

# **CROYDON PENSION FUND**

## **Annual Report 2023/24**

**March 2025**

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## Foreword by Chair of Pension Committee

As the Chair of the Pension Committee I am pleased to be able to present this Annual Report of the Croydon Pension Fund.

Typically, these reports are published within a few months after the year end. However, this year's report was delayed due to delays in the Council finalising its overarching financial accounts.

The Fund supports over 100 employers and over 30,000 members.

Notwithstanding the challenges of recent years, it continues to produce strong annualised returns of 11.5%, 6.5% and 7.9% for the most recent one-year, three-year and five-year periods. During the last year the total net asset value has increased from £1.675bn to £1.881bn.

We remain committed to the "pooling" concept and are pleased that the percentage of our assets invested within the scope of the London CIV is approaching 60%. We shall continue to be an active member of the CIV and look at all opportunities made available. However, we shall only invest when we are satisfied that managers and asset classes offered are likely to assist in the achievement of our policies and are conscious that the illiquid nature of many of our investments makes transfers difficult.

Our funding strategy is in accordance with the results of the 2022 Actuarial Valuation which advised that our funding level had increased over the previous three years from 88% to 97%. By seeking good investment performance the Fund is moving towards achieving its objective of a 100% funding level within 20 years.

Careful monitoring and reviews of developments, diversification across assets, regions and investment styles, and sound governance arrangements have all contributed to a steadily improving outlook for the Fund. In addition to discharging their fiduciary responsibility to stakeholders, the Committee are committed to ensuring that sound Environmental, Social and Governance practices are embedded in the investment strategy, specifically in respect of tobacco investments and a desire to move towards carbon neutrality.

### Committee Activities

During the year the Committee held four meetings as part of a regular series to address key issues such as investment performance, member services, and training:

- **Investment Oversight:** We reviewed performance with valuable advice provided by our consultants at Mercer. In particular, at our September meeting we agreed a new Investment Strategy Statement and, in December, we received a report and presentation on the Sustainable Equity Exclusion Fund.
- **Member Services:** We ensured high-quality support for Fund members, particularly concerning retirement and death benefits. We have been keen to ensure that the best possible service is provided not only to members of the Fund, but their dependants too.
- **Training:** We focussed on developing knowledge and skills through regular reviews of training policies, plans, and logs.

Looking ahead, the Committee remains committed to improving governance, key performance indicators, data quality, and administrative support. We will continue to ensure that the Fund operates in compliance with Local Government Pension Scheme regulations and adopts sound policies.

I would like to thank Committee members and professional advisers who have been instrumental in the Fund's ongoing success. I would also like to thank the Pension Board, particularly its Chair, Mike Ellsmore, for their valuable contributions to our work.

I hope this report proves informative and reflective of our commitment to the Fund, members and stakeholders.

Callton Young  
Chair of Pension Committee

# 1 INTRODUCTION

Under the Local Government Pension Scheme Regulations 2013 (“the Regulations”) the London Borough of Croydon (“the Council”) is specified as an Administering Authority for the Local Government Pension Scheme (“the Scheme”). As such, the Council is required to maintain a pension fund (“the Fund”). The Council acts as Scheme manager with responsibility for managing the Fund’s assets, collecting employer and employee contributions, paying pension benefits as they fall due and various other aspects of administration.

Regulation 57 requires the Council to prepare a “fund annual report” which contains a number of specified features on or before 1 December following the end of the Scheme year. However, due to various issues arising from the preparation of the Council’s accounts it has not been possible to meet this deadline. The report has been prepared having regard to “Preparing the Pension Fund Annual Report – Guidance for Local Government Pension Scheme Funds” published by the (then) Department for Levelling Up, Housing and Communities in April 2024 (“the Guidance”).

In applying this Guidance the Fund should ensure that:

- All mandatory requirements are reported;
- Regard is paid to any supplementary guidance issued by the Scheme Advisory Board (“SAB”), the Chartered Institute of Finance and Accountancy (“CIPFA”) or other relevant body; and
- The Report is suitable for relevant readership requiring the exercise of local judgement, consideration of matters specific to the Fund and decisions regarding the level of detail provided subject to the scope allowed by legislative requirements and the discretionary elements of the Guidance.

The Report is a key component of the communication between the Fund and its stakeholders, who range from individual members and employing bodies to trades unions, government departments, analysts, and commentators. It is used by the Fund to report on its financial, management, governance, and administrative performance in addition to providing a detailed commentary on investment policy and performance during the year.

## 2 OVERALL FUND MANAGEMENT

### Scheme management and advisers

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#### **Administering Authority**

London Borough of Croydon  
Treasury and Pensions Management, Resources Department  
3A Bernard Weatherill House  
8 Mint Walk  
Croydon CR0 1EA

Jane West, Corporate Director of Resources (Section 151 Officer)  
Jane.West@Croydon.gov.uk  
Matthew Hallett – Head of Pensions and Treasury  
[Matthew.Hallett@Croydon.gov.uk](mailto:Matthew.Hallett@Croydon.gov.uk)

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#### **Asset Pool Operator**

London CIV  
Fourth Floor  
22 Lavington Street  
London SE1 0NZ

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#### **Investment Adviser**

Mercer Ltd  
1 Tower Place West  
Tower Place  
London EC3R 5BU  
Robbie Sinnott- Investment Consultant

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#### **Governance Adviser**

Aon Solutions UK Limited  
The Aon Centre  
The Leadenhall Building  
122 Leadenhall Street  
London EC3V 4 AN

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#### **Actuary**

Hymans Robertson LLP  
20 Waterloo Street  
Glasgow G2 6DB  
Robert McInroy - Partner and Actuary

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### **Custodian of Assets**

Bank of New York Mellon  
160 Queen Victoria Street  
London EC4V 4LA

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### **Auditor - external**

Grant Thornton UK LLP  
110 Bishopsgate  
London EC2N 4AY  
Paul Dossett - Director

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### **Auditor - internal**

Mazars  
Tower Bridge House  
St Katherine's Way  
London E1W 1DD

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### **Bankers**

NatWest Bank  
250 Bishopsgate  
London EC2M 4AA

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### **Legal Advisers**

The Fund opts to procure legal advice on a case by case basis from the Croydon Council Legal Framework and

Burges Salmon LLP  
6 New Street Square  
London EC4A 3BF  
and  
Gowlings WLG  
4 More London Place  
London SE1 2AU

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### **National LGPS Framework**

The Fund is a member of the National LGPS Framework as administered by Norfolk County Council

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### **AVC Provider**

Prudential  
Laurence Pountney Hill  
London EC4R 0HH

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## Fund managers

FUND MANAGER	INVESTMENT MANDATE
Legal and General 1 Coleman Street London EC2R 5AA	Developed World (Ex-tobacco) Equities (Pooled)
London CIV - RBC Fourth Floor 2 Lavington Street London SE1 0NZ	Sustainable Equity Exclusion (Pooled)
London CIV Fourth Floor 2 Lavington Street London SE1 0NZ	Global Equities
Aberdeen Standard 30 St Mary Axe London EC3A 8BF	UK Corporate Bonds and Absolute Return Bonds
London CIV - PIMCO Fourth Floor 2 Lavington Street London SE1 0NZ	Global Bonds (Pooled)
Wellington 80 Victoria Street London SW1E 5JL	Sterling Bonds
Pantheon 10 Finsbury Square London EC2A 1AD	Private Equity Invest in unquoted companies (Pooled fund of funds) (US Dollar & Euro)
Knightsbridge 122 SW Frank Phillips Boulevard Bartlesville OK 74003 USA	Private Equity – Venture Capital (Pooled fund of funds) (US Dollar)
Access Capital Central Court 25 Southampton Buildings London WC2A 1AL	Private Equity - Co-Investment small European buyout (Euro)

