https://www.thepensionsregulator.gov.uk/en/public-service-pension-schemes/understanding-your-role/learn-about-managing-public-service-schemes</p>

	<p>Following a trial period by officers, Members of the Committee have agreed to complete the online LGPS training that has been created by our actuary Barnett Waddingham. The training module is called 'Enlighten' and is specifically directed at LGPS Committees, Boards and officers. There are currently three courses available; each consisting of several bitesize videos and followed by a quiz.</p> <p>Details in respect of training modules completed by each Member are included on the non-public agenda (Appendix C).</p> <p>Members are expected to re-do the tPR training modules every 3-5 years.</p>
Pensions Office Key Performance Indicators	<p>Appendix D provides statistics in relation to the performance of the Pension Scheme Administration.</p> <p>The working processes followed by the Pensions Team are regularly reviewed to ensure the statistics accurately reflect the work involved.</p>
Pensions Dashboards	<p>Introduced by the Department for Work and Pensions (DWP), Pensions Dashboards have been designed to provide an online platform that will allow individuals to access details of their accrued pension benefits from multiple sources in one place. The intention is to support better planning for retirement, and help individuals reconnect with any pension pots they may have lost over time.</p> <p>In respect of Public Sector Pension Schemes, the initial expectation was that schemes would be required to connect to the online dashboard infrastructure by 30 September 2024.</p> <p>However, a written Ministerial Statement made on 2 March 2023 stated that delays setting up the dashboard programme has meant that the original timetables have been re-considered.</p> <p>A revised staging timetable has been set out in guidance with all schemes in scope given a single connection deadline of 31 October 2026, by which time they are legally required to be connected to the pensions dashboard ecosystem and be ready to respond to requests for pensions information.</p> <p>However, the guidance also sets out a staging timetable which provides a recommended connection date based upon scheme size and type – the connection date for public sector pension schemes is 31 October 2025.</p> <p>The Pensions Regulator (TPR) updated its 'Failing to comply with dashboards duties' guidance in June 2023: (https://www.thepensionsregulator.gov.uk/en/trustees/contributions-data-and-transfers/dashboards-guidance/failing-to-comply-with-pensions-dashboards-duties). The purpose of the guidance is to outline what schemes will need to do to demonstrate that they have had regard to the staging timetable that will be set out in the connection guidance.</p> <p>TPR expectations of schemes to show they 'have regards to the connection guidance' includes:</p>

- Connect to dashboards by the connection deadline of 31 October 2026 that is set out in legislation. Failure to do so could result in regulatory action by TPR.
- A revised staging timetable is set out in guidance which indicates when schemes are scheduled to connect. All trustees and scheme managers must have regard to this guidance. Failure to do so will be a breach.
- Although the timelines in the guidance are not mandatory, schemes will be expected to demonstrate how they have had regard to the guidance.
- A phased approach to staging enables a controlled and well-planned connection, reduces the risk of provider capacity constraints and means savers can realise the benefits of dashboards as early as possible.
- Continuing to prepare for dashboards by engaging with those who will support them and their dashboard duties.

The Pensions Dashboards Programme (PDP) has updated their FAQs to reflect the new connection deadline announcement <https://www.pensionsdashboardsprogramme.org.uk/faqs/>

The National LGPS Framework was set up to provide procurement facilities for all LGPS Funds to allow for an efficient route for sourcing external services by a compliant route.

There are several Integrated Service Providers (ISPs) listed on the National LGPS Framework and the Pensions Office has started the process of making contact with these providers as a first step towards ensuring compliance with the staging deadline.

It should be noted that this project will be carried out in conjunction with the administration of the Police Pension Scheme and is not 'stand-alone' for the Local Government Pension Scheme.

Updates regarding the progress being made in respect of the Dashboards project will be brought to each Board meeting.

Recommendation

The Board is asked to note the report and provide any feedback in relation to this information.

Appendices:

Appendix A – Annual Schedule of Events (Administration)

Appendix B – IDRPs cases received by the Pensions Office (NON PUBLIC)

Appendix C – Member Training (NON PUBLIC)

Appendix D – KPI Details

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 2024/25

Date Due	Event	Completed
1 April 2024	Employee Contribution band review/ implementation.	1 April 2024
6 April 2024	Revaluation of CARE benefits.	6 April 2024
1 Monday in April following Tax Year End	Pensions Increase (PI) – Annual Inflation increase.	8 April 2024
May 2024	Tax return for Quarter 4 (to 31/3/2024)	30 May 2024
31 May 2024	Pensioner P60s distributed	24 May 2024
31 May 2024	Publish draft City Fund Accounts 2023/24 (including the Pension Fund Accounts)	31 May 2024
June/July 2024	Year-end data to the pension fund's actuary	April/May 2024
August 2024	Tax return for Quarter 1 (to 30/06/2024)	13 August 2024
31 August 2024	Issue of Annual Benefit Statements deadline.	31 August 2024
30 September 2024	Employee Contribution Band review	30 September 2024
5 October 2024	Issue of Annual Allowance (AA) Saving Statements deadline	25 September 2024
22 November 2024	Scheme Return to the Pensions Regulator	22 November 2024
November 2024	Tax return for Quarter 2 (to 30/09/2024)	29 November 2024
1 December 2024	Publication of 2023/24 Pension Fund Accounts and Annual Report	28 November 2024
February 2025	Tax Return for Quarter 3 (to 31/12/2024)	
31 January 2025	HMRC Event 22 Report – List of Annual Allowance cases exceeding the Previous years' threshold.	
February 2025	Tax Return for Quarter 3 (to 31/12/2024)	
1 April 2025	Employee Contribution band review/ implementation.	
6 April 2025	Revaluation of CARE benefits.	
1 Monday in April following Tax Year End	Pensions Increase (PI) – Annual Inflation increase.	
May 2025	Tax return for Quarter 4 (to 31/3/2025)	
31 May 2025	Pensioner P60s distributed	

Appendix A

31 May 2025	Publish draft City Fund Accounts 2024/25 (including the Pension Fund Accounts)	
June/July 2025	Year-end data to the pension fund's actuary	

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

Task	Target (Working Days)	Result 2023/24	Result 2022/23	Result 2021/22
Initial payment of retirement benefits	5 days*	94.32%	97.35 %	98.61 %
Process refund and make payment	5 days	95.79%	94.85 %	98.44 %
Statement notifying estimate of retirement benefits	20 days	96.57%	97.04 %	96.17 %
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	94.99%	96.50 %	96.83 %
Payment of lump sum death grants:	5 days	100.00%	92.59 %	100.00 %
Letters to dependants in respect of benefits due:	5 days	94.74%	98.36 %	94.44 %

Task	Target (Working days)	Q 1 01/04/24 – 30/06/24	Q 2 01/07/24 – 30/09/24	Number of cases in Q 2	Running total for year 01/04 – 30/09/24	Running total of cases for year 01/04 – 30/09/24
Initial payment of retirement benefits	10 days*	95.35%	93.48%	46	94.38%	89
Process refunds and make payments	5 days	90.91%	91.67%	12	91.30%	23
Statement notifying estimate of retirement benefits	20 days	94.92%	97.56%	41	96.00%	100
Statement detailing transfer-in credit	20 days	96.55%	97.92%	48	97.40%	77
Transfers-out payments	20 days	100%	100%	25	100.00%	38
Answering general correspondence	10 days	96.06%	97.50%	160	96.86%	287
Payment of lump sum death grants	14 days	100%	100%	3	100.00%	10
Letters to dependant's in respect of benefits due	5 days	100%	100%	17	100.00%	28

* At the June 2024 Committee meeting, Members agreed to change the target for the initial payment of retirement benefits from 5 to 10 working days. Statistics shown for 2023/24 and earlier are based upon the 5 working days target. Statistics from April 2024 onwards have been collated based upon the revised timeframe.

This page is intentionally left blank

City of London Corporation Committee Report

Committee(s): Local Government Pensions Board	Dated: 17 January 2025
Subject: Pensions Committee Update Report (Public)	Public report: For Information
This proposal: <ul style="list-style-type: none"> • provides statutory duties • provides business enabling functions 	
Does this proposal require extra revenue and/or capital spending?	No
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?	No
Report of:	The Chamberlain
Report author:	Kate Limna

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 Pensions Committee on the public agenda at their meetings on 17 September and 3 December 2024.

Recommendation

Members are asked to note the report.

Main Report

Background

1. This report summarises the reports and decisions made by the Pensions Committee on the public agenda at their meetings on 17 September and 3 December 2024.

Administration

2. At each meeting the Pensions Committee has received the Administrators Update and there is a separate report covering this on today's agenda.

CoL Pension Fund: GAD Section 13 Report

3. Following each triennial valuation, the Government Actuary's Department (GAD) publish a Section 13 report. This report provides a review or health check of the

Local Government Pension Scheme and is mandated under Section 13 of the Public Services Pensions Act 2013. This report went to the September meeting of the Pensions Committee and is a separate item on today's agenda.

Risk Register

4. The Risk Register for the Pensions Committee is reviewed twice a year and was last reviewed by the Pensions Committee at their meeting on 17 September. This is a separate item on today's agenda.

General Code of Practice Compliance Review

5. In 2024, the Pensions Regulator (tPR) released the General Code of Practice (the code). The code came into force on the 27 March 2024 replacing the 'Code of Practice 14' for Public Sector Pension Schemes and combining ten tPR codes into one single code. A review was undertaken by Barnett Waddingham on the City of London Pension Fund's compliance with the code, and this was reported to the Pensions Committee at their December meeting. This is a separate item on today's agenda.

Autumn Budget 2024, Mansion House Speech and LGPS (England and Wales): Fit for the Future Consultation Summary

6. At the December meeting, the Pensions Committee received a report which provided a summary around the Autumn Budget, the Mansion House speech given by the Chancellor Rachel Reeves on 14 November 2024 and a summary of a consultation on the LGPS issued immediately after the Mansion House speech. The consultation, entitled *Local Government Pension Scheme (England and Wales): Fit for Future* lasts for 9 weeks and responses are due by 16 January 2025. A copy of the report can be found [here](#). The discussion around this item was moved to the non-public side of the agenda.

Pension Fund Annual Report for the Year Ending 31 March 2024

7. The Pension Fund accounts were signed off by the external auditors (Grant Thornton), as part of the City Fund Accounts on 30 September 2024. The Pension Fund Annual Report, which includes the Pension Fund Accounts, was signed off on 11 November 2024 and has been published on the Pension Fund website. The Annual Report can be found [here](#).

Conclusion

8. The Pensions Committee met on 17 September and 3 December 2024. This report is a summary of the reports and decisions made under the public side of the Pensions Committee agenda.

Kate Limna

Corporate Treasurer

T: 020 7332 3952

E: kate.limna@cityoflondon.gov.uk

Committee(s): Pensions Committee Local Government Pensions Board – For Information	Dated: 17 September 2024 17 January 2025
Subject: CoL Pension Fund: GAD Section 13 Summary Report	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?	£
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 – Corporate Treasurer	

Summary

The Government Actuary’s Department (GAD) published their third Section 13 Report following the 2022 actuarial valuation of the Pension Fund in August 2024. This report provides a review or health check of the Local Government Pension Scheme and is mandated under Section 13 of the Public Services Pensions Act 2013.

The City of London Corporation Pension Fund has met all the criteria of the Section 13 Valuation although one white flag was raised. The key aim of the review is to ensure that the contributions are set at a suitable level to target 100% funding over an appropriate period using suitable assumptions for the fund.

The report also outlines GAD recommendations to the Scheme Advisory Board of which there are three; the Actuary’s observations regarding each of these recommendations, which are set out in paragraph 7 of this report are around consistency and long-term cost efficiency.

Recommendation

Members are asked to note the report

Main Report

Background

1. Following the 2022 triennial actuarial valuation of all Local Government Pension Scheme (LGPS) Pension Funds in England and Wales, the Government Actuary’s Department (GAD) - on behalf of the Ministry for Housing, Communities and Local Government (MHCLG) (previously the Department for Levelling Up, Housing and Communities (DLUHC) - has scrutinised the assumptions used by LGPS actuaries to ensure that employers are taking a sufficiently prudent approach to financing the LGPS benefits.
2. This review, or health check, of the LGPS is mandated under Section 13 of the Public Service Pensions Act 2013. This Section 13 Valuation Report (the Section 13 Report) adopts standard assumptions for all LGPS funds with the aim of providing a level playing field so that funds can be compared on a like for like

basis. The purpose of the review is to identify any outlying Pension Funds measured against the following objectives:

- *Compliance* - whether the actuarial valuation has been carried out in accordance with the Regulations
 - *Consistency* – whether the actuarial valuation has been carried out “not inconsistently” with other funds
 - *Solvency* – whether a fund has sufficient assets together with employer and employee contributions to pay all the benefits due over the long term.
 - *Long term cost efficiency* – whether a fund is receiving sufficient contributions to meet the cost of benefits accruing and to repair any existing deficit over an appropriate period.
3. The Section 13 Report was published on 14 August 2024 and can be found [here](#).
 4. This is the third Section 13 report to be published. The first report followed the 2016 triennial valuation and was published on 27 September 2018 and reported to the Finance Committee on the 19 February 2019. The second report (following the 2019 valuation) was published on 16 December 2021 and also reported to the Finance Committee on 15 February 2022
 5. The City’s Actuary, Barnett Waddingham, have analysed the Section 13 Report and the findings in relation to the City of London Pension Fund (the Fund); this report is attached as an Appendix.

GAD Findings on City of London Pension Fund

6. The Fund achieved green flags on all measures except under ‘Solvency’ where one of the four sub categories received a white flag. The other three sub categories within ‘Solvency’ received green flags. A green flag indicates that “*there are no material issues that may contribute to a recommendation for remedial action in order to ensure solvency or long-term cost efficiency*”. A white flag is “*an advisory flag that highlights a general issue but one which does not require an action in isolation*”. The white flag is around “asset shock”;
 - *Asset Shock* – this measures the change in the average employer pension costs (as a percentage of what is called “core spending”) if there was a fall in markets and the fund’s “growth” assets – essentially non-bonds - fell by 15% and never recovered. A lower percentage is regarded as good here as it indicates that employer contributions are more resilient to market volatility. **The Fund received a white flag.** Similar to 2019 the asset shock for the Fund has been assessed as a percentage of pensionable pay instead of “core spending power” to reflect the unique way the Corporation is funded.

