



Draft Newham Pension Fund Annual report 2025/26

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CHAIRS COMMENTS

I have been the Chair of the Pensions Committee ('PC') since May 2026 and on behalf of my fellow committee members, I am pleased to introduce the 2025-26 annual report and accounts.

As today's stewards of the Local Government Pension Scheme ("LGPS") and the Newham Fund, ("the Fund") my colleagues on the PC, the members of our Local Pension Board and Fund Officers take very seriously their responsibilities to all stakeholders – including 33,179 scheme members, and 61 active employers – ensuring that the scheme is locally administered effectively and efficiently on their behalf.

The financial year has seen periods of volatility in the investment market, particularly in early April 2025 arising from US trade tariff announcements. However, the market proved resilient throughout the rest of 2025, recovering strongly as tariff fears eased due to negotiated pauses, helped in part by artificial intelligence advancements. Since February 2026, the geo-political situation, and particularly the Middle East Conflict, has led to a considerable degree of uncertainty around the potential impact of the conflict on global economic growth, leading to high market volatility in global bond and equity markets, and fears for inflation amid increasing gas and oil prices. This market uncertainty has combined with continuing global geo-political risks and tensions elsewhere such as Ukraine and Venezuela.

Despite this volatility, over the year to 31 March 2026 the value of the Pension Fund grew to £2.062 billion, an increase of £126 million (6.11%) from 31 March 2025. Investment performance should always be viewed over the longer term, and I am pleased to report that the Fund has successfully navigated the market turbulence. I know that the Fund is well placed to meet the challenges ahead.

The Fund remains in a strong financial position. The 2025 actuarial valuation confirmed a funding level of 102%, an improvement from 100% at the previous valuation in 2022. This positive result reflects the combined effect of investment performance, prudent funding policies and the continued support of participating employers. Importantly, it provides additional financial resilience and helps ensure that the Fund remains well positioned to meet its long-term obligations to members. The improved funding position has also enabled a reduction employer contribution rate from April 2026, while maintaining appropriate safeguards for the long-term sustainability of the Fund.

The Pension Schemes Act 2026, received Royal Assent on April 29, 2026. The Fund is actively collaborating with London CIV and fellow London authorities to implement the Government's new statutory pooling and governance frameworks. While the Fund retains absolute responsibility for setting its Investment Strategy Statement, strategic asset allocation, and funding objectives, the investment implementation will be carried by the London CIV. This transition is being formalised through a new Investment Management Agreement (IMA), under which the pool will provide principal investment advice and execute management activities on the Fund's behalf, subject to ongoing robust performance monitoring.

Although economic conditions remain uncertain, the Fund enters the new financial year from a position of strength. We will continue to focus on maintaining a well-diversified investment portfolio, managing risks carefully and delivering long term value for members and employers. Our priorities remain clear: protecting members' benefits, maintaining the Fund's financial sustainability, improving member experience and supporting responsible long-term investment.

I would like to give a special thanks to the previous Chair, Councillor John Gray, for what the preceding PC has achieved and commend its members, officers and advisers for their hard work and dedication they have made.



Councillor Ibrahim Alom
Chair of the Pensions Committee

FUND GOVERNANCE

The Fund is part of the LGPS. The benefits paid out and the scheme regulations are set nationally, but the Fund is managed and administered locally. As administering authority, the London Borough of Newham (LBN) has legal responsibility for the effective management of the Fund. The Council delegates this responsibility to the Committee, which is the formal decision making body for the Fund.

Pensions Committee

The Committee consists of twelve Councillor members, three substitutes and three co-opted trade union representatives.

The Councillor members as at 31 March 2026 were



Chair – Councillor
John Gray (4/4)



Councillor Nate
Higgins (4/4)



Councillor Jennifer
Bailey (3/4)



Councillor John
Morris (2/4)



Councillor Winston
Vaughan (4/4)



Councillor Larisa
Zilickaja (4/4)



Councillor Dr Rohit
Kumar Dasgupta (2/4)



Councillor Jane
Barbara Lofthouse (3/4)

The Councillor substitute members were Councillor Winston Vaughan, Councillor Ken Penton, Councillor Danny Keeling.

Co-opted trade union representatives during 2025/26 were Tony Fernandes (Unite), Gloria Hanson (Unison) and Stella Ikanik (GMB).

The Committee meets quarterly to discuss investment strategy, legislation changes and developments that may affect the Fund, and to review the performance of the fund managers. The Committee may also arrange meetings on an ad hoc basis as required, and attend training sessions throughout the year. During 2025/26 the Committee met 4 times, the number of meetings attended by each member is shown above.

MANAGEMENT AND ADVISORS

The work of the Committee is supported by a number of officers, advisors and external managers as set out below.

Responsible Officers

The Pensions team is based in the Newham Finance service and ensures that members of the Committee receive advice on investment strategy and monitoring of the managers. The team also reviews management arrangements and other issues as appropriate, as well as accounting for the activities of the Fund.

The previous Section 151 officer Conrad Hall, who was in post left on secondment from London Borough of Newham on 4 January 2026. Maria G. Christofi was appointed to the Interim Assistant Chief Executive – Change & Improvement took on the role of Corporate Director of Resources (Section 151 Officer) undertaking Section 151 duties from 5 January 2026.

Maria G. Christofi	Interim Assistant Chief Executive – Change & Improvement & Corporate Director of Resources (Section 151 Officer)	0203 373 1457
Andrew Ward	Director of Financial Management	0203 373 1363
Meinir Hall	Head of Finance (Chief Accountant)	0203 373 8274
Rakesh Rajan	Pension Fund Manager	0203 373 6595

The oneSource Exchequer and Transactional Service monitor and manage the pension administration contractors.

Sarah Bryant	Director of Exchequer & Transactional services	01708 432 233
James Cocks	Assistant Director of Transactional People Services	01708 432 266
Jacqui Andress	Pensions Projects and Contracts Manager	020 3373 9658

Scheme Administrator

LBN contracts out its benefits administration to Local Pension Partnership (LPP) in accordance with the council's best value arrangements. LPPA maintain pension scheme membership records and provide advice, benefits calculations and estimates. LPP was formed in 2016 through a collaboration between Lancashire County Council and the London Pensions Fund Authority (LPFA) and the group was split into LPPI (Investments) and LPPA (Administration) in June 2020. The LPPA are the main contact point for all member and employer scheme queries, employees who wish to join the scheme and for advice on procedures or complaints.

LPPA

2nd Floor, 169 Union Street, London SE1 0LL
020 7369 6105

Custodian Bank

The Fund uses Northern Trust as its custodian to hold and safeguard the Fund's assets. The custodian acts as the Fund's bank, settles transactions and is responsible for investment income collection.

Northern Trust

50 Bank Street, Canary Wharf, London, E14 5NT

In addition to acting as the Fund's custodian, Northern Trust provides performance analysis, comparing the performance of the Fund and individual managers to agreed benchmarks and market indices on a monthly, quarterly and annual basis. Pensions and Investment Research consultants Ltd (PIRC) is used to monitor the Fund against the LGPS universe.

Investment Managers used by the Fund

Day to day investment management of the Fund's assets is delegated to specialist managers in accordance with the LGPS (Management and Investment of Funds) Regulations 2009 (as amended). During the year the Fund used the following external managers:

Fund Manager	Mandate	Contact Details
Arcmont Asset Management	Private debt	5 Hanover Square, London W1S 1HE
Brightwood	Private debt	15 Stanhope Gate, London, W1K 1LN
Brockton	Property unit trust	89 Wardour St, Soho, London W1F 0UA
CBRE	Property unit trust	3rd Floor, One New Change London, EC4M 9AF
Cheyne	Social Housing	Stornoway House, 13 Cleveland Row, London, SW1A 1DH
Fiera	Real assets	Queensberry House, 3 Old Burlington Street, London, W1S 3AE
HarbourVest	Private equity	2nd Floor, 20 Air St, London, W1B 5AN
KGAL	Real assets	Cannon Green, 27 Bush Lane, London, EC4R 0AA
Legal & General	Passive equities and passive bonds	One Coleman Street London, EC2R 5AA
Payden and Rygel	Fixed income	1 Bartholomew Lane, London, EC2N 2AX
Permira	Private debt	80 Pall Mall, London, SW1Y 5ES
Schroders	Structured equity	1 London Wall Place, 1 London Wall Pl, London Wall, Barbican, London EC2Y 5AU
London CIV	Asset Pool Operator Global bond fund (from June 2021) Global equity focus fund (from December 2022) Global Equity Value Fund (from February 2025) Private Debt II Fund (from September 2025)	4th Floor, 22 Lavington Street, London, SE1 0NX

Actuary

Barnett Waddingham
 Seventh Floor, Cadworks
 41 West Campbell St
 Glasgow, G2 6SE

Investment Advisor

Barnett Waddingham
 One Creechurch Place
 London
 EC3A 5AF

Bankers

Lloyds Bank
 33 Old Broad Street
 London, EC2N 1HZ

External Auditor

Ernst & Young LLP
 400 Capability Green
 Luton, LU1 3LU

AVC Providers**Utmost Life & Pensions
(formally Equitable Life)**

The Blue Leaney, 40 Walton St
 Aylesbury HP21 7QW

Clerical Medical

PO Box 5043
 Swindon, SN4 4SJ

Legal Advisors

The Fund receives legal advice from LBN's in-house legal team who in turn have taken specialist advice from:

Sackers and Partners

20 Gresham St
 London, EC2V 7JE

Bevan Brittan

Fleet Place House, 2 Fleet Place
 London, EC4M 7RF

Subscription bodies

The Fund is a member of the Pensions and Lifetime Savings Association (PLSA), the Local Authority Pension Fund Forum (LAPFF), the Institutional Investors Group on Climate Change (IIGCC), Pensions & Investment Research Consultants (PIRC) and the London Pension Fund Forum (LPFF).

RISK MANAGEMENT

The Fund's main risk is that its assets fall short of its liabilities to the extent that there are insufficient assets to pay promised benefits to members. The investment objectives have been set with the aim of maximising investment returns over the long term within specified risk tolerances. This aims to increase the likelihood that the promises made regarding members' pensions and other benefits will be fulfilled.

Responsibility for the Fund's risk management strategy rests with the Committee.

In order to manage risks a Pension Fund Risk Register is maintained and reviewed regularly by the Pensions Board. Risks identified have been reduced through planned actions. The Risk Register is managed by the Director of Exchequer & Transactional Services and the Head of Pensions and Treasury with risks assigned to "Risk Owners".

The Fund's approach to risk management is covered in the following policies:

- Investment Strategy Statement (ISS)
- Funding Strategy Statement (FSS)
- Environmental, Social & Governance (ESG) Investment Policy
- Governance Policy

Key risks

Risk	Risk Rating	Responsible Officer	Mitigations
Administration Risks			
3rd parties undertaking outsourced administration work are unable to facilitate timely and accurate updating of service records. Inaccuracies in service records may impact on actuarial valuations, calculations of pension benefits and on notifications to starters and leavers.	Medium	Director of Exchequer & Transactional Services	Actuary undertakes data cleansing on service records as part of the triennial revaluation which should identify the extent of any inaccuracies.
Loss of funds through fraud or misappropriation by 3rd parties could lead to negative impact on reputation of the Fund as well as financial loss	Medium	Head of Pensions and Treasury & Director of Exchequer and Transactional Services	Third parties regulated by the FCA. Separation of duties and independent reconciliation procedures in place. Review of third party internal control reports undertaken by Pensions Finance Team. Periodic internal audits of Pensions Finance and Exchequer & Transactional teams.

Risk	Risk Rating	Responsible Officer	Mitigations
Funding Risks			
Scheme members live longer leading to higher liabilities	Medium	Head of Pensions and Treasury & Director of xExchequer and Transactional Services	Review at each triennial valuation
Assumed levels of inflation and interest rates may be inaccurate leading to higher than expected liabilities.	Medium	Head of Pensions and Treasury	Review at each triennial valuation
Scheme employer fails to pay contributions timely each month	Low	Head of Pensions and Treasury	Monthly monitoring and prompt communication
Failure of an admitted or scheduled body leads to unpaid liabilities being left in the Fund to be met by other employers.	Medium	Director of Exchequer and Transactional Services	Transferring admission bodies required to have a bond or guarantor in place. Regular monitoring of employers.
Investment Risks			
Fund managers fail to achieve agreed returns	Medium	Head of Pensions and Treasury	Independent monitoring of fund manager performance. Fund manager performance is reviewed quarterly. LCIV carry out their own monitoring of Fund investments held on their platform. ESG policy mitigates risk of stranded assets.
Regulation Risks			
Introduction of European Directive MiFID II results are a restriction of Fund's investment options.	Low	Head of Pensions and Treasury	The Fund has successfully opted up with all managers and third parties as required by the deadline.

Controls Assurance Reports

Fund Manager	Report	Assurance Obtained	Reporting Accountant
Arcmont	AAF 01/20	Reasonable	Price Waterhouse Coopers LLP
CBRE	AAF 01/20 ISAE 3402	Reasonable	Deloitte LLP
Cheyne	Operational Due Diligence	Reasonable	Cheyne
Brightwood	SOC 1	Reasonable	U.S Bank Global Fund Services
Fiera	ISAE 3402	Reasonable	Price Waterhouse Coopers LLP
HarbourVest	SOC 1	Reasonable	Ernst & Young LLP
KGAL	ISAE 3402	Reasonable	KPMG
Longview	ISAE 3402	Reasonable	Ernst & Young LLP
Legal & General	AAF 01/20 - ISAE 3402	Reasonable	KPMG LLP
Payden and Rygel	ISAE 3402 and SSAE 18	Reasonable	BDO USA LLP
Permira	ISAE 3402	Reasonable	Ernst & Young LLP
PIMCO	SOC 1 / ISAE 3402	Reasonable	Price Waterhouse Coopers LLP
Schroders	AAF 01/20 ISAE 3402	Reasonable	Ernst & Young LLP
Custodian	Report	Assurance Obtained	Reporting Accountant
Northern Trust	SOC 1	Reasonable	KPMG LLP

DRAFT NEWHAM PENSIONS BOARD ANNUAL REPORT 2025/26

Purpose of Report

1. The report is compiled to provide feedback on the work undertaken during April 2025 to March 2026 (2025-26) by the Newham Pensions Board and to meet the legislative requirement for producing an Annual Report.

Background

1. The Pensions Board oversees the administration of the Newham Pension Fund on behalf of the Administering Authority. Decisions made on the investment of the fund is carried out by the Newham Pension Committee
2. The London Borough of Newham Pension Fund Local Pensions Board ("Pensions Board") was established in accordance with changes to the Public Service Pension Act 2013 (PSPA13) statutory pension scheme that is connected with it.
3. The Pensions Board is supported by officers of the London Borough of Newham Administering Authority ("Administrator"), by the appointment of an Independent Chair, and by assurance statements and information provided by external service providers to London Borough of Newham Pension Fund ("Fund").
4. The terms of reference state that the Local Pension Board can consist of three employer representatives and three scheme member representatives, a meeting is quorum provided there is a minimum of three members consisting of at least one Member and Employer representative.
5. The Pensions Board has met four times in the Municipal Year 2025-26.
6. The costs of the Pensions Board's operations;
 - a. Meeting and Independent Chair Allowances are paid by the London Borough of Newham
 - b. Training costs are charged to the Pension Fund and are included in the Fund budget.
 - c. The total spend by the Board was £4,866.96

Membership Attendance at Meetings

The Membership of the Pensions Board is:

Independent Chair	(TK) Tejonidhi Kashyap
Employee Representative	(CH) Catherine Hanlon (GMB)
Employee Representative	(DV) Donford Varden (UNITE) joined September 2025
Employee Representative	(CL) Christine Lander (UNISON) left August 2025 (AM) Alison Mitchell (UNISON) joined September 2025
Employer Representative	Position vacant
Employer Representative	(SM) Sheila Muriithi
Employer Representative	(PT) Philippa Terry

Attendance at Meetings

Meeting Date	TK	CH	CL	DV	AM	SM	PT
6 th May 25 (AGM)	X	X	X				X
24 th Jun 25		X	X			X	
25 th Nov 25	X	X		X	X	X	X
12 th Jan 26	X	X			X	X	X
24 th Mar 26	X	X		X	X	X	X

Attendance at Training

1. See appendix 1, for a summary of Training and attendance for the Pension Board.

Areas Covered at Pension Board

Items Covered	Meeting Dates				
	6 th May 2025	24 th Jun 2025	25 th Nov 2025	12 th Jan 2026	24 th Mar 26
Review Pension Board Plan for forthcoming year	x		x		
Pension Board Annual Report	x		x		
Communications Plan					x
Pensions Regulator General Code of Practice Action Plan			x		x
Risk Register		x	x	x	x
LPPA Budget		x			x
LPPA Performance Report		x	x	x	x
Pensions Administration Report		x	x	x	x
Training Plan			x		
Admission Policy Update		x			
LPPA Update, presentation on Performance				x	
Employer Risk Work – Admission updates		x	x	x	x
Pensions Committee Update		x	x	x	x
Update on Government Consultations		x	x		x
Other Regulation updates (McCloud, Dashboard)		x	x	x	x
Funding Strategy Statement			x		
Pension Fund Annual Report			x		

Chair's Comments (To be completed by the Chair)

1. This year, the Pensions Board continued to uphold strong governance, compliance, and administrative standards across the Fund. Focused efforts were made to respond to evolving regulatory requirements, enhance member and employer engagement, and strengthen the Fund's operational effectiveness.
2. A new Breaches of the Law Policy has been introduced to clarify how breaches are identified, managed, and reported. The Board has continued its commitment to strong governance through regular reviews of the Fund Risk Register and internal audit reports. Work is ongoing to ensure full compliance with the new Pensions Regulator Code of Practice. Administration performance has been regularly reported, including data quality reviews. Data reporting was scrutinized, focusing on service provider performance, including processing times, call handling, and adherence to SLA targets.
3. The Board has placed focus on communication strategies, particularly with employers and schools, to promote LGPS and drive membership growth. A revised Communication Policy and Plan was presented, and member-facing communications such as retirement and new joiner letters were reviewed. Efforts continue to improve outreach and engagement with employers and scheduled bodies.
4. I would like to extend my thanks to the rest of the Board, the members of the Pension Committee and the officers of the Administrator, for their commitment, insight, and professionalism. As we look to the year ahead, I am confident that the scheme will continue to deliver value to members.