<p>North Sea Capital Ny Vesterdade 13.3 1471 Copenhagen K</p>	<p>Private Equity Invest in unquoted companies (Pooled fund of funds) (Euro)</p>
<p>Equitix Welken House 10-11 Charterhouse Square London EC1M 6EH</p>	<p>Infrastructure – PFI Projects</p>
<p>Temporis Capital Berger House 36-38 Berkeley Square Mayfair London W1J 5AE</p>	<p>Infrastructure – Onshore wind farms</p>
<p>Green Investment Bank Macquarie Infrastructure and Real Assets (MIRA) 28 Ropemaker Street London EC2Y 9HD</p>	<p>Infrastructure – Offshore wind farms</p>
<p>Access Capital Central Court 25 Southampton Buildings London WC2A 1AL</p>	<p>Infrastructure – European projects</p>
<p>I-Squared Capital 600 Brickell Penthouse Miami Florida 33131 USA</p>	<p>Infrastructure- Global projects</p>
<p>M &amp; G 10 Fenchurch Avenue London EC3M 5AG</p>	<p>Private Rental Sector UK</p>
<p>Schroders 1 London Wall Place London EC2Y 5AU</p>	<p>UK Property Funds</p>

## Risk management

On 19 September 2023 the Fund confirmed the adoption of a Risk Management Policy which details its risk management strategy including:

- the risk philosophy for the management of the Fund and, in particular, attitudes to and appetite for, risk;
- how risk management is implemented;
- risk management responsibilities;
- the procedures that are adopted in the Fund's risk management process; and
- the key internal controls operated by the Fund and other parties responsible for the management of the Fund

The Policy is included as Appendix A.

Following best practice, the Committee maintain a risk register which is reviewed by themselves and the Pension Board several times each year. Officers, the Committee and the Board attempt to identify all relevant risk scenarios together with an assessment of their potential likelihood and impact.

Risks have been identified in four categories – Governance, Funding, Investment and Operational – and mitigation work has concentrated on the relatively few but most important risks. For each risk, existing controls are identified and actions designed to mitigate them are considered.

Both the Investment Strategy Statement (Appendix E) and the Funding Strategy Statement (Appendix F) identify risks specific to the subject matters covered.

Additionally, the Fund Account and Net Assets Statement (Appendix B) includes a substantial section detailing the nature and extent of some specific risks. It covers price, currency and interest rate risks associated with financial instruments and provides sensitivity analyses showing the potential impact of these risks. It particularly details the valuation risks associated with unquoted private equity and infrastructure investments together with liquidity, re-financing and credit risk.

The Fund is also exposed to third party risk due largely to the outsourcing of its fund manager functions. It seeks assurance as to the efficacy of controls in operation by reviewing each manager's ISAE 3402 or equivalent report. The report is prepared by the manager's auditor who is expected to provide an opinion on the following lines:

*Our opinion has been formed on the basis of the matters outlined in this report. The criteria we used in forming our opinion are those described on pages .... to .....* In our opinion, in all material respects:

*(a) The description fairly presents the investment management services conducted on behalf of institutional clients invested in direct portfolios or pooled funds that were designed and implemented throughout the period from ..... to .....*;

*(b) The controls related to the control objectives stated in the description were suitably designed throughout the period from ..... to .....*; and

*(c) The controls tested, which were those necessary to provide reasonable assurance that the control objectives stated in the description were achieved, operated effectively throughout the period from ..... to .....*

The status for each of the managers is as follows:

<b>FUND MANAGER</b>	<b>TYPE OF REPORT</b>	<b>ASSURANCE OBTAINED</b>	<b>REPORTING ACCOUNTANT</b>
Legal and General	ISAE 3402 and AAF 01/06	Obtained	KPMG LLP
London CIV – RBC	CIV Third Party Controls Oversight Summary	Obtained	PWC
Aberdeen Standard	ISAE 3402 and AAF 01/20	Obtained	KPMG LLP
London CIV - PIMCO	CIV Third Party Controls Oversight Summary	Obtained	PWC
Wellington	Management Assertion Statement (American Institute of Certified Public Accountants)	Obtained	PWC
Pantheon	SSAE18 and ISAE 3402	Obtained	KPMG LLP
Knightsbridge	Annual financial statement audit of each fund includes consideration of internal controls	n/a	KPMG LLP
Access Capital	Funds' administrator, APEX Group Ltd. has ISAE 3402.	n/a	n/a
North Sea Capital	ISAE 3402 (Saltgate Group)	Obtained	Deloitte LLP
Equitix	Relies on Annual Audit, FCA and AIFMD requirements and independent custodian	n/a	n/a
Temporis Capital	Compliance and Procedures Manual	Obtained	n/a
Green Investment Bank	Internal Controls - Policies and Procedures	Obtained	n/a
I-Squared Capital	Management Assertion Statement (American Institute of Certified Public Accountants) SOC1 Type2 Report for The Citco Group	Obtained	Ernst and Young LLP
M & G	ISAE 3402 and AAF 01/20	Obtained	Ernst and Young LLP
Schroders	ISAE 3402 and AAF 01/20	Obtained	Ernst and Young LLP

During the year Mazars, the Fund's Internal Auditors carried out rolling quarterly audits covering contributions, transfer values, refunds, benefits, fund implications of deaths and performance monitoring. The results have been almost entirely positive.

## 3 GOVERNANCE AND TRAINING

### Governance Compliance Statement

The administering authority of a Fund is required to publish a Governance Compliance Statement. The Statement aims to make the administration and stewardship of the Scheme more transparent and accountable to stakeholders and provides the following information:

- how the Council, as the Fund's Administering Authority, discharges its responsibilities to maintain and manage the Fund in accordance with regulatory requirements;
- the structure of the decision making process;
- the frequency of Pension Committee meetings; and
- the voting rights of Committee members.

The Fund's Statement is attached as Appendix C.

### Governance

The Council discharges its duties through the Pension Committee ("the Committee"). The role of the Committee is

- To ensure that the Fund is properly operated in accordance with the Regulations, all other relevant legislation, codes, guidance and best practice as advised by The Pensions Regulator, including financial, governance and administrative matters;
- To adopt Fund specific policies concerning the administration of the Fund, investing of Fund monies and the management of the Fund's solvency level. In addition, the Committee is responsible for compliance with all financial and regulatory requirements of the Fund; and
- To discharge its fiduciary responsibility in the best interest of the Fund, in particular:
  - a. To set the investment policy and review the performance of the Fund's investment managers, pooling arrangements, scheme administration, and external advisers;
  - b. To make arrangements for the triennial actuarial valuation;
  - c. To determine the Pension Administration Strategy;
  - d. To approve and monitor compliance of statutory statements and policies required under the Regulations;
  - e. To approve the Fund's Statements of Accounts and Annual Report;
  - f. To ensure that the Council discharges its obligation, as Administering Authority for the Local Government Pension Scheme, to other Scheme employers;
  - g. To make representations to Government as appropriate concerning any proposed changes to the Local Government Pension Scheme; and
  - h. To keep these Terms of Reference under review.

The Committee comprises eight voting Members of the Council, one voting Pensioner Representative and two non-voting members being a Pensioner Representative and a Trade Union Representative.

