

CUMBRIA PENSIONS COMMITTEE

Meeting date: 16 June 2022

From: Pam Duke, Director of Finance (S151 Officer)

MONITORING REPORT FOR THE QUARTER ENDED 31 MARCH 2022 – PART 1

1.0 EXECUTIVE SUMMARY

1.1 *This detailed report advises Members of any material risk, administration, investment performance, governance, and policy issues of the Fund for the quarter ending 31 March 2022.*

1.2 *The report identifies any current governance issues and national regulatory changes and outlines the performance of the whole portfolio and estimated change of liabilities over the quarter to 31 March 2022.*

1.3 Risk Management (Section 4):

1.3.1 *The Cumbria Pensions Committee follows accepted best practice across Pension Funds (including the LGPS) in formally reviewing the key risks identified for the Fund.*

1.3.2 *The risk register (as presented in Appendix 1) outlines the key risks to the Fund.*

1.3.3 *Two risks have been added to the risk register in the quarter:*

- *There is a risk that the Russian invasion of Ukraine may have an impact on Fund investments and employer contributions rates; and*
- *There is a risk that sustained high levels of inflation may impact on the value of Fund investments and employer contribution rates.*

1.3.4 *The risk associated with the COVID-19 impact on pensions investments has been removed from the risk register.*

1.4 Pensions' Administration (Section 5):

1.4.1 *Combined performance against key performance indicators for Local Pensions Partnership - Administration (LPPA) was 96.4% (exceeding the LPPA target of 95%) for the quarter to 31 March 2022. Performance*

was also above the performance target for dealing with death cases (99.4%) and new retirements of deferred members (99.1%). The processing of retirements of active members within 10 days was 94.6% - slightly below the 95% target.

1.5 Investment Management (Section 6):

1.5.1 Fund Investment Performance:

- The value of the Fund has fallen by £44m to £3,317m over the quarter to 31 March 2022 (£3,361m at 31 December 2022).*
- The Fund's investment performance (net of fees) over the quarter ended 31 March 2022 was a negative return of -1.5%, slightly behind the fund-specific benchmark of -0.8%.*
- Long-term performance over the 5 years to 31 March 2022 is ahead of the Fund's specific benchmark (6.9% per year net of fees against a benchmark of 6.7%) and, over ten years the Fund return (net of fees) of 9.1% per year is above the benchmark of 8.2%.*

1.6 Oversight & Governance (Section 7):

1.6.1 *The Fund has continued to ensure it is appropriately compensated for any losses incurred from improper business practices through participation in class actions against appropriate companies.*

1.6.2 *The Fund has continued its role as a responsible shareholder by maintaining effective oversight of voting and engagement activity with companies in which it invests.*

1.7 Oversight & Governance - Policy & Regulation (Section 8):

1.7.1 *The report notes that there have been no updates from Government with regard to the regulatory amendments to the LGPS related to the McCloud remedy or Exit Payment Caps in the quarter. Neither has there been progress reported on the Pensions Regulator's consolidated Code of Practice for pension schemes.*

1.7.2 *There were no breaches reported to the Pensions Regulator during the quarter to 31 March 2022. Nine Administering Authority discretions were exercised relating to the payment of death grants in the quarter, and one discretion was made in relation to a late combination of pension benefits.*

2.0 STRATEGIC PLANNING AND EQUALITY IMPLICATIONS

2.1 *The purpose of the Fund is to pay Cumbria LGPS members' pension benefits in accordance with regulations and in a secure, affordable and*

sustainable manner over the short, medium and long term. To do this, the Fund seeks to:

- ensure that sufficient resources are available to meet all liabilities as they fall due;*
- manage employers' liabilities effectively and enable employer contribution rates to be kept at a reasonable and affordable cost to the taxpayers and the scheduled, resolution and admitted bodies;*
- achieve and maintain Fund solvency and long term cost efficiency, which should be assessed in light of the profile of the Fund now and in the future; and*
- maximise the returns from investments within reasonable risk parameters taking into account the above aims.*