Other recommendations

7. The Section 13 report also made three formal recommendations to the Scheme Advisory Board (SAB) whose role it is to help and support MHCLG and administering authorities fulfil their statutory duties and obligations. Two of the recommendations were around consistency and one was around long-term cost efficiencies. These recommendations are set out below along with Barnett Waddingham’s comments (in italics):

Consistency

- Recommendation 1: We recommend that the Scheme Advisory Board consider whether greater consistency could and should be achieved to allow easier comparison between funds and better understanding of risks.
- Recommendation 2: We recommend that the Scheme Advisory Board continue to consider emerging issues and, where appropriate, whether guidance would be helpful to support greater consistency. As part of great consistency on climate risk, we recommend that work continues to refine the climate change principles document in advance of the 2025 fund *valuations*.
- Barnet Waddingham' View on Recommendations 1 and 2: *GAD have made a number of recommendations within the report which link into the two formal recommendations.*

These include reviewing the valuation dashboard in advance of 2025, reviewing the FSS guidance and reviewing the approach to climate risk analysis. We are already engaging with GAD on these subjects or sit on the relevant working groups.

We consider the valuation dashboard to be a useful addition to the valuation report, but we do not foresee a significant number of changes at 2025.

Long Term Cost Efficiency

- Recommendation 3: We recommend that the Scheme Advisory Board consider the following:
 - Where funds are in surplus, whether additional guidance can be provided to support funds in balancing different considerations.
 - Where deficits exist, how can all funds ensure that the deficit recovery plan be demonstrated to be a continuation of the previous plan.
 - Whether additional guidance is required in relation to the treatment of asset transfers from local authorities.

- BW recommendations to the City of London Corporation Pension Fund: *A lot of LGPS funds are reporting improved funding positions and surpluses on their local funding basis since the 2022 valuation. This has largely been driven by funds using a gilts-based discount rate, which is not the BW approach.*

However, GAD have provided some recommendations to funds around dealing with surpluses which should be considered as part of the 2025 valuation process. They note that there needs to be a balance between paying out surpluses too quickly and retaining large surpluses. We will pick up this issue with the Fund as part of the pre-valuation discussions and as part of the contribution rate setting process.

Conclusion

8. The City of London Corporation Pension Fund has met all the criteria of the Section 13 Valuation and received green flags except under solvency (asset shock) where it received a white flag.
9. GAD have made three recommendations to the Scheme Advisory Board, two around consistency and one around long-term cost efficiency. This latter

recommendation is around improved funding positions and surpluses, and how this should be considered as part of the 2025 valuation. This will be discussed with Barnett Waddingham at the pre valuation meeting being held later this year.

10. It is equally important to ensure that decisions taken by the Fund are taken for the right reasons and meet the Fund's own objectives, Funding Strategy Statement and Investment Strategy Statement. Although the Section 13 valuation is a useful check on the health of the LGPS and its Funds, it should not be a key driver for the City of London Corporation Pension Fund in making decisions.
11. The Section 13 Report applies standardised assumptions across the LGPS, and our Actuary will apply assumptions relevant to the profile of the City's Pension Fund when undertaking the next actuarial review. The next actuarial valuation is due as at 31 March 2025 and the Actuary's recommendation on the level of employer contribution for the following three years from 1 April 2026, will be considered by the Pensions Committee.

Recommendation

Members are asked to note the report.

Appendices

Appendix – CoL Pension Fund: Section 13 Summary Report

Kate Limna

Corporate Treasurer – Chamberlain's Department

T: . 020 7332 3952

E: kate.limna@cityoflondon.gov.uk



City of London Corporation Pension Fund Section 13 summary report

Graeme D Muir | Partner FFA

26 August 2024



Contents

- Contents2
- Introduction3
- Summary of overall results5
- Key findings under the four aims6
- Conclusion 11
- Appendix 12



Introduction

This paper has been requested by City of London Corporation, as administering authority to the City of London Corporation Pension Fund (the Fund).

This paper summarises the review of the actuarial valuations of LGPS funds as at 31 March 2022 as carried out by the Government Actuary's Department (GAD), under Section 13 of the Public Service Pensions Act 2013 (the Section 13 valuation) which was published on 14 August 2024¹. This paper sets out the results of this review in relation to the Fund.

For the avoidance of doubt, the formal actuarial valuation is still carried out by ourselves as the Fund actuary based on assumptions set locally and agreed with the Fund. The key objectives of the formal valuation are to check the financial position of the Fund and to set employer contribution rates for the subsequent three years. The Section 13 valuation does not directly impact employer contribution rates but is an influencing factor.

Background

The Section 13 valuation carried out by GAD, is based on the results of the formal actuarial valuations of the 87 English and Welsh LGPS funds, as carried out by their fund actuary.

Standardised vs best estimate bases

For the purposes of comparing funding levels, GAD use a standardised basis consistent with the basis used by the Scheme Advisory Board (SAB) for comparing funds. This is not the same as the local funding basis but it is calculated by the local fund actuary. The standardised basis provides a level playing field so that funds can be compared on more of a like for like basis.

¹ Full report is published here: <https://www.gov.uk/government/publications/lgps-ew-review-of-the-actuarial-valuations-of-funds-as-at-31-march-2022>

For some of the other tests GAD undertake, they use their own "best estimate" basis across all funds which is determined by GAD. The key difference between the two is that the financial assumptions in the standardised basis is not market related or based on market conditions.

Section 13 objectives for identifying outliers

The main purpose of the Section 13 valuation is for GAD to identify any outlying funds measured against the following four aims:

- 1 Compliance** – whether, in their view, the actuarial valuation has been carried out in accordance with the Regulations;
- 2 Consistency** – whether, in their view, the actuarial valuation has been carried out "not inconsistently" with other funds;
- 3 Solvency** – whether, in their view, a fund has sufficient assets together with employer and employee contributions to pay all the benefits due over the long term; and



4 Long term cost efficiency – whether, in their view, a fund is receiving sufficient contributions to meet the cost of benefits accruing and to repair any existing deficit over an appropriate period.

As part of the Section 13 valuation, GAD calculate measures to help consider the above aims and use a coloured flag system to identify any outlying funds.

Flag	Meaning
Red	A material issue that may result in the aims of Section 13 not being met. In such circumstances remedial action to ensure solvency and/or long term cost efficiency may be considered.
Amber	A potential material issue that we would expect funds to be aware of. In isolation this would not usually contribute to a recommendation for remedial action in order to ensure solvency and/or long term cost efficiency.
White	An advisory flag that highlights a general issue but one which does not require an action in isolation. It may have been an amber flag if GAD had broader concerns.
Green	There are no material issues that may contribute to a recommendation for remedial action in order to ensure solvency or long term cost efficiency.

Page 42

Having been identified as an outlier, the outlying fund would be expected to put a plan in place to help improve their position.

However, this application of measures is not helpful when each is considered in isolation and a more holistic view is required. For example, a reader may conclude that significant contribution increases may be required for a particular fund at the next formal funding valuation, when in fact, this might not be the case.

Moreover, as flags usually indicate deviations from other funds this does not necessarily mean there are problems with the fund itself as each fund is different and requires a tailored approach to funding and setting contribution rates. Some funds will also have seen an improvement on individual measures, but this categorising does not provide that level of detail, and therefore where improvements have been made, they are not necessarily recognised as improvements.

Summary of overall results

Most funds reported a funding level improvement at 2022 compared to 2019, with an aggregate funding level of 119% at 2022, compared to 109% at 2019. These funding levels are calculated on GAD's best estimate basis. The main reason for this improvement has been the asset outperformance in 2020/21, as well as the secondary (deficit reduction) contributions paid by employers.

Average total contribution rates decreased although primary rates generally increased, which reflects the increase in funding levels on funds' local funding bases. As previously noted, the Section 13 valuation is not used to set employer contribution rates but functions as a comparator between the individual LGPS funds.

Progress since 2019 review

Following the 2019 valuation, GAD made a series of recommendations to be considered as part of the 2022 valuation. We have summarised the 2019 recommendations and the noted progress made on each. Please note these are not specific to the Fund.

1. SAB should consider the impact of inconsistency, particularly regarding academy conversions and assessing impact of McCloud.
 - SAB have prepared guidance on academy conversions; more detail is provided in the Consistency section below. In relation to McCloud liabilities, all funds quantified the estimated impact as a percentage of liabilities on the dashboard. Regulations to equalise for McCloud remedy have since been introduced, therefore GAD make no further recommendations in this area.
2. SAB should consider how funds should ensure their deficit recovery plan can be demonstrated to be a continuation of the previous plan.

- SAB is engaging with stakeholders to update guidance on Funding Strategy Statements (FSS) and the inclusion of principles underlying deficit recovery plan. New guidance should be out later this year which we will incorporate as part of the next FSS review.
3. Fund actuaries provide additional information about total contributions, discount rates and reconciling deficit recovery plans in the dashboard.
 - This was provided and noted.
 4. SAB should review asset transfer arrangements from local authorities to ensure appropriate governance to achieve long term cost efficiency.
 - Not aware of any new asset transfers arrangements put in place. SAB intend to consider this point as part of their review of the FSS guidance.

In the 2019 report, GAD also made a general risk comment about acknowledging the strain of the pension fund on local authority budgets and resources and the possibility of increased pension contributions in the future. GAD noted that they understand that administering authorities are generally aware of these risks and have factored this into the principles for setting contributions, with a particular focus on stability.



Key findings under the four aims

The following section summarises each of GAD's objectives and the key takeaways for each as part of the 2022 review.

Compliance

GAD reported that all LGPS actuarial valuation reports complied with Section 13, meeting the requirements of the LGPS Regulations.

Consistency

GAD did not raise any flags for any fund under the objective of consistency.

GAD's interpretation of the consistency requirement (or lack of inconsistency) is such that valuations should have "consistent" rather than "not inconsistent" assumptions unless local circumstances justify something different.

Page 44

GAD reports on two types of consistency criteria:

- Presentational consistency:** Information may be presented in different ways in different reports, and sometimes information is contained in some reports but not others, so readers may have difficulties in locating the information they wish to compare. GAD call this presentational inconsistency and expect this to include sufficient rationale.
- Evidential consistency:** When the reader has located the relevant information (e.g. funding levels), differences in the underlying methodology and assumptions mean that it is not possible to make a like for like comparison. GAD call this evidential inconsistency. They believe that local circumstances may merit different assumptions, but wherever possible, information should be presented in a way that facilitates comparisons.

Compared to 2019, GAD believe presentational consistency has improved due to the additional dashboard information provided. However, GAD's view is that there is no indication of any significant improvement in evidential consistency since the 2019 valuation.

As expected, there are differences in financial and demographic assumptions across LGPS funds. This is valid and appropriate as funds have different investment strategies, which affects the assumed discount rate, and different membership profiles, which affects the demographic assumptions.

The report does acknowledge that assumptions can be expected to vary between funds and that this is not a problem in itself as long as the local circumstances driving the assumptions are made transparent.

GAD advised that the valuation dashboard should be reviewed again prior to the 2025 valuation to consider if any additional information should be provided. BW will be part of that review process.

The report also puts a strong focus on emerging issues where consistency between the funds is considered to be useful and dialogue between actuarial advisors is encouraged. The main issues addressed were climate risk, treatment of academies, and the emergence of surpluses.

Climate risk

It was noted that significant progress had been made to improve consistency in the presentation of climate risk since 2019. This is due to the engagement with the fund actuaries and DLUHC (now renamed the Ministry of Housing, Communities & Local Government (MHCLG)) to agree broad principles on which to base the analysis. Of the 87 funds, 82 carried out climate risk analyses in line with these broad principles. The Fund was included in the 82 funds.

MHCLG has consulted on proposals for new requirements in line with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) but has not yet responded. GAD strongly promote the further development of climate risk analysis and its integration in decision-making by funds. The broad principles will be reviewed in advance of the 2025 valuation which BW will also feed heavily into.

Academies

GAD continue to mention the known inconsistencies around academy conversions between funds. A working group was set up to consider this issue and SAB have produced guidance on academy conversions but funds continue to take different approaches.

It is a complicated issue and in our view, this commentary falls outside the remit of the Section 13 valuation.

Surpluses

GAD are encouraging SAB's Funding Strategy Statement (FSS) working group, to consider consistency of how LGPS funds may approach the use of any surplus when reviewing the FSS guidance.

GAD recommendations

GAD made two formal recommendations in the Section 13 report regarding the consistency objective.

Recommendation 1

"We recommend that the Scheme Advisory Board consider whether greater consistency could and should be achieved to allow easier comparison between funds and better understanding of risks."

Recommendation 2

"We recommend that the Scheme Advisory Board continue to consider emerging issues and, where appropriate, whether guidance would be helpful to support greater consistency."

"As part of great consistency on climate risk, we recommend that work continues to refine the climate change principles document in advance of the 2025 fund valuations."

BW views

GAD have made a number of recommendations within the report which link into these two formal recommendations.

These include reviewing the valuation dashboard in advance of 2025, reviewing the FSS guidance and reviewing the approach to climate risk analysis. We are already engaging with GAD on these subjects or sit on the relevant working groups.

We consider the valuation dashboard to be a useful addition to the valuation report but we do not foresee a significant number of changes at 2025.

We are happy to feedback any of your comments into those reviews.

Solvency

Where a fund achieved a green flag on solvency, this demonstrates that, in GAD's opinion, the fund's assets and contribution levels should be sufficient to meet all the benefits over the long term. Most funds demonstrated they met the objective of solvency, with 76 out of the 87 funds as at 2022 achieving green flags across all measures. This has slightly improved since 2019 and no fund received an amber or red flag so no action in isolation is required for any fund.

The Fund received one white flag and three green flags on solvency measures.

The measures used are the following:

- *SAB funding level:* The SAB funding level for the Fund has improved (from 92.4% in 2019 to 102.1% in 2022). **The Fund received a green flag.** White flags were awarded to the five funds with the lowest funding levels. For funds with white flags, GAD expected no specific action other than a general review.

Non-Statutory Employees: The proportion of active members employed by employers without tax raising powers or statutory backing. This is a proxy for the proportion of higher risk employers and therefore liabilities the fund has, as these employers do not have any form of guarantee. A low percentage is a good result as it means the fund is less exposed to default risk from employers who may not be able to pay any shortfall if they leave the fund or become insolvent. **The Fund received a green flag.**

- *Asset shock:* This measures the change in the average employer pension costs (as a percentage of what is called "core spending") if there was a fall in markets and the fund's "growth" assets – essentially non-bonds - fell by 15% and never recovered. A lower percentage is regarded as good here as it indicates that employer contributions are more resilient to market volatility. **The Fund received a white flag.** Similar to 2019 the asset shock for the Fund has been assessed as a percentage of pensionable pay instead of "core spending power" to reflect the unique way the Corporation is funded.

- *Employer default:* This is the change in average employer contributions if all employers without tax raising powers/statutory backing cannot repay their deficit amount as calculated at the 2022 valuation. A low percentage means the fund is less exposed to the default of more risky employers and the impact on employer contribution rates would be low. **The Fund received a green flag.**

The results for the Fund are set out below: [background colour indicates flag]

SAB Funding level	Non-Statutory employees	Asset shock	Employer default
102%	10.5%	7.2%	N/A

GAD chose not to engage with funds that received a white flag for *SAB funding level* as it is a purely relative measure and the actual overall improvement in funding levels was a positive outcome. Please see the Appendix for the distribution of the individual SAB funding levels of all funds.