The members of the Committee for the 2023/24 Municipal Year were:

Councillors:

Chair:	Callton Young
Vice-Chair:	Clive Fraser
	Simon Brew
	Patricia Hay-Justice
	Yvette Hopley
	Karen Jewitt
	Endri Llabuti
	Alasdair Stewart

Reserve Councillors

Richard Chatterjee, Stuart Collins, Alisa Flemming, Simon Fox, Stella Nabukeera, Appu Srinivasan, Nikhil Sherine Thampi, Robert Ward and Humayun Kabir

Other members:

Pensioners' Representatives:	Gilli Driver (Voting)
	Peter Howard (Non-voting)
Trade Union Representative:	Charles Quaye (Non-voting)

The Committee is supported by officers and independent external advisers.

As Administering Authority, the Council is required to establish a Local Pension Board to assist them with securing compliance with the Regulations and other legislation relating to the governance and administration of the Scheme and requirements imposed in relation to the Scheme by The Pensions Regulator.

During 2023/24 the members of the Board were:

Independent Chair:	Michael Ellsmore
Employer Representatives:	Richard Elliott
	Cllr Margaret Bird
Employee Representatives:	Teresa Fritz
	Ava Payne
	Daniel Whickman

Board members, (excluding the Chair), have individual voting rights but it is expected they will, as far as possible, reach a consensus on the matters considered. There was a vacancy for an additional Employer Representative throughout the year.

The Board is supported by officers and independent external advisers.

## Attendance at Meetings

Attendance at the meetings of the Committee and the Board by the members during the 2023/24 Municipal Year was as follows:

Date of Committee Meeting	20 June 2023	19 September 2023	12 December 2023	19 March 2024
Councillor Callton Young	✓	✓	✓	✓
Councillor Clive Fraser	✓	✓	✓	✓
Councillor Simon Brew	✓	✓	✓	✓
Councillor Stuart Collins - Reserve		✓	✓	
Councillor Patricia Hay-Justice	✓	✓		✓
Councillor Yvette Hopley	✓	✓	✓	✓
Councillor Karen Jewitt	✓		✓	✓
Councillor Endri Llabuti		✓	✓	✓
Councillor Alasdair Stewart	✓	✓	✓	✓
Councillor Robert Ward - Reserve	✓			
Gilli Driver (Pensioner Representative)	✓	✓	✓	✓
Peter Howard (Pensioner Representative)	✓	✓	✓	✓
Charles Quaye (Union Representative)		✓		

Date of Board Meeting	27 July 2023	19 October 2023	17 January 2024
Michael Ellsmore	✓	✓	✓
Richard Elliott	✓	✓	✓
Councillor Margaret Bird	✓	✓	✓
Teresa Fritz	✓	✓	✓
Ava Payne	✓	✓	
David Wickman	✓	✓	✓

The Annual Report of the Board is attached as Appendix D.

## Business Conducted at Pension Committee Meetings

Most of the normal routines were successfully completed including the regular monitoring of investment and administration performance, the distribution of annual benefit statements, the Risk Register and the Breaches of the Law log.

Specific projects included:

- Conflicts of Interest Policy – June and September 2023
- Governance Policy - June 2023
- Governance Best Practice Compliance Statement - June 2023
- Administration Strategy - June 2023
- Contract for the provision of Actuarial Services – June 2023
- Investment Strategy Review – June 2023
- Representation Policy – September 2023
- Risk Management Policy – September 2023
- Training Update – September 2023, December 2023 and March 2024
- London CIV Pooling and Savings – September 2023
- Investment Strategy Statement – September 2023
- Responsible Investment Policy – September 2023
- Admissions Policy – December 2023
- Academies Policy – December 2023
- Funding Strategy Statement – December 2023
- Cyber Security Strategy – December 2023
- London CIV Sustainable Equity Exclusion Fund – December 2023
- Audit Findings Report 2019/20 – March 2024
- Training Plan 2024/25 – March 2024
- Communications Policy Statement – March 2024
- Data Retention and GDPR - March 2024
- Inter-valuation funding update – March 2024
- Investment in London CIV MAC Fund – March 2024

At the beginning of each meeting of the Committee and the Board members are invited to declare any disclosable pecuniary interests and other registrable and non-registrable interests they may have in relation to any items of business on the agenda.

## Training

On 14 June 2022 the Committee agreed an updated Knowledge and Skills Policy and adopted the revised CIPFA Knowledge and Skills Framework. The Policy will be reviewed in 2025/26 to incorporate the requirements of The Pensions Regulator New General Code of Practice.

During the year members of both the Committee and the Board and officers were given access to a range of opportunities to develop their skills in keeping with the Framework including specifically online programmes provided by Aon and Hymans Robertson and events hosted by the Local Government Association.

The Fund is a member of the CIPFA Pensions Network which gave officers access to an extensive programme of events, training, weekly newsletters and briefing notes on the latest topical issues. Officers attended quarterly forum meetings with peers from other London boroughs which provided further access to opportunities for knowledge sharing and benchmarking data.

A variety of training opportunities were provided during the year for members of the Committee and Board including tailored sessions delivered by Mercers on Environmental, Social and Governance matters and Aon on cyber security and an Aon webinar on the The Pensions Regulator New General Code of Practice. Members were able to attend the LGA Fundamentals training programme and the CIPFA Board webinar. Before the Committee meeting in December 2023 members of the Committee attended a presentation on investments and, separately one member attended an external investment training event. Opportunities were offered to members to attend the PLSA LGPS Conference and the LGA Governance Conference.

The Fund also provided access to the Hymans online training facility which allowed access at any time to ensure maximum convenience for members.

Updates on training undertaken by members were provided at the Board meetings of July 2023, October 2023 and January 2024 and the Committee meetings of September 2023, December 2023 and March 2024.

## 4 FINANCIAL PERFORMANCE

On 14 March 2023 the Pension Committee agreed their Business Plan for 2023-26 which included the budget for 2023-24 as follows:

*FUND ACCOUNT	2023/24 £'000
<b>Dealing with members and employers</b>	
Contributions receivable	67,000
Benefits payable	-58,000
<b>Management expenses</b>	
Administration	-1,595
Oversight and governance	-1,012
Investment management	-14,098
<b>Return on investments</b>	9,000
<b>NET INCREASE IN FUND</b>	<b>1,295</b>

Individual transfers between funds, commutations, refunds and lump sum benefits are significant but cannot be estimated with accuracy and are therefore not included in the budget.

Actual expenditure and income in 2023/24 and the previous years was as follows:

FUND ACCOUNT	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
<b>Dealing with members and employers</b>				
Contributions - members	14,743	14,191	15,062	15,724
Contributions - employers	54,313	46,808	49,998	54,129
Transfers in	8,002	26,083	7,945	28,149
Pensions	-47,837	-48,825	-51,781	-57,979
Lump sums	-9,374	-11,342	-10,642	-12,853
Transfers out	-7,031	-10,480	-18,086	-15,291
<b>Net additions/withdrawals (-)</b>	<b>12,816</b>	<b>16,435</b>	<b>-7,504</b>	<b>11,879</b>
<b>Management expenses</b>				
Administration	-1,368	-1,687	-1,622	-1,517
Oversight and governance	-818	-1,070	-1,199	-787
Investment management	-12,375	-13,933	-14,935	-12,986
<b>Total management expenses</b>	<b>-14,561</b>	<b>-16,690</b>	<b>-17,756</b>	<b>-15,290</b>
<b>Return on investments</b>				
Income	7,309	9,538	9,505	13,131
Change in market value	275,295	181,452	-37,398	195,573
<b>Total return on investments</b>	<b>282,604</b>	<b>190,990</b>	<b>-27,893</b>	<b>208,704</b>
<b>NET INCREASE IN FUND</b>	<b>280,859</b>	<b>190,735</b>	<b>-53,153</b>	<b>205,293</b>

In three of the last four years the Fund asset value has increased substantially, in 2023/24 by £205m to £1,881m overall.