2.2 *Good governance and risk management will aid the Fund in ensuring its regulatory responsibilities are met, a good service is provided to scheme members, costs are controlled, and its required investment return is achieved. Cost control and the investment performance of the Fund will have a direct impact on the funding level and therefore all employers' contribution rates. This will have a direct impact on the Fund Employers' revenue budgets.*

2.3 *Content that can be reported within the public domain is presented within this Part 1 report to Pensions Committee with commercially sensitive information and information not for public disclosure being presented in the Part 2 Quarterly Monitoring report elsewhere on this agenda.*

2.4 *This report has been structured to consider risks associated with the Fund, followed by monitoring information presented in the broad format of the Business Plan, i.e. Pensions Administration, Investment Management and Oversight & Governance. This structure will enable Members monitoring of Fund activity to align to the objectives set out within the Business Plan of the Fund.*

2.5 *There are no direct equality implications arising out of the recommendations in this report.*

3.0 RECOMMENDATIONS

It is recommended that the Pensions Committee:

3.1 *Receive and note the performance and monitoring of the Fund for the period from 1 January 2022 to 31 March 2022;*

3.2 *Note issues arising relating to the governance of the Fund.*

4.0 RISK

4.1 Risk management is a key element of good governance for any organisation. Officers of the Fund continually review and monitor risks bringing any significant emerging issues to Members' attention throughout

the year, with Members formally reviewing these at Pensions Committee. This quarterly review process ensures consistent and timely Member oversight of risk monitoring and thereby provides enhanced due diligence in this regard.

4.2 The current risk register at June 2022 is presented at Appendix 1. Two risks have been added to the register over the past quarter:

- **New Risk in Q1: Ref 3.3 – Russian Invasion of Ukraine**

Impact of occurrence score	3
Likelihood of occurrence score	3
Total Risk Score	9 (Amber)

Russian invasion of Ukraine - There is a risk that the Russian invasion of Ukraine creates turbulence in the investment markets and assumptions used by the actuary as part of the 2022 valuation which could impact onto employer contribution rates payable to the Fund. This risk had previously been included in the risk register as an emerging risk.

The invasion of Ukraine by Russia has led to increased uncertainty and volatility on global financial markets. Furthermore, it is considered that sporadic illiquidity may persist in some markets. There is a risk that the impact of the invasion on financial markets may affect the value of investments within the Cumbria LGPS, however this risk is mitigated through the diverse portfolio of the Fund. Officers will continue to work with Advisors and investment managers to monitor this risk and report back to the Investment Sub Group and Pensions Committee on any developments.

- **New Risk in Q1: Ref 3.4 – Inflation**

Impact of occurrence score	3
Likelihood of occurrence score	3
Total Risk Score	9 (Amber)

Inflation - There is a risk that increased long term inflation in the UK and global economies may impact on investment returns and assumptions used by the actuary as part of the 2022 valuation which could impact on employer contribution rates payable to the Fund.

There is a risk that, if inflation over the long term was to rise sharply and asset values did not keep pace with any increases, the Fund's strong funding position may weaken and impact on employer contributions. The Fund's review of its investment strategy in 2020/21 (approved by Pensions Committee in March 2021) increased allocations to assets that are more closely linked to inflation e.g. long lease property, index linked gilts and infrastructure equity and diversified private debt.

Officers are liaising on a regular basis with the Fund's actuary to assess the potential impact of inflation on the valuation of the Fund. Where appropriate, Officers would give an early warning to employers if it were considered that this would have a material impact on the 2022 valuation of the Fund and will work with Advisors and the Investment Sub Group to

consider any need to review the investment strategy. Updates will be provided to Pensions Committee.