GAD recommendations

GAD did not make any specific recommendations under their solvency objective.

Long term cost efficiency

Where a fund achieved a green flag under *Long Term Cost Efficiency*, this demonstrates that the contributions being paid are, in GAD’s view, sufficient to meet the cost of benefits accruing and to repair any deficit over an “appropriate period”. In particular, it demonstrates the fund is not deferring payments excessively so that they unfairly impact future generations.

In 2022, three funds received an amber flag in relation to long term cost efficiency, with four funds receiving a white flag. At 2019, four funds received an amber flag and 18 received at least one white flag.

The Fund received five green flags in terms of long term cost efficiency.

The measures used are the following:

- *Implied deficit recovery period:* This measures the time it will take to pay off the Section 13 best estimate deficit at the current level of deficit contributions. **The Fund received a green flag.**
- *Required return:* This determines the return the fund’s assets need to achieve to be fully funded in 20 years time on the Section 13 best estimate basis. A lower required return means a lower bar for the fund to exceed and so a greater chance of doing so. **The Fund received a green flag.**
- *Repayment shortfall:* The difference between the fund’s actual total contributions (primary and secondary) and the total contributions that GAD calculate on a best estimate basis. This measures the affordability of the best estimate deficit and the higher this figure is the better. **The Fund received a green flag.**
- *Return scope:* The estimated return that the fund’s investment strategy is expected to deliver, in excess of the required return. **The Fund received a green flag.**
- *Deficit reconciliation:* This is a check on whether the current deficit recovery period is a continuation of the previous deficit recovery period. **The Fund received a green flag.**

The results for the Fund are set out below, alongside the rank (where relevant) amongst the other LGPS funds:

Implied deficit recovery period (GAD basis)	Required return	Repayment shortfall	Return scope	Deficit reconciliation
Surplus	3.8% (Rank 72)	Surplus	1.5% (Rank 46)	Green

Deficit reconciliation

In the report, GAD comment that administering authorities should aim to, where possible and appropriate:

- maintain the levels of contributions and/or
- reduce deficit recovery periods by maintaining the end point of the recovery period.

GAD noted that most funds maintained their deficit recovery end point in accordance with the above recommendation.

Surplus considerations

Since the 2022 valuation, an emerging issue is the increase in funds with surpluses, with over 70% of funds being in surplus on their local funding basis at 2022, well over double of that seen at 2019. This has largely been driven by funds using a gilts-based discount rate, which is not the BW approach.

GAD noted that there are a range of reasonable uses of fund surpluses, namely:

- reduction in contributions
- revisions to investment strategies and
- reviewing the level of prudence used.

GAD notes that their focus will be on contribution rate outcomes and intergenerational fairness. They note that there needs to be a balance between funds:

- using up surpluses too quickly; and
- retaining large surpluses.

GAD has not flagged any funds on their utilisation of surplus at this review but note that it will be reviewed as part of future Section 13 valuations.

GAD recommendations

Recommendation 3

We recommend that the Scheme Advisory Board consider the following:

- *Where funds are in surplus, whether additional guidance can be provided to support funds in balancing different considerations.*
- *Where deficits exist, how can all funds ensure that the deficit recovery plan be demonstrated to be a continuation of the previous plan.*
- *Whether additional guidance is required in relation to the treatment of asset transfers from local authorities."*

BW recommendations to the City of London Corporation Pension Fund

A lot of LGPS funds are reporting improved funding positions and surpluses on their local funding basis since the 2022 valuation. This is largely been driven by funds using a gilts-based discount rate, which is not the BW approach.

However, GAD have provided some recommendations to funds around dealing with surpluses which should be considered as part of the 2025 valuation process. They note that there needs to be a balance between paying out surpluses too quickly and retaining large surpluses. We will pick up this issue with the Fund as part of the pre-valuation discussions and as part of the contribution rate setting process.

Conclusion

The City of London Corporation Pension Fund has met all the criteria of the Section 13 valuation although one white flag was raised. The key aim of the review is to ensure that the contributions are set at a suitable level to target 100% funding, over an appropriate period, using suitable assumptions for the fund.

There is no requirement to take any action as a result of the white flag, however the Fund may want to think about how it can minimise the risk of any flags being raised at 2025.


The Fund will shortly be considering its Funding Strategy and Investment Strategy as part of the 2025 valuation process and we suggest that the results of this review are considered. However, it is equally important to ensure that decisions taken by the Fund are taken for the right reasons and meet:

- the Fund's own objectives, Funding Strategy Statement; and Investment Strategy Statement.

Page 19

Although the Section 13 valuation is a useful check on the health of the LGPS and its funds, it should not be a key driver for the Fund in making decisions.

We would be pleased to answer any questions arising from this report.



Graeme D Muir FFA
Partner
Barnett Waddingham LLP



Appendix

The charts below shows the distribution of the funding levels on the SAB standardised basis at 2019 and 2022 and where the City of London Corporation Pension Fund sits on each chart. The unweighted average has increased from 108% in 2019 to 117% in 2022.

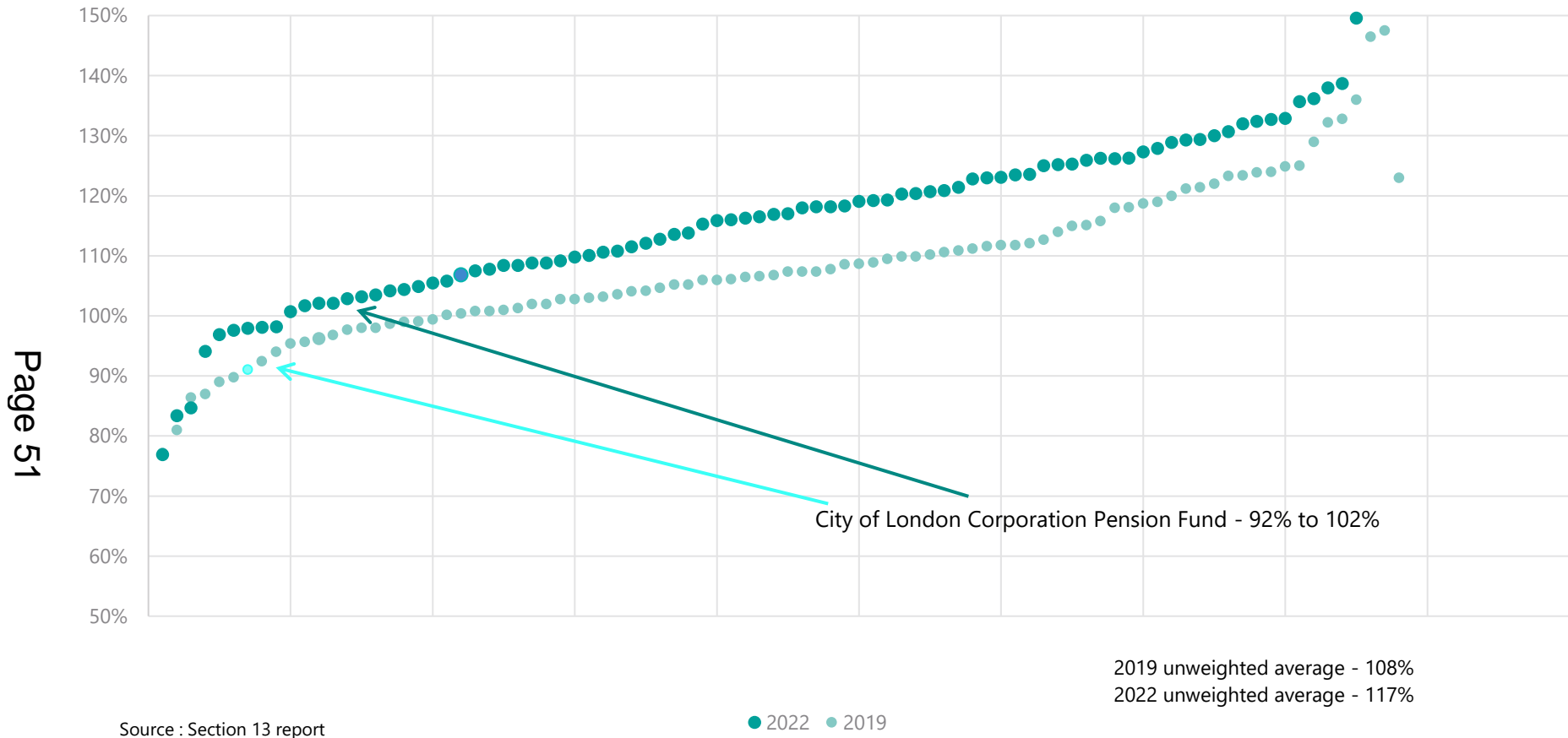
Distribution of standard funding levels (2019 vs 2022)



Source : Section 13 report



Standardised funding levels



Source : Section 13 report



www.barnett-waddingham.co.uk

Barnett Waddingham LLP is a limited liability partnership that is authorised and regulated by the Financial Conduct Authority registered in England and Wales. Their registered office is 2 London Wall Place, London, EC2Y 5AU. Registered Number OC307678

However, this report is not intended to provide and must not be construed as regulated investment advice. Returns are not guaranteed, and the value of investments may go down as well as up, so you may get back less than you invest.

The information in this report is based on our understanding of current taxation law, proposed legislation and HM Revenue & Customs practice, which may be subject to future variation.

Committee: Pensions Committee Local Government Pensions Board – For Information	Dated: 17 September 2024 17 January 2025
Subject: Risk Register for the Pensions Committee	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	All
Does this proposal require extra revenue and/or capital spending?	No
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 Decision
Report author: Amanda Luk – Chamberlain’s Department	

Summary

This report reviews the Risk Register for the Pensions Committee. The Risk Register details the key risks that have been identified alongside a risk score which indicates the likelihood of a risk being realised together with the potential impact to the organisation and the appropriate mitigations.

When reviewing the risks, the Pensions Committee should be aware that some similar/generic risks are also included in the (CoL) Police Pension Board or the Investment Committee (previously Financial Investment Board, prior to its dissolution) Risk Registers: risks CHB Pensions 009 McCloud Remedy, 007 Cyber security and 005 Fraud are on the CoL Police Pensions Board Risk Register and risk CHB Pensions 013 Responsible Investment Duties is on the Investment Committee Risk Register.

The narrative “risk update” and “latest note” on associated actions has been amended where necessary.

The Risk Register is included at Appendix 2 and Members of the Committee are asked to review the risks and actions and confirm that appropriate measures are in place.

Recommendations

Members are asked to:

- review the existing risks and actions present on the Pensions Committee’s Risk Register, and confirm that appropriate control measures are in place; and
- confirm that there are no further risks relating to the services overseen by the Pensions Committee.

Main Report














Background

1. The Pensions Committee reviews the Risk Register every 6 months and last reviewed it at the meeting held on 19 March 2024. At that meeting Members reviewed the existing actions and confirmed that appropriate controls were in place, and that there were no other risks relating to the services overseen by the Committee. .

Review of Risks

2. The method of assessing risk reflects the City of London’s standard approach to risk assessment as set out in its Risk Management Strategy approved by the Audit and Risk Management Committee in May 2014. The City of London Corporation risk matrix, which explains how risks are assessed and scored, is attached at **Appendix 1** of this report. Risk scores range from one, being lowest risk, to the highest risk score of thirty-two. These scores are summarised into 3 broad groups, each with increasing risk, and categorised “green”, “amber” or “red”.
3. The Risk Register to be reviewed is set out in **Appendix 2**.

Table 1: Risk Summary

Risk code	Risk title	Current Risk Score	Current Risk Score Indicator
CHB Pensions 009	McCloud Remedy	12	
CHB Pensions 001	Insufficient assets - Pensions Fund	8	
CHB Pensions 010	Targeted returns – Pension Fund	6	
CHB Pensions 003	Short term Cash flow	4	
CHB Pensions 004	Breach of GDPR/Data Protection regulations	4	
CHB Pensions 006	Employer Insolvency	4	
CHB Pensions 007	Cyber Security	4	
CHB Pensions 008	Pension Scheme Administration	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 005	Fraud	2	
CHB Pensions 002	Actuarial Valuation	1	

4. The Risk Register contains thirteen risks which are summarised in table 1 above. In the table, “Current Risk Score indicator” displays the current “RAG” rating for each risk. Each risk presented in the Risk Register is accompanied by one or more “action(s)” which reflect how the risk is managed and mitigated. A “due date” for required completion is set against each action. Due to the nature of the risks overseen by the Committee, in many cases it is impossible to entirely eliminate a risk, and therefore corresponding actions will always remain live. These ongoing actions are necessary in order to maintain the current risk score. Where this is the case the Risk Register includes an annual due date, which will be renewed each year.
5. Officers have reviewed the Risk Register to establish whether the risk environment has changed and whilst all scores have been maintained at their previous levels each

has been reviewed and updated where necessary in the Register itself. Updates to the Risk Register are underlined throughout.

6. Officers have considered whether any new risks have emerged since the last review. Although the Committee's operating environment continually changes, officers have determined that the existing Register captures the material risks facing the Committee.

Conclusion

7. The risks overseen by the Pensions Committee are primarily of low likelihood but represent substantial impact, particularly with regards to financial loss and reputational damage.
8. The Pensions Committee is requested to review the risks and confirm that appropriate control measures are in place for these risks and that there are no other risks that should be added to the Risk Register.

Appendices

- Appendix 1 – City of London Corporation Risk Matrix
- Appendix 2 – Pensions Committee Risk Register

Amanda Luk

Senior Accountant – Pensions

Chamberlains Department

T: 020 7332 1372

E: amanda.luk@cityoflondon.gov.uk

This page is intentionally left blank



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)

(C) Risk scoring grid

		Impact			
		Minor (1)	Serious (2)	Major (4)	Extreme (8)
Likelihood	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

(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.

(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

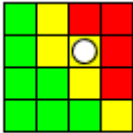
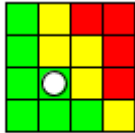

This page is intentionally left blank

CHB PENSIONS COMMITTEE Detailed risk register EXCLUDING COMPLETED ACTIONS

Report Author: Amanda Luk
Generated on: 16 August 2024



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
CHB Pensions 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>	 <p>Likelihood</p> <p>Impact</p>	12	<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</p>	 <p>Likelihood</p> <p>Impact</p>	4	01-Aug-2025	

consultation document and set out its preferred remedy choice.

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.

On 10 March 2022 the Public Services and Judicial Offices Act 2022 received Royal Assent.

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.