The Fund's performance is measured against its own customised benchmark of CPI plus 4%. During the 2023/24 financial year it returned 11.5%, outperforming its benchmark by 4.2%. This good performance was due primarily to the return of 24.5% from the global equities fund with significant positive returns from the Sustainable Equity Exclusion investment and the fixed income mandates partly offset by negative returns from most of the private equity and infrastructure funds. Over the 3 years' and 5 years' periods the Fund has underperformed its CPI +4% target, although with inflation running at 7% and 4.6% over these periods, this is unsurprising. Absolute returns of 6.5%p.a (3 year) and 7.9% (5 year) are extremely positive for the Fund.

The Fund's main currency exposures are to the US Dollar and the Euro and the Fund operates a currency hedge on 50% of the Legal and General Developed World (ex-tobacco) Equities fund in order to mitigate against the risk from currency volatility.

The annualised investment returns of the Fund for 1, 3 and 5 years are as follows:

	<b>FUND (% PER YEAR)</b>	<b>BENCHMARK (% PER YEAR)</b>
<b>1 Year</b>	11.5	7.3
<b>3 Years</b>	6.5	11.0
<b>5 Years</b>	7.9	8.6

Officers and the Pension Committee monitor investment performance continuously and seek advice from the Fund's independent Investment Adviser as necessary.

UNIT COSTS	2020/21	2021/22	2022/23	2023/24
<b>Administration, oversight and governance costs</b>				
Administration costs (£'000)	1,368	1,687	1,622	1,517
Administration costs per member (£)	45.45	54.96	52.09	47.46
Oversight and governance costs (£'000)	818	1,070	1,199	787
Oversight and governance costs per member (£)	27.18	34.86	38.50	24.62
<b>Total administration, oversight and governance costs per member (£)</b>	<b>72.63</b>	<b>89.82</b>	<b>90.59</b>	<b>72.08</b>
Investment management costs (£'000)	12,375	13,933	14,935	12,986
Investment management costs as percentage of investment assets	0.82	0.83	0.92	0.71

At the end of the year the staffing position was as follows:

	Full time equivalents	Vacancies
Investment and Treasury	6	2
Governance and Compliance	3	1
Administration	15	1
Technical Support	2	-

## 5 FUND ACCOUNT, NET ASSETS STATEMENT AND NOTES

The Fund Account and Net Assets Statement with supporting notes and disclosures is attached as Appendix B.

## 6. INVESTMENTS AND FUNDING

### Introduction

The strategic management of the investment assets is one of the responsibilities of the Pension Committee which it carries out in consultation with the Fund's Investment Adviser. Day-to-day management of the investments is the responsibility of fund managers, who have been appointed by the Committee, acting under agreed mandates, and Council officers acting under delegated powers.

Performance of the fund managers is reviewed formally at the Committee meetings. To assist the Committee, reports on managers' performance are provided by the Council's officers and the Investment Adviser. Additionally, the Council's officers and the Adviser meet the managers regularly to review their actions together with the reasons for their investment performance.

The Fund employs The Bank of New York Mellon as an independent custodian for use as required. However, as the proportion of its assets managed on a pooled basis through the London CIV increases the role of the custodian will be reviewed.

### Investment Strategy Statement

In accordance with Regulation 7 of the Local Government Pension Scheme (Management and Investment of Funds) regulations 2016 and Guidance from the, then, Ministry of Housing, Communities and Local Government the Fund is required to prepare, maintain and publish an Investment Strategy Statement. The Statement must contain:

- the strategy and processes in place for managing investment risk;
- allocations of investments across asset classes;
- approach to pooling and participation in national asset pools;
- risk management arrangements;
- social and environmental policies and corporate governance considerations; and
- the exercise of rights attached to investments.

On 19 September 2023, the Committee adopted an Investment Strategy Statement in accordance with relevant Regulations and Guidance. The full Statement is attached as Appendix E.

The Fund's goal is to ensure there are sufficient assets to meet all liabilities as they fall due and the links between the Investment Strategy Statement and the Funding Strategy Statement (see below) are very close. In order to achieve this goal the Committee has adopted the following specific objectives:

- Achieve a return on investments which at least meets the assumed return (the discount rate) used by the Actuary when setting the triennial valuation;
- Keep risk within acceptable levels; and
- Maintain liquidity requirements to pay liabilities when they fall due.

As set out in the Regulations, the Committee reviews the Investment Strategy Statement from time to time and at least every three years. In the event of any material change to any matter contained within the Statement, this will be reflected within six months of it occurring.

### **Funding Strategy Statement**

Under the Regulations (Regulation 58 of the Local Government Pension Scheme Regulations 2013 as amended) the Fund is required to prepare, maintain and publish a Funding Strategy Statement.

It is prepared, usually at the time of the triennial valuation, in collaboration with the Fund's Actuary and in consultation with the Fund's employers and investment advisers. The current Statement was published in March 2023 and sets out the objectives of the Strategy as:

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

The full Statement is attached as Appendix F.

### **Pooling**

In 2015 the, then, Department of Housing, Communities and Local Government issued Guidance which set out how the Government expected funds to establish asset pooling arrangements. The objective was to deliver:

- benefits of scale;
- strong governance and decision making;
- reduced costs and excellent value for money; and
- an improved capacity and capability to invest in infrastructure.

By that time, as a founder member, Croydon had already voluntarily joined the London Collective Investment Vehicle (London CIV). The London CIV's stated objectives are to deliver broader investment opportunities and enhanced cost efficiencies than funds can achieve individually and overall better risk adjusted performance. It is FCA regulated and, with all the London borough funds as members, was the first of the eight asset pools in England and Wales to become established.

Since its founding in 2014 the London CIV has developed its governance structure with the key component being a Shareholders Committee which must be consulted by the Board on

specified matters. The Committee is made up of Council members and officers of shareholders agreed via a methodology specified in the Terms of Reference.

As at 31 March 2024 the Fund had investments of £177.3m (9.8% of its investments) invested in sub-funds managed by the London CIV and a further £835.5m (46.1%) within the pooling umbrella but not managed by the London CIV.

During the year no formal changes were made to the Fund's investment strategy and the Committee consider that they continue to show a significant commitment to the pooling concept. In view of the Fund's substantial holdings in relatively illiquid private equity, infrastructure and property funds it appears likely that, in the short term, any further investments to sub funds of the London CIV will be limited.