- 4.3 The risk associated with the COVID-19 impact on fund investments has been removed from the risk register at June 2022 reflecting that this has been well managed throughout the pandemic and the Fund is now beyond the date at which assets will be valued for the 2022 actuarial valuation.
- 4.4 In addition to the risks detailed above, the comments associated with some risks have been amended to reflect progress over the past quarter. In particular, the current controls and measures to respond to risk 3.1, Investment Performance, has been reviewed and amended to clarify.
- 4.5 There is currently one risk assessed as “red” associated with information security arrangements. Additionally, there are 3 “amber” and 14 “green” rated risks.

5.0 PENSIONS ADMINISTRATION

5.1 Local Pensions Partnership Administration (LPPA) Performance

- 5.1.1 To enable the Committee to perform appropriate governance and oversight of Fund administration, the quarterly report to 31 March 2022 has been attached at Appendix 2. Additionally, the annual report for 2021/22 has been attached as Appendix 3.
- 5.1.2 In the quarter to 31 December 2021, LPPA delivered a total SLA performance of 96.4% against the target of 95%. Processing of death cases and retirements from deferred status has again exceeded the target of 95% within 10 working days (death cases - 99.4%; deferred member retirements - 99.1%). However, retirements of active members fell slightly to 94.6% although, of the seven cases that were outside of the 10 day timescale, six were processed within 11 days.
- 5.1.3 As noted last quarter, LPPA and the Fund have reviewed performance targets and, from April 2022 will be amended to the timeframes detailed in the table below:

Process	Current Target Timescale	Future Target Timescale
New Starters	10	10
Transfers In	15	10
Transfers Out	15	10
Estimates - Individual	10	10
Deferred Benefits	15	15
Deaths	10	5
Retirements (Immediate)	10	5
Retirements (Deferred)	10	5
Refunds	10	5
Estimates - Employer	10	5
Correspondence	10	10
Aggregation	30	30

- 5.1.4 LPPA will continue to aim to complete 95% of cases within the above timeframes. Reporting against these new targets will be effective from April 2022 with the first reports on these new targets being presented to Pensions Committee in September (for period April 2022 - June 2022).
- 5.1.5 In January, LPPA transitioned the first two of its customer Funds to a new administration system. Cumbria is scheduled to transition to this new system in Q3 of 2022/23. Given the additional requirements of maintaining two systems for a short period and the expectation of a slight delay whilst staff familiarise themselves with the new system, LPPA have noted that there may be a period where the tighter performance targets identified 5.1.3 are not met. Where this is likely to be the case, LPPA will focus their attention on responding to cases associated with retirements and deaths.
- 5.1.6 The 2021/22 Q2 report notes that LPPA received 7 complaints in the quarter to March 2022 (a decrease from 15 in the previous quarter). The majority of these related to complaints about delays and payment of pension.
- 5.1.7 Ahead of the data cut for the 2022 Fund valuation, Officers have continued to focus attention on supporting scheme employers to ensure data is as up to date as possible. In September 2021, employers across the Fund had 1,408 leaver forms outstanding that were due to be submitted to LPPA. Targeted work by Officers has led to the number of outstanding leaver forms at the end of April 2022 reducing to 664. The SLA target for processing these forms is currently 10 working days however, given the large number submitted, it will not be possible for LPPA to meet the SLA target given the volume to be processed. LPPA have however committed to clearing these leaver forms before the data cut is taken by the Actuary for the 2022 valuation. It should be noted that this will only affect the processing of leaver forms and key SLA targets such as retirements and deaths are expected to be unaffected.

5.2 Employer Issues from 1 January 2022 to 31 March 2022

- 5.2.1 Two new employers were formally admitted to the Fund in the quarter bringing the total number of employers within the Fund at 31 March 2022 to

127. The employers are Priority Facilities Ltd (St Mary's Primary School Workington) and Caterlink Ltd (St Bernard's Catholic High School).

5.3 Fund discretions applied

5.3.1 During the quarter to 31 March 2022 there were 9 administering authority discretions exercised in relation to payment of death grants and 1 in relation to late combination of pension benefits. All were approved by the Fund's Discretions Panel.