Tejonidhi Kashyap
Chair of the Pensions Board

Business Plan and Execution

1. The Pensions Board has created a Business Plan which can be viewed [here](#)
2. In the period from April 2025 to March 2026, the Pensions Board has considered a number of matters, some of which are listed below;
 - a. Adherence to regulations
 - i. Changes to regulations and guidance, the introduction of the general code, officers presented action plan to board.
 - ii. LGPS exit cap, McCloud judgement to understand the impact on employees, the Fund and any Administrative implications.
 - iii. Board members were presented with a Training Plan
 - iv. Updates provided to board on, the following consultations;
 1. Fit for Future
 2. Access and Fairness
 3. Access and Protections
 - b. Governance
 - i. Regular review of the Authority's Fund Risk Register, including approving a final format
 - ii. Board was presented with the initial action plan by officers outlining areas to address following external review carried out by the funds' actuary Barnet Waddingham, the actions presented would seek to address full compliance with the new Code of Practice from the Pensions Regulator.
 1. The code sets out the requirements of a fund to ensure it has adequate policies and procedures in place to ensure good governance and compliance with relevant legislation.
 - iii. Review and update of the Funds' Admission Policy
 1. As members are presented with the outstanding admission position within the fund, officers worked with the actuary to present an update to the Funds Admission Policy, in order to address the issue that employers have of obtaining bonds or guarantees.
 - c. Administration
 - i. Administration Performance Reports
 1. Including data quality
 - ii. Administration Service Contract include review annual budget for 2025-26 and 2026-27, due to the below inflation uplift in 2026-27 contract price officers were able to present the budget in March.

Receive update from LPPA on their current performance and how they are keeping this above their agreed service level agreements, and updates in relation to their Efficiency and Service Improvement Plan (ESIP), such as their online retirement

- i. process where the member can complete the necessary claim forms through their online account.
- ii. Monitor complaints made and progress on IDRP cases
- iii. Review Employer Admission process, discussing performance of outstanding admission and ways to improve the timing of admissions being concluded.

iv. LPPA presented at board their performance position, which enabled members to provide challenge.

d. Membership and communication

i. Discussions on communications with employers and schools, to look at promoting LGPS and increasing membership numbers.

1. Presentation of the Communication Plan 2026-27

ii. Working on strategy for membership numbers

iii. Reviewing how the fund can liaise with employers and scheduled bodies of the scheme, in order to improve the reach of its messaging, discussions particularly in how to target schools.

e. Record keeping

i. Data report covering performance of service provider in relation to processing times, time to answer phone calls and overall work against SLA's.

f. Employer Admission Position

i. Following on from 2025-26 where officers presented a total of 29 outstanding employers who have taken contract with a body of the fund. Officers present at each board the progress making in addressing which includes progress against its action plan.

3. There have been no conflicts of interest involving any of the work undertaken by the Pensions Board or during any agenda items.

Review of Risks

1. The Pensions Board monitors the risk register on a regular basis. The Pensions Board seeks to ensure greater consideration on particular investment and non-investment risks identified to drive its work forward. Financial risks include those charge with the governance of the fund being unable to fulfil their duties and our actuaries using incorrect assumptions during the triennial valuation. Non-financial risks include delays in admitting new employing authorities into the pension fund and a lack of specialist technical knowledge in interpreting the pension scheme regulations.

Forward Plan for 2025/26

1. The Pensions Board has made a business plan for the 2026-27 period taking into account key milestones and challenges the scheme is expected to face in this period. The plan is available [here](#).

2. Further information regarding the Newham Local Pension Board including minutes of the meetings are available [here](#).

Glossary

Exit Cap	The cap limits the exit payments made to employees of public sector bodies.
GDPR	General Data Protection Regulation
LPPA	Local Pension Partnership Administration (LPPA), Newham Pension Fund Administrators
McCloud	The McCloud judgement refers to the Court of Appeal's ruling that Government's 2015 public sector pension reforms unlawfully treated existing public sectors differently based upon members' age
UPM	Universal Pensions Management. The pension administration system used by LPPA.

Appendix 1 – Board Members Training Schedule

Online Training

Local Pension Board members have access to the Barnet Waddingham online learning tool known as Enlighten. Barnet Waddingham has designed the platform with their public sector specialists to support the knowledge and understanding of all those involved in managing LGPS funds. It is designed to be used by Pension Committee members, Pension Board members and officers – as a refresher or as an introduction for those new to their role. In the increasingly regulated world of UK pensions, Enlighten will help funds meet the expectations of the Pension Regulator and LGPS knowledge and understanding requirements

Description of Content	Board Members						
	TK	CH	CL	DV	AM	SM	PT
Actuarial information	20/12/2025					12/01/2026	06/01/2026
Background to the LGPS	20/12/2025					09/01/2026	06/01/2026
Information about employers	20/12/2025					12/01/2026	06/01/2026
Introduction to investments	20/12/2025					09/01/2026	06/01/2026
LGPS Governance	20/12/2025					09/01/2026	06/01/2026
Triennial Valuations	20/12/2025					09/01/2026	06/01/2026
Hot topics, October 2025	20/12/2025					07/01/2026	

Other Training

Local Pension Board members are able to request additional training to meet their training needs, in addition officers arrange training where deemed necessary to support members.

Training Title	Description of Content	Date of Training	Board Members						
			TK	CH	CL	DV	AM	SM	PT
Valuation	As part of the triennial valuation, members are invited to a training session hosted by the actuary, who will go through the process, assumptions and considerations made as part of a valuation.	25-Feb-26	x	x	n/a	x	x	x	x

FINANCIAL PERFORMANCE

	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Contributions	48,462	53,978	79,236	84,005	88,985
Pensions	(69,682)	(72,220)	(79,012)	(94,893)	(105,780)
Net additions / (withdrawals) from dealings with members	(21,220)	(18,242)	224	(10,890)	(16,795)
Management expense	(8,475)	(8,516)	(5,936)	(5,914)	(6,492)
Net investment returns	22,312	22,318	29,151	28,719	21,513
Change in Market Value	128,943	(5,518)	173,475	26,728	127,459
Net increase / (decrease) in the fund	121,560	(9,958)	196,914	38,643	125,685

Net Asset Statement

	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Fixed interest securities	147,474	-	3	-	-
Equities	-	-	398	(2)	-
Pooled investments	923,961	1,063,441	1,242,710	1,232,716	1,354,435
Pooled property	197,597	186,343	191,151	190,711	193,423
Private equity / infrastructure	326,746	363,747	372,472	365,881	376,922
Diversified	2,330	543	-	-	280
Cash deposits	89,029	61,317	89,903	145,140	146,642
London CIV	150	150	150	150	150
Other	(96)	1794	(6,278)	776	(2,050)
Total investment assets	1,687,191	1,677,335	1,890,509	1,935,372	2,069,801
Current assets	23,698	22,757	7,763	13,522	22,338
Current liabilities	(945)	(105)	(1,309)	(13,373)	(30,931)
Total net assets available to the fund	1,709,944	1,699,987	1,896,106	1,935,669	2,061,207

2025/26 Outturn

2025/26 Outturn	2025/26 Budget	2025/26 Actual	Variance
	£'000	£'000	£'000
Members	18,000	19,014	1,014
Employers	54,100	54,328	228
Transfers In	8,400	11,607	3,207
Contributions from members	80,500	84,949	4,449
Pensions	(63,500)	(66,749)	(3,249)
Retirement Benefit Lump Sums	(11,700)	(19,016)	(7,316)
Death Benefits	(1,700)	(3,177)	(1,477)
Transfer Out and Refunds	(9,100)	(16,838)	(7,738)
Benefits paid	(86,000)	(105,780)	(19,780)
Net deductions from dealing with members	(5,500)	(20,831)	24,229
Administration	(1,300)	(1,594)	(294)
Oversight & Governance	(900)	(888)	12
Investment Management Expenses	(4,300)	(3,979)	322
Management expenses	(6,500)	(6,461)	39
Investment Income	12,060	21,513	9,453
Taxes on Income	(60)	-	60
Return on Investments	12,000	21,513	9,513
Net additions including management expenses and investment income	-	(5,779)	(33,827)

Management Expenses Analysis

Administration

	2025/26 Budget	2025/26 Actual	Variance
	£000	£000	£000
Legal	-	8	8
Support services (internal recharges)	1,327	1,547	220
Subscriptions	-	37	37
Other	-	2	2
Total	1,327	1,594	267

Oversight and Governance

	2025/26 Budget	2025/26 Actual	Variance
	£000	£000	£000
Employees	-	304	304
Legal	45	17	(28)
Investment advisory services	184	211	27
External audit	65	169	104
Actuarial fees	64	187	123
Other	10	-	(10)
Total	368	888	520

Investment Management

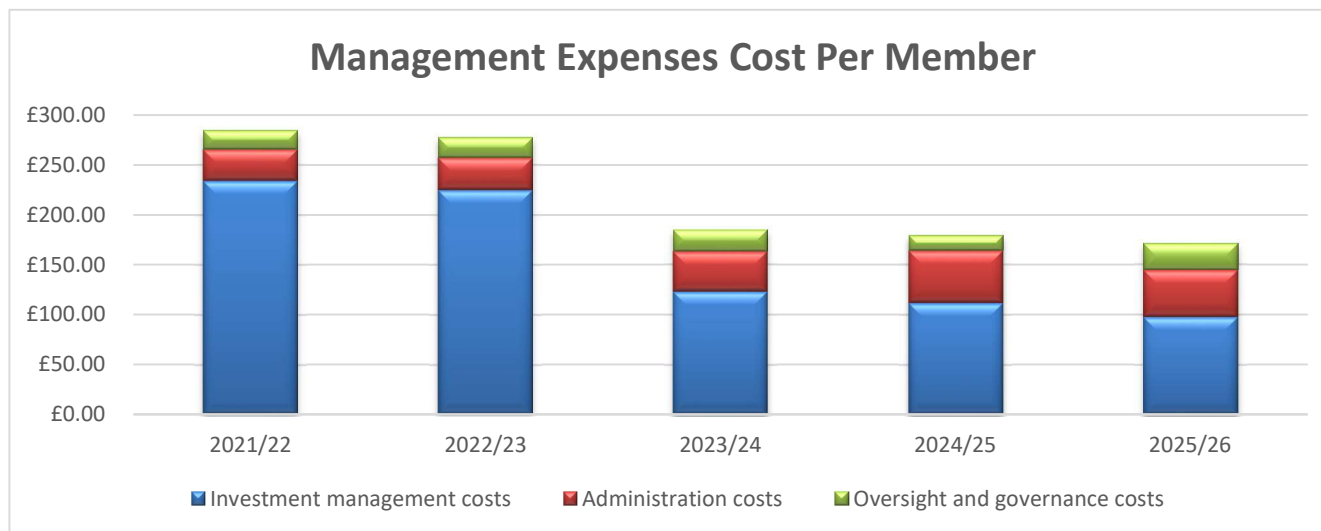
	2025/26 Budget	2025/26 Actual	Variance
	£'000	£'000	£'000
Management fees	(3,569)	(3,789)	220
Transactions costs	(411)	(190)	(221)
Custodian Fees	(85)	(77)	(8)
Total	(4,065)	(4,056)	(9)

Income

	2025/26 Budget	2025/26 Actual	Variance
	£'000	£'000	£'000
Equities	410	-	410
Fixed interest securities	3	-	-
Pooled property	8,315	5,594	2,721
Pooled fixed income	2,000	2,218	(218)
Pooled Equity	1,700	149	1,551
Real assets	763	1,221	(458)
Diversified	2,515	338	2,177
Private debt	9,547	7,773	1,774
Private equity	939	2,642	(1,703)
Interest on cash deposit	2,500	1,578	922
Total	28,692	21,513	7,176
Taxes on income	(30)	-	(30)
Total	28,662	21,513	7,146
Net cash inflow during the year	26,218	19,810	7,868

Management Expenses Cost per member

Total membership no.	29,802	30,715	32,179	33,030	33,179
	2021/22	2022/23	2023/24	2024/25	2025/26
Investment management costs					
Total cost (£'000)	6,967	6,893	3,947	3,686	4,056
Cost per member	233.78	224.41	122.83	111.60	122.25
Administration costs					
Total cost (£'000)	939	994	1,286	1,721	1,594
Cost per member £	31.51	32.38	40.02	52.10	48.04
Oversight and governance costs					
Total cost (£'000)	569	635	703	507	888
Cost per member £	19.1	20.67	21.88	15.35	26.76



Analysis of asset pooling costs

	2025/26	Cumulative
	£000	£000
Set up costs:		
Share purchase	0	150
Implementation charge	0	0
Annual charge	25	143
Development funding charge	73	423
Other	0	0
Total	98	716
Management fee	51	471
Savings	(1,346)	(4,393)
Total fees	(1,197)	(3,206)

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	£000	£000	£000	£000	£000	£000	£000
Set up costs	90	110	110	110	101	98	98
Fees	16	17	268	38	38	42	51
Fee savings	(310)	(233)	(697)	(347)	(541)	(919)	(1,346)
Net savings realised	(204)	(106)	(319)	(199)	(402)	(779)	(1,198)

Ongoing investment management costs

	Asset Pool		Non-asset Pool		Fund total	
	Indirect costs		Indirect costs			
	£000	BPS	£000	bps	£000	bps
Management fees						
ad valorem	140	0.00007	3,789	-	3,929	0.0001
Asset pool shared costs						
Transaction costs	-	-	190	-	190	-
commissions						
Custody			77	-	77	-
Total	140	0.00007	(4,056)	-	4,196	0.0001

Taskforce for climate-related financial disclosures (TCFD) framework

A framework for the disclosure of climate-related financial risks. The goal of the framework is for disclosures to inform stakeholders as to how companies are managing risks and to allow more informed investment, credit and insurance underwriting decisions. There are four elements to the TCFD framework (as illustrated below) and, although this was not explicitly developed for pension schemes, it has been adapted for their use. TCFD aligned reporting will become a regulatory requirement for defined benefit pension schemes.

The UK Government has published proposals that will require larger schemes to report against this framework on an annual basis.

The Department of Levelling Up, Housing and Communities will conduct a consultation this autumn on the implementation of mandatory TCFD-aligned reporting in LGPS.

Governance

Establish and maintain oversight of climate-related risks and opportunities.

Establish and maintain processes to ensure those managing the scheme on behalf of the Trustees are assessing and managing climate-related risks and opportunities.

Strategy

Identify climate-related risks and opportunities that will impact the investment strategy of the scheme over different time horizons.

Assess the impact of identified risks and opportunities on the scheme's investment strategy.

Assess the resilience of the scheme's assets and investment strategy to climate-related risks in different scenarios. The scenarios should consider different policy pathways

Risk Management

Develop and maintain processes for identifying, assessing and managing climate-related risks.

Ensure the integration of climate-related risks into overall risk management.

Metrics and Targets

Select greenhouse gases emissions and non-emissions metrics to assess scheme assets against climate-related risks and opportunities.

Obtain the Scope 1/2/3 emissions and other data to calculate the selected metrics

Set a target to manage climate-related risk with the chosen metrics and measure performance against this target.

Cost transparency

A voluntary LGPS Code of Transparency into investment management fees and cost was developed and approved by the Scheme Advisory Board (SAB). Code was introduced to assist LGPS clients gather cost information in a consistent format.

Fund managers across the LGPS universe are encouraged to sign up to this Code to demonstrate their commitment to transparent reporting of costs. A full list of current signatories to the code are available to view on the SAB website SAB Manager List.

The Financial Conduct Authority (FCA) aim is to see a more consistent and standardised disclosure of costs and charges for institutional investors.

The Cost Transparency Initiative (CTI) framework is used to report costs and charges and help assess value for money of any investments. It is compatible with Markets in Financial Instrument Directive (MiFID II) and can be used by Defined Benefit and Defined Contribution schemes.

There are three different templates:

- The User Summary, which can be used by schemes and advisors to provide a summary of key information across all investments.
- The Account Template, which is the main cost disclosure template to be completed by the investment manager(s) and covers the majority of assets and product types.
- The Private Equity Sub-template, which is to be completed by investment managers of closed-ended private equity funds.

The templates provide information on three main categories of investment cost: management fees, performance fees and transaction costs.

The Compliance System

As part of the Code, investment managers are required to complete and submit the template for the relevant mandate (without request) to their LGPS clients on either an annual or quarterly basis as agreed with their client. In order to streamline the process and make it more widely available, the SAB procured a system from Byhiras which will take the form of online facility intended to:

- Be capable of accepting and storing template data
- Check the timeliness of data submission and report late returns
- Ensure that template data is signed off by managers as 'fair, clear and not misleading'
- Provide a check against the MiFID II total cost amount submitted separately by managers to their LGPS clients

As well as ensuring compliance with the Code the system could be used by LGPS clients to:

- Replace the existing excel format templates provided to them by managers
- View a useful but limited set of onscreen reporting and comparison tools
- Give permission to other LGPS clients or trusted third parties (e.g. their investment advisor) to access and export their template data
- Provide advanced reporting facilities under a phase 2 development subject to the agreement of Code clients.

The template data held within the compliance system will be separate from any other database held by Byhiras and cannot be shared by Byhiras with any third parties for any purpose.