Details of the movements in the Fund over the year are shown below:

	31/03/23 £'000	31/03/23 %	30/09/23 £'000	30/09/23 %	31/03/24 £'000	31/03/24 %
<b>POOLED INVESTMENTS</b>						
<b>Equities</b>						
LGIM	670,863	41.1	702,002	41.3	835,459	46.1
RBC	77,964	4.8	76,527	4.5	90,231	5.0
<b>Fixed Interest</b>						
PIMCO	81,804	5.0	80,521	4.8	87,029	4.8
<b>SUB-TOTAL</b>	<b>830,631</b>	<b>50.9</b>	<b>859,050</b>	<b>50.6</b>	<b>1,012,719</b>	<b>55.9</b>
<b>OTHER</b>	<b>786,430</b>	<b>48.5</b>	<b>791,933</b>	<b>46.6</b>	<b>791,481</b>	<b>43.7</b>
<b>CASH</b>	<b>10,634</b>	<b>0.6</b>	<b>47,317</b>	<b>2.8</b>	<b>7,623</b>	<b>0.4</b>
<b>TOTAL</b>	<b>1,627,695</b>	<b>100.0</b>	<b>1,698,300</b>	<b>100.0</b>	<b>1,811,823</b>	<b>100.0</b>

Estimated savings arising from the pool investments during 2023/24 were as follows:

	Assets under management 31/03/24 £'000	Estimated gross fees savings £'000	Management fees £'000	Development funding charge £'000	Estimated net fees savings £'000
LGIM	835,459	434	(37)		397
RBC	90,231	98	(20)		78
PIMCO	87,029	168	(4)		164
Development funding charge				(101)	(101)
<b>TOTAL</b>	<b>1,012,719</b>	<b>700</b>	<b>(61)</b>	<b>(101)</b>	<b>538</b>

## Asset Allocation

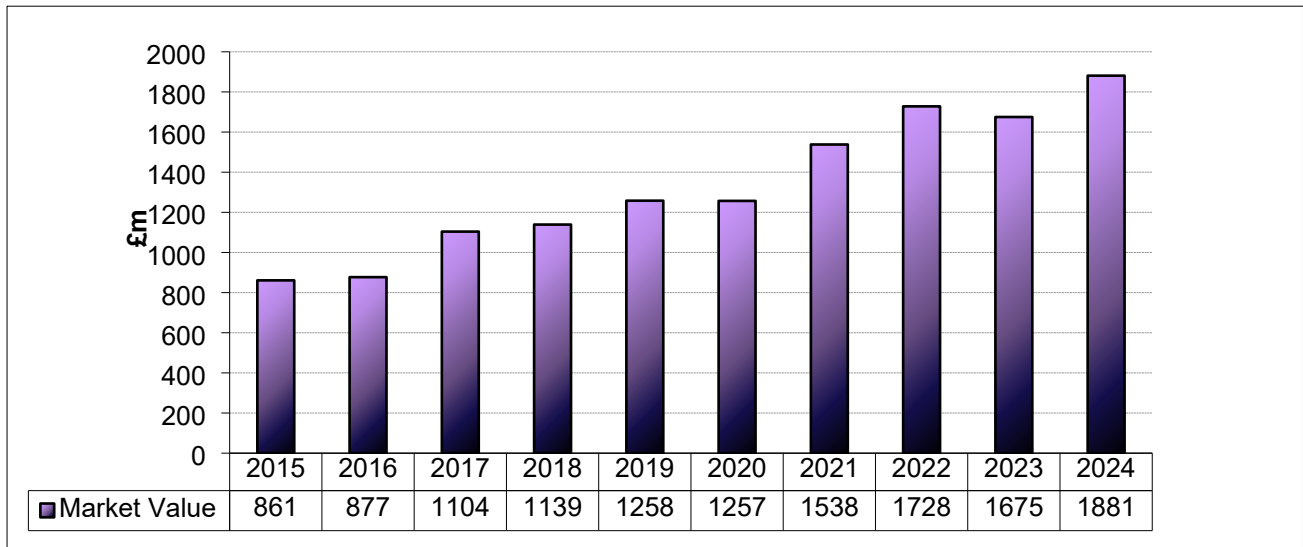
The strategic asset allocation target was agreed by the Committee on 19 September 2023 and incorporated in the Investment Strategy Statement. The target allocation is as follows:

<b>ASSET CLASS</b>	<b>TARGET ALLOCATION</b> %	<b>OPERATIONAL RANGE</b> %	<b>REGULATION MAXIMUM</b> %
<b>Developed Equities</b>	<b>42</b>	<b>37-47</b>	<b>60</b>
<b>Fixed Interest</b>	<b>23</b>	<b>15-28</b>	<b>28</b>
<b>Alternatives</b>	<b>34</b>	<b>29-39</b>	<b>40</b>
Infrastructure	12	7-17	17
Private Equity	10	5-15	15
Property (Core and Residential)	12	7-17	17
<b>Cash</b>	<b>1</b>	<b>0-10</b>	<b>Not applicable</b>

The distribution of the Fund's investment assets among fund managers at 31 March 2023 and 31 March 2024 is detailed below.

<b>Fund Manager</b>	<b>Investment Mandate</b>	<b>% of Investment Assets at 31 March 2023</b>	<b>% of Investment Assets at 31 March 2024</b>
Legal and General	Developed World (Ex-tobacco) Equities (pooled)	41.1	46.1
London CIV - RBC (UK)	Sustainable Equity Exclusion	4.8	5.0
London CIV	Global Equities		
Aberdeen Standard	UK Corporate Bonds and Absolute Return Bonds	7.1	7.3
London CIV - PIMCO	Global Bonds (Pooled)	5.0	4.8
Wellington	Sterling Bonds	3.5	3.2
Pantheon	Private Equity Invest in unquoted companies (Pooled fund of funds) (US Dollar & Euro)	4.4	3.8
Knightsbridge	Private Equity – Venture Capital (Pooled fund of funds) (US Dollar)	3.8	3.3
Access Capital	Private Equity - Co-Investment small European buyout (Euro)	1.0	1.0
North Sea Capital	Private Equity Invest in unquoted companies (Pooled fund of funds) (Euro)	1.3	1.2
Equitix	Infrastructure – PFI Projects	4.8	4.0
Temporis Capital	Infrastructure – Onshore wind farms	4.8	4.1
Green Investment Bank	Infrastructure – Offshore wind farms	1.3	1.1
Access Capital	Infrastructure – European projects	2.1	2.2
I-Squared Capital	Infrastructure	1.9	1.8
M & G	Private Rental Sector UK	3.8	3.4
Schroders	UK Property Funds	8.7	7.3
Cash		0.6	0.4
<b>TOTAL</b>		<b>100.0</b>	<b>100.0</b>

9+The net assets of the Fund at 31 March 2024 were £1,881m compared with £861m at 31 March 2015. The chart below shows the growth of the assets over the past ten years.



## 7 ADMINISTRATION

The Fund's Administration Strategy Statement is attached as Appendix G.

### Activity and Key Performance Indicators

The Fund's Administration Team carry out a wide range of functions in support of the members.

Performance in 2023/24 against some of the most important of the metrics was as follows:

PROCESS	LEGAL REQUIREMENT	TOTAL NUMBER COMPLETED	% ACHIEVED WITHIN LEGAL DEADLINE
Notify the amount of retirement benefits	One month from the date of retirement if on or after normal pension age or two months from the date of retirement if after normal pension age	645	100
Provide a retirement quotation on request	As soon as practicable but no more than two months from the date of request unless there has already been a request in the last 12 months.	855	100
Calculate and notify dependent(s) of amount of death benefits	As soon as possible but, in any event, no more than two months from the date of becoming aware of death or from date of request from a third party (eg personal representative).	344	99
Send a notification of joining the LGPS to a Scheme member	Two months from the date of joining the Scheme or earlier if within one month of receiving jobholder information where the individual is being automatically enrolled / re-enrolled	1,918	100
Inform a member who has left the Scheme of their calculated benefits	As soon as practicable and no more than two months from the date of notification (from employer or Scheme member)	934	75
To process and pay a refund	Two months from the date of request	154	99
Obtain transfer details for transfer in, calculate and provide quotation to member	Two months from date of request	26	100

<b>TEAM PERFORMANCE TARGETS</b>				
<b>PROCESS</b>	<b>TEAM TARGET</b>	<b>TOTAL NUMBER COMPLETED</b>	<b>% ACHIEVED AGAINST TARGET</b>	<b>AVERAGE DAYS TO PROCESS</b>
Notify the amount of retirement benefits	20 working days from date of retirement	645	100	2
Provide a retirement quotation on request	15 working days from date of request	855	99	3
Calculate and notify dependent(s) of amount of death benefits	20 working days from receipt of all information	344	97	4
Send a notification of joining the LGPS to a Scheme member	30 days from date of notification of joining member	1,918	99	3
Inform a member who has left the Scheme of their calculated benefits	40 working days from date of notification (from employer or Scheme member)	934	73	111
To process and pay a refund	40 working days from the date of request	154	99	5
Obtain transfer details for transfer in, calculate and provide quotation to member	40 working days from date of request	26	92	3

## Fund members and employers

The tables below detail the growth in membership of the Fund over the last year.

	As at 31 March 2024	As at 31 March 2023	Variance	% change
Contributing members	9,853	9,889	-36	-0.4
Deferred pensioners	12,274	11,813	461	3.9
Pensioners	9,836	9,439	397	4.2
<b>TOTAL</b>	<b>31,963</b>	<b>31,141</b>	<b>822</b>	<b>2.6</b>

During 2023/24 employers made payments into the Fund as follows:

EMPLOYERS IN FUND	Employees' Contributions £'000	Employers' Contributions £'000	Total Contributions £'000
<b>London Borough of Croydon Pool</b>			
London Borough of Croydon	9,278	31,820	41,098
Schools	1,173	4,444	5,617
<b>Total Contributions from Pool</b>	<b>10,451</b>	<b>36,264</b>	<b>46,715</b>
<b>(Community) Admitted Bodies</b>			
Croydon Voluntary Action	33	101	134
<b>Admitted Bodies</b>			
Arthur McKay Ltd	3	0	3
AXIS Europe plc (Housing Repairs)	6	22	28
Brick by Brick Croydon Ltd	2	6	8
Churchill Services Ltd	3		3
FM Conway Construction & Training Ltd	7	25	32
Greenwich Leisure Ltd	16	48	64
Idverde Ltd (SWLP3)	54	148	202
Milestones Infrastructure Ltd	4	22	26
Olive Dining Ltd	1	6	7
Olympic (South) Ltd	5	18	23
SLWP	15	40	55
SLWP2	208	575	783
Sodexo Ltd	2	10	12
Veolia	7	0	7

Vinci Facilities Ltd	2	0	2
Wallington Cars and Couriers Ltd	1	0	1
Westgate Cleaning Services Ltd	0	2	2
XMA	0	2	2
<b>Total Contributions from Admitted Bodies</b>	<b>369</b>	<b>1,025</b>	<b>1,394</b>
<b>Scheduled Bodies</b>			
Aerodrome Primary Academy	40	136	176
Applegarth Academy	23	78	101
Ark Blake Academy	28	83	111
Ark Oval Primary Academy	52	153	205
Broadmead Primary School	26	151	177
Castle Hill Academy	22	55	77
Chestnut Park Primary School	43	155	198
Chipstead Valley Primary School	83	309	392
Coloma Convent	60	211	271
Courtwood Primary School	30	137	167
Croydon College ( Further Education)	442	1,581	2,023
David Livingstone Primary School	15	41	56
Fairchildes Primary School	67	190	257
Folio Education Trust	189	681	870
Forest Academy	20	66	86
Gonville Academy	287	1,052	1,339
Harris Academy Purley	52	191	243
Harris Academy South Norwood	114	312	426
Harris City Academy Crystal Palace	587	1,311	1,898
Harris Croydon (previously Kingsley) Primary Academy	25	159	184
Harris Invictus Academy Croydon	57	174	231
Harris Primary Academy Benson	17	68	85
Harris Primary Academy Haling Park	31	117	148
Harris Primary Academy Kenley	25	79	104
Harris Primary Academy Purley Way	39	134	173
Heathfield Academy	18	61	79

John Wood (previously Davidson) Primary School	22	131	153
Kenley Primary School	18	70	88
Keston Primary School	34	148	182
Krishna Avanti Primary School	12	30	42
Manor Trust (previously Kensington Avenue Primary School)	60	245	305
Meridian (Addington) High School	68	198	266
Minster Infants	37	88	125
Minster Juniors	36	148	184
Monks Orchard Primary School	23	106	129
New Valley Primary School	16	65	81
Norbury High School for Girls	73	269	342
Oasis Academy Arena	37	123	160
Oasis Academy Byron	22	78	100
Oasis Academy Coulsdon	80	281	361
Oasis Academy Ryelands	32	135	167
Oasis Academy Shirley Park	110	411	521
Orchard Park High School	46	225	271
Orchard Way School	18	73	91
Paxton Academy	15	43	58
Riddlesdown Collegiate	183	598	781
Robert Fitzroy Academy	56	183	239
Rowdown Primary School	31	113	144
St Aidan's Catholic Primary School	22	93	115
St Chad's Catholic Primary School	37	155	192
St Cyprian's Greek Orthodox Primary Academy	36	135	171
St James the Great Academy	48	204	252
St Joseph's College	68	277	345
St Mark's C of E Primary Academy	8	30	38
St Mary's Catholic Infants School	28	142	170
St Mary's Catholic Junior School	23	99	122
St Thomas Becket Catholic Primary School	32	120	152
Shirley High School	52	166	218
South Norwood Academy	28	115	143

The Archbishop Lanfranc Academy	66	323	389
The Beckmead Trust	180	596	776
The BRIT School	187	448	635
The Crescent Primary School	35	111	146
The Good Shepherd Catholic Primary School	24	112	136
The Pegasus Academy Trust	238	844	1,082
The Quest Academy	52	189	241
The Quest Gilbert Scott	26	130	156
Tudor Academy – Wolsey Juniors STEP	31	95	126
The Woodside Academy	42	156	198
West Thornton Primary School	66	233	299
Winterbourne Boys Academy	7	31	38
Woodcote High School	85	326	411
Woodcote Primary School	62	264	326
<b>Total Contributions from Scheduled Bodies</b>	<b>4,904</b>	<b>16,840</b>	<b>21,744</b>
<b>TOTAL CONTRIBUTIONS</b>	<b>15,724</b>	<b>54,129</b>	<b>69,853</b>

## Communications policy

Under Regulations the Fund is required to prepare, maintain and publish a Communications Policy Statement. The Fund's Statement is expected to cover:

- its policy as regards communicating with interested parties including members and other employers within the scheme; and
- the method and frequency of communications used such as newsletters, annual benefit statements and the pensions website.

The current Statement was published in March 2024 and is attached as Appendix H.

Below is a summary of communications produced by the Fund and the format used.

COMMUNICATION MATERIAL	FORMAT			WHEN PUBLISHED	WHEN REVIEWED
	PAPER	ELECT	INTERNET		
Pension Scheme Guide	✓	✓	✓	Constantly available	Annually
Topping Up Benefits	✓	✓	✓	Constantly available	Annually
Annual Benefit Statements	✓	✓		Annually	Annually
Statutory Notifications	✓	✓		On joining and Annual Benefit Statement	Annually
Members Self Service		✓	✓	On joining	Continually
Pension Updates	✓	✓	✓	As required	After each publication
Annual Pension Fund Report	✓	✓	✓	Annually	Annually
Early Leaver Information	✓	✓	✓	Sent with deferred benefits statement	Annually
Early Leaver Guidance	✓	✓		Constantly available	Annually
Retirement Information	✓	✓	✓	Sent with retirement details	Annually
Retirement Guidance	✓	✓	✓	Constantly available	Annually
Pension Increase - Incorporated in the Pensioners Newsletter	✓	✓	✓	Annually	Annually
Actuarial Valuation Report	✓	✓	✓	Triennially	Triennially
Pension Committee	✓	✓	✓	Quarterly	Quarterly
Pension Board	✓	✓	✓	Quarterly	Quarterly
Communications Policy Statement	✓	✓	✓	Annually	Annually
Governance Compliance Statement	✓	✓	✓	Annually	Annually

## 8 ACTUARIAL REPORT

In accordance with the Regulations the Fund commissions a revaluation of its assets and liabilities every three years. The most recent valuation was produced by the Actuary during 2022/23 reflecting the position as at 31 March 2022 with the following results:

ACTUARIAL VALUATION	31 March 2010	31 March 2013	31 March 2016	31 March 2019	31 March 2022
Assets (£m)	583	705	877	1,258	1,731
Liabilities (£m)	884	1,064	1,203	1,423	1,790
Deficit (£m)	301	359	326	165	59
Funding Level (%)	66	66	73	88	97

The key financial assumptions underpinning the valuation were:

FINANCIAL ASSUMPTIONS	31 March 2022 %
Discount rate	4.0
Pay increases	2.7
Benefit increases / CARE revaluation	2.7

Demographic assumptions are more complex and can be seen in the Actuarial Report. The Fund's target to achieve full funding is 20 years and employers' contribution rates are set to give a high likelihood of achieving this.

At the valuation, contribution rates were set for the Council and for approximately 100 Admitted and Scheduled bodies. The percentage of pensionable pay set for the Council for 2023/24 was 23.2% whilst for all other bodies it ranged from zero to over 30%.

A copy of the Actuarial Valuation Report is attached as Appendix I.

## **9 EXTERNAL AUDIT OPINION**

## 10 VOTING

Paragraph 7 of the Investment Strategy Statement describes the Fund's Voting Strategy as follows:

*7.1 The Fund recognises the importance of its role as stewards of capital and the need to ensure the highest standards of governance and promoting corporate responsibility in the underlying companies in which its investments reside. The Fund recognises that ultimately this protects the financial interests of the Fund and its ultimate beneficiaries. The Fund has a commitment to actively exercising the ownership rights attached to its investments reflecting the Fund's conviction that responsible asset owners should maintain oversight of the companies in which it ultimately invests recognising that the companies' activities impact upon not only their customers and clients, but more widely upon their employees and other stakeholders and also wider society.*

*7.2 The Fund has delegated responsibility for voting rights to the Fund's external investment manager, currently LGIM, and expects them to vote in accordance with the Fund's voting policy.*

*7.3 The Fund will incorporate a report of voting activity as part of its Pension Fund Annual report which is published on the Pension Fund website.*

*7.4 The Fund has not issued a separate Statement of Compliance with the Stewardship Code, but fully endorses the principles embedded in the seven Principles of the Stewardship Code.*

*7.5 The Fund expects its external investment managers to be signatories of the Stewardship Code and reach Tier One level of compliance or to be seeking to achieve a Tier One status within a reasonable timeframe. Where this is not feasible the Fund expects a detailed explanation as to why it will not be able to achieve this level.*

*7.6 In addition, the Fund expects its investment managers to work collaboratively with others if this will lead to greater influence and deliver improved outcomes for shareholders and more broad*

*7.7 The Fund through its participation in the London CIV will work closely with other LGPS Funds in London to enhance the level of engagement both with external managers and the underlying companies in which invests.*

*7.8 In addition the Fund:*

- Is a member of the Local Authority Pension Fund Forum (LAPFF) and in this way joins with other LGPS Funds to magnify its voice and maximise the influence of investors as asset owners;*
- is a member of the Pension and Lifetime Savings Association (PLSA) and in this way joins with other investors to magnify its voice and maximise the influence of investors as asset owners;*
- Joins wider lobbying activities where appropriate opportunities arise.*

## 11 ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES

Paragraph 6 of the Investment Strategy Statement describes the Fund's Environmental, Social and Governance Strategy as follows:

*6.1 The Fund is committed to being a long term steward of the assets in which it invests and expects this approach to protect and enhance the value of the Fund in the long term. In making investment decisions, the Fund seeks and receives proper advice from internal and external advisers with the requisite knowledge and skills. In addition the Pension Committee undertakes training on a regular basis and this will include training and information sessions on matters of social, environmental and corporate governance.*

*6.2 The Fund requires its investment managers to integrate all material financial factors, including corporate governance, environmental, social, and ethical considerations, into the decision-making process for all fund investments. It expects its managers to follow good practice and use their influence as major institutional investors and long-term stewards of capital to promote good practice in the investee companies and markets to which the Fund is exposed.*

*6.3 The Fund will only invest in investments with a strong environmental, social and governance policy that includes no tobacco investments over time. Furthermore, where this is consistent with the agreed investment strategy, the Fund will invest in assets that positively address these (same) environmental, social and governance policy issues.*

*6.4 The Fund expects its external investment managers (and specifically the London CIV through which the Fund will increasingly invest) to undertake appropriate monitoring of current investments with regard to their policies and practices on all issues which could present a material financial risk to the long term performance of the Fund such as corporate governance and environmental factors. The Fund expects its fund managers to integrate material ESG factors within its investment analysis and decision making.*

*6.5 Effective monitoring and identification of these issues can enable engagement with boards and management of investee companies to seek resolution of potential problems at an early stage. Where collaboration is likely to be the most effective mechanism for encouraging issues to be addressed, the Fund expects its investment managers to participate in joint action with other institutional investors as permitted by relevant legal and regulatory codes.*

*6.6 The Fund monitors this activity on an ongoing basis with the aim of maximising its impact and effectiveness.*

*6.7 The Fund will invest on the basis of financial risk and return having considered a full range of factors contributing to the financial risk including social, environment and governance factors to the extent these directly or indirectly impact on financial risk and return.*

*6.8 The Fund in preparing and reviewing its Investment Strategy Statement will consult with interested stakeholders including, but not limited to Fund employers, investment managers, Local Pension Board, advisers to the Fund and other parties that it deems appropriate to consult with.*

## **12 MAIN FEATURES OF LOCAL GOVERNMENT PENSION SCHEME**

### **1 Eligibility for Membership**

Membership is generally available to employees of participating employers who have contracts of at least 3 months, are under age 75, and are not eligible for membership of another statutory pension scheme. Employees of designating bodies or admitted bodies can only join if covered by a relevant agreement.

### **2 Benefits on Death in Service**

A lump sum may be payable on death in service. This is three times the member's annual assumed pensionable pay. The Administering Authority has absolute discretion over the distribution of this lump sum among the deceased's relatives, dependants, personal representatives or nominees. In some circumstances a death grant may not be payable if the member has other LGPS benefits with another authority that would produce a higher death grant lump sum. Pensions may also be payable to the member's widow, widower, civil partner, cohabiting partner (subject to certain conditions) and dependant children.

### **3 Benefits on Retirement**

For membership from April 2014 onwards, pension benefits are based on career average revalued earnings and the accrual rate is 1/49<sup>th</sup>. Benefits for earlier membership consist of a pension calculated as 1/60<sup>th</sup> of final pay for each year of membership accrued from 1 April 2008 to 31 March 2014. The accrual rate is 1/80<sup>th</sup> of final pay for each year of membership accrued before 1 April 2008 plus a lump sum of three times the pension. Actual membership may be enhanced automatically in cases of ill health retirement. Employers may choose to increase pension. Members can normally exchange some pension to provide a bigger lump sum.

### **4 Benefits on Death after Retirement**

For members who left the scheme after 1 April 2008 a death grant is payable if less than 10 years pension has been paid and the pensioner is under age 75 at the date of death, in which case the balance of 10 years pension could be paid as a lump sum. For members who left the scheme between 1 April 1998 and 31 March 2008 a grant is payable if less than 5 years pension has been paid and the pensioner is under age 75 at the date of death, in which case the balance of 5 years pension could be paid as a lump sum. For members who left the scheme prior to 1 April 1998 any potential death grant will be calculated by the Pension Team. In some circumstances a death grant may not be payable if the member has other LGPS benefits with another authority that would produce a higher death grant lump sum. Pensions are also generally payable to the pensioner's widow, widower, civil partner, cohabiting partner (subject to certain conditions) and dependant children.

## 5 Extra Benefits

The scheme offers several ways for members to improve benefits:

- Payment of additional pension contributions (APCs) to buy extra pension; and
- A money purchase additional voluntary contribution (AVC) scheme which operates with the Prudential offering pension and life assurance options.

## 6 Employee contributions

The bands of contribution rates are as shown below for contributions taken in respect of pensionable pay received from 1 April 2023. The employee pays contributions at the appropriate band rate on all pensionable pay received in respect of that job (or at half that rate if the employee is in the 50/50 scheme).

Band	Actual pensionable pay for an employment	Contribution rate for that employment – main scheme	Contribution rate for that employment – 50/50 scheme
1	Up to £16,500	5.50%	2.75%
2	£16,501 to £25,900	5.80%	2.90%
3	£25,901 to £42,100	6.50%	3.25%
4	£42,101 to £53,300	6.80%	3.40%
5	£53,301 to £74,700	8.50%	4.25%
6	£74,701 to £105,900	9.90%	4.95%
7	£105,901 to £124,800	10.50%	5.25%
8	£124,801 to £187,200	11.40%	5.70%
9	£187,201 or more	12.50%	6.25%

## 7 Age of retirement

Normal retirement age is now linked to State Pension Age, but:

- pension benefits are payable at any age if awarded due to ill health;
- members may retire with fully accrued benefits from age 55 onwards if their retirement is on grounds of redundancy or business efficiency;
- members who have left employment may request payment of benefits from age 55 onwards. Actuarial reductions may apply where benefits come into payment before the State Pension Age.
- members who remain in employment may also ask to retire flexibly from age 55 onwards if they reduce their hours of work or grade. Employer consent is required and actuarial reductions may apply.
- payment of benefits may be delayed beyond State Pension Age but only up to age 75.

## 8 Pensions Increases

Pensions payable to members who retire on health grounds and to dependants in receipt of a pension in respect of a deceased member are increased annually by law in line with increases in inflation. Pensions payable to other members who have reached the age of 55 also benefit from this annual inflation proofing. Where a member has an entitlement to a Guaranteed Minimum Pension (which relates to membership up to 5 April 1997), some or all of the statutory inflation proofing may be provided by the Department for Work and Pensions through the State Pension.

LGPS pensions are increased in line with the rise in the Consumer Price Index (CPI), in accordance with the Pensions Increase Act 1971. Although pensions are increased in April, they are based on the rise in the CPI over the 12 months to the previous September. The pensions increase calculation for April 2023 was based on the increase in CPI during the 12 months to September 2022 and was set at 10.1%.

## 9 Pension Fund Fraud / National Fraud Initiative

The Council is required to protect the public funds it administers. It may share information provided to it with other bodies responsible for auditing or administering public funds or where undertaking a public function, in order to prevent and detect fraud.

The Cabinet Office is responsible for carrying out data matching exercises.

Data matching involves comparing computer records held by one body against other computer records held by the same or another body to see how far they match. This is usually personal information. Computerised data matching allows potentially fraudulent claims and payments to be identified. Where a match is found it may indicate that there is an inconsistency which requires further investigation. No assumption can be made as to whether there is fraud, error or other explanation until an investigation is carried out.

The Council participates in the Cabinet Office's National Fraud Initiative: a data matching exercise to assist in the prevention and detection of fraud. It is required to provide particular sets of data to the Minister for the Cabinet Office for matching for each exercise, as detailed [here](#).

The use of data by the Cabinet Office in a data matching exercise is carried out with statutory authority under Part 6 of the Local Audit and Accountability Act 2014. It does not require the consent of the individuals concerned under the Data Protection Act 1998.

Data matching by the Cabinet Office is subject to a [Code of Practice](#).

View further information on the [Cabinet Office's legal powers and the reasons why it matches particular information](#). For further information on data matching at this authority contact [caft@croydon.gov.uk](mailto:caft@croydon.gov.uk).

## **13 RESOURCES FOR MEMBERS**

### **1 Croydon Council Pension Website**

The Scheme's website can be found at <http://www.croydonpensionscheme.org/>

### **2 National Local Government Pension Scheme Website**

The website address is [www.lgpsmember.org/](http://www.lgpsmember.org/)

It enables all members, potential members and beneficiaries of the Scheme to access Scheme information 24 hours a day, 365 days a year.

The site has a comprehensive range of Scheme information; it is updated regularly to ensure members have access to the latest information.

### **3 Additional Voluntary Contributions**

The Council has appointed Prudential as the Scheme's provider for additional voluntary contributions investment services.

Further information can be obtained by calling their helpline on 0345 600 0343 or by visiting the website [Local Government AVCs - Prudential](#)

Any members' additional voluntary contributions (AVCs) are held in various separate investments administered by Prudential Assurance Company Limited. The benefits arising from these contributions are additional to, and do not form part of, the benefits due under the Local Government Pension Scheme. They are not included in the Pension Fund Accounts in accordance with section 4(2)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009. Pension Fund Accounts and any details within the Annual Report therefore exclude amounts for AVCs.

## 4 Further Information

### The Pensions Regulator

Napier House  
Trafalgar Place  
Brighton

East Sussex BN1 4DW

Telephone Number: 0845 600 0707 (Monday to Friday 09.00-17.00)

Website: [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

The role of the Pensions Regulator has been set out by Parliament, and is to:

- Protect the benefits of members of work-based pension schemes;
  - Promote the good administration of work-based pension schemes;
  - Reduce the risk of situations arising which may lead to claims for compensation from the Pensions Protection Fund.
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### MoneyHelper

120 Holborn  
London EC1N 2TD

Website: [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

MoneyHelper is available to assist members of pension schemes with any difficulties that they are unable to resolve with their scheme administrators.

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### The Pensions Ombudsman

10 South Colonnade  
Canary Wharf  
London E14 4PU

Telephone Number: 0800 917 4487

Enquiries@pensions-ombudsman.org.uk

Website: [www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

The Pensions Ombudsman can investigate and determine any complaint or disputes between scheme members and administrators, involving maladministration, or matters of fact or law.

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### The Pension Tracing Service

The Pension Service 9  
Mail Handling Site A

Wolverhampton WV98 1LU

Telephone Number: 0800 731 0193

Website: <https://www.gov.uk/find-pension-contact-details>

The Pension Tracing Service can help ex-members of pension schemes, who may have lost touch with their previous employers, to trace their pension entitlements.

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Queries relating to the Pension Fund investments can be made to:

The Pensions Section  
5A, Bernard Weatherill House  
8 Mint Walk  
Croydon, CR0 1EA

Tel: 0208 760 5768

E-mail: [pensions@croydon.gov.uk](mailto:pensions@croydon.gov.uk)

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## 5 Members Self Service

Scheme members can view their pension details by logging on to our internet member self service. This service allows scheme members to check their personal details, including service history and financial information, as well as enabling members to carry out their own benefit calculations. Members can also check their record to make sure their nomination for their death grant is correct.

Members can log in to the service at: <https://croydon.pensiondetails.co.uk> to register.

Scheme members will be required to register the E-mail address they wish to use by contacting the pensions team..