5.4 Fund Actuarial Valuation

5.4.1 Discussions are ongoing with the Actuary in preparation for the 2022 valuation of the Fund. Officers have been focussed on supporting employers to improve scheme member data ahead of the valuation date.

5.4.2 A specific presentation will be given by the Fund's actuary, Mercer Ltd, as agenda item 11 on today's agenda.

5.4.3 A further report will be presented to Pensions Committee in September recommending the key assumptions for the valuation.

6.0 INVESTMENT MANAGEMENT

6.1 Asset allocation changes

6.1.1 The Pensions Committee is responsible for approving the investment strategy and the target asset allocations for the Fund. In addition to this the Investment Sub Group is responsible for assisting the Section 151 Officer in the implementation of certain decisions relating to the implementation of the investment strategy as set out in Part 20 of the Council's Constitution.

6.1.2 Details of movements towards the strategic asset allocation this quarter are provided in the Investment Sub Group Report elsewhere on this meeting's agenda.

6.2 Fund Performance

6.2.1 The Pensions Committee focus is the long term strategic asset allocation and overall long term performance of the Fund. Individual manager monitoring is undertaken by the Investment Sub Group (ISG), with any matters of concern reported to the Committee in the quarterly ISG Report.

6.2.2 **Quarter Performance** - The Fund's assets fell in value from £3,361m at 31 December 2021 to £3,317m at 31 March 2022 per the draft Unaudited Accounts¹ as markets experienced a difficult quarter. Russia's invasion of Ukraine led to a spike in volatility which was exacerbated by rising

¹ The figure per the draft Unaudited Accounts is different to the figure reported to the ISG (£3,306m) because the Accounts were produced after the report to the May ISG meeting. The Accounts incorporate a handful of additional confirmed valuation figures as at 31 March in private markets (alternative) investments which weren't available at the time of the production of May's ISG report

inflationary pressures. The quarter proved challenging for almost all major asset categories with equities declining and bond yields rising. This was reflected in the Fund's performance over the quarter to 31 March 2022 which was a negative return of -1.5%.

6.2.3 Attributions of performance to each manager portfolio are detailed in the ISG report presented in Part 2 of this meeting, but in summary:

- The largest contribution to performance during the quarter came from the Fund's property portfolio (6.3% against a benchmark of 3.8%).
- Most asset classes within the alternatives portfolio outperformed in the quarter however the gains were offset by multi asset credit which fell short of its benchmark by 4.0%.
- The Border to Coast Global Equity Alpha detracted from performance over the quarter, falling short of its MSCI (ACWI) benchmark by 1.6%.

6.2.4 **Longer term performance** - The performance against the Fund's specific benchmark for 1, 3, 5 and 10 years is presented in the table below noting that long term performance continues to exceed the benchmark.

	31 March 2022		
	Cumbria Performance	Bespoke Benchmark	Variance to Benchmark
1yr performance	9.7%	8.6%	1.1%
3yr performance	7.9%	7.5%	0.4%
5yr performance	6.9%	6.7%	0.2%
10yr performance	9.1%	8.2%	0.9%

7.0 OVERSIGHT & CORPORATE GOVERNANCE

7.1.1 Good governance sets the framework within which pension funds can achieve and demonstrate good performance, sound management, the effective stewardship of funds and delivery against the standards and regulations placed upon them.

7.1.2 This section of the report sets out the formal review of governance by the Pensions Committee.

7.2 Class Actions

7.2.1 In recognition of the slow moving nature of these actions and to ensure that the Committee agenda time is focussed on the issues that add most value to the Fund, it was previously agreed by Committee that class action activity would be reported on an annual basis each June. Below is a table summarising claims filed and income received during the year from 1 April 2021 to 31 March 2022. This activity is summarised on a quarterly basis in the reports the Fund receives from IPS Ltd.