The Fund has been in contact with its fund manager to gather the cost transparency data. The Fund asset managers who are listed as signatories on the SAB website and whether their templates have been uploaded to Byhiras website can be seen in the following table for the reporting period ending 31 March 2026:

Fund Manager	Signatory on SAB website	Template uploaded to Byhiras portal	CTI Main Account Template	CTI Private Equity Template
CBRE	✓	x	✓	-
Cheyne Capital	x	x	✓	-
KGAL *	x	x	x	-
Legal & General	✓	✓	✓	-
London LGPS CIV Ltd	✓	x	x	-
Longview	✓	✓	✓	-
Payden and Rygel	✓	x	✓	-
PIMCO	x	x	-	-
Schroders	✓	✓	✓	-
Arcmont	x	x	-	✓
Brightwood	x	x	-	x
Fiera *	x	x	-	x
HarbourVest	✓	✓	-	x
Permira	✓	x	-	✓

* Fiera, and KGAL provide the information required in their own template, fees deducted from NAV are included within the accounts.

User reports from the Byhiras website are available which summarise the transaction costs, management fees and performance fees/returns. As can be seen from the table above not all fund managers have uploaded data to the website and the summary user reports do not include all of the managers, in particular the Private Equity templates, therefore extracting data from the user summary reports is not comprehensive to include in this report.

Where CTI reports have been received the Fund has included the costs in the Statement of Accounts.

Asset allocation and performance

Asset category	Opening value		Closing value		Gross	Performance over one year	
	£000	%	£000	%		Local target	Variance to Target
					%	%	%
Asset pool managed investments							
London CIV shareholding	150	-	150	0.01	-	N/A	
Fixed income	48,364	2.50	50,441	2.44	4.30	4.45	(0.15)
Global Equity value Fund (Wellington)	145,037	0.07	169,629	8.20			
Public Equities	883,158	45.6	997,906	48.21	14.85	14.72	0.13
Global Equity Focus Fund(Longview)	155,485	8.03	135,952	6.57	27.06	26.58	0.48
Total pooled investments	1,232,194	63.69	1,354,078	65.42			
Non-asset pool managed investments							
Equity Protection (cash and derivatives)	43,540	2.25	45,036	2.18	Equity protection - not measured		
Fixed income	-	0.02	427	0.00	3.05	4.15	(1.10)
Private Debt	140,993	7.21	147,434	7.12	13.26	21.00	(7.74)
Commercial Property	192,117	9.29	198,107	9.57	(1.55)	5.49	(7.04)
Social Housing	81,595	4.22	85,623	4.14	4.94	6.00	(1.06)
Private Equity	91,984	4.75	112,981	5.46	4.89	8.07	(3.18)
Real assets	112,599	5.80	115,446	5.58	9.58	15.00	(5.42)
Cash	39,937	2.10	10,669	0.52	-	-	-
Derivatives	512	-	0	0.01	Equity protection - not measured		
Other	411	-	280	0.01	Includes accruals etc - not measured		
Total non-pooled investments	703,687	0.4	715,577	34.58			
Total assets	1,935,881	100.00	2,069,665	100.00			

PERFORMANCE REVIEWS

Budget 2026/29

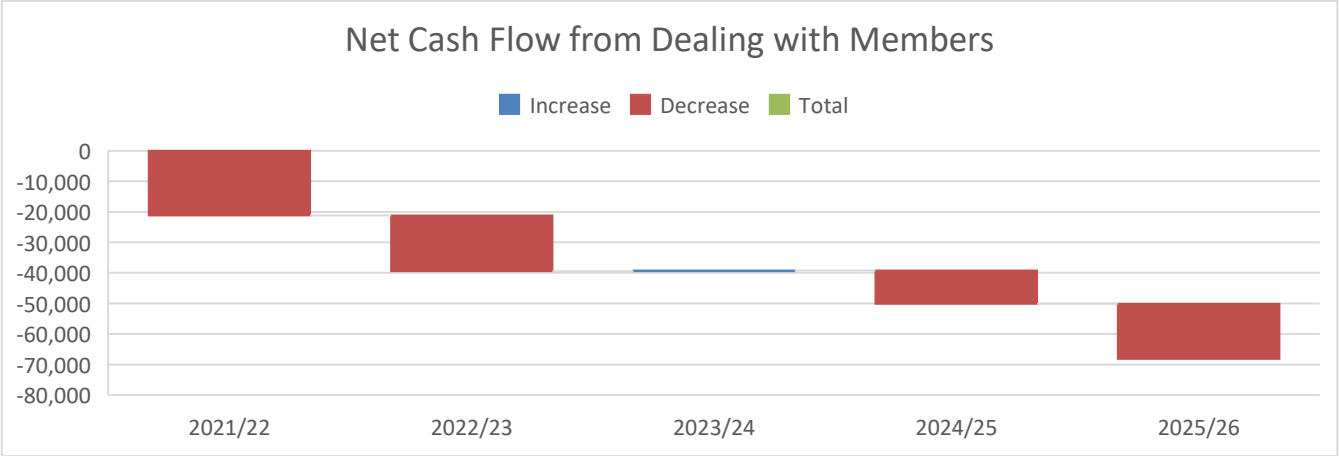
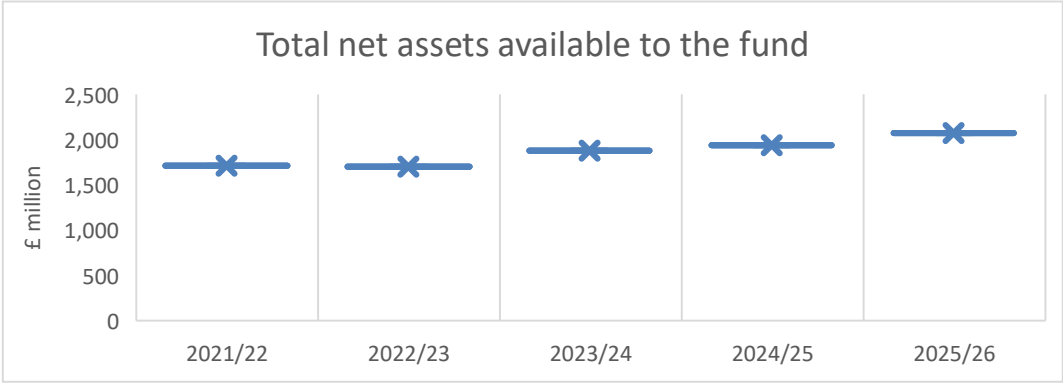
The Pension Fund Outturn for 2025/26 and budget for the following 3 years in accordance with Regulation 34 (3) of the Local Government Pension Scheme.

Pension Fund Budget	2025/26 Actual	2026/27 Budget	2027/28 Budget	2028/29 Budget
	£000	£000	£000	£000
Members	19,014	19,718	20,447	21,204
Employers	58,364	60,524	62,763	65,085
Transfers In	11,607	12,037	12,482	12,944
	88,985	92,279	95,692	99,233
Pensions	(66,749)	(69,219)	(71,780)	(74,436)
Retirement Benefit Lump Sums	(19,016)	(19,719)	(20,449)	(21,206)
Death Benefits	(3,177)	(3,295)	(3,417)	(3,543)
Transfer Out	(16,838)	(16,215)	(15,615)	(15,038)
	(105,780)	(108,448)	(111,261)	(114,223)
Net deductions from dealing with members	(16,795)	(16,169)	(15,569)	(14,990)
Administration expenses	(1,549)	(1,606)	(1,667)	(1,728)
Investment Management expenses	(3,979)	(3,832)	(3,690)	(3,554)
Oversight & Governance expenses	(888)	(921)	(955)	(990)
Management expenses	(6,416)	(6,359)	(6,312)	(6,272)
Investment Income	21,513	22,529	21,880	21,261
Taxes on Income	-	-	-	-
Net Investments Income	21,513	22,529	21,880	21,261
Net	(1,698)	0	(0)	(0)
Local pension board - within Oversight and Governance	5	5	5	5

Fund value

Overall, the Fund’s net asset value has increased by £134m to £2.1Bn during the year.

	2021/22	2022/23	2023/24	2024/25	2025/26
Total net assets available to the fund	1,710	1,700	1,876	1,935	2,070



The Pensions Committee have adapted the investment strategy by investing in income generating assets and continually review the approach.

Pension Fund Cash Flow Forecast

	2025/26 Actual £'000	2026/27 Forecast £'000	2027/28 Forecast £'000	2028/29 Forecast £'000
Opening cash / deposit balances	6,209	6,438	6,567	6,698
Contributions	73,504	76,223	77,748	79,303
Transfers in	11,613	11,613	11,613	11,613
Withdrawal from custodian	11,100	11,511	11,741	11,976
Other Inflow	40	42	42	43
Total inflow	96,257	99,389	101,145	102,935
Pension Benefits	(57,083)	(59,195)	(60,379)	(61,587)
Management expenses and other payments	(3,235)	(3,355)	(3,422)	(3,490)
Lump sums and refunds	(38,303)	(39,720)	(40,515)	(41,325)
Total outflow	(98,621)	(102,270)	(104,316)	(106,402)
Net cash flow	(2)	(3)	(3)	(3)

This table does not include the cash held with the custodian, which includes any divestments and income received.

The table largely concentrates on operating cash flows e.g. contributions received, paying the benefits, retirement grants and management expenses of the Fund. The investment redemption assumptions are solely for the purpose of ensuring the operating cash flow remains positive and will be in the form of investment income redemption.

The Fund will likely require investment redemptions from the custodian to pay capital calls that are required throughout the period, this will be in the form of income receipts.

INVESTMENT PERFORMANCE

Strategic Asset Allocation (SAA)

The long term funding objective of the Fund is to become fully funded within the agreed deficit recovery period of 16 years. The SAA has been designed to meet this objective, whilst ensuring sufficient resources are available to meet liabilities as they fall due and employer contributions are kept as stable as possible. The table below shows the current strategic asset allocation which was agreed by Committee in March 2024

Asset Class	PC Approved SAA	Control Ranges
	%	%
Growth	65	
Equities	50	43 - 57
Public Active	16	13 - 19
Public Passive	34	30 - 38
Private Equity	10	3 - 12
Infrastructure/Agriculture	5	4 - 6
Income	35	
Property	10	8 - 12
Social Housing	5	4 - 6
Private Credit	7.5	5 - 9
Corporate Bonds	7.5	5 - 20
Index-linked Bonds	5	
Protection and Cash	0	
Equity Protection and Currency Hedging	0	0 - 5
Cash	0	0 - 3
Total	100	

The SAA is reflected in the Investment Strategy Statement (ISS) and Funding Strategy Statement (FSS). Compliance with the ISS is monitored regularly and reported quarterly to the Committee. Management's view is that the variances to the SAA will come back in line following implementation of the investment strategy. They are not significant and pose no additional risk to the Fund over and above what the ISS allows.

Analysis of fund assets at the reporting date

Asset type	UK £m	Non-UK £m	Total £m
Equities	997,906	305,585	1,303,491
Pooled investment vehicle	142,295	102,072	244,367
Alternatives/private debt	156,914	220,007	376,921
Cash and cash equivalents	115,850	30,792	146,642
Other	(1,770)	-	(1,770)
LCIV share holding	150	-	150
Total	1,411,345	658,456	2,069,802

Analysis of investment income accrued during the reporting period

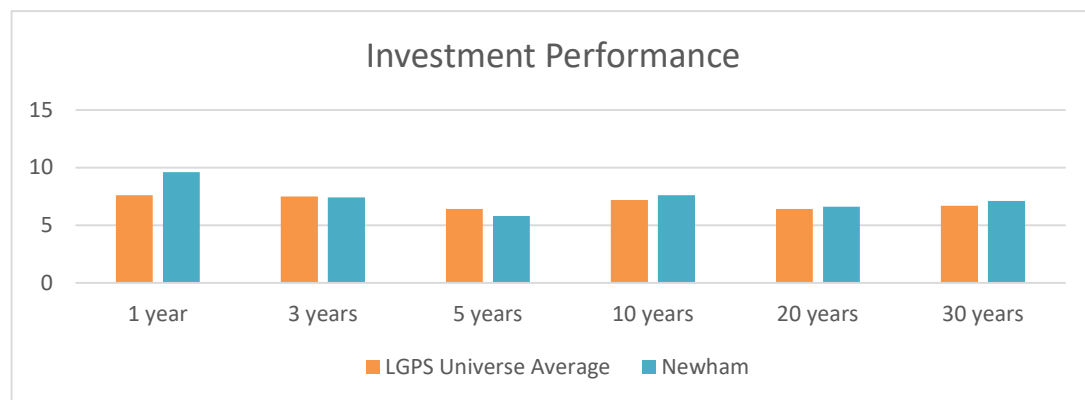
Asset type	UK £m	Non-UK £m	Total £m
Cash and cash equivalents	1,504	556	2,060
Fixed income	-	4	4
Equities	-	1,459	1,459
Private equity	-	965	965
Diversified alternatives	718	-	718
Pooled fixed income	2,214	-	2,214
Pooled property investments	4,465	811	5,276
Private debt & real assets	8,151	666	8,817
Total	17,052	4,461	21,513

Investment Performance

The Fund's invested assets closed the year at £2.1Bn, the Fund's performance was at -2.22%. Details of how individual managers and asset classes have performed are included in the next section. Information on investment performance is provided by the Fund's custodian, Northern Trust.

The Pensions & Investment Research Consultants (PIRC) Local Authority Fund Statistics annual league table on LGPS performance 2025-26 shows this Fund achieved 7.6% return in the 1 year which equates to the 70th percentile in the LGPS Fund universe.

The chart below shows the investment performance history



INVESTMENT ADVISORS REVIEW 2025/26

Barnett Waddingham advise the Pension Committee on the Fund's strategic asset allocation and assist in the monitoring of the investment managers. The purpose of this report is to review the economic environment over the 12 months to 31 March 2026, as well as to briefly analyse how the Fund's investment managers performed over the period. The data in this report has been sourced from the Fund's custodian, Northern Trust, and the Fund's investment managers.

Economic Environment

In the 12-month period to 31 March 2026, market focus shifted towards heightened economic and geopolitical uncertainty as Donald Trump applied tariffs to almost all US imports, and the US launched a military operation in Iran. Amidst this uncertainty, the Bank of England, European Central Bank and Federal Reserve continued to cut rates through 2025 before pausing in 2026 as central bankers assessed the inflation risks from the war in Iran.

Over the year to 31 March 2026, all major central banks loosened monetary policy.

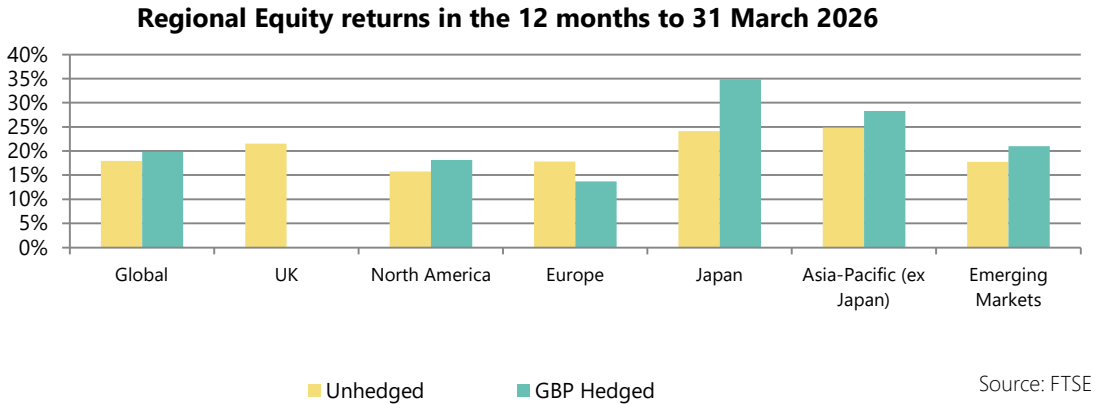
- The Bank of England ("BoE") reduced the base rate from 4.50% to 3.75%. In September 2025, the Bank announced that it would reduce its stock of gilts by £70 billion per year, a reduction from the previous £100 billion.
- The European Central Bank ("ECB") reduced its deposit rate from 2.50% to 2.00%.
- The Federal Reserve ("Fed") reduced the Federal Funds Rate range from 4.25%-4.50% to 3.50%-3.75%.

On 2 April 2025, the US President announced a 10% global baseline tariff on imports from all countries and additional large 'reciprocal' tariffs on specific nations. Retaliation from China sparked a brief trade war, but by August, the US had signed trade deals with most large economies that partially lowered tariffs and were continuing negotiations with China. The start of 2026 saw the US Supreme court rule that the method used to implement some tariffs was illegal. Trump quickly responded by implementing a 10% global tariff for 150 days and as a result US tariffs remain at their highest level since the Second World War. On 4 July 2025, the "One Big Beautiful Bill Act" renewed and extend Trump's 2017 tax cuts, which is expected to moderately boost growth in the short term but raise US debt by \$4.1tn by 2034.

On 28 February 2026, the US and Israel launched a wave of airstrikes across Iran, killing Supreme Leader Khamenei and multiple senior officials. Iran responded by launching strikes of their own across the Middle East and declaring the Strait of Hormuz, a waterway which facilitates around 30% of global seaborne oil and 20% of global Liquefied Natural Gas ("LNG"), "closed" to shipping. As a result, the price of Brent crude oil rose by 95% and UK natural gas by 68% over the first quarter of 2026. The expectation of higher input costs from the energy price shock caused markets to expect higher inflation and consequently interest rates. Before the war, markets had been pricing in two interest rate cuts over 2026 from both the BoE and Fed, with no change from ECB. By the end of the quarter, this had reversed, with markets pricing in three rate rises for the BoE and ECB and no change from the Fed.

Equities

The 12 months to 31 March 2026 saw positive returns for equities and most bonds despite government bond yields rising over the year. Property produced a positive return over the period. Global equities produced positive returns across all major regions. The FTSE All World rose by 19.8% over the year to 31 March 2026. The best performing region, in local currency terms, was Japanese equities (+34.9%) and the worst performing region was Europe ex UK (+13.7%). This performance was linked to the ongoing strength of AI-linked stocks across all markets.



Legal & General passive ESG equity

The Fund currently invests its passive equity holdings in the L&G ESG Paris Aligned equity fund and the L&G Future World Emerging Markets equity fund. Both funds are index-tracking (i.e. not actively managed).