The finalised LGPS (Amendment) (No.3) Regulations 2023 came into force from 1 October 2023 and amended the LGPS Regulations 2013 accordingly.

Since this date, all new retirements have been calculated with reference to the Remedy.

[From August 2025 onwards, Annual Benefit Statements \(ABS\) should include information in respect of the McCloud Remedy for all affected members.](#)

16 Aug 2024

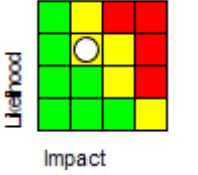
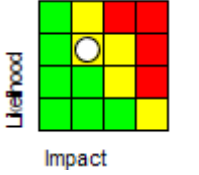

Kate Limna							Constant
------------	--	--	--	--	--	--	----------

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB Pensions 009a	DLUHC MHCLG 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 MHCLG , LGA & HMRC and regularly attend seminars, forums, webinars and user groups.	Continue with membership of working groups including South East Counties Senior Officer Group (SEC SOG), Aquila Heywood Remedy Implementation Group, to ensure development of software and understanding of legislation. Attend conferences, webinars, forums and seminars as appropriate and keep up to date with bulletins and guidance from the Home Office.	Graham Newman	16-Aug-2024	31-Mar-2025
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.	Perform data review exercise in bulk and individually to identify scheme members who may qualify and/or identify missing data. Software provider has developed currently developing systems to identify qualifying scheme member on bulk reports. Develop data process to request missing information and scheme member record update. Any missing information to be obtained and scheme member record update	Graham Newman	16-Aug-2024	31-Mar-2025
CHB Pensions 009c	System Development Calculation/Revaluation	The software has been updated to allow for calculations and recalculations of deferred benefits and those already in payment to identify where the Remedy will affect the benefits already calculated. The calculators are kept under constant review to ensure that they work as intended and regular updates are provided as they are developed by the software supplier. Development has included bulk calculations and calculations for individuals, and include revised pension amounts, arrears payable/collectible (benefits and contributions) plus interest payable where applicable.	Graham Newman	16-Aug-2024	31-Mar-2025
CHB Pensions 009d	Working in conjunction with LGA to prepare communications and standard responses (FAQs) to be sent to affected scheme members.	It will be essential for communications to be regular, clear and ongoing. Updates in respect of the remedy and delivery of it, including scheme members who may be affected, must be provided as appropriate. The Pensions Office website carries current information from various sources including DLUHC MHCLG . Further communications will be added when they are released.	Graham Newman	16-Aug-2024	31-Mar-2025

		<p>The 2023 Annual Benefit Statements (ABS) included a link to a leaflet that was created by the LGA in conjunction with the Scheme Advisory Board (SAB). This leaflet was also already available on the City's Pension Website.</p> <p>The ABS will now need to be amended 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> <p><u>The 2025 Annual Benefit Statements (ABS) that are due to be issued by 31 August 2025, must include information on the McCloud Remedy for affected members.</u></p>			
--	--	---	--	--	--

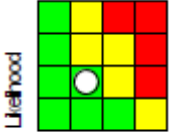
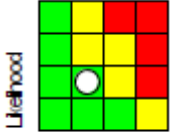
--	--	--	--	--	--	--

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 2022 triennial valuation of the Fund's liabilities, by the Pensions Committee in September 2023. New Investments into Corporate Bonds, Renewable Infrastructure and broad private markets were agreed to ensure that the investment strategy remained appropriate in the context of the Fund's updated liabilities valuation and the current investment environment.	Caroline Al-Beyerty; Kate Limna	16-Aug-2024	31-Mar-2025
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 will be brought to each Pensions Committee for consideration.	Kate Limna	16-Aug-2024	31-Mar-2025

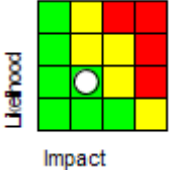
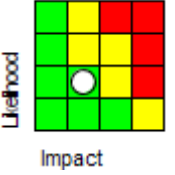

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB Pensions 010 Targeted returns	<p>Cause: Fund managers (including the London 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>6</p>	<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>Following the revised Strategic Asset Allocation, which agreed investment into three new asset classes including Corporate Bonds in September 2023, the Pension Fund invested into the LCIV Buy and Maintain funds (Corporate bonds) in December 2023. <u>In January 2024, the Pension Fund committed £75m to the LCIV Renewable Infrastructure Fund (of which c.£5m has been drawn down as at July 2024) and in July 2024, the M&G UK Residential Fund investment was moved under pool management.</u> Therefore 35% <u>43%</u> (including commitments) of CoL PF assets are now under Pool management.</p> <p>The London CIV is a pooling vehicle for which the City of London Pension Fund is a shareholder. CoL PF assets under management are held in four <u>six</u> funds – Global Alpha Growth Fund (managed by Baillie Gifford), Alternative Credit Fund (managed by CQS), Buy and Maintain Fund – Short duration and Buy and Maintain</p>		<p>6</p>	<p>31-Mar-2025</p>	

17-Aug-2022 Caroline Al-Beyerty				Fund – Long duration (managed by Insight). In addition there <u>Renewable Infrastructure Fund (multiple managers) and the M&G UK Residential Fund.</u> is a commitment of £75m to the Renewable Infrastructure Fund 16 Aug 2024				Constant
------------------------------------	--	--	--	--	--	--	--	----------

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB Pensions 010a Page 66	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 peer group comparisons; checks on movement of key officers; and reviews on the incorporation of ESG considerations in implementing their investment strategies. Fund managers are invited to meet with Officers and Members to account for their performance as and when deemed necessary/as required.	The performance report for the Pension Fund to 31 July <u>January</u> 2024, along with the Investment Consultant's quarterly report (to December <u>June</u> 2024) is reported to the Pensions Committee on 19 March <u>17 September</u> 2024.	Kate Limna; Sarah Port	16-Aug-2024	31-Mar-2025
CHB Pensions 010b	Under the Government pooling agenda, London CIV is the asset pool operator for London LGPS funds. The LCIV holds monthly updates for Shareholders advising on latest developments for examples, product development and ESG/Climate related actions.	At the February <u>August</u> 2024 monthly meeting, the LCIV had <u>one change</u> no changes to the monitoring status of funds (<u>LCIV Emerging Market Equity Fund which was downgraded</u>) but were keeping a close watch on how Fund Manager performance. <u>The Pension Fund is not invested in this fund.</u> At a meeting in late 2022, the investors in the Global Alpha Growth Fund (of which there were 5) were advised that should the number of investors fall below 3, an orderly exit from the fund may be considered. The current number of investors remains at 5.	Kate Limna; Sarah Port	16-Aug-2024	31-Mar-2025

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 16-Jan-2023	Cause: Inadequate cash flow planning and monitoring. Event: Delayed settling of benefits/ assets disinvested at an opportune time Effects: Illiquidity or insufficient liquid assets to meet short term obligations	 Likelihood Impact	4	Insufficient liquidity to meet pension benefit payments, transfer payments and other costs, or to meet cash calls from fund managers. 16 Aug 2024	 Likelihood Impact	4	31-Mar-2025	Constant

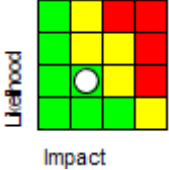
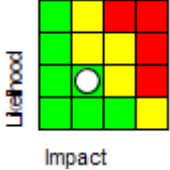

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB Pensions 003a	The Pension Fund asset allocation is established to ensure appropriate exposure to asset classes.	The Pension fund asset allocation remains within tolerance of control ranges established by Pensions Committee under the revised Strategic Asset allocation as agreed by Committee in September 2023.	Kate Limna; Sarah Port	16-Aug-2024	31-Mar-2025
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).	Kate Limna; Sarah Port	16-Aug-2024	31-Mar-2025
CHB Pensions 003c	Cash flow forecasting to ensure adequate monitoring and planning.	A Cash flow forecast has been created to ensure the Pension Fund is able to meet any obligations required of it. This is reported to Committee on a half yearly basis.	Kate Limna; Sarah Port	16-Aug-2024	31-Mar-2025

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 16-Jan-2023	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		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. 16 Aug 2024		4	31-Mar-2025	 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	16-Aug-2024	31-Mar-2025
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	16-Aug-2024	31-Mar-2025
CHB Pensions 004c	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	16-Aug-2024	31-Mar-2025
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, ensuring the protection of scheme member data.	Graham Newman	16-Aug-2024	31-Mar-2025

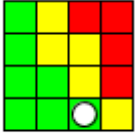
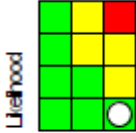

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB Pensions 006 Employer Insolvency 17-Aug-2022 Kate Limna	Cause: Processes 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.	 Likelihood Impact	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.	 Likelihood Impact	4	31-Mar-2025	 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	16-Aug-2024	31-Mar-2025

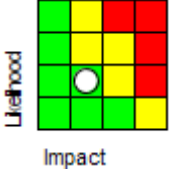
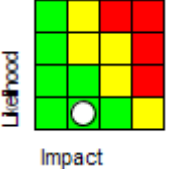

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB Pensions 007 Cyber Security -Aug-2022 Kate Limna	Cause: IT system failures due to ineffective procedures, or Inadequately trained staff. Event: Breach of Corporate IT systems and Cyber security. Effect: Inaccurate benefits paid or delayed to scheme members. Financial penalties/ sanctions. Breach of Data Protection regulations. Loss/corruption of data		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. 16 Aug 2024		4	31-Mar-2025	 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	16-Aug-2024	31-Mar-2025
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	16-Aug-2024	31-Mar-2025
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	16-Aug-2024	31-Mar-2025
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, ensuring the protection of scheme member data.	Graham Newman	16-Aug-2024	31-Mar-2025

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	16-Aug-2024	31-Mar-2025
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	16-Aug-2024	31-Mar-2025
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	16-Aug-2024	31-Mar-2025
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	16-Aug-2024	31-Mar-2025
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	16-Aug-2024	31-Mar-2025

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 17-Aug-2022 Kate Limna	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. 16 Aug 2024	 Likelihood Impact	4	31-Mar-2025	 Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB Pensions 011a	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.	Kate Limna; Sarah Port	16-Aug-2024	31-Mar-2025
CHB Pensions 011b	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.	Kate Limna; Sarah Port	16-Aug-2024	31-Mar-2025
CHB Pensions 011c	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.	Kate Limna; Sarah Port	16-Aug-2024	31-Mar-2025

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 012 Governance/Legislative Compliance 17-Aug-2022 Kate Limna	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.		4	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. 16 Aug 2024		2	31-Mar-2025	 Constant

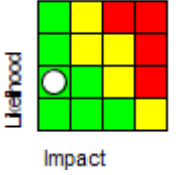
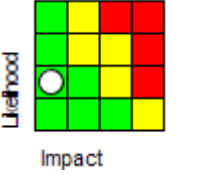

Page 74

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 Pensions 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. Members of the Committee are also expected to complete the new Enlighten! Training provided by Barnett Waddingham (Actuary).	Kate Limna; Sarah Port	16-Aug-2024	31-Mar-2025
CHB Pensions 012b	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.	Caroline Al-Beyerty; Kate Limna	16-Aug-2024	31-Mar-2025
CHB Pensions 012c	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.	Caroline Al-Beyerty;	16-Aug-2024	31-Mar-2025

			Kate Limna		
CHB Pensions 012d	External professional advice sought where required.	The investment consultant attends each meeting of the Pensions Committee providing advice on investment matters.	Kate Limna; Sarah Port	16-Aug-2024	31-Mar-2025
CHB Pensions 012e	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 also sits on the Shareholder Committee (4 meetings a year).	Kate Limna; Sarah Port	16-Aug-2024	31-Mar-2025

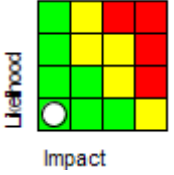
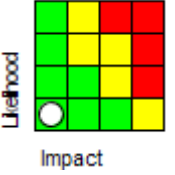

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<p>CHB Pensions 013 Responsible investment duties</p> <p>17-Aug-2022 Kate Limna</p>	<p>Cause: Insufficient attention is paid to the environmental, social and governance (ESG) dimensions of the Corporation's financial investments.</p> <p>Event: The Corporations' financial investments include an underappreciated exposure to negative ESG risks and the means to effectively manage such risks is not understood.</p> <p>Effect: The Corporation suffers reputational or financial damage.</p>	<p>Likelihood</p> <p>Impact</p>	4	<p>The <u>newly formed</u> Pensions Committee <u>inherited</u> an advanced approach to responsible investment and asset stewardship. The Corporation (via the <u>then</u> Financial Investment Board) has formally recognised its asset stewardship role and the need to manage ESG risks through its Responsible Investment Policy which also outlines the Corporation's approach in this area. The City of London Corporation (as a whole) is a signatory to the Principles for Responsible Investment.</p> <p>The <u>then</u> Financial Investment Board undertook an in depth review of its climate risk exposure (<u>including the use of scenario analysis</u>) in 2021 resulting in a commitment to achieve net zero carbon emissions by 2040 together with the development of interim goals via a transition pathway.</p> <p><u>The Corporation second scenario analysis will be undertaken during 2024/25 to better understand the latest risks and opportunities associated with the City's Financial investments.</u></p> <p>16 Aug 2024</p>	<p>Likelihood</p> <p>Impact</p>	4	<p>31-Mar-2025</p>	 <p>Constant</p>

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB Pensions 013a	Reporting on responsible investment activities to the Principles for Responsible Investment is completed 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.	<p>The PRI <u>2024</u> reporting period opened <u>May 2024 and the Corporation placed its submission by the 26 July 2024 deadline.</u> on 14 June 2023 and was expected to close on 6 September 2023. However, the PRI experienced some IT issues and as a consequence the submission deadline was extended by a couple of weeks. The full 2022/23 PRI results were released in January 2024, and the results are presented under separate cover to this March Pensions Committee.</p> <p>The PRI have <u>not confirmed when they will release the results at this stage.</u> advised that the 2023/24 assessment is expected to open in May 2024.</p>	Kate Limna; Sarah Port	16-Aug-2024	31-Mar-2025
CHB Pensions 013b	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.	Kate Limna; Sarah Port	16-Aug-2024	31-Mar-2025
CHB Pensions 013c	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.	Kate Limna; Sarah Port	16-Aug-2024	31-Mar-2025
CHB Pensions 013d	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.	<p>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.</p> <p><u>The Corporation second scenario analysis will be undertaken during 2024/25 to better understand the latest risks and opportunities associated with the City's Financial investments.</u></p>	Kate Limna; Sarah Port	16-Aug-2024	31-Mar-2025

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 78 14-Aug-2022 Kate Limna	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		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. 16 Aug 2024		2	31-Mar-2025	
								Constant

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	16-Aug-2024	31-Mar-2025
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	16-Aug-2024	31-Mar-2025