Quarter	Class Action	Country	Manager	Activity in Period		
				Claim	Income Received	Date

2021-22			(s)	Filed	\$000	£000	
Q1	United Health Services Inc	US	Nordea	June 2021	-	-	-
	Wells Fargo & Co	US	GMO Loomis Newton	June 2021	-	-	-
Q2	Keurig Green Mountain Inc	US	GMO		0.09	0.07	Sept 2021
	Intuitive Surgical Inc	US	GMO		1.84	1.34	Aug 2021
	Alibaba Group Holding Ltd	US	Loomis		17.43	12.55	July 2021
	Lehman Bros	US	GMO		0.05	0.04	July 2021
	Scana Corp	US	Nordea		50.56	36.91	Sept 2021
	Wells Fargo	US	Loomis		5.18	3.78	Sept 2021
Q3	<i>NO ACTIVITY IN THIS QUARTER</i>						
Q4	Cognizant Technology Solutions	US	Nordea	Jan 2022	-	-	-
	Petrobras Fair Fund	US	Newton Nordea	Feb 2022	-	-	-

7.2.2 The Fund paid IPS Ltd £0.012m in 2021/22 for management of class actions. Throughout, the year the Fund received £0.055m from these class actions.

7.3 Shareholder Voting

Border to Coast Pensions Partnership Ltd (BCPP)

7.3.1 BCPP produce a quarterly Integrated Proxy Voting report, which provides details of all voting outcomes at each company meeting across all equity funds, in addition to the individual summary UK/Global Fund Proxy Voting reports. The integrated report can be viewed on the Council's website at: <https://cumbria.gov.uk/elibrary/Content/Internet/536/654/1129/17170/17506/447007247.pdf>

UK Equity

7.3.2 The BCPP UK Listed Equity Proxy Voting report can be viewed on the Council's website at: <https://cumbria.gov.uk/elibrary/Content/Internet/536/654/1129/17170/17506/446981561.pdf>

7.3.3 In summary, Robeco exercised shareholder votes at 13 UK AGM meetings on the Fund's behalf, with a total of 196 votes cast. Of these 178 votes were 'for' the respective Board's proposals, there were 18 votes 'against', and no abstentions.

Global Equity

- 7.3.4 The BCPP Global Equity Alpha Proxy voting reports, can be viewed on the Council's website at:
<https://cumbria.gov.uk/elibrary/Content/Internet/536/654/1129/17170/17506/446981533.pdf>
- 7.3.5 In summary, Robeco exercised shareholder votes at 17 AGM meetings on the Fund's behalf, with a total of 255 votes cast. Of these 230 votes were 'for' the respective Board's proposals, there were 24 votes 'against' and one abstention.
- 7.3.6 Voting highlights included two shareholder proposals at the Costco Wholesale Corporation AGM. One of these requested the company to adopt short, medium and long-term science-based Green House Gas (GHG) emissions reduction targets to achieve net-zero emissions by 2050. The resolution received almost 70% support by shareholders including BCPP. The second shareholder proposal requested the company to report on its sustainability commitment in order to address racial justice and food equity concerns through product development, marketing and distribution. This was supported by 17% of shareholders including BCPP.

Stewardship Newsletter

- 7.3.7 BCPP also publish a Quarterly Stewardship Newsletter, which provides a high-level overview of voting and engagement activity across *all* equity funds. It is a more concise document, summarising key issues/events and adds context to the Proxy Voting reports. A copy of the report for the quarter to 31 March 2022 is attached at Appendix 4 for information.
- 7.3.8 March saw the start of the peak voting season with new voting guidelines in place. BCPP voted on 121 meetings over the quarter covering 1,398 agenda items.
- 7.3.9 327 company engagements were carried out over the quarter mainly via the External Managers. with 39% of all engagement relating to the UK. Discussions were not dominated by a single topic, with social-related themes given an increased focus alongside environmental, strategic and governance-related considerations. Institutional investors have been leading a rise in proposals focussing on social and labour force issues at AGMs, driven by systematic improvements in their own stewardship policies.