The L&G Future World Emerging Markets Equity Index Fund invests wholly or predominantly in shares that make up the Solactive L&G ESG Emerging Markets Index. The objective of the fund is to produce a return that is consistent with this index.

The Emerging Market Equity Fund returned 27.1% over the year to 31 March 2026, outperforming the Solactive L&G ESG Emerging Market Index by 0.5%.

Similarly, the L&G ESG Paris Aligned World Equity Index Fund operates by purchasing shares to produce a return that is consistent with the Solactive L&G Developed Markets Paris Aligned ESG SDG Index. Over the year to 31 March 2026 the fund has returned 14.9%, outperforming the benchmark by 0.1%.

LCIV Global Equity Focus Fund (Longview)

The Fund invests in the Longview Global Equities Focus Fund via the LCIV platform.

This fund is actively managed and seeks to generate returns in excess of its benchmark (MSCI World - GBP). Longview delivered a return of -12.6% over the year to 31 March 2026, underperforming the benchmark by 28.9%. The fund is now 12.7% p.a. behind its benchmark since the fund's inception on the platform in 2022.

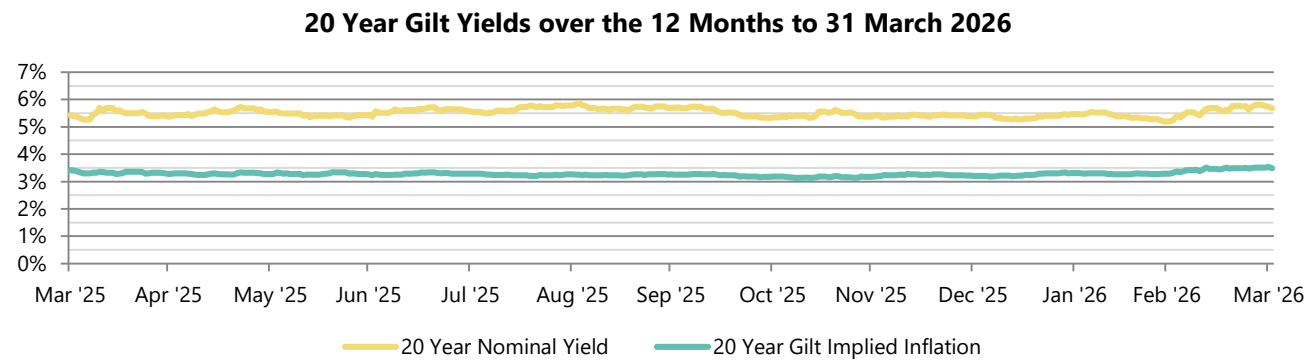
LCIV Global Equity Value Fund (Wellington)

The Fund invests in the Wellington Global Equity Value Fund via the LCIV Platform.

This fund is actively managed and seeks to generate returns in excess of its benchmark (MSCI All Country World Index - GBP). Wellington produced a return of 17.0% over the year to 31 March 2026, underperforming the benchmark by 0.5%.

Bonds

Over the year to 31 March 2026, UK gilt yields rose at all terms, but high initial yields still resulted in UK fixed interest gilts (all stocks) producing a positive return (+2.5%). UK Index-Linked gilts (all stocks) returned (+4.1%) as implied inflation rose over the year. UK corporate bond spreads (all stocks) decreased (-0.1%) over the year.



LCIV Global Bond Fund (PIMCO)

The Fund invests in the PIMCO Global Bond Fund via the LCIV platform. The PIMCO fund is actively managed and aims to generate a return above its benchmark, the Barclays Aggregate Credit Index (GBP Hedged) over a three-year rolling period. Over the year to 31 March 2026, the fund returned 4.3%, underperforming its benchmark by 0.2%.

Legal & General index linked gilts

Around 10% of the Fund’s assets were invested in Legal & General’s Under 15 Year Index-Linked Gilts Index Fund, which performed in line with its benchmark, returning 4.7% over the period.

Payden & Rygel Absolute Return Bonds

The Payden & Rygel Absolute Return Bond Fund produced positive returns of 3.1% over the 12-month period, broadly in line with its benchmark. Since the inception date in 2019, the fund has returned 2.3%, which is an underperformance of 0.3% where the benchmark is based on the one-month cash rate (SONIA).

Alternatives

CBRE property

The MSCI UK All Property Index rose by 6.2% over the 12 months to 31 March 2026.

The Fund’s assets are invested in UK and global property Funds. The UK Fund seeks to outperform the AREF/IPD UK QPFI All Balanced Property Fund Index by 0.75% p.a. (net of fees) over rolling three-year periods, whilst the Global Fund has an objective of between 9% p.a. and 11% p.a. over rolling three-year periods. The combined portfolio returned 3.1% over the 12 months to 31 March 2026.

Cheyne Impact Real Estate

The Cheyne Impact Real Estate Trust invests across four investments including social housing. The fund targets a return of 6.0% p.a. and produced a return of 4.9% over the 12-month period to 31 March 2026. Since the inception date the fund has returned 2.0% p.a.

HarbourVest Private Equity

HarbourVest seek to generate returns on the Fund's assets by investing in private equity funds which, in turn, invest in unlisted companies.

Performance over the 12 months to 31 March 2026 was 4.9%, underperforming its benchmark return by 3.2% (Retail Price Index Inflation + 4%). The long-term return has been strong with the fund returning 10.3% p.a. since inception, around 2.3% p.a. ahead of the benchmark.

Private Debt (LCIV, Permira, Arcmont & Brightwood)

The private debt portfolio is split between three direct manager holdings; Permira, Arcmont and Brightwood, and a pooled private debt fund with the LCIV. Each manager takes a different approach and accesses broadly different parts of the private debt market, diversifying the Fund's portfolio. These funds are closed ended in nature (i.e. cannot be sold until they mature).

All three direct funds are assessed against a benchmark of 7% p.a. over the lifetime of the funds. The Permira, Arcmont and Brightwood funds all underperformed their benchmarks over the year. Performance over the 12 months to 31 March 2026 was 1.9% for the Arcmont holding, 4.6% for the Brightwood holding and 6.9% for the Permira holding.

In Q3 2025, the Fund made its first commitment to the LCIV Private Debt Fund II and therefore one year performance figures are not available at this time. This fund is also assessed against a benchmark of 7% p.a. over the lifetime of the fund.

Real alternatives (Fiera & KGAL)

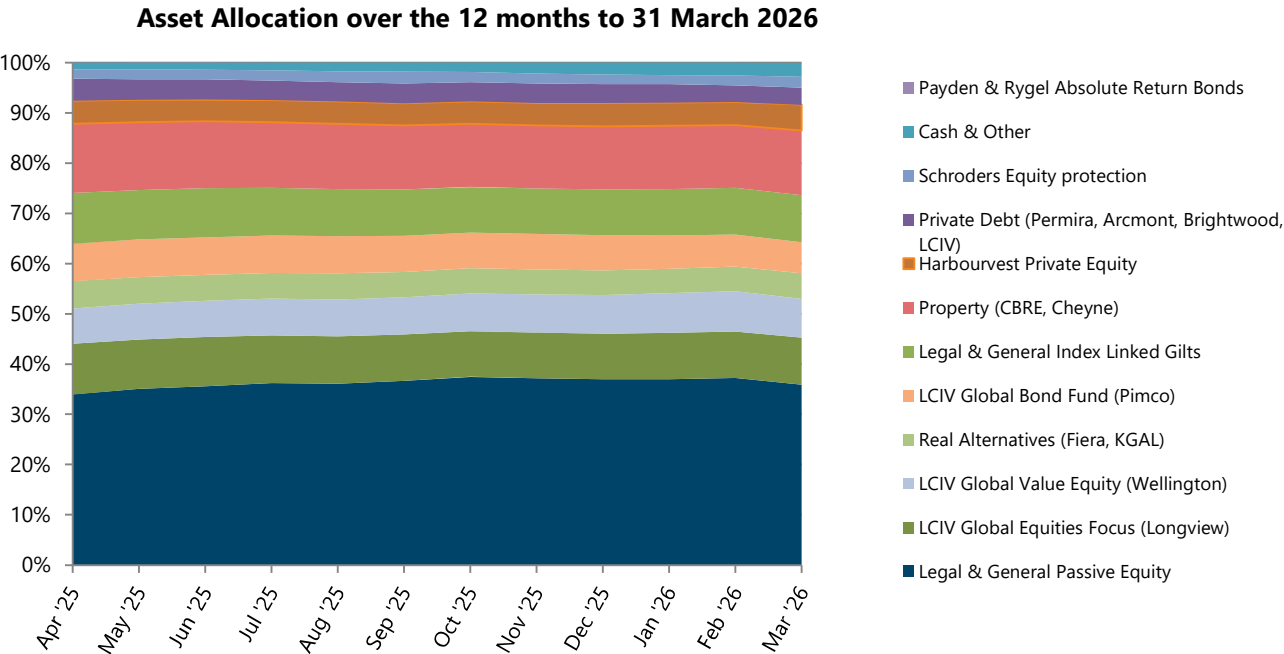
The real alternatives portfolio is split between the Fiera Diversified Real Assets Fund and KGAL. The funds have a target return of 8% p.a. and 7% p.a. net of fees, respectively.

The Fiera Diversified Real Assets Fund consists of three underlying funds: infrastructure, agriculture and long lease property. The property sub-portfolio is currently being wound down within the fund. Performance for the portfolio over the year to 31 March 2026 was 1.5%, underperforming the fund's benchmark by 6.6%.

The KGAL capital fund outperformed its 7% target by 1.1%, returning 8.1% over the year. Performance since the fund's inception in 2018 continues to be strong, with a return of 8.6%.

Asset allocation

The change in allocation over the period is shown in the chart below.



ACTUARIAL STATEMENT 2025/26

Introduction

The last full triennial valuation of the London Borough of Newham Pension Fund (the Fund) was carried out as at 31 March 2025 as required under Regulation 62 of the Local Government Pension Scheme Regulations 2013 (the Regulations) and in accordance with the Funding Strategy Statement of the Fund. The results were published in the triennial valuation report dated 26 March 2026.

Asset value and funding level

The results for the Fund at 31 March 2025 were as follows:

- The smoothed market value of the Fund's assets as at 31 March 2025 was £1,973m.
- The Fund had a funding level of 102% i.e. the value of assets for valuation purposes was 102% of the value that they would have needed to be to pay for the benefits accrued to that date, based on the assumptions used. This corresponded to a surplus of £39m.

Contribution rates

The employer contribution rates, in addition to those paid by the members of the Fund, are set to be sufficient to meet:

- the annual accrual of benefits allowing for future revaluation and increases to pensions in payment when these fall due;
- plus an amount to reflect each participating employer's notional share of the Fund's assets compared with their liabilities in the Fund, in respect of service to the valuation date.

The primary rate of contribution on a whole Fund level was 16.0% of payroll p.a. The primary rate as defined by Regulation 62(5) is the employer's share of the cost of benefits accruing and is payable in each of the three years beginning 1 April 2026.

In addition, each employer pays a secondary contribution as required under Regulation 62(7) that when combined with the primary rate results in the minimum total contributions. This secondary rate is based on their particular circumstances and so individual adjustments are made for each employer.

Details of each employer's contribution rate are contained in the Rates and Adjustments Certificate in Appendix 8 of the triennial valuation report.

Assumptions

The key assumptions used to value the liabilities at 31 March 2025 are summarised below:

Assumptions	Assumptions used for the 2025 valuation
Financial assumptions	
Market date	31 March 2025
CPI inflation	2.7% p.a.
Long-term salary increases	3.7% p.a.
Discount rate	5.1% p.a.
Demographic assumptions	
Post-retirement mortality	
	<i>Base tables</i> S4PA tables
	<i>Projection model</i> CMI_2024
	<i>Long-term rate of improvement</i> 1.5% p.a.
	<i>Initial addition to improvements</i> 0.0% p.a.
	<i>Overlay half-life</i> 1 year

Full details of the demographic and other assumptions adopted as well as details of the derivation of the financial assumptions used can be found in the 2025 valuation report and accompanying advice documents.

Updated position since the 2025 valuation

Assets

Investment returns on the Fund's assets over the year to 31 March 2026 have been higher than assumed at the 31 March 2025 actuarial valuation. This has increased the market value of the assets since the last actuarial valuation.

Liabilities

Overall, the value of the Fund's liabilities have increased over the year to 31 March 2026. This is primarily due to interest accruing on those liabilities and the accrual of new benefits by members.

Overall position

Both the value of the assets and the liabilities are estimated to have increased over the year to 31 March 2026. Both have increased at a similar rate and so the funding level over the year to 31 March 2026 is broadly in line with that of 31 March 2025.

SCHEME ADMINISTRATION REPORT 2025/26

Annual summary

LPPA has consistently delivered monthly casework performance against the 95% target, and in line with contractual obligations.

Helpdesk and Retirement satisfaction scores are reported at client level to provide a more specific view of satisfaction scores for members. To improve the service provided to clients, employers and members, a key focus has been on delivering more functionality through the online self-service portals, and enabling more real time validation and automation across the casework processes that are integral to our administration responsibilities. This will remain a priority as we move forwards into 2026-27, to ensure that the quality of data and casework continues to improve, and that this is reflected in both the member and employer experience.

Helpdesk performance has remained steady during 2025-26, with average call wait times generally below the non-contractual 4-minute target.

McCloud has been a significant project in the year and will continue to be a key focus in 2026-27, as LPPA follows the national guidelines and timescales relating to the implementation of the remedy and the inclusion of Remedy underpin details on members' Annual Benefit Statements.

LPPA achieved a key milestone with successful connection to the Pensions Dashboard. Work continues on business readiness and it is estimated that members will be able to access by late summer 2027.

All regulatory and statutory deadlines in the year were successfully met.

Accreditation and awards

LPPA achieved re-certification for Cyber Essentials Plus and also passed our ISO 27001 re- certification audit. These accreditations show our commitment to cyber and information security and keeping members' data safe.

LPPA received our first AAF 01/20 Type 2 Report for the period 1 April 2024 to 31 March 2025 (a further Type 2 report for the period 2025 / 2026 is anticipated around the middle of the year). This is an excellent result which evidences that LPPA has robust controls in place around the services it provides.

In Q4 LPPA undertook the rigorous PASA accreditation (Pensions Administration Standards Association) assessment process and we were delighted to receive news that LPPA had been awarded PASA accreditation from the 1 April 2026. The PASA accreditation represents the highest standards for UK pension administrators and is aligned to the Pension Regulators General Code.

LPPA won the award for Best Pension Scheme Communications Strategy at the 2025 Professional Pensions UK Pensions Awards. The award was presented for a series of campaigns delivered over the past 12 months, which helped to drive membership to the online PensionPoint portal.

LPPA won the Pension Administration Award (2 October) at the 2025 LAPF Investment Awards. The award acknowledged LPPA's operational service performance across the previous 12 months and recognised the positive impact of AI and automation within the business. Other nominees were Essex pension fund, Greater Manchester pension fund, NE Scotland pension fund, Surrey pension fund and West Yorkshire pension fund.

Casework performance

The following table is created by identifying all reportable casework within UPM, and includes those that have subsequently Completed / Aborted / Remain Outstanding within the quarter. The figures in this table cannot be compared to those in the previous slide for a number of reasons including: the table includes aborted cases, but the horizontal bar graph does not; the SLA 'stop trigger' can be actioned before the process has been completed.

	Brought forward at 01/04/25	Received (Inbound)	Completed (Outbound)	Outstanding as of 31/03/26
New Starters	3	168	171	0
Transfers In	308	623	549	382
Transfers Out	392	968	929	431
Estimates	43	295	316	22
Deferred Benefits	612	1,433	1,649	396
Retirements - Deferred	102	781	765	118
Retirements - Active	253	1,181	1,285	149
Refunds	253	1,266	1,330	189
Deaths	420	1,458	1,586	292
Correspondence	113	727	757	83
Aggregation	341	1,587	1,693	235
Other	101	2,842	2,856	87
Total	2,941	13,329	13,886	2,384

Employer engagement & member communication activity

- Member training sessions were delivered throughout 2025/26, including making Sense of Your (LGPS) Pension - to support new joiners in understanding their LGPS pension - and Making Sense of Your Retirement - to prepare members in their plans for retirement.
- LPPA supported employers with training sessions aimed at improving administration performance, and issued regular email newsletter communications (Pension Pulse).
- Statutory communications were issued to members throughout the year including:
 - The 2025 LPPA retiree's online newsletter was issued to members. This included updates on pension increases, 'understanding your P60' and pension pay dates.
 - The 2025 active and deferred online newsletter to members, communicating how they can access their 2025 ABS through PensionPoint, as well as information on CARE revaluation, and the age discrimination remedy (McCloud)
 - Annual Allowance and Pension Saving Statement communications were also issued to eligible members.

- LPPA won the award for Best Pension Scheme Communications Strategy at the 2025 Professional Pensions UK Pensions Awards. The award was presented for a series of campaigns delivered over the past 12 months, which helped to drive membership to the online PensionPoint portal. LPPA were also shortlisted for Third-Party Administrator of the Year.
- A 'Pension Awareness Week' email campaign was issued to members in September, promoting the benefits of registering for PensionPoint, which generated a significant number of new registrations.
- A 'key employer strategy' was launched with the aim of providing 1-1 support through meetings with large employers, and a focus on addressing pension administration challenges, to provide solutions that improve operational performance (for example, working with employers to submit timely and accurate retirement notifications).
- LPPA won the Pension Administration Award (2 October) at the 2025 LAPF Investment Awards. The award acknowledged LPPA's operational service performance across the previous 12 months and recognised the positive impact of AI and automation within the business. Other nominees were Essex pension fund, Greater Manchester pension fund, NE Scotland pension fund, Surrey pension fund and West Yorkshire pension fund.
- Several employer and member communication activities were undertaken alongside Get Online Week (w/c 20 October 2025), to promote the benefits of PensionPoint (our secure, online portal) and to encourage member to register and login. These activities included:
 1. Employer Toolkit communications – ready-made communications that employers can download to promote the benefits of PensionPoint (and other aspects of the pension scheme) for their members.
 2. Member email communications – to encourage members to register for PensionPoint.
 3. LPPA website communications – straightforward and accessible case studies to help promote the benefits and ease of access of PensionPoint.
- Pension Tracing Day (26 October 2026) also featured on the LPPA website, to encourage members to locate any missing pensions.
- Employer communications were issued to encourage feedback and comment on the Ministry of Housing, Communities and Local Government (MHCLG) consultation on proposed changes to the LGPS in England and Wales.
- A new employer Leaver Form was launched in December, to make the process easier when submitting leaver details, and an email was issued in advance to ensure employers were consulted.