CHB Pensions 005c	Ensuring all staff are aware of the guidance / instructions provided by the LGA and the Pensions Regulator in respect of transfers-out of the scheme.	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 spot a transfer scam and/or prevent a payment being made if there is any uncertainty about the receiving scheme.	Graham Newman	16-Aug-2024	31-Mar-2025
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	16-Aug-2024	31-Mar-2025

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 17-Aug-2022 Kate Limna	<p>Cause: Inappropriate assumptions used by the Actuary/ Inaccurate data supplied to the Actuary for the triennial valuation.</p> <p>Event: Unsuitable triennial actuarial valuation.</p> <p>Effects: Employer contribution rates insufficient to maintain long term cost efficiency & solvency.</p>		1	<p>The latest full actuarial valuation of the Pension Fund, using member data and investment asset information as at 31 March 2022, 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 2023.</p> <p>16 Aug 2024</p>		1	31-Mar-2022	 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.	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 and the draft triennial valuation results were reported to the Pensions Committee on 29 November 2022. The final triennial valuation results were reported to Committee on 8 February 2023 and the Actuary signed the final valuation certificates on 31 March 2023.	Kate Limna; Graham Newman	16-Aug-2024	31-Mar-2025
CHB Pensions 002b	Robust Year End procedures and updates	The Pension Fund Statement of Accounts for the year ending 31 March 2023 2024 were published in draft format within the City Fund Accounts on the 31 May 2024 12 July 2023 and are currently being audited by the external Auditors. were signed off by the External Auditors on 26 February 2024.	Kate Limna; Graham Newman	16-Aug-2024	31-Mar-2025
CHB Pensions 002c	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	Kate Limna;	16-Aug-2024	31-Mar-2025

		<p>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.</p>	<p>Graham Newman</p>		
--	--	---	--------------------------	--	--

This page is intentionally left blank

City of London Corporation Committee Report

Committee(s): Pensions Committee – For Decision Local Government Pensions Board – For Information	Dated: 03 December 2024 17 January 2025
Subject: General Code of Practice Compliance Review – Barnett Waddingham’s Review	Public report: For Decision
This proposal: <ul style="list-style-type: none"> • provides statutory duties • provides business enabling functions 	
Does this proposal require extra revenue and/or capital spending?	No
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?	No
Report of:	The Chamberlain
Report author:	Amanda Luk

Summary

In January 2024, the Pensions Regulator (tPR) released the General Code of Practice (the code). The code came into force on the 27 March 2024 replacing the ‘Code of Practice 14’ for Public Sector Pension Schemes and combining ten tPR codes into one single code. This report provides a review undertaken by Barnett Waddingham on the City of London Pension Fund’s compliance with the code.

Recommendations

Members are asked to review and agree the following actions to ensure compliance with the code:

1. The following documents/ policies will be drafted on the following areas, which have been flagged as **red or amber**, and brought back to the February 2025 Committee meeting (page numbers refer to the Appendix):
 - i. A Training Policy which will address the tPR’s expectations (Page 9);
 - ii. A document setting out the processes for monitoring, reviewing and protecting scheme data (Page 27);
 - iii. A revised Administration Strategy to include details of third-party providers and expectations for these providers (Page 27) and to highlight roles and responsibilities in relation to Scheme returns (Page 39 and 40); and
 - iv. An updated Pensions Committee Risk Register to include ‘Scams’ and mitigation processes in more detail under Fraud (CHB Pensions 005) (Page 36).

2. The following documents/policies will be drafted/updated on the below areas which have been flagged as **green**. These will be brought to Committee in due course (page numbers refer to the Appendix):
 - i. Create an IT systems process and controls document (also in accordance with the Pension Fund’s external audit recommendations) (Page 25);
 - ii. Create a document to cover the steps taken around Transfers Out including:
 - a. To ensure as much as possible that scheme members are made aware of potential scams and take the necessary steps to protect themselves (Page 26); and
 - b. Process and transfer of contributions (Page 35);
 - iii. Update the Administration Strategy to include the processes for receiving and monitoring contributions (Page 31); and
 - iv. Update the Communications Policy to include reference to benefit statements provided by AVC providers (Page 33);

Main Report

1. In January 2024, the Pensions Regulator (tPR) released the General Code of Practice (the code). The code came into force on the 27 March 2024 replacing the ‘Code of Practice 14’ for Public Sector Pension Schemes and combining ten tPR codes into one single code.
2. The Code has fifteen sections, with each section containing between one to nine modules. In total there are 53 ‘modules’ to comply with. The full code of compliance can be found [here](#). The code applies to governing bodies of occupational, personal, and public service pension scheme, setting out expectations of the conduct and practice governing bodies should meet to comply with their duties in pension legislation. Some legal obligations do not apply to all types of governing bodies or schemes.
3. The City’s Actuary, Barnett Waddingham (BW), have analysed the code identifying areas which are relevant to the Local Government Pension Scheme. Working with Officers, BW have undertaken a GAP analysis and identified which of the Fund’s policies are compliant with the code and where action is needed. Their report (General Code of Practice Compliance Review) is attached as an Appendix. Officers have included comments within the BW report where suggested/required action has been identified.
4. BW’s summary follows a RAG rating, and the findings are summarised below.

RAG Rating	Module Count (Percentage)
Red	3 (5.7%)
Amber	4 (7.5%)
Green	34 (64.2%)
N/A ¹	12 (22.6%)
Total	53 (100%)

¹ Not Specifically applicable to the LGPS or do not need to be individually assessed.

5. During BW's compliance check, of the 53 modules, the Pension Fund (the Fund) has received 3 red and 4 amber ratings. A **red** rating means that '*the Fund does not comply with the Code and action is required*' and an **amber** rating means that '*the expectation does not apply to the LGPS but the Fund may wish to comply with this expectation as a matter of good practice*'. The following areas have been flagged under red/amber and Officers responses along with the proposed remedial action have been made in the report attached.

Status of Fund against code	Module (Page numbers refer to pages in the Appendix)	tPR's expectations	Suggested/ Required Actions	CoL Comment
Red	Data monitoring and improvement (Page 27)	This module sets out TPR's expectations for governing bodies for the purpose of maintaining complete and accurate data. It focusses on the processes for monitoring, reviewing and protecting scheme data.	Fund to confirm if there are data monitoring and improvement plans, documents or policies in place.	The City of London completes the annual tPR Scheme Return in respect of the LGPS. The Return requires details of the 'Data Scores' of the scheme. There are currently no policies in place with regards to improving Data Scores. A document will be drafted focussing on the processes for monitoring, reviewing and protecting scheme data.
	Registrable information and scheme returns (Page 39)	Governing bodies must provide all registrable information when registering the scheme and to update such information within 5 working days of it becoming aware of a change.	We would suggest that the Fund update governance documents to highlight roles and responsibilities to address this module.	The completion of the Scheme return is noted on the Annual Schedule of Events, an appendix that accompanies the Administrator's report to both the Pensions Committee and Local Government Pension Board. These processes are currently carried out by the Administration Manager however the roles and

				responsibilities are not documented in any policy. Officers will add this to the Administration Policy which will be brought back to Pensions Committee.
	Scheme returns (Page 40)	Governing bodies must complete a scheme return. Governing bodies are accountable for the information contained in the scheme return and they should have measures in place to review and ensure the accuracy of the information to be submitted is correct and that the return is submitted in time.	As above	As above
Amber	Knowledge and Understanding (Page 9)	This module sets out the expectations that trustees should follow including having a list of matters they need to be familiar with and to audit and review the skills of the governing body to identify gaps. There is a list of topics that anyone with a requirement for knowledge and understanding should have a working knowledge of.	The Fund may wish to make any Training Policy a publicly available document. If there is not a policy in place the Fund should adopt one. The Policy should ensure that it covers the expected requirements of members and other key stakeholders.	Officers are preparing a Training Policy which will address the TPR's expectations. The Training Policy will be brought to the Pensions Committee and Local Government Pensions Board for review.
	Governance of knowledge and understanding (Page 9)	This module sets out expectations for governing bodies to maintain, develop	As above	As above

		and show knowledge and understanding. There are several lists setting out how the governing body should operate to use and retain knowledge and understanding, invest time to develop knowledge and keep records to assess gaps and overall compliance with knowledge and understanding.		
	Record keeping (Page 27)	This module sets out TPR's expectations on the governing body's need to maintain complete and accurate records and covers record keeping, administrative systems and data from other parties.	The Fund may want to expand the Administration Strategy to provide more information on the system and processes in place. Highlighting third-party providers of administrative systems.	Third party provider details and requirements will be added to the Administration Strategy. The Administration Strategy will be brought to the Pensions Committee for Review.
	Scams (Page 36)	This module sets out TPR's expectations on a scheme's internal controls to mitigate the risk of scams	The Fund should update the Risk Register to include pension scams as a key risk and the process and to mitigate the risk of potential scams.	The Pensions Committee Risk Register currently includes a risk for Fraud (CHB Pensions 005), this will be expanded to include Scams and mitigation processes in more detail. The Risk Register is brought to the Pensions Committee every 6 months.

6. The following areas have been flagged as '**green**' by Barnett Waddingham, a 'green' rating means that '*the Fund complies with the Code and no further action is required at this time*', however BW have outlined some suggested actions. Officers

have proposed implementing/updating documentation to include the following areas to ensure the Pension Fund remains compliant and continues to meet expectations.

Status	Module (Page numbers refer to pages in the Appendix)	tPR's expectations	Suggested/ Required Actions	CoL Comment
Green	Financial Transactions (Page 25)	<p>This module sets out tPR's expectations around transactions which involve the processing of money. The module focusses on the two key areas:</p> <p>Governance processes and IT systems – understand the administrator's processes and controls including authorisation, reviews of processes, standards and service level agreements, management of employer contributions.</p>	The Fund to confirm the processes and controls in place to manage IT systems and service level agreements.	A formal IT systems process and controls document was suggested by the most recent Pension Fund external audit. This document will be produced by Officers.
	Transfers Out (Page 26)	<p>This module sets out the expectations around the processes and checks that a governing body should undertake before permitting a transfer out of the scheme to go ahead. This includes checking the statutory requirements are met and be vigilant of scams and there is also a separate list of expectations for transfer to</p>	Fund to confirm that processes and policies are in place for the transfer of pensions out of the Fund.	The City of London follows the guidance and instructions provided by the Local Government Association / TPR in respect of transfers-out of the scheme. A formal document will be written to confirm the steps taken to ensure as much as possible that scheme members are

		defined contribution schemes.		made aware of potential scams and take the necessary steps to protect themselves.
Receiving Contributions (Page 31)	This module sets out the processes that governing bodies <i>must</i> have in place to monitor contributions and transmission of payment information between employer, members, and administrator.	The Fund may wish to update the Administration Strategy to include the processes to receiving contributions.	The Administration Strategy will be amended to outline the processes for monitoring contributions. The Administration Strategy will be brought to the Pensions Committee for Review.	
Annual pension benefit statements (Page 33)	Governing bodies of certain schemes <i>must</i> provide annual benefit statements to members.	The Fund may wish to update the Communications Policy to highlight that benefit statements are provided by the AVC providers to make this clear to the Fund members.	Officers will amend the Communications Policy to include reference to benefit statements in relation to AVCs being provided by AVC providers.	
Notification of right to cash transfer sum or contribution refund (Page 35)	This module broadly follows the legislation relating to cash transfer sums or contribution refunds.	We would expect the Fund to have processes for the transfer and refund of contributions process. Fund to confirm.	The Fund follows the guidance and instructions provided by the Local Government Association / TPR in respect of transfers-out of the scheme. A formal document will be written to confirm the steps taken.	

Conclusion

7. The City of London Corporation Pension Fund has received a 'green' rating on 34 modules, 'amber' on four modules and 'red' on three modules for those that are applicable to the LGPS in relation to compliance with the General Code of Practice (the code).
8. In order to ensure that the Fund is complying with the code and continues to remain compliant and meet expectations, Officers will be reviewing and updating key documents and policies, creating new ones where required. The 'red' and 'amber' documentation will be brought to Committee in February 2025, and the 'green' documentation will be brought to Committee in due course.

Appendices

- Appendix – Barnett Waddingham's General Code of Practice Compliance Review

Amanda Luk

Senior Accountant – Pensions

Chamberlains Department

T: 020 7332 1372

E: amanda.luk@cityoflondon.gov.uk



City of London Corporation Pension Fund General Code of Practice compliance review

Gavin Paul | Associate (Senior Pensions Consultant)

19 November 2024



This report is divided into the following sections:

Contents2

Executive Summary3

Introduction4

Using this document.....4



Executive Summary

Overall, having considered the expectations of the Pension Regulator’s General Code of Practice, we found that the Fund has strong processes, policies and procedures in place for the majority of the modules that we have been able to assess. We did find that there were some gaps in the Fund's current processes in relation to specific modules which have been highlighted in the framework below. In summary:

- The table (right) highlights that 64% of the modules looked to meet the TPR’s expectations, however, it should be noted that a number of the items are not publicly available and in some areas, a level of assumptions has been factored into the rating (for example, see our comments against the “internal controls” and “Assurance reports on internal controls” sub-modules under “The governing body: risk management” module).
- For modules that are not specifically expected to apply to the LGPS, the Fund may wish to consider amending documents, policies and process to ensure best practice.

- Build in review cycles for each module in order to ensure policies, processes and procedures remain relevant and continue to meet the expectations.



Next steps

The Fund has identified specific actions as part of its current documents, processes and policies which have been summarised in this report and form part of its ongoing commitment to adapt and evolve its procedures in line with changing circumstances. It is recommended that the framework included within this report be considered a “living” document and updates to the framework should be completed periodically. For the next steps, we would recommend that Officers:

- Update key documents and policies to ensure full compliance with the requirements of the General Code.

RAG Rating	Module count (Percentage)
Red	3 (5.7%)
Amber	4 (7.5%)
Green	34 (64.2%)
N/A*	12 (22.6%)
Total	53 (100%)

*Not specifically applicable to the LGPS or do not need to be individually assessed

Introduction

This document has been prepared by Barnett Waddingham for the City of London Corporation Pension Fund (Fund). It sets out our views on whether the Fund complies with the Pension Regulator’s General Code of Practice and if not, we identify what the Fund should do next.

The Pension Regulator’s General Code of Practice came into force on 28 March 2024. The Code applies to governing bodies of occupational, personal, and public service pension schemes and sets out the Pension Regulator’s expectations of the conduct and practice governing bodies should meet to comply with their duties under pensions legislation. Not all the expectations apply to the Local Government Pension Scheme, and we have identified those which apply and those which do not. In addition, some of the expectations are compulsory which is where they reflect a legislative requirement while others are described as “good practice” which is where the expectation does not directly apply but the Regulator suggests funds should consider adopting them.