Legal & General (L&G): Passive Equity

- 7.3.10 L&G manage a global passive equity portfolio on behalf of the Fund including voting at shareholder meetings. During the quarter to 31 March 2022 L&G exercised votes at 916 meetings globally, registering 1,634 oppose votes and 227 abstentions; of which the main reasons related to Director's appointment and remuneration. They held 158 engagements with 126 companies globally, with the main engagement topics being climate change, remuneration and Board composition.

Local Authority Pension Fund Forum (LAPFF)

7.3.11 The Fund is a member of LAPFF - a collaborative shareholder engagement group which seeks to protect the investments of its members by promoting the highest standards of corporate governance and corporate social responsibility. During the quarter to 31 March, LAPFF engaged with 50 companies to discuss a variety of issues, with climate change and human rights at the forefront on agendas.

7.4 Global Tax Recovery

7.4.1 In recognition of the slow moving nature of global tax claims, it was decided that quarterly updates on tax recovery activity would be replaced by an annual report to the Committee each June. Members were last updated at the December 2021 Pensions Committee and the report covered tax recovery activity to the end of September 2021.

7.4.2 During the six months to March 2022 there were no withholding tax (WHT) repayments. The Fund has however received a number of significant updates on the status of the outstanding Manufactured Overseas Dividend claims (MODs) and the FIDs and Manninen claims. Details on the status of withholding tax claims is not in the public domain as it is classified confidential, however details and a table summarising global tax claims are included in the part 2 monitoring report to this meeting.

8.0 OVERSIGHT & CORPORATE GOVERNANCE - POLICY & REGULATION

8.1 Regulatory Changes

8.1.1 This section of the monitoring report provides a summary for Members on recent and proposed future changes to legislation and regulations that will impact on the LGPS.

8.1.2 McCloud Resolution

8.1.2.1 As previously reported to Pensions Committee, the Department for Levelling Up, Housing and Communities (DLUHC – formerly the Ministry for Housing, Communities and Local Government (MHCLG)) has consulted on the proposed resolution for the LGPS to the McCloud age discrimination case. DLUHC are expected to release their response to this consultation shortly. Pensions Committee and the Local Pension Board will be advised when further information is available.

8.1.3 Exit Payment Cap

8.1.3.1 As previously reported to Pensions Committee, the Government intend to re-legislate to limit the amount public sector employers can pay to exit an employee for their employment. To date, DLUHC have not released information relating to this or to potentially changing LGPS regulations on pension strain costs as part of the capping of exit payments in the public sector.

8.1.3.2 Pensions Committee and the Local Pension Board will be briefed on the implications of this to the LGPS when details are announced by Government.

8.2 Other Regulatory Changes

8.2.1 There have been no further regulatory changes of note that affect the LGPS since the last meeting of the Committee in March. However, there are a number of matters that the Fund is maintain a watching eye on including:

Pensions Regulator - Code of Practice

8.2.1.1 As previously reported to the Pensions Committee, the Pensions Regulator has consulted on a proposed new Code of Practice which consolidated 10 of the 15 existing Codes of Practice (including CoP14 - Governance and Administration of Public Service Pension Schemes) into one new Code.

8.2.1.2 Following this consultation, the Pensions Regulator is currently drafting revisions to the Code of Practice based on the responses received from the consultation. The new Code is not expected to become effective before summer 2022. Pensions Committee and the Local Pension Board will be kept advised on developments in implementing this new Code.

8.3 Legal breaches recorded / reported during the quarter

8.3.1 All individuals with a role in the LGPS have a duty to report breaches of law to the Pensions Regulator when they have reasonable cause to believe that a breach of material significance has taken place. However, where a breach is not deemed material there remains a requirement to formally record the breach. To comply with this requirement the Fund maintains a register detailing every breach regardless of the size or extent of the breach.

8.3.2 In line with good governance and the Fund's policy and procedure on reporting breaches of the law, Pensions Committee are advised quarterly of:

- all legal breaches, including those reported to the Pensions Regulator and those unreported, with the associated dates;
- details of what action was taken in relation to each legal breach, and the result of any action (where not confidential);
- any future actions for the prevention of the legal breach in question being repeated; and
- highlights of new legal breaches which have arisen since the previous meeting.

8.3.3 Breaches by employers relating to late payment of pension contributions and failure to provide the Fund with monthly member payroll data are presented in the Part 2 Monitoring Report to this Committee.

- 8.3.4 The Fund had no breaches during the quarter that were considered sufficiently material that they would require reporting to the Pensions Regulator. However, during the quarter the Fund received an application under its Internal Dispute Resolution Procedure relating to the release of personal information during the handling of an enquiry relating to a death grant payment. Investigation of the matter by officers identified that information provided to one of the beneficiaries of the death grant by LPPA constituted a breach of General Data Protection Regulations.
- 8.3.5 In accordance with their respective policies, LPPA and the Fund both reported the breach via their appropriate reporting channels. In both cases the respective Senior Information Risk Owners concluded that the breach was a “level 2” breach, with key factors being the isolated nature of the incident, the nature of the data disclosed (the names of two individuals and the amount of the death grant awarded to them), and the risk of the impact to the individuals. As such the breach didn’t require reporting to the Information Commissioner’s Office.
- 8.3.6 Nonetheless, the matter is still considered to be very serious. In recognition of this, as the conclusion of LPPA’s investigation into the matter was that the error was made by an inexperienced member of staff. To seek to reduce the risk of such an incident recurring LPPA have implemented additional training for relevant staff.

9.0 OPTIONS

- 9.1 Pensions Committee may either:
- 9.1.1 Note the information presented within this quarterly monitoring report and approve the proposed amendments to the Fund Policy Document; or
- 9.1.2 Request further information relating to the performance, monitoring and governance of the Fund for the quarter ending 31 March 2022.

10.0 RESOURCE AND VALUE FOR MONEY IMPLICATIONS

- 10.1 Good governance and risk management will aid the Fund’s control costs and help achieve its defined actuarial investment returns. Cost control and the investment performance of the Fund will have a direct impact on the funding level and therefore all employers’ contribution rates. This will have a direct impact on the Fund Employers’ revenue budgets.

11.0 LEGAL IMPLICATIONS

- 11.1 The report is for noting and does not have any direct legal implications.

12.0 CONCLUSION

- 12.1 The total Fund value fell to £3,317m at 31 March 2022 (£3,361m at 31 December 2022).
- 12.2 The Fund return (-1.5%) was 0.7% behind the fund-specific benchmark for the quarter (-0.8%), with the longer term of five and ten years outperforming their respective benchmarks.
- 12.3 The Fund has experienced no breaches during the quarter that were considered sufficiently material to report to the Pensions Regulator.

Pam Duke
Director of Finance (S151 Officer)

16 June 2022

APPENDICES

Appendix 1	Cumbria LGPS Risk Register (June 2022)
Appendix 2	LPPA Performance 1 January 2022 to 31 March 2022
Appendix 3	LPPA 2021/22 Annual Performance Report
Appendix 4	BCPP Quarterly Stewardship Newsletter 1 January 2022 to 31 March 2022

Electoral Division(s): All

Executive Decision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No
Key Decision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No
If a Key Decision, is the proposal published in the current Forward Plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A
Is the decision exempt from call-in on grounds of urgency?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No
If exempt from call-in, has the agreement of the Chair of the relevant Overview and Scrutiny Committee been sought or obtained?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A
Has this matter been considered by Overview and Scrutiny? If so, give details below.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No
Has an environmental or sustainability impact assessment been undertaken?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A
Has an equality impact assessment been undertaken?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A

PREVIOUS RELEVANT COUNCIL OR EXECUTIVE DECISIONS

No previous relevant decisions.

REPORT AUTHOR

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