LPPA was shortlisted in three categories of the UK Professional Pension Awards.

These include:

- Third Party Administrator of the Year
- Pensions Communication of the Year
- Best Pension Scheme Communications Strategy

The UK Pensions Awards event is on the 11 June 2026.

- LPPA were re-certified for Cyber Essential Plus, a government-backed certification scheme that aims to recognise UK businesses that have protected themselves from common online threats. Communications were issued through our website and LinkedIn, to provide members with confidence that LPPA works hard to keep their personal data safe and secure.
- And in April 2026, LPPA were delighted to receive PASA (Pensions Administration Standards Association) accreditation, which represents the highest standards for UK pension administrators and is aligned to the Pension Regulators General Code. LPPA were formally presented with the accreditation certificate and trophy at the PASA annual conference in London on 29 April 2026.

FUND MEMBERSHIP

The Fund contracts out its benefits administration to LPPA, a wholly owned subsidiary of the LPFA and Lancashire Pension Fund in accordance with the council's best value arrangements. The contract is managed and monitored for gathering assurance over the effective and efficient delivery of these operations by oneSource Exchequer and Transactional Services. LPPA continue to maintain pension scheme membership records and provide advice, benefits calculations and estimates.

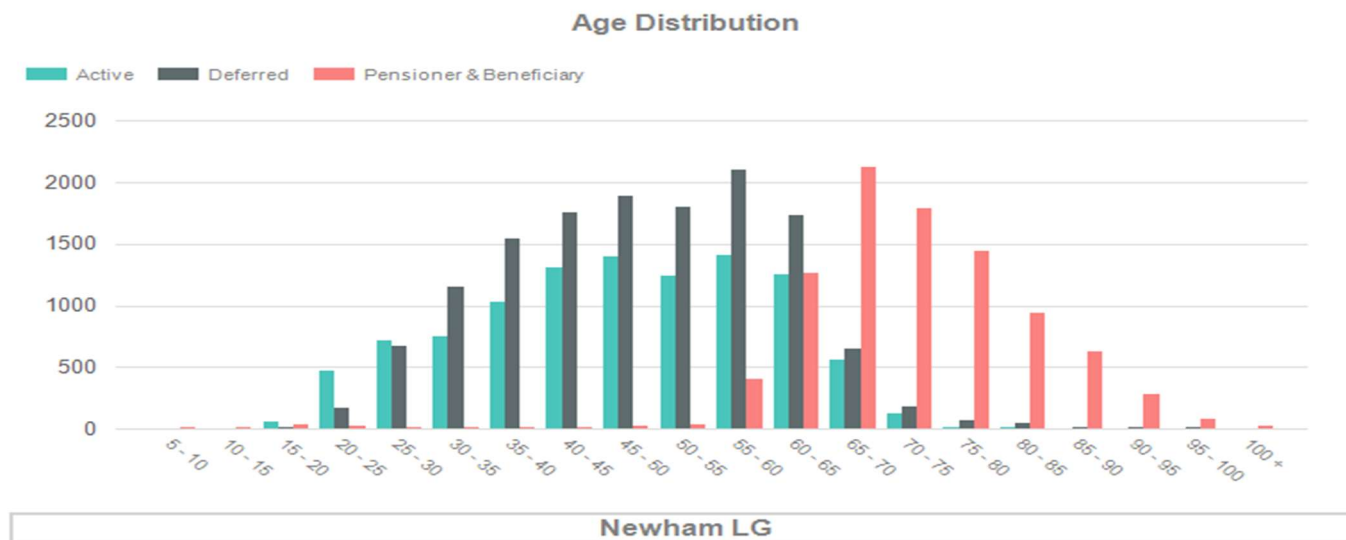
Membership Numbers	2021	2022	2023	2024	2025	2026
Contributing members	9,035	9,397	9,760	10,677	10,922	10,308
Current pensioners (inc. dependents)	7,949	8,061	8,314	8,559	8,784	13,769
Deferred pensioners	12,138	12,344	12,641	12,943	13,324	9,102
Total	29,122	29,802	30,715	32,179	33,030	33,179



Membership Age Profile at 31 March 2026

Bands	Active	Deferred	Pensioner & Beneficiary
5 - 10	-	-	6
10 - 15	-	-	18
15 - 20	63	6	37
20 - 25	471	164	20
25 - 30	718	671	3
30 - 35	753	1,151	1
35 - 40	1,025	1,541	5
40 - 45	1,307	1,758	9
45 - 50	1,399	1,886	22
50 - 55	1,237	1,794	31
55 - 60	1,402	2,094	403
60 - 65	1,249	1,726	1,257
65 - 70	556	649	2,121
70 - 75	120	185	1,782
75 - 80	7	71	1,441
80 - 85	1	46	944
85 - 90	-	16	627
90 - 95	-	8	278
95 - 100	-	3	75
100 +	-	-	22
Total	10,308	13,769	9,102

Age distribution



LGPS 2013 (as amended)

The LGPS regulations 2013 came into effect on 1 April 2014. The key changes under the new scheme are set out in the table below:

	LGPS 2008	LGPS 2013
Basis of Pension	Final Salary	Career Average Revalued Earnings (CARE)
Accrual Rate	1/60 th	1/49 th
Revaluation Rate	Based on Final Salary	Consumer Prices Index (CPI)
Pensionable Pay	Pay <u>excluding</u> non-contractual overtime and non-pensionable additional hours	Pay <u>including</u> non-contractual overtime and additional hours for part time staff
Contribution Flexibility	No	Yes – 50:50 option where members pay 50% contributions for 50% of the pension benefit
Normal Pension Age	65	Linked to the State Pension Age
Lump Sum Trade Off	Trade £1 of pension for £12 lump sum	No change - trade £1 of pension for £12 lump sum
Death in Service Lump Sum	3 x Pensionable Pay	No change - 3 x Pensionable Pay
Indexation of Pension in Payment	CPI (RPI for pre-2011 increases)	CPI

Employee Contribution Table 2025/26

Employee contribution rates are tiered as shown in the table below and contribution rates for part time members are based on actual pensionable pay, rather than full time equivalent pay. The 50:50 Scheme provides contribution flexibility for members. For more information about member benefits, changes to the scheme and the impact of the changes on your pension, please see www.yourpension.org.uk/newham or contact LPPA.

Salary Band £	Employee Contribution rate	
	Main Section	50/50 Section
0 – 17,800	5.5%	2.75%
17,801 – 28,000	5.8%	2.90%
28,001 – 45,600	6.5%	3.25%
45,601 – 57,700	6.8%	3.40%
57,701 – 81,000	8.5%	4.25%
81,001 – 114,800	9.9%	4.95%
114,801 – 135,300	10.5%	5.25%
135,301 – 203,000	11.4%	5.70%
203,001 or more	12.5%	6.25%

Fund Employers

LBN is the administering authority for the Fund. Organisations known as admitted and scheduled bodies may also participate in the Fund - scheduled bodies have a right to be incorporated, whereas admitted bodies require the agreement of the administering authority.

Analysis of employers in the Fund

	Active	Ceased	Total
Administering Authority	1	0	1
Admitted body	30	2	32
Scheduled body	28	0	28
Total	59	2	61

Active Employer Analysis

Employer	No of Active Members	Employee Contributions £'000	Employer Contributions £'000
Administering authority			
LBN	5,993	13,816	37,332
Admitted bodies			
Accent Catering	1	26	112
Aspens Brampton Manor	2	3	16
Better Together	9	21	65
Caterlink (Boleyn Trust)	20	14	53
Enabled Living	52	121	316
Innovate - Eastlea (NCL)*	4	-	-
Innovate - Lister (NCL)*	5	-	-
Innovate NCT	9	6	29
Innovate Plashet*		0	2
Innovate Services St Angelas Ursuline	1	5	15
Innovate Srvs Sarah Bonnell	4	3	16
ISS Mediclean*	4	-	-
Julius Rutherfood and Co Ltd NH	5	10	48
Juniper Pursuits	220	154	662
Juniper Ventures	438	455	1,773
KGB Cleaning (Boleyn Tr)	25	69	291
Kindred (Pendergate) Ltd NH*	1	-	-
Language Shop	38	84	187
London Network for Pest Solutions	26	67	192
Newham Partnership Working	41	73	198
Olive Dining – Cumberland	2	1	4
Olive Dining - Forest Gate	6	2	7
Olive Dining - St.Angela's*	1	-	-
Olive Dining - St Anthony's*		2	6
Olive Dining - St Edward's*		2	7
Olive Dining - St Francis*		1	4
Olive Dining - St Joachim's*		1	8
Olive Dining - St Michael's*		1	9
		56	

Olive Dining – Star	3	1	9
Sodexo*		4	11
The Pantry Earlham (NH)	5	15	49
The Pantry Eastlea (NH)	1	10	41
Admitted bodies total	923	1,151	4,130
Agate Momentum Trust	47	56	177
Big Education Trust	116	142	341
Bobby Moore Academy	70	79	189
Boleyn Trust	272	378	1,380
Brampton Manor School	87	104	418
Britannia Education Trust	37	55	169
Burnt Mill Academy Trust	50	48	192
Chobham	149	170	447
Community Schools Trust	85	155	513
East London Science School	42	42	120
Education Links	15	17	37
EKO Trust	193	154	473
Langdon School	91	146	604
Leading Learning Trust*	13	-	-
Learning in Harmony	189	287	1,051
London Academy of Excellence	49	37	91
London Design and Engineering	77	93	231
New Vision Trust	289	264	882
Newham College of Further Education	405	605	1,414
Newham Collegiate	39	122	365
Newham Community Learning	332	393	1,354
Newvic College	109	83	177
Oasis Academy	24	33	84
Our Lady of Grace	262	295	1,242
Plashtet school – CoLA*	101	-	-
Stratford School	77	100	164
Sweethaven Computers NH*	1	-	-
Tapscott Leading Trust	171	189	752
Scheduled bodies total	3,392	4,047	12,867
TOTAL	10,308	19,014	54,328

*Admission agreement or cessation valuation in progress

FINANCIAL STATEMENTS

The Authority's Responsibilities

The Authority is required:

- To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Section 151 Officer.
- To manage its affairs to secure economic, efficient and effective use of resources and to safeguard its assets; and
- To approve the Newham Pension Fund Accounts.

The Responsibilities of the Section 151 Officer

The Section 151 Officer is responsible for the preparation of the Authority's Pension Fund Accounts which, in terms of the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom is required to present fairly the financial position of the Pension Fund at the accounting date and its income and expenditure for the year ended 31 March 2026.

In preparing the Pension Fund Accounts, the Section 151 Officer has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent; and
- Complied with the Code of Practice.

The Section 151 Officer has also:

- Kept proper accounting records which were up to date; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

The financial transactions reported on within these 2025/26 financial statements were under the responsibility of the previous Section 151 officer Conrad Hall, who was in post during all of 2025/26 and left on secondment from London Borough of Newham on 4 January 2026. Maria G. Christofi, was appointed to the Interim Assistant Chief Executive – Change & Improvement took on the role of Corporate Director of Resources (Section 151 Officer) undertaking Section 151 duties from 5 January 2026.

I therefore certify that to the best of my knowledge and belief so far as is possible in the circumstances, that this statement of accounts presents a true and fair view of the overall financial position of the authority and the income and expenditure for the year ended 31 March 2026.

Signature:

Date:

Maria G. Christofi, BA (Hons), FCCA, CPFA

Interim Assistant Chief Executive – Change & Improvement &
Corporate Director of Resources (Section 151 Officer)

2025/26 Pension Fund Accounts

2024/25 £000		Notes	2025/26 £000
	Dealings with members, employers and others directly involved in the fund:		
72,265	Contributions	7	77,378
11,739	Transfers in from other pension funds		11,607
84,004			88,985
(79,254)	Benefits	8	(88,942)
(15,639)	Payments to and on account of leavers	9	(16,838)
(94,893)			(105,780)
(10,890)	Net additions/(withdrawals) from dealing with members		(16,795)
(5,914)	Management expenses	10	(6,492)
(16,804)	Net additions/deductions including fund management expenses		(23,827)
	Returns on investments		
28,719	Investment income	11	21,513
(24)	Taxes on income		-
26,728	Profit and losses on disposal of investments and changes in the Market value of investments	12a	127,459
55,423	Net return on investments		148,972
38,620	Net increase/decrease in the assets available for benefits during the year		125,686
1,896,901	Opening net assets of the Fund		1,935,521
1,935,521	Closing net assets of the Fund		2,061,207

NET ASSET STATEMENT			
2024/25 £000		Notes	2025/26 £000
1,790,380	Investment assets		1,925,210
(148)	Investment liabilities		(2,050)
145,140	Cash deposits		146,641
1,935,371	Total invested assets	12	2,069,801
13,522	Current assets	19	22,338
(13,373)	Current liabilities		(30,931)
149	Net current assets		(8,593)
1,935,521	Net assets of the Fund available to fund benefits at 31 March		2,061,207

Notes to the Accounts

Note 1: Description of Fund

The London Borough of Newham Pension Fund ('the Fund') is part of the Local Government Pension Scheme (LGPS) and is administered by the London Borough of Newham (LBN). The Local Authority is the reporting entity for this Fund.

The following description of the Fund is a summary only, for more detail reference should be made to the Fund's Annual Report 2025/26.

a) General

The Fund is governed by the Public Service Pensions Act 2013. The Fund is administered in accordance with the following secondary legislation:

- The Local Government Pension Scheme Regulations 2013 (as amended)
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

It is a contributory defined benefit pension scheme administered by the LBN to provide pensions and other benefits for pensionable employees of LBN and a range of other scheduled and admitted bodies within the borough. Teachers are not members as they are included within other national pension schemes.

The Fund is overseen by the Pension Committee of LBN supported by the Local Pension Board (the Board') and day-to-day operations have been delegated to the Statutory Section 151 Officer.

b) Membership

Membership of the LGPS is voluntary and employees are free to choose whether to join or remain in the scheme, or to make personal arrangements outside the scheme.

Organisations participating in the Fund include:

- Scheduled bodies, which are automatically entitled to be members of the Fund.
- Admitted bodies, which are other organisations that participate in the Fund under an admission agreement between the Fund. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

The table below sets out a snapshot of March 2025 and 2026, in respect of the numbers and categories of people participating in the Fund.

31 March 2025		31 March 2026
60	Number of employers with active members	61
	Number of employees in scheme	
6,336	London Borough of Newham	5,971
4,586	Other employers	4,337
10,922	Total	10,308
	Number of pensioners	
7,859	London Borough of Newham	8,022
925	Other employers	1,080
8,784	Total	9,102
	Number of deferred members	
10,334	London Borough of Newham	10,547
2,990	Other employers	3,222
13,324	Total	13,769
33,030		33,179

c) Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the Fund in accordance with The LGPS Regulations 2013 and range from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2026. Employee contributions are matched by employers' contributions which are set based on triennial actuarial funding valuations. The last full valuation of the Fund was at 31 March 2022, Employer contribution rates range from 10% to 26.2% of pensionable pay, the average employer primary rate is 18.4%. The Council's current contribution rate is 18.2%.

<https://www.newham.gov.uk/downloads/file/5992/newh-2022-valuation-report-v1>

d) Benefits

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service, with accrual rates as shown in the table below. From 1 April 2014, the scheme became a career average (CARE) scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th. Accrued pension is subsequently uprated annually in line with the Consumer Prices Index.

	Service pre 1 April 2008	Service post 31 March 2008
Pension	Each year worked is worth 1/80 x final pensionable salary.	Each year worked is worth 1/60 x final pensionable salary.
Lump sum	Automatic lump sum of 3 x pension. In addition, part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.	No automatic lump sum. Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up

There are a range of other benefits provided including early retirement, disability pensions and death benefits. For more details, please refer to the Fund's scheme handbook available from <http://www.yourpension.org.uk/handr/Newham-Publications.aspx>

Note 2: Basis of Preparation

The Pension Fund Statement of Accounts summarises the Fund's transactions for the 2025/26 financial year and its year-end position as at 31 March 2026. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 ("the code") which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector, and Guidance on Investment Valuations issued by the Pensions Research Accountants Group (PRAG).

The accounts report on the net assets available to pay pension benefits. The accounts do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year, nor do they take account of the actuarial present value of promised retirement benefits. The Code gives administering authorities the option to disclose this information in the net assets statement, in the notes to the accounts or by appending an actuarial report prepared for this purpose (The Fund has adopted the latter, see Note 18).

Going Concern Statement

1. Management's assessment of the entity's ability to continue as a going concern:

1.1 The LGPS is a statutory defined benefit scheme and is effectively guaranteed by Government. It operates on a funded basis, which means that contributions from employees and employers are paid into a fund which is then invested, from which pension benefits are paid as they fall due. The period covered by this going concern statement is until 31 March 2028.

1.2 The Fund reduces investment risk by diversifying its investments across a number of different types of global assets; these include shares; equities; property; government bonds and company bonds; infrastructure; and private debt. This diversification means that not all assets are affected by economic events.

1.3 The Committee reviewed its Environmental, Social and Governance Policy (ESG) in March 2024, strengthening the Fund's commitment to invest responsibly and manage climate risk. The Committee has taken the view that well run companies perform better over the long term.

1.4 From time to time the Fund experiences economic downturns and a long-term view must be taken of investment returns. For this reason the actuary carries out a smoothing exercise when assessing the valuation of the Fund's assets.