Using this document

We have identified the expectations set out within the Code and in the following table have given our view on whether the Fund complies or not and what steps (if any) the Fund should take to meet the expectations. To help the Fund we have included a colour indicator so you can see immediately our view on compliance and, where we think the Good Governance Review might impact upon the review, we have added a comment against each expectation. Following the change in Government in July 2024, we await clarification of the new minister’s intentions regarding their approach to the Good Governance recommendations. Due to this uncertainty, we recommend that the Fund pushes ahead with any changes to policies, procedures and/or documents to ensure compliance with the Code and not await the Good Governance recommendations.

This review should be a “living” document which evolves over time to reflect any changes in the way the Fund operates, changes in legislation or because of the Regulator updating its Code from time to time.


The definitions used are set out at the end of the document.


Key to colours

Colour	Meaning
	The Fund complies with the Code and no further action is required at this time
	The expectation does not apply to the LGPS but the Fund may wish to comply with this expectation as a matter of good practice
	The Fund does not comply with the Code and action is required



The governing body: Board structure and activities


Module	TPR's expectations	Application to the LGPS	Status of Fund against Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
<p>Role of the governing body</p> <p>Page 95</p>	<p>The module describes the "governing body" of a public service pension scheme as the scheme manager. With the LGPS, the scheme manager will be the administering authority.</p> <p>It sets out 10 expectations for how "trustees of trust schemes" should act and suggests they are "appropriate standards for the governing body of other schemes" (which suggests it would include the LGPS).</p> <p>Expectations include acting in the interest of scheme members, knowledge and understanding, act in accordance with the rules and act honestly</p>	<p>Good practice: The expectations do not directly apply because the LGPS is not a trust scheme but says the expectations for trustees also "represent appropriate standards for the governing body of other schemes".</p> <p>The module says "A pension board must have an equal number of employer and member representatives."</p>		<p>Pension Fund Committee Terms of Reference Pensions Committee TOR</p> <p>Pension Board LGPB -TOR</p> <p>Members' Code of Conduct- Members' Code of Conduct</p> <p>The links to the PFC and PB web pages outline the membership, and voting processes. The attached code of conduct provides the expectations that Members are bound to follow.</p> <p>Committee details - Panel of Independent Persons - Modern Council</p> <p>The Members are subject to a Panel of Independent Persons. Its purpose is to receive allegations of misconduct under the Members' Code of Conduct, facilitate informal resolution where appropriate</p>	<p>Unlikely even though there are a number of areas under the Review which cover similar expectations.</p>	<p>None.</p>	<p>N/A</p>

Module	TPR's expectations	Application to the LGPS	Status of Fund against Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
	with integrity, competence and capability.			Annual Report for the City of London Pension Fund Included in the Report and accounts is the Policy and Governance Compliance Statement.			
Recruitment and appointment to the governing body Page 96	This module relates to processes for recruiting and appointing persons to the governing body. It lists 9 features that any such process should have.	Partial: – Pension Committee (or similar) recruitment is subject to policies in accordance with appropriate legislation, however it says this module “also applies to <i>public service pension boards</i> .”		Pensions Committee TOR Appointment process covered within the Terms of Reference LGPB -TOR PB Terms of reference cover the recruitment process for the PB and further details are set out here - Local Pension Board City of London Pension Fund	Potentially. The Review suggests that each fund will be required to publish a policy on the representation of scheme members and non-administering authority employers on its committees explaining its approach to representation and voting rights for each party. Also, one of the KPIs in the Review deals with attendance at meetings.	None	N/A
Arrangements for member-nominated trustee appointments	This module sets out the expectations for the processes to appoint member-nominated trustees.	No. The LGPS does not have trustees, member nominated or otherwise, this section relates to private sector occupational pension schemes.	Not applicable	Not applicable	No	Not applicable	N/A




Module	TPR's expectations	Application to the LGPS	Status of Fund against Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
Appointment and role of the Chair Page 97	<p>This module sets out expectations for the appointment and role of the chair</p>	<p>Good practice: The expectations do not directly apply however as chair appointments are within the gift of each LGPS administering authority the module could be a useful marker.</p>		<p>Pensions Committee TOR</p> <p>LGPB -TOR PB Chair appointment process covered in terms of reference</p> <p>Standing Orders of the Court of Common Council – sets out the role of the chair</p>	No	<p>The Fund should consider updating the Pension Committee TOR to include the appointment process for the Chair.</p>	<p>The Pension Committee follows the standing orders of the Court of Common Council and therefore it is not appropriate to amend the TOR.</p>
Meetings and decision-making	<p>This module sets out expectations for meeting procedures – arrangements for meetings and record keeping. It sets out what must be included in their meeting records (Regulation 6 of the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014).</p> <p>In addition to the legislative</p>	<p>Partial – Regulation 6 refers only to pension boards. Committee or similar bodies are subject to arrangements for meetings and decision making as set out under relevant local government or other legislation</p>		<p>Browse meetings - Pensions Committee - Modern Council PFC record of meetings</p> <p>Browse meetings - Local Government Pensions Board - Modern Council Written records of meetings are publicly available on the Administering Authority webpage.</p>	<p>Potentially. Amongst the KPIs in the Review are ones dealing with attendance at meetings and the time spent on different areas of governance. Further, the proposal under the Review to appoint a "LGPS senior officer" (who will be required to lead and take responsibility for the delivery of the LGPS function) may also affect the meeting process.</p>	<p>The Fund should outline the decision-making process within key governance documents (see role of governing body module)</p>	N/A



Module	TPR's expectations	Application to the LGPS	Status of Fund against Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
	requirements, it sets out matters that governing bodies, when running and planning meetings, should do e.g. frequency and length of meetings, standing items, keep records of decisions, conflicts of interest, risk register etc						
Page 98 Remuneration and fee policy	This module sets out expectations around a governing body's remuneration policy. The module is for schemes required to operate an effective system of governance. It sets out what should be in a remuneration policy.	Good practice. The module says "Other schemes may wish to adopt these principles as good practice."		Allowances/Remuneration for Elected Members The attached paper contains the rules and payment process of Member allowances and remuneration. Becoming a councillor - City of London The Fund has on its webpage guidance on the payment of expenses to its Members. We understand remuneration in general is a matter for the Corporation to determine.	No	None- The Fund does not need to comply with this module - this is a matter of good practice and is not a "must" requirement of the Code for the Fund.	N/A – Remuneration is per the City of London Corporation's policy



The governing body: Knowledge and understanding requirements

Module	TPR's expectations	Application to the LGPS	Status of Fund against Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 99</p> <p>Knowledge and understanding</p>	<p>This module sets out the expectations that trustees should follow including having a list of matters they need to be familiar with and to audit and review the skills of the governing body to identify gaps. There is a list of topics that anyone with a requirement for knowledge and understanding should have a working knowledge of.</p>	<p>Yes, with exceptions.</p> <p>The module says "<i>the requirements for knowledge and understanding fall on pension board members. It is good practice for the scheme managers to achieve at least basic competence.</i>"</p>		<p>(Public Pack)Agenda Document for Local Government Pensions Board, 18/07/2024 13:45</p>	<p>Yes. The Fund should draft a policy which covers the requirements of the Code and the Review. The Review goes further than the Code in that, for example, it also addresses training needs for s151 officers.</p> <p>One of the KPIs under the Review concerns training and expertise – hours of relevant training and the experience across the senior management team.</p>	<p>The Fund may wish to make any Training Policy a publicly available document. If there is not a policy in place the Fund should adopt one.</p> <p>The Policy should ensure that it covers the expected requirements of Members and other key stakeholders.</p>	<p>Officers are preparing a Training Policy which will address the TPR's expectations. The Training Policy will be brought to the Pensions Committee and Local Government Pensions Board for review.</p>
		<p>The obligation falls on the pension board.</p> <p>It is "good practice" for the scheme managers.</p> <p>Pension boards should tailor the list of topics according to their circumstances, but some are expressly excluded such as "principles of investment".</p>		<p>We have been unable to locate specific training policies for the Members. However, it is noted that in the minutes of meetings, training is provided via Barnett Waddingham.</p> <p>The Minutes indicate that Members of the Board are expected to complete TPR training modules.</p>			



This module sets out expectations for governing bodies to maintain, develop and show knowledge and understanding. There are several lists setting out how the governing body should operate to use and retain knowledge and understanding, invest time to develop knowledge and keep records to assess gaps and overall compliance with knowledge and understanding.

Yes, with exceptions.

It applies "*...to the **pension boards** of public service pension schemes.*" "*It is important that the... pension board can demonstrate that, as a group, they possess the skills, knowledge, and experience to run the scheme effectively.*"



As above

Yes. The Fund should draft a policy which covers the requirements of the Code and the Review. The Review goes further than the Code in that, for example, it also addresses training needs for s151 officers.


As above.

Per above comment.

The governing body: Value for scheme members



Module	TPR's expectations	Application to the LGPS	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Review	Suggested / Required Actions	CoL Comments
Value for members	This module requires the governing bodies of trust-based DC occupational pension schemes should assess, determine, and manage the costs/expenses borne by members represent good value for money.	No. Applies to trust-based occupational pension schemes providing DC benefits.	Not applicable	Not applicable	No	Not applicable	N/A

The governing body: Advisers and service providers


Module	TPR's expectations	Application to the LGPS	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Review	Suggested / Required Actions	CoL Comments
Managing advisers and service providers	This module sets out TPR's expectations for the selection, appointment, management and replacement of professional advisers and service providers. The module covers procurement, monitoring performance, management of a provider and the replacement of a provider whether at the end or during a contract.	Good practice i.e. "Other schemes may wish to consider [using the processes set out in the module] as good practice."		<u>IC objectives</u> The Fund complies with regulation and has in place objectives for the Investment consultant.	Potentially, because the KPIs include a number based on service delivery and process delivery i.e. retirements processed within an SLA. Also, one of the responsibilities of the proposed "LGPS senior officer" is to manage delivery of the LGPS function to meet SLAs.	This is not a "must" requirement under the Code, but the Pension Fund may choose to adopt the requirements of this module. The Fund may wish to include a high-level summary on the procurement and appointment process of advisers and may wish to provide more details on how other key advisers are monitored.	N/A – The Fund follows the City of London Corporation's Corporate Procurement policy






The governing body: Risk management

Module	TPR's expectations	Application to the LGPS	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
<p>Identifying, evaluating, and recording risks</p> <p>Page 103</p>	<p>This module sets out TPR's expectations for governing bodies to identify and record risks and to regularly review and evaluation those risks.</p> <p>The module sets out a list of potential risks and how to evaluate those risks.</p>	<p>Yes. Under section 249B of the Pensions Act 2004, scheme managers of public service pension schemes must establish internal controls.</p> <p>There are additional statutory requirements which apply such as Part 2 of the Accounts and Audit Regulations 2015 (Internal control).</p>		<p>Risk register</p> <p>The Risk register is reviewed on a frequent basis- PB reviews at every meeting.</p>	<p>Potentially but we expect the Code and Review requirements to dovetail. In the section "Service delivery for the LGPS Function", it lists the review of the risk register as a KPI. Also, one of the responsibilities of the proposed "LGPSin senior officer" is to manage the delivery of the LGPS function to meet SLAs.</p>	<p>The Fund may wish to adopt a dedicated Risk Management Policy which would include wording on the identification process of the Fund's key risks.</p>	<p>N/A – The Fund follows the City of London Corporation's Risk Management Policy.</p>
<p>Internal controls</p>	<p>Having identified and evaluated the risks, the governing body should put in place internal controls to reduce the incidence and impact of those risks.</p> <p>The module says governing body's</p>	<p>Yes. Under section 249B of the Pensions Act 2004, scheme managers of public service pension schemes must establish internal controls.</p> <p>There are additional statutory requirements</p>		<p>We understand internal controls are built into working practices. The Council's internal audit team undertakes audits on a cyclical basis, and these could include audit or pension fund processes. Assurance around internal controls is also provided following reviews of</p>	<p>No</p>	<p>The Fund can address this module by ensuring that records of audit and assurance reporting and policies are retained and is accessible to</p>	<p>Officers maintain a shared folder structure enabling easy access for such requests.</p>



Module	TPR's expectations	Application to the LGPS	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
	internal controls should include a clear separation of duties for those performing them and process for escalation and decision-making and require the exercise of judgment in assessing the risk profile and designing appropriate controls for the scheme.	which apply such as Part 2 of the Accounts and Audit Regulations 2015 (Internal control).		specific areas undertaken by external audit		requests by another party such as The Pensions Regulator.	
	This is the process of analysing procedures to assess whether the scheme or service provider meets the relevant legislative requirements on internal controls. Procedures include statutory and internal audit, and assurance reporting by service providers or as commissioned by the governing body.	<p>Yes. Under section 249B of the Pensions Act 2004, scheme managers of public service pension schemes must establish internal controls.</p> <p>There are additional statutory requirements which apply such as Part 2 of the Accounts and Audit Regulations 2015 (Internal control).</p>		<p>We were unable to locate any specific documents specifically for internal audit reports.</p> <p>Annual Report for the City of London Pension Fund Included in the Report and accounts is the Risk Management processes and role conducted by the internal audit team.</p>	The Review is unlikely to add any further obligations, but it is worth noting that one of the responsibilities of the proposed "LGPS senior officer" is to manage delivery of the LGPS function to meet SLAs.	None, The Fund should ensure that all documents relating to assurance reporting are available for third-party requests (for example, TPR)	Per above comment.

Module	TPR's expectations	Application to the LGPS	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
Scheme continuity planning	TPR expects governing bodies to develop and implement continuity plans to counter disruption to the scheme's activities.	Good Practice. Not a part of TPR's expectations for public service pension schemes " <i>..but it is good practice for them to consider carrying out continuity planning in the same way.</i> "		It would be expected that the Fund falls under the contingency planning of the Administering Authority. The Fund considers risks to IT and has in place current controls to mitigate risks.	Unlikely – the Review lists this as a KPI but defers to the Code.	The Fund may wish to adopt its own continuity planning document to ensure that pension-specific items are covered.	Officers will consider formalising a continuity planning document.
Page 105 Conflicts of interest Governing bodies	TPR expects governing bodies to establish internal controls to identify and record conflicts of interest	Partially. Under section 249B of the Pensions Act 2004, scheme managers of public service pension schemes must establish internal controls. Good practice. Where conflicts of interest are not within section 249B, it is good practice to adopt the measures. In addition to the above, these already apply to the administering authority:		Committee details - Local Government Pensions Board - Modern Council The administering authority publishes on the webpage the PFC registered conflicts as well as a documented code of conduct Pensions Committee TOR Committee details - Panel of Independent Persons - Modern Council The Panel of Independent Persons also review any allegations of misconduct.	Yes. It is anticipated that the administering authority will need to publish a specific conflicts of interest policy with a particular focus on conflicts which arise because of the authority managing its pension fund in the local government environment. Many of the recommendations have been put forward by the Government in its consultation " <i>Local Government Pension Scheme (England and Wales): Fit for the future</i> " (November	Under the Government's consultation - " <i>Local Government Pension Scheme (England and Wales): Fit for the future</i> ", one of the points for consultation concerns conflicts of interest within administering authorities. The Fund may want to await the outcome before taking any	Officers will review the recommendations covering the conflicts of interest policy, however we will await the Consultation outcomes before finalising any document.