1.5 The IAS21 and IFRS17 standards have been issued but and adopted in this year's financial statement with little impact.

1.6 The concept of a going concern assumes that the Fund functions and services will continue in operational existence for the foreseeable future. LGPS Regulations remain in force with no expectation of any plans to wind up the Fund or the LGPS. The Fund continues to operate as usual.

2. What is the process management followed to make its assessment?

2.1 The one-year investment returns for 2025/26 were 7.64%. Asset values have increased by £134m over the year to 31 March 2026, however from time to time the Fund experiences economic downturns and a long-term view must be taken of investment returns. There is sufficient flexibility in the investment strategy to be able to respond to short-term market fluctuations. The Fund is comparatively low risk with a smaller proportion of its assets held in volatile equities.

2025/26

%	1Yr	3Yr	5Yr
Fund	7.64	7.47	6.43

Source: Northern Trust report of Fund performance.

2.2 The Fund holds cash deposits with the custodian of £146m at the Balance Sheet date, equivalent to 7.1% of the Fund Assets. In addition, the Fund held £786m in Level 1 and Level 2 investment assets which could be realised within 3 months if required. Based upon a review of the operational cash flow projections, management is satisfied that it has sufficient cash to meet its obligations to pay pensions, for at least 12 months from the date of authorisation of these accounts, without the need to sell any of these investments.

2.3 In line with statutory requirements the Fund undertakes a valuation every three years to determine the ratio of the Fund's assets to its liabilities. This funding position is a summary statistic often quoted to give an indication of the health of the Fund. The Fund's triennial valuation at 31 March 2022 reported that the Fund had sufficient assets to cover 100% of the accrued liabilities as it is fully funded.

2.4 The purpose of the valuation is to review the current funding strategy and ensure the Fund has a contribution plan and investment strategy in place that will enable it to pay members' benefits as they fall due.

2.5 Actuarial revaluations are used to set future contribution rates and underpin the Fund's most significant investment management policies, for example in terms of the balance between longer term investment growth and short term yield/return. Any deficits are financed through increased contributions agreed with the actuary and are financed by Council, admitted and scheduled bodies' contributions.

2.6 The Fund's Investment Strategy Statement (ISS) sets out its strategic asset allocation to deliver the investment returns and to monitor the changes in its funding level over the longer term. The ISS is continually developed and updated at each quarterly Committee. The Committee last reviewed the investment strategy in March 2025.

2.7 The employer covenant is reviewed periodically with the Fund's actuary. The aim is to provide early warning of any employer at risk of defaulting on their liabilities and to ensure adequate bonds or guarantees are in place to mitigate that risk and at March 2022 the employer risk review revealed no material risk to the Fund.

2.8 The Fund also monitors the timeliness and value of contributions, this will help us to intervene early if we suspect that an employer is struggling to meet their pension obligations.

2.9 The Fund's Investment Advisor reports quarterly to the Committee at which fund manager performance is reviewed to ensure that the investment strategy remains on track.

3. What are the assumptions on which the assessment is based including whether the key assumptions underlying the budgets and/or forecasts appear appropriate in the circumstances?

3.1 Details on the assumptions used in the valuation are contained within the actuary's 2022-25 triennial valuation report which are reflected in the Funding Strategy Statement 2022. The next triennial valuation is currently in process and will be effective from 2025-27.

3.2 The Fund monitors budgets and cash flow on a monthly basis and the Committee review these on a quarterly basis. Cash flow will include predictable payments, such as the monthly pension payroll, or more unpredictable payments such as transfer out payments, retirement lump sums or death benefits. The Fund is maturing which means that the cash flow position of the Fund is negative, contributions from employers and employees are not sufficient to meet the payments of benefits due without needing to utilise investment income or liquidate investment assets.

3.3 However, this has been forecast for several years and the Committee took steps to invest in income yielding assets, currently some assets classes are non-distributing as there is sufficient cash balances to maintain this approach, the Committee will review this approach as the need arises.

3.4 In establishing an acceptable working cash balance, we determine a sum that is sufficient to cover predictable benefit payments, taking account of expected cash flow, whilst also providing a buffer to meet unpredictable payments together with any deterioration in cash inflow.

Note 3: Summary of Significant Accounting Policies

Fund account – revenue recognition

a) Contribution income

Normal contributions are accounted for on an accruals basis as follows;

- Employee contribution rates are set in accordance with LGPS regulations, using common percentage rates for all schemes which rise according to pensionable pay.
- Employer contributions are set at the percentage rate recommended by the Fund actuary for the period to which they relate.

Employer deficit funding contributions are accounted for on the basis advised by the Fund actuary in the rates and adjustment certificate issued to the relevant employing body. Additional employers' contribution in respect of ill-health and early retirements are accounted for in the year the event arose. Any amount due in the year but unpaid will be classed as a current financial assets.

b) Transfers to and from other schemes

Individual transfers in/out are accounted for when received or paid. Transfers in from members wishing to use the proceeds of their additional voluntary contributions (Note 20) to purchase scheme benefits are accounted for on a receipts basis.

c) Investment income

- Interest income is recognised in the Fund as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination.
- Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement (NAS) as a current financial asset.

- Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the (NAS) as a current financial asset.
- Changes in the value of investments (including investment properties) are recognised as income and comprise all realised and unrealised profits/losses during the year.

Fund account – expense items

d) Benefits payable

Pensions and lump-sum benefits payable include all amounts known to be due at the end of the financial year. Any amounts due but unpaid are disclosed in the NAS as current liabilities, providing that payment has been approved.

e) Taxation

The Fund is a registered public service scheme under section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a Fund expense as it arises.

f) Management expenses

The Fund discloses its management expenses in accordance with the CIPFA guidance Accounting for Local Government Pension Scheme Management Expenses (2016), all items of expenditure are charged to the Fund on an accruals basis as follows:

Administrative expenses

All staff costs of the pension administration team are recharged to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund.

Oversight and governance costs

All staff costs associated with oversight and governance are recharged to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund.

Investment management expenses

Investment management expenses are charged directly to the Fund as part of management expenses and are not included in, or netted off from, the reported return on investments. Where fees are netted off quarterly valuations by investment managers, these expenses are shown separately in Note 10a and grossed up to increase the change in the value of investments.

Fees of the external investment managers and custodian are agreed in the respective mandates governing their appointments. Broadly, these are based on the Market value of the investments under their management and therefore increase or decrease as the value of these investments change.

Lifetime Allowances

Members are entitled to request that the Fund pays their tax liabilities due in respect of annual allowance and lifetime allowance tax charges in exchange for a reduced pension.

Net Assets Statement (NAS)

g) Financial assets

Investment assets are included in the financial statements on a fair value basis as at the reporting date. A financial asset is recognised in the NAS on the date the Fund becomes party to the contractual acquisition of the asset. From this date any gains or losses arising from changes in the fair value of those assets are recognised in the Fund account.

The values of investments as shown in the NAS have been determined at fair value in accordance with the requirements of the Code and IFRS13 (see Note 14). For the purposes of disclosing levels of fair value hierarchy, the Fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016).

h) Foreign currency transactions

Dividends, interest and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of the transaction. End-of-year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, market values of overseas investments and purchases and sales outstanding at the end of the reporting period.

i) Derivatives

The Fund uses derivative financial instruments to manage its exposure to specific risks arising from its investment activities. The Fund does not hold derivatives for speculative purposes.

Derivative contract assets are fair value at bid prices and liabilities are fair value at offer prices. Changes in the fair value of derivative contracts are included at the change of in market value.

The future value of forward currency contracts is based on market forward exchange rates at the year end date and determined as the gain or loss that would arise if the outstanding contract was matched at the year end with an equal and opposite contract.

j) Cash and cash equivalents

Cash comprises of temporary deposits, amounts held by the Fund's external managers and invested in money market funds. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

k) Financial liabilities

A financial liability is recognised in the NAS on the date the Fund becomes party to the liability. The Fund recognises financial liabilities relating to investment trading at fair value as at the reporting date, and any gains or losses arising from changes in the fair value of the liability between contract date, the year-end date and the eventual settlement date are recognised in the Fund account as part of the Change in Value of Investments.

Other financial liabilities are carried at amortised cost i.e. the amount carried in the NAS is the outstanding principal repayable plus accrued interest. Any interest charged is accounted for on an accruals basis and included in administration costs.

l) Actuarial present value of promised retirement benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of International Accounting Standard (IAS) 19 and relevant actuarial standards. As permitted under the Code, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the NAS (Note 18).

m) Additional Voluntary Contributions (AVC)

The Fund provides an AVC scheme for its members, the assets of which are invested separately from those of the Fund. AVCs are not included in the accounts in accordance with section 4(1) (b) of The LGPS (Management and Investment of Funds) Regulations 2016 but are disclosed as a note only (Note 20). The AVC provider is Clerical Medical and contributions are also collected for life assurance policies provided by Utmost Life and Pensions.

n) Contingent assets and contingent liabilities

A contingent asset arises where an event has taken place giving rise to a possible asset whose existence will only be confirmed or otherwise by the occurrence of future events.

A contingent liability arises where an event has taken place prior to the year-end giving rise to a possible financial obligation whose existence will only be confirmed or otherwise by the occurrence of future events. Contingent liabilities can also arise in circumstances where a provision would be made, except that it is not possible at the balance sheet date to measure the value of the financial obligation reliably.

Contingent assets and liabilities are not recognised in the NAS but are disclosed by way of narrative in the notes.

o) Accounting Policies

There have been no changes to accounting policies.

Note 4: Critical judgements in applying accounting policies

Pension fund liability

The liability is re-calculated every three years by the appointed actuary, with annual updates in the intervening years. The methodology used is in line with accepted guidelines.

This estimate is subject to significant variances based on changes to the underlying assumptions which are agreed with the actuary and have been summarised (see Note 18).

Actuarial revaluations are used to set future contribution rates and underpin the Fund's most significant investment management policies, for example in terms of the balance struck between longer term investment growth and short-term yield/return.

Note 5: Assumptions made about the future and other major sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported financial statements. Estimates and assumptions are made taking into account historical experience, current trends and future expectations. The items in the NAS for which there is a significant risk of material adjustment in the following year are as follows.

Item	Uncertainties	Effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits (Note 18)	Estimation of the net liability to pay pensions depends on several complex judgements relating to the discount rate used, salary increases, changes in retirement ages, mortality rates and returns on fund assets. A firm of consulting actuaries is engaged to provide the Fund with expert advice about the assumptions to be applied.	The effects on the present value of total pension obligation in individual assumptions can be measured. For instance: • a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £97m • a 0.1% increase in assumed earnings inflation would increase the value of liabilities by approximately £2m, and • a one year increase in assumed life expectancy would increase the liability by approximately £55m.
Level 3 Investments	Private equity, pooled investment and pooled property investments are valued at fair value in accordance with International Private Equity and Venture Capital Valuation Guidelines 2012. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	Level 3 investments total £1.3bn, which represents 1% of the total Fund value of £2,069bn.

Note 6: Events after the Reporting Date

There have been no events since 31 March 2026, and up to the date when these accounts were authorised, which require any adjustments to these accounts.

Note 7: Contributions Receivable

2024/25 £000	By Category	2025/26 £000
18,432	Employees' contributions	19,014
	<i>Employers' contributions:</i>	
52,622	Normal contributions	54,328
3	Deficit recovery contributions	(16)
1,208	Augmentation contributions	4,052
53,833	Total Employers' contributions	58,364
72,265	Total	77,378

2024/25 £000	By Authority	2025/26 £000
50,727	Administering Authority	55,235
4,967	Admitted Body	5,267
16,571	Scheduled Body	16,876
72,265	Total	77,378

Note 8: Benefits Payable

2024/25 £000	By Category	2025/26 £000
(63,471)	Pensions	(66,749)
(13,641)	Commutation and lump sum retirement benefits	(19,016)
(2,143)	Lump sum death benefits	(3,177)
(79,254)	Total	(88,942)

2024/25 £000	By Authority	2025/26 £000
(69,073)	Administering Authority	(76,739)
(2,898)	Admitted Body	(4,062)
(7,283)	Scheduled Body	(8,141)
(79,254)	Total	(88,942)

Note 9: Payments to and on account of leavers

2024/25 £000	By Authority	2025/26 £000
(161)	Refunds to members leaving service	(227)
(15,478)	Individual transfers	(16,611)
(15,639)	Total	(16,838)

Note 10: Management Expenses

2024/25 £000	By Authority	2025/26 £000
(1,721)	Administrative costs	(1,549)
(3,686)	Investment management expenses	(4,056)
(507)	Oversight and governance costs	(888)
(5,914)		(6,493)

Note 10a: Investment Management Expenses

	2024/25			2025/26		
	Management Fees £000	Transaction Costs £000	Total £000	Management Fees £000	Transaction Costs £000	Total £000
Asset pool	(140)	-	(140)	(148)	-	(148)
Equity	(74)	-	(74)	(25)	-	(25)
Fixed income	(2)	(2)	(4)	(2)	(2)	(4)
Pooled equity	(267)	(557)	(824)	(253)	(188)	(441)
Pooled fixed income	-	-	-	-	-	-
Pooled property Investments	(784)	-	(1,143)	(831)	-	(831)
Private debt	(194)	-	(194)	(151)	-	(151)
Private equity	(681)	-	(681)	(891)	-	(1,712)
Real assets	(558)	-	(558)	(666)	-	(666)
	(2,699)	(559)	(3,618)	(2,967)	(190)	(3,978)
Custody fees			(69)	(77)	-	(77)
Total	(2,700)	(559)	(3,686)	(3,045)	(190)	(4,056)

Note 10b: External Audit Costs

2024/25 £000		2025/26 £000
(89)	Payable in External audit	(93)
(89)		(93)

Note 11: Investment Income

2024/25 £000		2025/26 £000
(2)	Equity	-
1,559	Pooled equity	149
6,351	Pooled property Investments	5,594
2,136	Pooled fixed income	2,218
12,180	Private debt	7,773
912	Private equity	2,642
-	Real assets	1,221
2,442	Diversified Alternatives	338
3,140	Interest on cash deposits	1,578
28,718		21,513

Note 12: Investments

31 March 2025 £000	Market Value Analysis of Investments	31 March 2026 £000
	Investment assets	
	Pooled funds:	
48,778	Fixed income unit trust	50,868
1,183,728	Equity unit trust	1,303,491
210	Managed alternatives	76
1,232,716		1,354,435
	Other Investments:	
86,682	Private equity	107,938
110,324	Real assets	112,070
87,259	Private debt	65,623
81,617	Social Housing	91,291
190,711	Pooled property investments	193,423
556,591		570,344
150	Shares in London CIV	150
	Other investment assets:	
411	Investment income due	280
512	Derivative assets	-
923		280
145,140	Cash deposits	146,642
	Investment liabilities:	
(148)	Derivative liabilities	(2,050)
(148)		(2,050)
1,935,372	Total investment assets	2,069,800

Note 12a: Reconciliation of Movements in Investments and Derivatives

2025/26	Market value as at 31 March 2025	Purchases during the year and derivative payments	Sales during the year and derivative receipts	Change in Market Value during the year	Market value as at 31 March 2026
	£'000	£'000	£'000	£'000	£'000
Equities (active)	-	-	(18)	18	-
Pooled funds	1,232,716	3,732	(125)	118,112	1,354,435
Pooled property investments	190,711	8,780	(7,549)	1,479	193,423
Other investments	365,881	41,082	(37,130)	7,089	376,922
Shareholding in London CIV	150	-	-	-	150
	1,789,458	53,594	(44,822)	126,698	1,924,928
Derivative contracts:					
Forward currency contracts	364	8,791	(12,125)	920	(2,050)
	1,789,822	62,385	(56,947)	127,618	1,922,878
Cash deposits	145,140	-	-	(114)	146,642
Investment income due	411	-	-	-	280
Spot FX Contracts	-	-	-	(45)	-
Total	1,935,373			127,459	2,069,800

2024/25	Market value as at 31 March 2024	Purchases during the year and derivative payments	Sales during the year and derivative receipts	Change in Market Value during the year	Market value as at 31 March 2025
	£'000	£'000	£'000	£'000	£'000
Equities (active)	-	-	(171)	171	-
Pooled funds	1,242,710	153,523	(187,317)	23,800	1,232,715
Pooled property investments	191,151	84,528	(69,636)	(15,331)	190,711
Other investments	372,742	17,020	(33,326)	9,445	365,881
Diversified alternatives	-	-	-	-	-
Shareholding in London CIV	150	-	-	-	150
	1,806,753	255,071	(290,450)	18,083	1,789,457
Derivative contracts:					
Purchased/written options	(24,276)	20,876	-	3,400	-
Forward currency contracts	(1,467)	9,895	(14,074)	6,010	364
	1,781,010	285,842	(304,524)	27,493	1,789,821
Other Investment balances	25,110	-	-	-	-
Cash deposits	89,903	-	-	(648)	145,140
Investment income due	-	-	-	-	411
Amount receivable for sales of investments	424	-	-	-	-
Amounts payable for purchases of investments	(6,000)	-	-	-	-
Spot FX Contracts	-	-	-	(117)	-
Total	1,890,447			26,728	1,935,371

Note 12b: Investments analysed by Fund manager

Market Value as at 31 March 2025		Fund Manager		Market Value as at 31 March 2026
£'000	%		%	£'000
		Investments managed by the London CIV asset pool		
150	-	-LCIV Shareholding	-	150
48,364	2.50	LCIV Global Bond Fund (PIMCO)	2.44	50,441
155,485	8.03	LCIV Global Equity Focus Fund (Longview)	6.57	135,952
145,037	7.49	LCIV Global Equity Value Fund (Wellington)	8.20	169,629
-	-	-LCIV Private Debt II Fund	0.47	9,634
		Investments aligned with London CIV asset pool		
883,158	45.64	Legal and General Investment Management (LGIM)	48.22	997,906
1,232,194				1,363,712
		Investments managed outside of the London CIV asset pool		
52,647	2.72	Arcmont	2.59	53,547
47,824	2.47	Brightwood	2.00	42,024
12,889	0.64	Brockton	0.56	12,160
179,228	9.29	CBRE	9.01	185,947
81,595	4.22	Cheyne	4.14	85,623
92,766	4.79	Fiera Capital	4.55	94,094
91,984	4.75	HarbourVest	5.46	112,981
19,833	1.02	KGAL Capital	1.03	21,352
39,937	2.06	Northern Trust cash deposits	0.52	10,669
414	0.02	Payden & Rygel	0.02	427
40,522	2.09	Permira	2.04	42,229
43,540	2.25	Schroders	2.18	45,036
703,178				706,089
1,890,447	100	Total investment assets	100	2,069,800

Individual investments exceeding 5% of net assets

Market Value as at 31 March 2025	% of total fund	Fund Manager	% of total fund	Market Value as at 31 March 2026
£'000				£'000
654,654	33.83	LGIM – Paris Aligned	36.32	751,735
155,485	8.03	LCIV Global Equity Focus Fund	6.57	135,952
197,764	10.22	LGIM - <15YR Index-linked gilts	10.01	207,114
145,012	0.07	LCIV Global Equity Value Fund	8.19	169,604
192,117	9.93	CBRE	-	198,107
1,345,032	62.08		61.09	1,462,512

Note 12c: Stock Lending

The Fund does not carry out stock lending directly, and is an investor of a pooled fund with the passive equity manager, LGIM, who carry out stock lending as part of the Fund's activities. Stock Lending occurs in limited number of overseas equities index funds.

The Stock Lending programme is managed and administered by the custodian of the Funds (Citibank) within the risk control parameters set by LGIM. The programme has been operating for over 10 years and enjoys an indemnity from Citibank. Stock lending is only undertaken with counterparties who have satisfied the requirements in terms of market capability and minimum credit standing.

All income arising from stock lending less the custodian/administrator's costs are credited to the Funds lending the stocks. LGIM does not receive any revenue from the stock lending. As at 31 March 2026, the value of quoted equities on loan was £39m (2024/25: £47m). These equities continue to be recognised in the Fund's financial statements.

Note 13: Analysis of Derivatives

Objectives and policies for holding derivatives

Most of the holding in derivatives is to hedge liabilities or hedge exposures to reduce risk in the Fund. Derivatives may be used to gain exposure to an asset more efficiently than holding the underlying asset. The use of derivatives is managed in line with the investment management agreement agreed between the Fund and the various investment managers.

The Fund currently has exposure to forward currency contracts and the purpose of this is to reduce the Fund's exposure to fluctuations in exchange rates. The Fund managers who use forward currency contracts is Schroders. A breakdown of forward contracts held by the Fund as at 31 March 2026 is given below:

Open forward currency contracts

Settlements	Currency bought	Local value	Currency sold	Local value	Asset value	Liability value
		£'000		£'000	£'000	£'000
One to six months	GBP	132,964	USD	(176,802)	-	(1,143)
One to six months	GBP	83,847	EUR	(96,639)	-	(908)
Open forward currency contracts at 31 March 2026					-	(2,051)
Net forward currency contracts at 31 March 2026						(2,051)
Prior year comparative						
Open forward currency contracts at 31 March 2025					512	(148)
Net forward currency contracts at 31 March 2025						364

Purchased/written options

As part of its risk management strategy, the Fund purchases equity option contracts that protect it from falls in value in its main investment markets. There were none for 2024/25 and 2025/26.

Note 14: Fair Value - Basis of Valuation

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Market quoted investments	Level 1	Published bid market price ruling on the final day of accounting period	Not required	Not required
Quoted bonds	Level 1	Market value based on current yields	Not required	Not required
Exchange traded pooled investments	Level 1	Closing bid value on published exchanges	Not required	Not required
Overseas bond options	Level 2	Fixed income securities are priced based on evaluated prices provided by independent pricing services.	Evaluated price feeds	Not required
Pooled investments - unit trusts	Level 2	Closing bid price where bid and offer are published	NAV-based pricing set on a forward pricing basis	Not required
Structured equity	Level 2	Estimated valuation reported by counterparty	Market information such as interest rates, equity values, implied volatility, implied dividends	Reported values are estimates and do not represent trading value to enter into or close a position.
Pooled investments-property funds	Level 3	Closing bid price where bid and offer are published	NAV-based pricing set on a forward pricing basis	Reported values are estimates and do not represent trading value to enter into or close a position.
Pooled investments-hedge funds	Level 3	Closing bid price where bid and offer are published	NAV-based pricing set on a forward pricing basis	Valuations could be affected by material events occurring between the date of the financial statements provided and the Fund's own reporting date, by changes to expected cashflows, and by any differences between audited and unaudited accounts.
Private (Unquoted) equity / debt and real assets	Level 3	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation Guidelines (2012)	- Earnings before interest, tax, depreciation and amortisation multiple - Revenue multiple - Discount for lack of marketability - Control premium	Valuations could be affected by material events occurring between the date of the financial statements provided and the Fund's own reporting date, by changes to expected cashflows, and by any differences between audited and unaudited accounts.

Values at 31 March 2026	Quoted market price	Using observable inputs	With significant observable inputs	
	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Pooled investments	169,603	433,020	751,810	1,354,433
Pooled property investments	16,728	22,257	154,437	193,423
Private equity	-	-	376,922	376,922
Cash deposits	146,642	-	-	146,642
Investment income due	220	61	-	280
London collective investment vehicle	150	-	-	150
Net investment assets	333,343	455,338	1,283,169	2,071,850
Financial liabilities at fair value through profit and loss				
Derivative liabilities	-	(2,050)	-	(2,050)
Total	333,343	453,288	1,283,169	2,069,800

Sensitivity of assets valued at Level 3

Having analysed historical data and current market trends, and consulted with independent investment advisors, the Fund has determined that the valuation methods described above are likely to be accurate to within the following ranges, and has set out below the consequent potential impact on the closing value of investments held at 31 March 2026.

Values at 31 March 2025	Quoted market price	Using observable inputs	With significant observable inputs	
	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Pooled investments	145,012	1,087,493	210	1,232,716
Pooled property investments	16,263	21,870	152,577	190,711
Private equity	-	-	365,881	365,881
Derivative assets	-	512	-	512
Cash deposits	145,140	-	-	145,140
Investment income due	411	-	-	411
London collective investment vehicle	150	-	-	150
Other investment balances	-	-	-	-
Net investment assets	306,976	1,109,876	518,668	1,935,520
Financial liabilities at fair value through profit and loss				
Payable for investment purchases	-	-	-	-
Derivative liabilities	-	(148)	-	(148)
Total	306,976	1,109,728	518,668	1,935,371

Fund Manager	Assessed valuation range (+/-)	Value as at 31 March 2026	Value on increase	Value on decrease
	%	£'000	£'000	£'000
Private debt*	10	65,623	72,185	59,061
Private equity	25	220,007	275,009	165,005
Real assets**	15	52,867	60,797	44,937
Social Housing	10	91,291	100,420	82,162
UK Equity Funds	25	751,735	939,669	563,801
Subtotal		1,181,523	1,448,080	914,966
Overseas Hedge Funds	15	76	87	65
Property funds	10	101,569	111,726	91,412
Total		1,283,168	1,559,893	1,006,443

*Private debt is combined totals of the following managers; Arcmont, Brightwood & Permira

**Real assets is combined totals of the following managers; Fiera & KGAL

Note 14a: Fair Value Hierarchy

Assets and liabilities have been classified three levels, according to the quality and reliability of information used to determine fair values.

Level 1 –where the fair values are derived from adjusted quoted prices in active markets for identical assets or liabilities. Comprise quoted equities, quoted fixed securities, quoted index linked securities and unit trusts.

Level 2 – Assets and liabilities at level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value.

Level 3 – Assets and liabilities at level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

The following table provides an analysis of the financial assets and liabilities of the Fund grouped into levels 1 to 3, based on the level at which the fair value is observable.

Note 14b: Reconciliation of Fair Value Measurements within Level 3

	Market Value as 31/03/2025	Transfers in/out of level 3	Purchases	Sales	Unrealised gains (losses)	Realised gains (losses)	Market Value as 31/03/2026
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Pooled investments- hedge funds	1	-	717,927	-	33,807	-	751,735
Private equity (Overseas property funds)	101,564	-	3,798	(4,490)	(856)	1,553	101,569
Property funds (Overseas venture capital)	197,005	-	25,303	(9,365)	2,325	4,739	220,007
Private debt	87,259	-	6,274	(23,921)	(4,103)	115	65,624
Real assets (UK Property funds)	51,013	-	2,447	(1,109)	2,346	(1,830)	52,867
Social Housing (UK venture capital)	81,617	-	9,504	(3,844)	4,013	-	91,290
Overseas Hedge Fund	210	-	-	(86)	(87)	39	76
Total	518,669	-	765,253	42,815	37,445	4,616	1,283,168

Unrealised and realised gains and losses are recognised in the profit and losses on disposal and changes in the market value of investments line of the Fund of account.

Note 15: Classification of Financial Instruments

Accounting policies describe how different asset classes of financial instruments are measured, and how income and expenses, including fair value gains and losses are recognised. The following table analyses the carrying amounts of financial assets and liabilities by category and NAS heading.

Market Value as at 31 March 2025				Market Value as at 31 March 2026		
Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost		Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost
£'000	£'000	£'000		£'000	£'000	£'000
			Financial assets			
1,232,716	-	-	- Pooled funds	1,354,434	-	-
190,711	-	-	- Pooled property Investments	193,423	-	-
365,881	-	-	- Private equity/debt & real assets	376,922	-	-
-	150	-	- London collective investment vehicle	150	-	-
145,140	-	-	- Cash and cash equivalents	146,641	1,586	-
512	-	-	- Derivatives	-	-	-
411	-	-	- Other investment balances	280	-	-
-	5,386	-	- Sundry Debtors and Prepayments	-	652	-
1,935,371	5,536	-	- Total Financial Assets	2,071,850	2,238	-
			Financial liabilities			
-	-	(148)	- Derivatives	(2,050)	-	-
-	-	-	- Sundry creditors	-	(444)	-
-	-	(148)	Total Financial liabilities	(2,050)	(444)	-
1,935,371	5,536	(148)	Total	2,069,800	1,794	-

All realised gains and losses arise from the sale or disposal of financial assets which have been derecognised in the financial statements. The Fund has not entered into any financial guarantees that are required to be accounted for as financial instruments.

Note 15a: Net Gains and Losses on Financial Instruments

31st March 2025		31st March 2026
£'000		£'000
	Financial Assets	
-	Fair value through profit and loss	126,699
	Financial Liabilities	
9,410	Fair value through profit and loss	920
(765)	Other investment balances	(159)
8,645	Total	127,460

Note 16: Nature and Extent of Risks arising from Financial Instruments**Risk and risk management**

The Fund's primary long-term risk is that the Fund's assets will fall short of its liabilities (i.e. promised benefits payable to members). Therefore the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows. The Fund manages these investment risks as part of its overall Fund risk management programme.

Responsibility for the Fund's risk management strategy rests with the Committee. Risk management policies are established to identify and analyse the risks faced by the Fund's operations. Policies are reviewed regularly to reflect changes in activity and in market conditions.

Market risk

Market risk is the risk of loss emanating from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix. The objective of the Fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, while optimising investment return.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the Fund and its investment advisors undertake appropriate monitoring of market conditions and benchmark analysis, and manage any identified risk in two ways:

- the exposure of the Fund to market risk is monitored through a factor risk analysis, to ensure that risk remains within tolerable levels
- specific risk exposure is limited by applying risk-weighted maximum exposures to individual investments.

investments. The Fund's structured equity is a hedge that provides some level of mitigation to market volatility.

Other price risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.

The Fund is exposed to share and derivative price risk. This arises from investments held by the Fund for which the future price is uncertain. All securities investments present a risk of loss of capital. The Fund is exposed to share and derivative price risk. This arises from investments held by the Fund for which the future price is uncertain. All securities investments present a risk of loss of capital. Except for shares sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from shares sold short are unlimited.

The Fund's investment managers mitigate this price risk through diversification and the selection of securities and other financial instruments is monitored to ensure it is within limits specified in the Fund investment strategy.

Other price risk – sensitivity analysis

In consultation with its investment advisors, the Fund has determined that the following movements in market price risk are reasonably possible for 2025/26, assuming that all other variables, in particular foreign exchange rates and interest rates, remain the same:

Asset type	Movement	Market value as at 31 March 2026	Movement on increased value	Movement on decreased value
	%	£'000	£'000	£'000
Pooled investments	10	1,354,434	1,489,878	1,218,991
Pooled Property Investments	10	193,423	212,766	174,080
Private Equity	25	376,922	471,152	282,691
Derivative Assets	10	-	-	-
Cash deposits	5	146,641	153,973	139,310
Other investment assets	-	-	-	-
Investment income due	-	280	280	280
London CIV	15	150	173	128
Investment liabilities	-	(2,050)	-	-
Total		2,069,800	2,328,222	1,815,480

Asset type	Movement	Market value as at 31 March 2025	Movement on increased value	Movement on decreased value
	%	£'000	£'000	£'000
Pooled investments	10	1,232,716	1,355,987	1,109,444
Pooled Property Investments	10	190,711	209,782	171,640
Private Equity	25	365,881	457,351	274,411
Derivative Assets	10	511	563	461
Cash deposits	5	145,140	152,397	137,883
Other investment assets	-	-	-	-
Investment income due	-	411	411	411
London CIV	15	150	173	128
Investment liabilities	-	(148)	(148)	(148)
Total		1,935,371	2,176,516	1,694,230

Interest rate risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund's direct exposure to interest rate movements as at 31 March 2026 and 31 March 2025 is set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value.

Interest rate – risk sensitivity analysis

The Fund recognises that interest rates can vary and affect both income to the Fund and the carrying value of Fund assets, both of which affect the value of the net assets available to pay benefits. A 100 basis point (BPS) movement in interest rates is consistent with the level of sensitivity applied as part of the Fund's risk management strategy.

The Fund's investment advisor has advised that there is a low probability that long-term average rates will move less by more than 100 basis points (1%) from one year to the next.

	Market value	Value on	Value on 1%
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Asset type	as at 31 March 2026	1% price increase	price decrease
	£'000	£'000	£'000
Cash and Cash equivalents	146,642	148,108	145,175
Cash balances	1,586	1,602	1,569
Total	148,228	149,710	146,744

Asset type	Market value as at 31 March 2025	Value on 1% price increase	Value on 1% price decrease
	£'000	£'000	£'000
Cash and Cash equivalents	145,140	146,591	143,688
Cash balances	2,173	2,195	2,151
Total	147,313	148,786	145,840

Interest Receivable

Asset type	Market value as at 31 March 2026	Value on 1% price increase	Value on 1% price decrease
	£'000	£'000	£'000
Cash and Cash equivalents	1,578	1,594	1,562
Total	1,578	1,594	1,562

Asset type	Market value as at 31 March 2025	Value on 1% price increase	Value on 1% price decrease
	£'000	£'000	£'000
Cash and Cash equivalents	3,140	3,171	3,108
Total	3,140	3,171	3,108

This analysis demonstrates that a 1% increase in interest rates will not materially affect the interest received on fixed interest assets but will reduce their fair value, and vice versa. Changes in interest rates do not impact on the value of cash and cash equivalent balances but they will affect the interest income received on those balances.

Currency risk

Currency risk represents the risk that future cash flows will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on any cash balances and investment assets not denominated in UK sterling. Following analysis of historical data in consultation with the Fund investment advisors, the Fund considers the likely volatility associated with foreign exchange rate movements to be not more than 10%. A 10% strengthening/weakening of the pound against the various currencies in which the Fund holds investments would decrease/increase the net assets available to pay benefits as follows.

Asset type	Market value as at 31 March 2026	Value on 10% price increase	Value on 10% price decrease
	£'000	£'000	£'000
Overseas fixed interest unit trusts	427	470	384
Overseas pooled property investments	101,569	111,726	91,412
Overseas venture capital	220,007	242,008	198,007
Overseas Equity Funds	305,585	336,144	275,027
Overseas Hedge Fund	76	83	68
Total	627,664	690,431	564,898

Asset type	Market value as at 31 March 2025	Value on 10% price increase	Value on 10% price decrease
	£'000	£'000	£'000
Overseas fixed interest unit trusts	414	455	373
Overseas pooled property investments	101,564	111,720	91,408
Overseas venture capital	197,005	216,706	177,305
Overseas Equity Funds	300,570	330,627	270,513
Overseas Hedge Fund	210	231	189
Total	599,763	659,739	539,788

a) Credit risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The Market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities.

The selection of high quality fund managers, counterparties, brokers and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner. The Fund has also set limits as to the maximum sum placed on deposit with individual financial institutions. In addition, the Fund invests an agreed percentage of its Funds in the money markets to provide diversification. Money market funds chosen all have AAA rating from a leading ratings agency, as shown below.

Summary	Rating	Market value as at 31 March 2025	Market value as at 31 March 2026
		£'000	£'000
Held with Custodian			
Northern Trust custody cash accounts	AAA	145,140	146,642
Other investment balances		411	280
Bank current accounts			
Lloyds	A+	2	2
Total		145,553	146,924

The Fund has experienced no defaults from fund managers, brokers or bank accounts over many years.

Credit risk may also occur if an employing body not supported by central government does not pay contributions promptly, or defaults on its obligations. The Fund has not experienced any actual defaults in recent years and the current practice is to obtain a guarantee before admitting new employers so that all pension obligations are covered in the event of that employer facing financial difficulties. All contributions due at 31 March 2026 and 31 March 2025 (£6.0m and £6.0m respectively) were received in the first two months of the respective financial year.

Liquidity risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund's cash holding under its treasury management arrangements at 31 March 2026 was £12m (31 March 2025: £42m).

Cash not needed to settle immediate financial obligations is invested by the Fund in accordance with LBN's Treasury Investment Strategy (TIS). The TIS sets out the criteria for investing and selecting investment counterparties and details the approach to managing risk.