Module	TPR's expectations	Application to the LGPS	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
		<ul style="list-style-type: none"> • The Nolan Principles (The Seven Principles of Public Life) • The LGA's Model Councillor Code of Conduct 2000 • Chapter 7 (Standards) of the Localism Act 2011 			2024) including proposals in relation to conflicts of interest within an administering authority.	further steps or it could develop a policy which covers the recommend-- ations.	
<p>Page 106</p> <p>Conflicts of interest</p> <p>Pension Boards</p>	TPR expects scheme managers to be satisfied a pension board member does not have a conflict of interest (potential or otherwise) and for the scheme manager to circulate and publish the register of interests.	<p>Yes. Under section 5 of the Public Service Pensions Act 2013 and paragraphs 22 to 24 of the Code set out TPR's expectations for a pension board.</p> <p>See above for standards that already apply to administering authorities and Members.</p>		<p><u>LGPB - TOR</u></p> <p>The Fund has limited wording included within the PB Terms of Reference as to the registering of conflicts. We have been unable to locate the declared conflicts register within the Administering Authority webpages or the Fund's webpage. However, it would be expected that the Fund maintains a register of all declared conflicts.</p>	<p>Yes. It is anticipated that the administering authority will need to publish a specific conflicts of interest policy with a particular focus on conflicts which arise because of the authority managing its pension fund in the local government environment.</p> <p>Please note comment above regarding the Government consultation issued in November 2024.</p>	<p>None – but note the availability of the register</p> <p>The Fund may want to expand the wording on conflicts within the TOR. For example:</p> <ul style="list-style-type: none"> • What constitutes a conflict • Process of declaration • Monitoring process 	Per above comment.




Module	TPR's expectations	Application to the LGPS	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
Own risk assessment	TPR requires governing bodies of schemes required to have an effective system of governance to carry out an own risk assessment whereby it assesses how its ESG is working	Good practice. The obligation does not apply to public service pension schemes because they do not need an ESG under legislation (just internal controls) however the Code says: " <i>Governing bodies of other schemes may carry out an ORA as an example of good practice.</i> "	Not applicable	Not applicable	No	An ORA is a useful tool that does not apply to the LGPS but the Fund might wish to adopt it.	N/A
Risk management function	Schemes which are required to have an ESG should have a risk management function. The function should be structured so the governing body is able to adopt strategies, processes and reporting procedures so it can identify, evaluate and record risks and also to monitor and manage risks.	No. This module does not apply to public service pension schemes.	Not applicable	Not applicable	No	Not applicable	N/A

The governing body: Scheme governance


Module	TPR's expectations	Application to the LGPS	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
	<p>This module is an overarching module setting out TPR's expectations on a scheme's systems of governance and internal controls.</p> <p>Internal controls cover:</p> <ul style="list-style-type: none"> • The arrangements and procedures to be followed in the administration and management of the scheme. • The systems and arrangements for monitoring the administration and management and the arrangements and procedures to be followed for the safe custody and security of the scheme assets. 	<p>Yes, to the extent that requirements are internal controls. Under section 249B of the Pensions Act 2004, scheme managers of public service pension schemes must establish internal controls.</p>	<p>N/A see actions required column</p>	<p>As this is an overarching module, we look to the individual modules for compliance.</p>	<p>Potentially. This module covers a wide area and conflict of interests is covered in both (see above for more details).</p>	<p>Not assessed. As this is an overarching module, we look to the individual modules for compliance.</p> <p>None, but see actions against other modules.</p>	<p>N/A</p>





Funding and investment: Investment

Module	TPR's expectations	Application to the LGPS	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Review	Suggested / Required Actions	CoL Comments
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 109</p> <p>Investment governance</p>	<p>This module sets out TPR's expectations on investment governance -the policies and procedures that ensure a governing body complies with any obligations relating to investment. Any such policies will be tailored to the specific scheme. Amongst other things, governing bodies are expected to have a good working knowledge of investment matters, understand the legislation and appoint appropriately qualified persons to advise before taking an investment decision as well as have the knowledge to understand and question any such advice.</p>	<p>Good practice.</p> <p>The Code says "<i>The scheme managers of Local Government Pension Schemes do not have the same obligations in pensions legislation, but it is good practice for them to approach investment governance in the same way.</i>"</p>		<p>Annual Report for the City of London Pension Fund</p> <p>The Investment Strategy Statement outlines the governance approach and decision-making process. Investment governance is covered within the PFC which is responsible for the monitoring and review of investment performance.</p>	No	None	N/A
<p>Investment decision-making</p>	<p>This module sets out TPR's expectations on the decision-making process of</p>	<p>No. This applies to trust-based occupational pension schemes.</p>	Not applicable	Not applicable	No	Not applicable	N/A




Module	TPR's expectations	Application to the LGPS	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Review	Suggested / Required Actions	CoL Comments
Page 110 Investment monitoring	the governing body in relation to investments. As well as decision-making processes, TPR expects governing bodies to be able to evaluate advice, consider the costs, have clear terms of reference for sub-committees and regularly assess the effectiveness of the decision-making and governance process.						
	This module sets out TPR's expectations on monitoring and reviewing investment performance. Having processes to monitor investment performance and the performance of the investment manager as well as the risks associated with an investment and investment manager.	<p>Good practice.</p> <p>The Code says "<i>The scheme managers of Local Government Pension Schemes do not have the same obligations in pensions legislation, but it is good practice for them to approach investment governance in the same way.</i>"</p>		Investment monitoring is covered on a quarterly basis with the Investment Consultant. Reporting on the Funds Pooling arrangement is also covered.	No	None	N/A



Module	TPR's expectations	Application to the LGPS	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Review	Suggested / Required Actions	CoL Comments
Stewardship	This module sets out TPR's expectations for a governing body's policies on financially material ESG considerations, voting rights, relationships with asset managers, engagement with issuers of investments on their social and environmental impact and corporate governance.	<p>Good practice.</p> <p>The Code says "We recommend that governing bodies with investment responsibilities follow the expectations...even if they are not legally required to have an ESOG"</p>		<p>Annual Report for the City of London Pension Fund</p> <p>The Fund covers within its Investment Strategy Statement its position on voting and engagement. The Fund supports the UK Stewardship code and expects its investment managers to comply with the code.</p>	No	None	N/A
Climate change	TPR expects schemes to understand how climate/environment risks impact upon their investments as part of their risk assessment and to understand the risks and opportunities associated with climate change. Schemes should document its processes for doing so.	<p>Partially.</p> <p>The module, in the section headed "Managing scheme risks from climate change" says:</p> <p>Yes – as the LGPS is required to operate internal controls, it should assess the risk associated with climate change (paragraph 7).</p>		<p>Annual Report for the City of London Pension Fund (pg 86)</p> <p>City of London Responsible Investment Policy</p> <p>The Fund covers climate change within the Investment Strategy Statement and dedicated RI Policy.</p>	No	None	N/A



Module	TPR's expectations	Application to the LGPS	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Review	Suggested / Required Actions	CoL Comments
		Good practice. Paragraphs 8 and 9 refer to schemes requiring to operate an ESG (which does not include the LGPS) under which TPR sets out its expectations for managing risk and suggests " <i>Other governing bodies may wish to consider these [expectations] as good practice</i> ".		TCFD report The Fund has also produced a TCFD report, ahead of the requirement.			
Page 112 Statement of Investment Principles	A Statement of Investment Principles (SIP) sets out a governing body's investment strategy, including the investment objectives and investment policies they adopt.	Good practice (partially). The Code says "In cases where preparing a SIP is not a legal requirement, in our view, it would be good practice for governing bodies to prepare a document that is similar in nature, and to publish it online as if the SIP was required."		Annual Report for the City of London Pension Fund (pg 86) The Pension Fund has a documented and publicly available Investment Strategy Statement as required by Regulation 7 of LGPS (Management and Investment of Funds) Regulations 2016.	No	None	N/A
Default arrangements	The TPR expects governing bodies of defined contribution schemes to	No. This module does not apply to the LGPS.	Not applicable	Not applicable	No	None	N/A



Module	TPR's expectations	Application to the LGPS	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Review	Suggested / Required Actions	CoL Comments
and charge restrictions	ensure that its default arrangements meet the requirements of the legislation. The module also links in with the module on value for money, investment governance and SIPs.						

Administration: Scheme administration


Module	TPR's expectations	Application to the LGPS	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
<p>Planning and maintaining administration</p> <p>Page 114</p>	<p>This module sets out TPR's expectations on the administration of the scheme by the governing body. Those expectations include understanding the scope of the administrator's role, have administration as an agenda item, administrator to provide reports, monitoring and manage performance.</p>	<p>Yes. The Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 which sets out the records that public service must maintain and every such scheme should have internal controls.</p>	<p>NA see actions required column</p>	<p>As this is an overarching module, the Fund should look to the individual modules for compliance.</p>	<p>Yes, but we would expect the requirements of the Code and the Review to coincide with each other. There are a number of KPIs set out within the Review that are linked to service performance. Also, one of the responsibilities of the proposed "LGPS senior officer" is to manage delivery of the LGPS function to meet SLAs.</p>	<p>As this is an overarching module, the Pension Fund should look to the individual modules for compliance</p> <p>None, but see actions against other modules.</p>	<p>N/A</p>

Administration: Information handling

Module	TPR's expectations	Application to the LGPS	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
	<p>This module sets out TPR's expectations around transactions which involve the processing of money. The module focusses on the two key areas:</p> <p>Governance processes and IT systems – understand the administrator's processes and controls including authorisation, reviews of processes, standards and service level agreements, management of employer contributions.</p> <p>Investing contributions (if applicable)</p>	<p>Yes. The Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 sets out the records that a governing body must maintain.</p> <p>Under section 249B of the Pensions Act 2004, scheme managers are required to establish and operate internal controls.</p>		<p><u>Risk register</u> IT systems have been covered within the risk register. Although it does not cover detailed processes and service-level agreements.</p> <p>It would be expected that internal audit reports cover authorisation processes and process reviews.</p>	No	The Fund to confirm the processes and controls in place to manage IT systems and service level agreements.	A formal IT systems process and controls document was suggested by the most recent Pension Fund external audit. This document will be produced by Officers.





Module	TPR's expectations	Application to the LGPS	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
	<p>This module sets out the expectations around the processes and checks that a governing body should undertake before permitting a transfer out of the scheme to go ahead. This includes checking the statutory requirements are met and be vigilant of scams and there is also a separate list of expectations for transfer to defined contribution schemes.</p>	<p>Yes, it mostly applies (some relate to DC schemes and private sector defined benefit schemes). The expectations follow the requirements for transfers out under the Pension Schemes Act 1993 and the Pension Schemes Act 2015 (and accompanying regulations)</p>		<p>It would be expected that the Fund has strong processes in place to meet the statutory requirements before a member's transfer takes place. We would expect that these processes are reviewed as a part of the internal audit reviews.</p> <p>Membership and contributions City of London Pension Fund – The Fund has in place a webpage on transferring LGPS benefits for members.</p>	<p>No</p>	<p>Fund to confirm that processes and policies are in place for the transfer of pensions out of the Fund.</p>	<p>The City of London follows the guidance and instructions provided by the Local Government Association / TPR in respect of transfers-out of the scheme. A formal document will be written to confirm the steps taken to ensure as much as possible that scheme members are made aware of potential scams and take the necessary steps to protect themselves.</p>

Module	TPR's expectations	Application to the LGPS	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
Record keeping Page 117	This module sets out TPR's expectations on the governing body's need to maintain complete and accurate records and covers record keeping, administrative systems and data from other parties.	Yes. The Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 sets out the records that a governing body must maintain. Under section 249B of the Pensions Act 2014, the scheme manager is required to establish and operate adequate internal controls to ensure the scheme is administered and managed in accordance with legislation.		4aLGPS Committee Administration Strategy Report.Feb 2023.Appendix A FINAL.pdf Record keeping is covered at high level within the Administration Strategy Appendix B Data Retention Policy Final June 19.pdf The Fund has a data retention policy in place, this policy highlights the data retained by the Fund.	Potentially, although we think it unlikely that the Review will add to the obligations under the Code. Data quality is one of the KPIs under the Review. Also, one of the responsibilities of the proposed "LGPS senior officer" is to manage delivery of the LGPS function to meet SLAs.	The Fund may want to expand the Administration Strategy to provide more information on the system and processes in place. Highlighting third-party providers of administrative systems.	Third party provider details and requirements will be added to the Administration Strategy. The Administration Strategy will be brought to the Pensions Committee for Review.
Data monitoring and improvement	This module sets out TPR's expectations for governing bodies for the purpose of maintaining complete and accurate data. It focusses on the processes for monitoring, reviewing	Yes. The Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 sets out the records that a governing body must maintain. Under section 249B of the Pensions Act 2014, the		We have been unable to locate a document on data improvement.	Potentially, although we think it unlikely that the Review will add to the obligations under the Code. Data quality is one of the KPIs under the Review. Also, one of the responsibilities of	Fund to confirm if there are data monitoring and improvement plans, documents or policies in place.	The City of London completes the annual TPR Scheme Return in respect of the LGPS. The Return requires details of the



Module	TPR's expectations	Application to the LGPS	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
	and protecting scheme data.	scheme manager is required to establish and operate adequate internal controls to ensure the scheme is administered and managed in accordance with legislation.			the proposed "LGPS senior officer" is to manage delivery of the LGPS function to meet SLAs.		'Data Scores' of the scheme. There are currently no policies in place with regards to improving Data Scores. A document will be drafted focussing on the processes for monitoring, reviewing and protecting scheme data.


Administration: IT

Module	TPR's expectations	Application to the LGPS	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
Maintenance of IT systems Page 119	This module concerns TPR's expectations on the processes adopted by governing bodies to put appropriate systems in place i.e. that meet the scheme's legal requirements, to review and maintain such systems and to challenge providers.	Yes. The Section 249B, PA04 requires scheme managers of public service pension schemes to establish internal controls so the scheme is managed in accordance with the rules and the law.		The Administering Authority would be expected to maintain IT systems for the Fund. These IT systems would be reviewed as part of the internal review process.	No	None, however, where services are provided by a third party – the Fund may want to include any outcomes of assurance reviews that may have been carried out.	Officers note the suggestion and will discuss with third party providers their compliance with relevant industry and quality standards.
Cyber controls	This module sets out TPR's expectations for governing bodies in their identification of, management and recovery from cyber incidents and how to reduce the risk of such incidents occurring.	Mostly applies, good practice for where there is no obligation on scheme managers of public service pension schemes. Section 249B, PA04 requires scheme managers of public service pension schemes to establish internal controls so the scheme is managed in accordance with the rules and the law.		The Fund includes control processes for cyber security within the Risk Register. It is expected that Members and officers follow Administering Authority IT security processes. It should be noted that MHCLG intends to consider Cyber Assessment Framework for Councils 2024	Unlikely – the Review lists this as a KPI but defers to the Code.	None, however, the Fund may wish to ensure that cyber security processes within governance documents.	N/A – The Fund follows the City of London Corporation's cyber security processes.