The Fund also has access to an overdraft facility for short-term cash needs (up to seven days). This facility is only used to meet timing differences on pension payments. As at 31 March 2026 the balance on this facility stood at £0 (31 March 2025: £0).

The Fund defines liquid assets as assets that can be converted to cash within three months. Illiquid assets are those assets which will take longer than three months to convert into cash. As at 31 March 2026 the value of liquid assets represented 38% of the total Fund value (31 March 2025: 81% of the total Fund assets).

b) Refinancing risk

The key risk is that the Authority will be bound to replenish a significant proportion of its financial instruments at a time of unfavourable interest rates. The Fund does not have any financial instruments that have a refinancing risk as part of its treasury management and investment strategy.

Note 17: Funding Arrangements

In line with the Local Government Pension Scheme Regulations 2013, the Fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period. The last such valuation took place as at 31 March 2022 and the next valuation is due to take place as at 31 March 2025.

The key elements of the funding policy are:

- to ensure the long-term solvency of the Fund, i.e. that sufficient funds are available to meet all pension liabilities as they fall due for payment.
- to ensure that employer contribution rates are as stable as possible
- to minimise the long-term cost of the scheme by recognising the link between assets and liabilities and adopting an investment strategy that balances risk and return.
- to reflect the different characteristics of employing bodies in determining contribution rates where it reasonable to do so.
- to use reasonable measures to reduce the risk to other employers and ultimately to the authority tax payer from an employer defaulting on its pension obligations.

At the 2022 actuarial valuation, the Fund was assessed as 100% funded (96% at the March 2019 valuation). This corresponded to a surplus of £4m (2019 valuation: £58m deficit) at that time.

When an employer's funding level is less than 10% of the 100% funding target, then a deficit recovery plan will be put in place requiring addition employer contributions. Individual employers' rates will vary depending on the demographic and actuarial factors particular to each employer.

In addition to the primary contribution rate, most employers also pay a secondary contribution rate depending on the demographic and actuarial factors particular to each employer. Full details of the contribution rates payable can be found in the 2022 Actuarial Valuation Report and the Funding Strategy Statement on the Fund's website: www.newham.gov.uk/council/pension-fund

The valuation of the Fund has been undertaken using the projected unit method under which the salary increase for each member is assumed to increase until they leave active service by death, retirement or withdrawal from service. The principal assumptions were as follows.

Financial assumptions as noted in the triennial valuation

Assumed returns at	31st March 2022	31st March 2019	31st March 2016
	%	%	%
Discount rate	4.7	5	5.4
CPI Inflation	2.9	2.6	2.4
Pension increases	2.9	2.6	2.4
Salary increases	3.9	3.6	3.9

Mortality assumptions as noted in the triennial valuation

Future life expectancy based on the actuary's fund-specific mortality review was as follows.

Life expectancy from age 65	31st March 2022	31st March 2019	31st March 2016
	%	%	%
Males retiring today	19.51	21.6	21.6
Females retiring today	22.88	23.8	23.8
Males retiring in 20 years	20.87	22.7	23.3
Females retiring in 20 years	24.43	25.4	25.8

Commutation assumptions

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

50:50 option

Less than 1% of active members (evenly distributed across age, service length and salary range) have taken up the 50:50 option.

Note 18: Actuarial Present Value of Promised Retirement Benefits

In addition to the triennial funding valuation, the Fund's actuary also undertakes a valuation of the Fund liabilities, on an IAS 19 basis, every year using the same base data as the funding valuation rolled forward to the current financial year, taking account of changes in membership numbers and updating assumptions to the current year. This valuation is not carried out on the same basis as that used for setting Fund contribution rates and the Fund accounts do not take account of liabilities to pay pensions and other benefits in the future. In order to assess the value of the benefits on this basis, the actuary has updated the actuarial assumptions (set out below) from those used for funding purposes (see Note 17). The actuary has also used valued ill-health and death benefits in line with IAS 19. "In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgment has now been upheld by the Court of Appeal. The Local Government Pension Scheme is a contracted out defined benefit scheme and amendments have been made during the period 1996 to 2016 which could impact member benefits. Work is being performed by the Government Actuary's Department as the Local Government Pension Scheme actuary to assess whether section 37 certificates are in place for all amendments and some of these have been confirmed however, at the date of these financial statements, the full assessment is not complete. Until this analysis is complete, we are unable to conclude whether there is any impact on the assessed actuarial present value of promised retirement benefits under IAS 26, or if it can be reliably estimated. As a result, Newham Pension Fund does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in the disclosure of the actuarial present value of promised retirement benefits in its financial statements."

31 st March 2025		31 st March 2026
£'m		£'m
(1,701)	Present value of promised retirement benefits	(1,846)
1,935	Fair value of scheme assets (bid value)	2,063
234	Net Liability	217

Financial assumptions	31 st March 2026	31 st March 2025
	%	%
Discount rate	6.10	5.80
Pension increases (CPI)	2.90	2.90
RPI inflation	3.30	3.20
Salary increases	3.90	3.90

An allowance for the potential impact of the McCloud & Sargeant judgement is included in the present value of promised retirement benefits.

As noted above, the liabilities above are calculated on an IAS 19 basis and therefore will differ from the results of the 2022 triennial funding valuation (see Note 17) because IAS 19 stipulates a discount rate rather than a rate which reflects market rates.

Note 19: Current Assets

31 st March 2025		31 st March 2026
£'000		£'000
1,569	Contributions due – employees	1,617
4,394	Contributions due – employers	4,687
353	Receivables	1,000
5,033	Debtors	13,448
2,173	Cash balances	1,586
13,522	Total Current Assets	22,338

Note 19a: Current Liabilities

31 st March 2025		31 st March 2026
£'000		£'000
(13,373)	Current Liabilities	(30,931)
(13,373)	Total Current Liabilities	(30,931)

Note 20: Additional Voluntary Contributions

31 st March 2025		31 st March 2026
£'000		£'000
1.091	Clerical Medical	1,111
140	Utmost Life and Pensions	130
1,231	Total	1,241

AVC contributions of £0.028m were paid directly to Clerical Medical during the year (£0.042m 2024/25). There have been no further contributions to Utmost in either financial year.

These amounts are not included in the Fund accounts in accordance with Regulation 4 (1) (b) of the LGPS (Management and Investment of funds) Regulations 2016.

Note 21: Agency Services

The Fund pays discretionary awards to the former teachers of LBN, the amounts are fully reclaimed.

2024/25		2025/26
£'000		£'000
340	Payments on behalf of London Borough of Newham	351
340	Total	351

Note 22: Related Parties

The Fund is administered by LBN. During the reporting period, the Council incurred costs of £1.8m (2024/25: £0.58m) in relation to the administration of the Fund and was subsequently reimbursed by the Fund for these expenses. As at 31 March 2026 the Council owed the Fund £14.9m (2024/25 £6.6m).

Responsibility for management of the Fund has been delegated to the Pensions Committee and the day to day operations of the Fund have been delegated to the Statutory Section 151.

Of the Committee members there is one deferred member; Councillor John Gray. The Members of the Committee do not receive fees in relation to their specific responsibilities as Members of the Committee.

The Council is also the largest employer in the Fund and in 2025/26 contributed £33.8m (2024/25 £36.2m) to the Pension Fund in respect of employer's contributions. All monies owing to and due from the fund were paid in year.

The Fund is a minority shareholder in London LGPS CIV Ltd. Shares valued at £0.15m at 31 March 2026 (£0.15m at 31 March 2025) are included as long-term investments in the NAS. A mixed portfolio of investments is managed by the regional asset pool as shown in Note 12b. During 2025/26 a total of £0.14m was charged to the pension fund by London CIV in respect of investment management services (£0.14m in 2024/25).

Note 22a: Key Management Personnel

Key management personnel are members of the Committee, the Corporate Director of Resources, the Director of Exchequer and Transactional Services (OneSource) and the Head of Pensions & Treasury. Total remuneration payable to key management personnel which is recharged to the Fund is set out below:

2024/25		2025/26
£'000		£'000
46	Short-term benefits	26
16	Post-employment benefits	512
62	Total	538

Note 23: Contingent Liabilities and Contractual Commitments

Outstanding capital commitments for private debt, property, private equity, real assets and social housing at 31 March 2026 totalled £90m (31 March 2025: £110m). There are no contingent liabilities to report.

6 admitted bodies have a guarantee in place with the Local Authority to guard against the possibility of being unable to meet the pension obligations. The guarantees are drawn in favour of the Fund and payment will only be triggered in the event of employer default. No such defaults have occurred.

The Fund, in conjunction with other Borough shareholders in the London CIV, has entered into an exit agreement with the London CIV, acting as a guarantor. The Fund will meet any exit payments due should the London CIV cease its admission arrangements with City of London. Should an amount become due the Fund will meet proportionate share of costs.

LINK TO STATEMENT AND POLICIES

- **Investment Strategy Statement**

<https://www.newham.gov.uk/downloads/file/7565/investment-strategy-statement-2023-24>

- **Funding Strategy Statement**

<https://www.newham.gov.uk/downloads/file/11094/funding-strategy-statement-2025-26>

- **Environmental, Social and Governance (ESG) Investment Policy**

<https://www.newham.gov.uk/downloads/file/7568/esg-statement-2023-24>

- **Communication Policy**

<https://www.newham.gov.uk/downloads/file/10023/newham-pension-fund-communications-policy-2025-2028>

- **Governance Statement**

<https://www.newham.gov.uk/downloads/file/7566/governance-compliance-statement-2023-24>

GLOSSARY OF FINANCIAL TERMS

Accounting period - The period of time covered by the Council's accounts. The Council's financial year is from the period 1st April to the following 31st March.

Accounting policies – The specific principles, bases, conventions, rules, and practices applied by the Council in preparing and presenting the financial statements.

Accounting standards - A set of rules explaining how accounts are to be kept (See 'International Financial Reporting Standards').

Accrual - The recognition of income and expenditure in the year that they occur and not when any cash is received or paid.

Active member - Current employee who is contributing to a pension scheme.

Actuary - An independent professional who advises the Council on the financial position of the Fund. Every three years the actuary values the assets and liabilities of the Fund and determines the funding level and the employers' contribution rates.

Additional Voluntary Contributions (AVC) - An option available to active scheme members to secure additional pension benefits by making regular contributions to separately held investment funds managed by the Fund's AVC provider

Administering Authority -The Administering Authority is responsible for maintaining and investing its own Fund for the LGPS. This means the Administering Authority is responsible for making all decisions relating to the operation of the Fund.

Admitted Body - An organisation, whose staff can become members of the Fund by virtue of an admission agreement made between the Council and the organisation. It enables contractors who take on the Council's services with employees transferring, to offer those staff continued membership of the Fund.

Admission Agreement - an agreement made between the administering authority, a Scheme employer and a contracted company to allow the contractor to become part of the LGPS.

Asset allocation - The apportionment of a fund's assets between different types of investments (or asset classes). The long-term strategic asset allocation of a Fund will reflect the Fund's investment objectives.

Balance Sheet - A statement of all the assets, liabilities and other balances of the Council at the end of an accounting period.

Basis Points (BPS) - A unit of measure for interest rates and percentages. One basis point is equal to 1/100th of 1%.

Benchmark - A measure against which the investment policy or performance of an investment manager can be compared.

Billing Authority – Refers to a local authority that is responsible for the collection of tax, both on behalf of itself and local authorities in its area.

Budget - A forecast of future expenditure plans for the Council. Detailed revenue⁹⁹ budgets are prepared for each year.

Career Average Revalued Earnings (CARE) - from 1 April 2014 the LGPS became a Career Average Revalued Earnings Scheme. The pension built up from 1 April 2014 is based on a CARE scheme basis and the pension built up prior to 1 April 2014 is linked to Final Salary.

Cash equivalents – Highly liquid, safe investments that can easily be converted into cash.

Chartered Institute of Public Finance and Accountancy (CIPFA) – A professional accountancy body, specialising in the Public Sector. It promotes best practice by issuing guidelines and Codes of Practice.

Collective Investment Vehicle (CIV) - is any entity that allows investors to pool their money and invest the pooled funds, rather than buying securities directly as individuals

Contingent Liability - Where possible “one-off” future liabilities or losses are identified but the level of uncertainty is such that the establishment of a provision is not appropriate.

Consumer Price Index (CPI) – Measures the average change in retail prices of a basket of goods and services purchased by most UK households, to provide an indication of the rate of inflation. The CPI includes some financial services in the basket of goods not included in the RPI.

COVID-19 – Coronavirus pandemic.

Creditors - Amount of money owed by the Council for goods and services received, also referred to as Payables.

Death Grant - an amount paid to a current or former member's estate or nominated beneficiaries in the event of death in service, death after retirement or death of a deferred beneficiary

Debtors - Amount of money owed to the Council by individuals, and organisations, also referred to as Receivables.

Deferred Benefits (may be called preserved benefits) - benefits retained in the pension fund when a member leaves without an entitlement to the immediate payment of those benefits. If a transfer of benefits does not take place before hand, deferred benefits are usually paid from the member's normal retirement date.

Defined Benefit Scheme - A pension scheme which defines benefits independently of the contributions payable. Benefits are not directly related to the investments of the Pension Fund.

Deferred Income – Receipt in Advance – This represents a receipt received as part of entering into a building lease. The credit is being released over the term of the lease.

Deferred Liabilities – These are future payments that the Council is contractually obliged to pay in future years. These liabilities relate to Private Finance Initiative (PFI) schemes.

Deferred members - Scheme members, who have left employment or ceased to be an active member of the scheme whilst remaining in employment, but retain an entitlement to a pension from the scheme.

Discretion - this is the power given by LGPS regulations to enable Scheme employers or administering authorities to choose how they will apply the

Scheme rules in respect of certain provisions.

Employer rates - The percentage of the salary of employees that employers pay as a contribution towards the employees' pension.

Equities - Ordinary shares in UK and overseas companies traded on a stock exchange. Shareholders have an interest in the profits of the company and are entitled to vote at shareholders' meetings.

Exit Cap - The cap limits the exit payments made to employees of public sector bodies.

Fair Value - In relation to the value of financial instruments, it is the amount for which an asset can be exchanged or a liability settled between knowledgeable and willing parties in an arm's length transaction.

Financial Instrument - Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.

Fixed interest securities – Investments, mainly in government stocks, which guarantee a fixed rate of interest. The securities represent loans which are repayable at a future date but which can be traded on a recognised stock exchange in the meantime.

Good Governance Framework – SAB commissioned report reviewing the governance of the LGPS on effectiveness and reviewing existing models.

Guaranteed minimum Pension (GMP) - Is the minimum guaranteed level of pension, which a pension scheme had to provide to members if they were contracted out of the SERPS between 6 April 1978 and 5 April 1997.

Index - A calculation of the average price of shares, bonds, or other assets in a specified market to provide an indication of the average performance and general trends in the market.

Interest Rate Risk - The uncertainty of interest paid/received on variable rate instruments and the effect of fluctuations in interest rates on the fair value of an instrument.

Internal Disputes Resolution Procedure (IDRP) – a complaints procedure governed by regulation providing any current or former scheme member with the opportunity to settle any dispute or complaint they may have in respect of any decision made regarding their entitlements under scheme rules.

International Financial Reporting Standards (IFRS) – The set of international accounting standards issued by the International Accounting Standards Board (IASB). Local Authorities are required to produce accounts based on IFRS.

Investment Properties – Those properties that are held solely to earn rentals and/ or for capital appreciation, rather than for the delivery of services.

Investment Strategy Statement (ISS) – LGPS regulations require administering authorities to prepare and maintain an ISS. The ISS outlines the Fund's investment objectives and investment beliefs, identifies the risks the Fund faces and outlines how this risks are controlled/mitigated.

Long-Term Assets - Assets that yield benefit to the Council and the services it provides for a period of more than one year.

McCloud - The McCloud judgement refers to the Court of Appeal's ruling that Government's 2015 public sector pension reforms unlawfully treated existing public sectors differently based upon members' age

Minimum Revenue Provision (MRP) - The amount that has to be charged to revenue to provide for the redemption of debt. Not applicable to the HRA.

National Fraud Initiative - Exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud.

Pension Administration Strategy – Strategy which outlines the processes and procedures allowing the administrator and employers to work together in a cost effective way to administer the LGPS.

Pooled Investment vehicles - Funds which manage the investments of more than one investor on a collective basis. Each investor is allocated units which are revalued at regular intervals. Income from these investments is normally returned to the pooled fund and increases the value of the units.

Project PACE – LPPA led project to implement new Pension Administration system.

Provisions - Amounts set aside for liabilities and losses, which are certain or very likely to occur but where the exact amount or timing of the payment are uncertain.

Public Service Pension Act 2013 (PSPA13) - An Act to make provision for public service pension schemes; and for connected purposes.

Rates and Adjustment Certificate - a certificate issued by the Actuary following a valuation of the Fund which sets out the employer contribution rates payable by each of the associated scheme bodies.

Return - The total gain from holding an investment over a given period, including income and increase or decrease in market value.

Reserves - Amounts set aside which do not fall within the definition of a provision, to fund items of anticipated expenditure. These include general reserves or balances which every Council must maintain as a matter of prudence.

Retail Price Index (RPI) – Measures the average change in retail prices of a basket of goods and services purchased by most UK households, to provide an indication of the rate of inflation. The RPI includes mortgage interest payments and council tax in the basket of goods not included in the CPI.

Scheduled body - An organisation that has the right to become a member the Local Government Pension Scheme under the scheme regulations. Such an organisation does not need to be admitted, as its right to membership is automatic.

Triennial Valuation - Every three years the Actuary reviews the assets and liabilities of the Pension Fund and reports to the Council on the fund's financial position and recommended employers' contribution rates.

Unrealised gains/ losses - The increase or decrease in the market value of investments held by the fund since the date of their purchase.

Value For Money (VFM) – This term is used to describe the relationship between the economy, efficiency, and effectiveness (known as the 'three Es') of a service, function or activity. Value for money is high when there is an optimum balance between all three.