Module	TPR's expectations	Application to the LGPS	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
		<p>The Code says <i>"the legal obligation to establish cyber controls is different for public service pension schemes. As far as cyber controls is a matter set out in the scheme rules or in the requirements of the law, scheme managers of public service pension schemes must establish and operate adequate internal controls in relation to them. In such cases, internal controls need to include measures to manage cyber risk. To the extent that there is no legal obligation on scheme managers of public service pension schemes to adopt these cyber risks measures, we consider it good practice to do so."</i></p> <p>TPR has published separate guidance on cyber security.</p>		(although the new minister has not confirmed that this will still be published).			

Administration: Contributions

Module	TPR's expectations	Application to the LGPS	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
<p>Page 12 Receiving contributions</p>	<p>This module sets out the processes that governing bodies must have in place to monitor contributions and transmission of payment information between employer, members, and administrator.</p>	<p>Mostly applies. The Code says "Governing bodies of public service pension schemes that are exempt should develop a record to monitor contributions payments to the scheme (a contributions monitoring record). This should comply with scheme regulations where relevant. Governing bodies should prepare the record for monitoring contributions in consultation with scheme employers."</p> <p>Regulation 69 of the LGPS Regulations 2013 set out the requirements for the LGPS.</p>		<p>4aLGPS Committee Administration Strategy Report.Feb 2023.Appendix A FINAL.pdf</p> <p>Included within the Administration Strategy are responsibilities with regard to contributions. We have been unable to locate further wording on the processes of receiving and reconciling contributions, however, we would expect strong processes to be in place and reviewed by both internal and external audit teams.</p>	<p>No, but worth noting that one of the responsibilities of the proposed "LGPS senior officer" is to ensure the fund is organised and structured to deliver its statutory responsibilities and compliance with the Code.</p>	<p>The Fund may wish to update the Administration Strategy to include the processes to receiving contributions.</p>	<p>The Administration Strategy will be amended to outline the processes for monitoring contributions.</p> <p>The Administration Strategy will be brought to the Pensions Committee for Review.</p>



Module	TPR's expectations	Application to the LGPS	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
Monitoring contributions	This module sets out TPR's expectations on the governing body's process to check contributions due and to reconcile them with what is in practice paid to the scheme.	Yes. The Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 applies to the LGPS. Also, Section 249B, PA04 requires scheme managers of public service pension schemes to establish internal controls so the scheme is managed in accordance with the rules and the law.		It would be expected that the process of monitoring and reconciliation of contributions is reviewed as a part of the internal audit process and considered in assurance reports.	No, but worth noting that one of the responsibilities of the proposed "LGPS senior officer" is to ensure the fund is organised and structured to deliver its statutory responsibilities and compliance with the Code.	None	N/A
Resolving overdue contributions	This module sets out TPR's expectations on the governing body's process to obtaining overdue payments and rectifying administrative errors.	Yes. Section 249B, PA04 requires scheme managers of public service pension schemes to establish internal controls so the scheme is managed in accordance with the rules and the law.		It would be expected that resolving overdue contributions is in place and are reviewed as a part of the internal audit process and considered in assurance reports. The Fund also includes within the breaches policy, reporting to regulator any contribution failures which are likely to be	No, but worth noting that one of the responsibilities of the proposed "LGPS senior officer" is to ensure the fund is organised and structured to deliver its statutory responsibilities and compliance with the Code.	None	N/A

Monitoring contributions


Page 122

Resolving overdue contributions




Module	TPR's expectations	Application to the LGPS	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
				of material significance.			

Communications and disclosure: Information to members

Module	TPR's expectations	Application to the LGPS	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
Page 123 General principles for member communications	This module sets out TPR's expectations for the provision of information to members by reference to the legal requirements and in terms of how the information should be presented and communicated to them.	Yes. Legislation sets out what must be communicated to members - Regulation 6 of the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013		Annual Report for the City of London Pension Fund Included in the Report and accounts (page 98) is the Communications Policy Statement which outlines the Funds key stakeholders, communications required, methods of communication and delivery and frequency.	The Review contains several KPIs on engagement and communication and the take up of online services (and employer engagement events).	None	N/A
Annual pension benefit	Governing bodies of certain schemes must provide annual benefit	Yes – in respect of AVCs – Regulation 17 of the Occupational and personal	Not applicable	Increase my payments City of London Pension Fund	No	The Fund may wish to update the	Officers will amend the Communication



<p>statements (DC)</p>	<p>statements to members.</p>	<p>pension schemes (Disclosure of Information) Regulations 2013.</p>		<p>The Fund has a webpage on AVCs in place. However, there is no information on benefit statements.</p> <p>It is the responsibility of the AVC provider to issue annual benefit statements.</p>		<p>Communications Policy to highlight that benefit statements are provided by the AVC providers to make this clear to the Fund members.</p>	<p>s Policy to include reference to benefit statements in relation to AVCs being provided by AVC providers.</p>
<p>Summary funding and pension benefit statements (DB)</p> <p>Page 124</p>	<p>Governing bodies of certain schemes must provide summary funding statements and benefit statements (on request) to members. Details to be included in each are set out in the module.</p>	<p>No. The LGPS is exempt from providing these statements pursuant to Regulation 15 and Schedule 4 of the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013.</p>	<p>Not applicable</p>	<p>Not applicable</p>	<p>Not applicable</p>	<p>None</p>	<p>N/A</p>
<p>Benefit information statements</p>	<p>This module is aimed solely at public service pension schemes. Scheme managers of public service pension schemes must provide all active members with an annual benefit statement and to also do so for other members on request. Details on what to</p>	<p>Yes. Regulation 16 and 17 of the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 and section 14 of the Public Service Pensions Act 2013. Regulation 89 of the LGPS Regulations 2013 specifically provides that administering authorities must issue an annual benefit statement to each</p>		<p>Annual Report for the City of London Pension Fund Included in the Report and accounts (page 98) is the Communications Policy Statement setting out the minimum standard to produce a benefits statement to all members.</p>	<p>No</p>	<p>None</p>	<p>N/A</p>



	include are set out in the module.	of its active, deferred, deferred pensioner and pension credit members.					
Retirement risk warnings and guidance	The module concerns members with a defined contribution or cash balance pot and the ability to draw flexible benefits from the scheme. The governing body must issue a statement to members giving information about their options and guidance.	Yes. Applies to relation to the AVC benefits.		Retirement City of London Pension Fund Increase my payments City of London Pension Fund The Fund has in place webpages that provide guidance to scheme members. It would be expected that the risk warnings are included in packs that are sent out to members.	No	None	N/A
Notification of right to cash transfer sum or contribution refund	This module broadly follows the legislation relating to cash transfer sums or contribution refunds.	Yes. Cash transfer sums and contribution refunds are permitted under section 101AB of the Pension Schemes Act 1993 and dealt with under regulations 18 (contribution refund) and 96 (cash transfer sums) of the LGPS Regulations 2013.		Transferring your pension out City of London Pension Fund Leave the scheme City of London Pension Fund The Fund has web pages that provide details as to the process for cash transfers and refunds.	No	We would expect the Fund to have processes for the transfer and refund of contributions process. Fund to confirm.	The Fund follows the guidance and instructions provided by the Local Government Association / TPR in respect of transfers-out of the scheme. A formal document will be written to confirm the steps taken.



Chair's statement

This module covers the requirement under legislation for certain occupational pension schemes that provide defined contribution benefits to provide chair statement.

No. It does not apply to public sector schemes made under section 7 of the Superannuation Act 1972 (the LGPS was made under that Act).

Not applicable

Not applicable

No

None

N/A

Page 126
Scams

This module sets out TPR's expectations on a scheme's internal controls to mitigate the risk of scams.

Yes. Under section 249B of the Pensions Act 2014, the scheme manager is required to establish and operate adequate internal controls to ensure the scheme is administered and managed in accordance with legislation.



It would be expected as a part of the internal audit processes that mitigation against pension scams is reviewed. However, we have been unable to locate specific wording. We have located that pension fraud is covered within the risk register.

[Risk register](#)

[Avoiding pension scams | City of London Pension Fund](#)

The Fund includes links to the external sites for additional information.

No

The Fund should update the Risk Register to include pension scams as a key risk and the process and to mitigate the risk of potential scams.

The Pensions Committee Risk Register currently includes a risk for Fraud (CHB Pensions 005), this will be expanded to include Scams and mitigation processes in more detail. The Risk Register is brought to the Pensions Committee every 6 months.

Audit requirements

The module sets out TPR's expectations on publishing audited accounts and the auditor's statement.

No. The audit requirements that TPR refer to stem from the requirement for occupational pension schemes to appoint certain

Not applicable

Not applicable

No

None



N/A



professional advisers under section 47 of the Pensions Act 1995. Statutory schemes are exempt.




Communications and disclosure: Public information

Module	TPR's expectations	Application to the LGPS	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Project?	Suggested / Required Actions	CoL Comments
<p>Publishing information about public service schemes</p> <p>Page 128</p>	<p>This module is aimed solely at public service pension schemes. It sets out TPR's expectations of the scheme manager to publish certain information about the pension board and keep that information up to date. It lists the information that should be published about the board and its activities.</p>	<p>Yes. This module concerns information on the pension boards of public service pension schemes.</p>		<p>The Fund also publishes key information relating to the PB and the Administering Authority webpages contains details on the membership (Additional information can be found on the Role of the Governing Body)</p>	No	None	N/A
<p>Dispute resolution procedure</p>	<p>The module has two parts to it. Most of the obligations relate to the dispute resolution process and largely repeats the requirements of the LGPS regulations. Separately, the module expects that</p>	<p>Yes.</p>		<p>Microsoft Word - LGPS Committee Administrators Report.July 2022.Appendix B - IDR Policy Statement)</p> <p>The Fund publishes an IDR guide. The document does contain</p>	No	None	N/A


governing bodies regularly assess the effectiveness of the dispute resolution procedure.			detail on timelines of responses, decision-making process and time periods.		
--	--	--	---	--	--

Reporting to TPR: Regular reports

Module	TPR's expectations	Application to the LGPS Yes/No/Partially/Good practice	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Project?	Suggested / Required Actions	CoL Comments
Page 129 Registrable information and scheme returns	Governing bodies must provide all registrable information when registering the scheme and to update such information within 5 working days of it becoming aware of a change.	Yes , it is a legal requirement to do so under section 59 of the Pensions Act 2004 (and The Register of Occupational and Personal Pension Scheme Regulations 2005).		We have been unable to specifically identify wording on the updating of the scheme register. Whilst we have been unable to locate documents, we would expect that this is completed as a matter of course but is not identified on a document.	No	We would suggest that the Fund update governance documents to highlight roles and responsibilities to address this module.	The completion of the Scheme return is noted on the Annual Schedule of Events, an appendix that accompanies the Administrator's report to both the Pensions Committee and Local Government Pension Board.




Scheme returns

						<p>These processes are currently carried out by the Administration Manager however the roles and responsibilities are not documented in any policy. Officers will add this to the Administration Policy which will be brought back to Pensions Committee.</p>
<p>Governing bodies must complete a scheme return. Governing bodies are accountable for the information contained in the scheme return and they should have measures in place to review and ensure the accuracy of the information to be</p>	<p>Yes, it is a legal requirement to do so under section 64 of the Pensions Act 2004.</p>		<p>As above</p>	<p>No</p>	<p>As above</p>	<p>Per above comment</p>





submitted is correct and that the return is submitted in time.

Reporting to TPR: Whistleblowing – reporting breaches of the law

Module	TPR's expectations	Application to the LGPS	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Project?	Suggested / Required Actions	CoL Comments
<p>Page 131</p> <p>Who must report</p>	<p>This module sets out TPR's expectations on who must report breaches of the law in relation to the administration of the scheme. It lists both the scheme manager and the pension board as persons who should report and also, employers, service providers and professional advisers.</p> <p>Training should be provided to ensure people are able to understand the process for identifying</p>	<p>Yes. It is a legal requirement to do so under section 64 of the Pensions Act 2004.</p>		<p>Microsoft Word - Reporting Breaches of the Law Procedure Policy final June 2022 (name changes)</p> <p>The Fund has in place a Breaches of the Law Policy and a breaches register.</p>	<p>No</p>	<p>None</p>	<p>N/A</p>



Module	TPR's expectations	Application to the LGPS	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Project?	Suggested / Required Actions	CoL Comments
	and reporting any breach.						
Decision to report	This module sets out the considerations when deciding whether a breach is reportable and how a reporter should proceed.	Yes. It is a legal requirement to do so under section 64 of the Pensions Act 2004.		Covered within the Breaches of the Law Policy.	No	None	N/A
How to report	TPR expects governing bodies to establish and operate procedures for meet their legal duties and the module sets out a list of key elements to a reporting process.	Yes. It is a legal requirement to do so under section 64 of the Pensions Act 2004.		Covered within the Breaches of the Law Policy.	No	None	N/A
Reporting payment failures	This module sets out the requirements when contributions are not paid on time and sets out how a governing body can determine whether the failure to pay is likely to be of	Yes. The duty to report late payment of employer contributions rests with the scheme manager under the LGPS (Public Service Pensions Act 2013).		Covered within the Breaches of the Law Policy.	No	None	N/A

Page 132



Module	TPR's expectations	Application to the LGPS	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Project?	Suggested / Required Actions	CoL Comments
	material significance to TPR.						

Terms used in this document:

Page 133

Term	means
"ESOG"	means an effective system of governance
"PB"	Pension Board
"PFC"	Pension Fund Committee
"TPR"	The Pensions Regulator

Gavin Paul
Barnett Waddingham LLP







www.barnett-waddingham.co.uk

Barnett Waddingham LLP is a limited liability partnership that is authorised and regulated by the Financial Conduct Authority registered in England and Wales. Their registered office is 2 London Wall Place, London, EC2Y 5AU. Registered Number OC307678

However, this report is not intended to provide and must not be construed as regulated investment advice. Returns are not guaranteed, and the value of investments may go down as well as up, so you may get back less than you invest.

The information in this report is based on our understanding of current taxation law, proposed legislation and HM Revenue & Customs practice, which may be subject to future variation.

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank