London Borough of Lewisham Pension Fund

2025/26 Annual Report

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1. FOREWORD BY THE ACTING EXECUTIVE DIRECTOR OF CORPORATE RESOURCES

1.1. Welcome to the 2025/26 Annual Report for the Lewisham Pension Fund. The requirement for, and contents of, the annual report is set out in Regulation 57 of the Local Government Pension Scheme Regulations 2013.

1.2. The Council is the Administering Authority (AA) for the Lewisham Pension Fund. It is responsible for effectively managing the Fund and does this through the Pension Investment Committee (PIC). PIC oversees the work of officers to ensure the administration and investment activities of the Fund are managed in compliance with the law and applicable regulations. The work of the PIC is also supported by the Pension Board with the terms of reference for both set out in the Council's constitution.

1.3. The overriding objective of the Fund is to ensure its assets are sufficient to pay the benefits owing to members. To achieve this, it must ensure:

- The proper receipt of contributions from employers and scheme members;
- The appropriate investment of those contributions to achieve both investment income and capital growth; and
- The timely payment of benefits as and when members retire, for the rest of their lives and to their dependents where relevant.

1.4. To achieve these objectives the Fund operates within a framework of strategies, aligned with investment beliefs, which meet the requirements of the Regulations and clearly set out a route to achieve full funding of the Fund's obligations within a set timeframe. These take the form of the Funding Strategy Statement and Investment Strategy Statement and a Statement of Investment Beliefs. The Statement of Investment Beliefs sets out a list of high-level overriding principles by which the Committee make investment decisions, including governance, investment strategy and structure, responsible investment, and climate change; the full statement is available on the Fund's website at www.lewishampensions.org.

1.5. The Pension Fund Annual Report details the financial position of the Fund and the performance of the managers appointed to administer the investment portfolio. It brings together a number of separate reporting strands into one comprehensive document that enables the public and Scheme Members to see how the Fund is managed and how it is performing.

1.6. The results of the most recent triennial valuation reported that the Fund was 119% funded as at 31 March 2025, compared with 97% funded at the 2022 valuation. The valuation showed assets at 31 March 2025 of £1.882 billion against liabilities of £1.581 billion. The improved funding position was primarily driven by higher assumed future investment returns and changes in financial assumptions. This strengthened funding position enabled the Fund's actuary to recommend lower employer contribution rates from 1 April 2026, with the Council's contribution rate reducing from 21.5% to 17.6% of pensionable pay.

1.7. Following the results of the triennial valuation, the Pensions Investment Committee (PIC) approved the updated Lewisham Pension Fund's Funding Strategy Statement (FSS) and Investment Strategy Statement (ISS), ensuring that both documents reflect the Fund's latest

funding position, investment arrangements and long-term objectives following the 2025 actuarial valuation. The new FSS, effective from 1 April 2026, sets out the Fund's funding principles, employer contribution framework and approach to managing funding risks, providing a clear strategy for maintaining the Fund's long-term financial sustainability. The revised ISS was updated to reflect changes to the Fund's strategic asset allocation, developments in the Fund's approach to local investment, the transition to London CIV as the provider of primary investment advice and oversight of all Fund assets, and the incorporation of the Fund's responsible investment beliefs and net zero commitments taking into account the views of the members from the members survey.

1.8. The Fund has achieved positive results over the past year, increasing its value by £155m (8.3%), from £1.881bn to £2.036bn for its members. However, this growth has occurred as the Membership of the Fund continues to mature and amidst a prolonged period of higher inflation, both of which increase the Fund's liabilities.

1.9. I am pleased to report that the Pensions Investment Committee (PIC) approved the Investment Management Agreement (IMA) between the Lewisham Pension Fund and London CIV. The IMA established the contractual framework through which London CIV assumes responsibility for the implementation and management of the Fund's investments on a pooled basis, while PIC retains responsibility for setting the Fund's investment strategy.

1.10. This enabled the Fund to meet the Government's deadline for LGPS asset pooling. As a result, from 1 April 2026, 100% of the Lewisham Pension Fund's assets were managed through London CIV arrangements, ensuring full compliance with the Government's pooling requirements and marking a significant milestone in the Fund's transition to the national LGPS pooling framework.

1.11. Officers and PIC continue to work closely with the London CIV to implement its agreed Investment Strategy, including transitioning assets and refining portfolio arrangements to ensure that the Fund's strategic asset allocation and long-term investment objectives are delivered through the pooled governance framework.

1.12. The PIC and officers continue to work hard to navigate the Fund through a number of administration and investment challenges. On the administration side, with the continued pressures around local government finances and the prospect of fewer members making contributions in the future, the Fund may have to have more investments that pay annual dividends to meet its pension payments. On the investment side, in addition to the climate crisis and global conflicts, the world investment markets are volatile as they continue to respond to a range of uncertainties.

David Austin
Executive Director of Corporate Resources (S151 Officer)

2. FOREWORD BY THE CHAIR OF THE PENSIONS INVESTMENT COMMITTEE

2.1. As Chair of the Pensions Investment Committee, I am pleased to present this year's Annual Report at a time of significant development for the Local Government Pension Scheme. I hope that this report will provide you with valuable insight into the Fund.

2.2. Over the past year ending 31 March 2026, our pension fund's investments have performed admirably, which have seen steady growth across various asset classes, including equities, fixed income, renewable infrastructure, property and private debt. The overall fund value increased by 8.3% compared to last year, ending the financial year on £2.036bn.

2.3. Lewisham's Pension Fund assets saw strong growth in the year, however, as the global conflicts continue it is likely to have a detrimental effect on the Fund in the medium-term, not just in terms of asset values but the funding assumptions underlying the strategic direction of the Fund, remains uncertain. We expect our fund managers to continue monitoring market trends and make necessary adjustments to our portfolio in order to optimise returns whilst effectively managing risk

2.4. During the year the Fund undertook a Responsible Investment member survey to better understand members' views on Environmental, Social and Governance (ESG) issues and how these should be reflected in the Fund's investment approach. The survey received 1,015 responses, representing around 3.5% of the Fund's membership, and showed strong support for the Fund's existing responsible investment framework. Respondents highlighted the importance of issues such as climate change, human rights, good governance and active engagement with investment managers, while recognising that the Fund's primary responsibility remains the delivery of long-term financial returns.

2.5. In response to the survey findings, the Pensions Investment Committee approved updates to the Fund's Responsible Investment Beliefs Statement, Engagement Policy and Climate Transition to Net Zero Policy at its March 2026 meeting. The revised policies strengthen the Fund's stewardship and responsible investment approach, ensure member views are reflected in future engagement priorities, and reinforce the Fund's commitment to managing long-term ESG and climate-related investment risks.

2.6. The Fund also completed its latest triennial actuarial valuation during the year, providing an updated assessment of the Fund's funding position and setting a clear trajectory for maintaining long-term sustainability. Considering the valuation results, the Pension Investment Committee approved a revised Funding Strategy Statement (FSS) at its March 2026 meeting, ensuring that contribution requirements and funding objectives remain appropriate for the Fund's liabilities and employer covenant.

2.7. Alongside this, the Committee approved an updated Investment Strategy Statement (ISS) in March 2026, reflecting the evolving investment environment, the requirements of pooling, responsible investment and ESG requirements and having a commitment to local investment.

2.8. The Government's "Fit for the Future" reforms represent the most substantive package of governance and investment changes in recent years, designed to strengthen scheme resilience, enhance transparency, and ensure that funds are best positioned to deliver long-term value for members and employers. These reforms place particular emphasis on strengthened governance standards, clearer accountability, and greater collaboration through asset pooling.

2.9. At its meeting in March 2026, the Pensions Investment Committee (PIC) formally approved the Investment Management Agreement (IMA) to allow the London CIV to manage the fund assets and meeting the government's deadline to be fully pooled by 31 March 2026.

2.10. The Committee will continue to ensure the Fund is well managed for the benefit of all its members. I thank the members of the Pensions Investment Committee and the Council's officers for their work over the past year, particularly in ensuring the Fund is well managed and increasingly aligned with our broader ESG objectives. I look forward to continuing to work with all involved to ensure the Fund remains effectively and responsibly managed.

Councillor Ed Sutton
Chair – Pensions Investment Committee (elected in May 2026)

3. INTRODUCTION AND OVERVIEW

A. OVERVIEW OF THE SCHEME

3.1. The London Borough of Lewisham Pension Fund (the Fund) is part of the Local Government Pension Scheme (LGPS). The Fund is maintained by the Council as administering authority for employees of the Council and other participating employers within the Fund. It is governed by the Public Service Pensions Act 2013 and administered in accordance with the Local Government Pension Scheme Regulations 2013 (as amended) and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

3.2. The Fund's objectives as per its Investment Strategy Statement are to invest its assets to meet the long-term pension liabilities (as prescribed by the Local Government Pension Scheme Regulations 2013) for its members. The Fund's approach to investing is to optimise return consistent with a prudent level of risk, to ensure there are sufficient resources to meet the liabilities whilst ensuring the suitability of the assets in relation to the needs of the Fund.

3.3. **Financial overview**

3.4. During 2025/26, the Fund's principal cash inflows comprised contributions from employers and scheme members, transfere in, investment income and proceeds from the sale or redemption of investments. The principal cash outflows were pension payments, retirement and death benefits, transfers out, investment purchases and the costs of administering and managing the Fund.

3.5. Contributions received during the year amounted to £59.0m, while investment income totalled £36.0 million. Benefits paid comprised pensions of £61.9m, retirement lump sums of £11.2 million and death grants of £1.0 million, giving total benefits payable of approximately £74.1 million. Transfers into and out of the Fund amounted to £11.0 and £13.2m, respectively. Administration, oversight and governance, and investment management expenses totalled £3.3 million.

3.6. The Fund remained able to meet its benefit and other payment obligations as they fell due. Liquidity was managed through contributions, investment income, cash balances and, where necessary, the planned realisation of investments. At 31 March 2026, the Fund held cash and net current assets of approximately £83.2m, within total net assets of £2.036 billion. Full details of income, expenditure and movements in net assets are provided in the Fund Account and supporting notes in Appendix A.

4. MANAGEMENT AND GOVERNANCE

4.1. The Council has delegated the investment arrangements of the scheme to the Pensions Investment Committee (PIC). This Committee decides on, and has ultimate responsibility for, the investment policy most suitable to meet the liabilities of the Fund. It comprises eight elected representatives of the Council, all of whom have voting rights. Members of scheduled and admitted bodies to the Fund, and representatives of the Pension Board, may attend Committee meetings as observers but have no voting rights.

4.2. The Committee reports to Full Council and has full delegated authority to make investment decisions. The Committee obtains and considers advice from the Executive Director of

Corporate Resources and his officers, and the Fund's appointed actuary, investment adviser and fund managers.

4.3. The Committee has delegated the management of the Fund's investments to professional investment managers, appointed in accordance with the Regulations, whose activities are specified in detailed investment management agreements and monitored on a quarterly basis.

5. FUND GOVERNANCE

A. GOVERNANCE STRUCTURE

5.1. Lewisham's Annual Governance Statement has been adopted by the PIC on behalf of the Fund.

5.2. Article 9 of the Council's Constitution sets out the composition and terms of reference of the Pensions Investment Committee, to exercise all functions of the Council in relation to local government pensions under Section 7, 12 or 24 of the Superannuation Act 1972 and all other relevant pension legislation. This includes:

- To review with fund managers the investment performance of the Fund's assets on a quarterly basis;
- To examine the portfolio of investments, and its market value, at the end of each quarter for suitability and diversification;
- To inform fund managers of the Council's policy regarding investment of its funds, and to take advice on the possible effect on performance resulting from implementing the policy;
- To review from time to time the appointment of fund managers;
- To determine the overall investment strategy and policies of the Fund, taking account of professional advice; and
- Responsibility for compliance with the six Myners principles set out in CIPFA's "Principles for Investment Decision Making and Disclosure in the Local Government Pension Scheme in the United Kingdom (2012)" and all other relevant guidance in relation to the Local Government Pension Scheme in force and issued by CIPFA from time to time.

5.3. Responsibility for day-to-day administration and preparation of the Pension Fund accounts and annual report has been delegated to the Executive Director for Corporate Resources.

5.4. Details of the Council's Code of Corporate Governance is set out in Part V of the Council's Constitution which is available at:
www.lewisham.gov.uk/mayorandcouncil/aboutthecouncil/how-council-is-run/our-constitution

5.5. The Council's latest Annual Governance Statement is available with the main Council Statement of Accounts at the following link:
www.lewisham.gov.uk/mayorandcouncil/aboutthecouncil/finances/statement-of-accounts

B. MEMBERSHIP – PENSIONS INVESTMENT COMMITTEE

5.6. The Pensions Investment Committee comprises eight Members of the Council who have voting rights and meets at least quarterly. At the start of each meeting Committee Members are invited to declare any financial or pecuniary interest related to specific matters on the agenda. The Committee takes advice from its independent investment consultant (Hymans Robertson) and permits attendance from non-voting observers comprised of pensioners, admitted and scheduled bodies, union officials, and members of the Pension Board.

5.7. The following table sets out attendance by the eight Councillors who were members of the Pensions Investment Committee for the scheduled meetings in 2025/26. Note four meetings are scheduled in each financial year and each Councillor has one vote with the Chair having the casting vote.

Member	12 June 2025	25 Sept 2025	18 Dec 2025	17 Mar 2026
Cllr. Eiles – Chair	✓	✓	✓	✓
Cllr. Ingleby – Vice Chair	✓	✓	✓	✓
Cllr. Anwar	✓	✓	✓	✓
Cllr. Best	x	N/A	N/A	N/A
Cllr Kestner	✓	✓	✓	x
Cllr. Krupski	✓	✓	✓	✓
Cllr. Muldoon	x	✓	✓	✓
Cllr. Royston	✓	✓	✓	✓
Cllr. Shrivastava	N/A	✓	✓	✓

C. MEMBER TRAINING

5.8. Members attend training events and conferences to develop and maintain the relevant skills required as set out in the CIPFA Knowledge and Skills framework. The framework covers six key areas:

1) Legislative and governance framework
2) Accounting and auditing standards
3) Procurement of financial services and relationship management
4) Investment performance and risk management
5) Financial markets and investment products knowledge
6) Actuarial methods, standards and practices

5.9. Members of the Board are encouraged to complete the Pension Regulator's Toolkit. This is an online modular training facility which breaks the LGPS pension requirements into various pension's subject areas.

5.10. During 2025/26 members notified officers of their attendance at the following training sessions and events:

Members training and events from 1 April 2025 to 31 March 2026			
Date	**Description**	**Provider**	**Member**
03/04/2025 10/06/2025 18/09/2025 01/10/2025 18/11/2025 10/12/2025	Economic Briefing	IOD Property & Built Environment Group	Cllr. J Muldoon
24/04/2025	Nature Based Solutions: Latest Developments & Investment Opportunities.'	The European Pension Fund Investment Forum (EPFIF)	Cllr. M Ingleby (Vice-Chair)
30/04/2025	Nature Positive Investment Forum	Net Zero Investor	Cllr. M Ingleby (Vice-Chair)
09/06/2025 – 10/06/25	Gresham House Forestry site visit & sawmill tour near Lockerbie in southern Scotland including training	Gresham House Forestry	Cllr. M Ingleby (Vice-Chair)
12/06/2025	Government's LGPS Reform Fit for the Future update and review of consultation	Officers and Hymans Roberson	Cllr. S Eiles (Chair) Cllr. M Ingleby (Vice-Chair) Cllr. T Anwar Cllr. C Best Cllr. E Kestner Cllr. L Krupski Cllr. J Muldoon Cllr. J Royston
12/06/2025	Review and update of the Quarterly Investment Performance Report	Hymans Robertson	Cllr. S Eiles (Chair) Cllr. M Ingleby (Vice-Chair) Cllr. T Anwar Cllr. C Best Cllr. E Kestner Cllr. L Krupski Cllr. J Muldoon Cllr. J Royston
12/06/2025	Pension Fund Risk Register review	Officers	Cllr. S Eiles (Chair) Cllr. M Ingleby (Vice-Chair) Cllr. T Anwar Cllr. C Best Cllr. E Kestner Cllr. L Krupski Cllr. J Muldoon Cllr. J Royston
12/06/2025	Climate Risk and Net Zero Report	Hymans Robertson	Cllr. S Eiles (Chair) Cllr. M Ingleby (Vice-Chair) Cllr. T Anwar Cllr. C Best Cllr. E Kestner Cllr. L Krupski Cllr. J Muldoon Cllr. J Royston
12/06/2025	Update of the work of the pension administration team	Officers	Cllr. S Eiles (Chair) Cllr. M Ingleby (Vice-Chair) Cllr. T Anwar Cllr. C Best Cllr. E Kestner Cllr. L Krupski Cllr. J Muldoon Cllr. J Royston

Members training and events from 1 April 2025 to 31 March 2026			
Date	**Description**	**Provider**	**Member**
12/06/2025	Review of draft Engagement Policy	Hymans Robertson	Cllr. S Eiles (Chair) Cllr. M Ingleby (Vice-Chair) Cllr. T Anwar Cllr. C Best Cllr. E Kestner Cllr. L Krupski Cllr. J Muldoon Cllr. J Royston
25/09/2025	Review and update of the Quarterly Investment Performance Report	Hymans Robertson	Cllr. S Eiles (Chair) Cllr. M Ingleby (Vice-Chair) Cllr. T Anwar Cllr. E Kestner Cllr. L Krupski Cllr. J Muldoon Cllr. J Royston Cllr. L Shrivastava
25/09/2025	Update of the work of the pension administration team	Officers	Cllr. S Eiles (Chair) Cllr. M Ingleby (Vice-Chair) Cllr. T Anwar Cllr. E Kestner Cllr. L Krupski Cllr. J Muldoon Cllr. J Royston Cllr. L Shrivastava
25/09/2025	LGPS Reform and Pooling update	Officers and the London CIV	Cllr. S Eiles (Chair) Cllr. M Ingleby (Vice-Chair) Cllr. T Anwar Cllr. E Kestner Cllr. L Krupski Cllr. J Muldoon Cllr. J Royston Cllr. L Shrivastava
25/09/2025	Communication Policy Statement	Officers	Cllr. S Eiles (Chair) Cllr. M Ingleby (Vice-Chair) Cllr. T Anwar Cllr. E Kestner Cllr. L Krupski Cllr. J Muldoon Cllr. J Royston Cllr. L Shrivastava
18/12/2025	Training for the Triennial Valuation	Hymans Robertson	Cllr. S Eiles (Chair) Cllr. M Ingleby (Vice-Chair) Cllr. T Anwar Cllr. E Kestner Cllr. L Krupski Cllr. J Muldoon Cllr. J Royston Cllr. L Shrivastava
18/12/2025	Training on the Funding Strategy Statement	Hymans Robertson	Cllr. S Eiles (Chair) Cllr. M Ingleby (Vice-Chair) Cllr. T Anwar Cllr. E Kestner Cllr. L Krupski Cllr. J Muldoon Cllr. J Royston Cllr. L Shrivastava
18/12/2025	Review and update of the Quarterly Investment Performance Report	Hymans Robertson	Cllr. S Eiles (Chair) Cllr. M Ingleby (Vice-Chair) Cllr. T Anwar Cllr. E Kestner Cllr. L Krupski Cllr. J Muldoon Cllr. J Royston Cllr. L Shrivastava

Members training and events from 1 April 2025 to 31 March 2026			
Date	**Description**	**Provider**	**Member**
18/12/2025	Update of the work of the pension administration team	Officers	Cllr. S Eiles (Chair) Cllr. M Ingleby (Vice-Chair) Cllr. T Anwar Cllr. E Kestner Cllr. L Krupski Cllr. J Muldoon Cllr. J Royston Cllr. L Shrivastava
18/12/2025	Engagement with Blackrock Fund Manager	Blackrock and Hymans Robertson	Cllr. S Eiles (Chair) Cllr. M Ingleby (Vice-Chair) Cllr. T Anwar Cllr. E Kestner Cllr. L Krupski Cllr. J Muldoon Cllr. J Royston Cllr. L Shrivastava
18/12/2025	Engagement with Blackrock Fund Manager	Blackrock and Hymans Robertson	Cllr. S Eiles (Chair) Cllr. M Ingleby (Vice-Chair) Cllr. T Anwar Cllr. E Kestner Cllr. L Krupski Cllr. J Muldoon Cllr. J Royston Cllr. L Shrivastava
18/12/2025	Government's LGPS Reform Fit for the Future update and review of consultation	Officers and the London CIV	Cllr. S Eiles (Chair) Cllr. M Ingleby (Vice-Chair) Cllr. T Anwar Cllr. E Kestner Cllr. L Krupski Cllr. J Muldoon Cllr. J Royston Cllr. L Shrivastava
18/12/2025	Review of the Indirect Real Estate Pooling (IREP) Fund with CBRE and LCIV	CBRE, London CIV and Hymas Robertson	Cllr. S Eiles (Chair) Cllr. M Ingleby (Vice-Chair) Cllr. T Anwar Cllr. E Kestner Cllr. L Krupski Cllr. J Muldoon Cllr. J Royston Cllr. L Shrivastava
15/01/2026	Meeting Tomorrow's Challenges	SPS Investments	Cllr. M Ingleby (Vice-Chair)
02/02/2026	Workshop to review results of the members survey	Officers and Hymans Robertson	Cllr. S Eiles (Chair) Cllr. M Ingleby (Vice-Chair) Cllr. T Anwar Cllr. E Kestner Cllr. L Krupski Cllr. J Muldoon Cllr. J Royston Cllr. L Shrivastava
02/02/2026	Training on the Investment Strategy Statement	Officers and Hymans Robertson	Cllr. S Eiles (Chair) Cllr. M Ingleby (Vice-Chair) Cllr. T Anwar Cllr. E Kestner Cllr. L Krupski Cllr. J Muldoon Cllr. J Royston Cllr. L Shrivastava

Members training and events from 1 April 2025 to 31 March 2026			
Date	**Description**	**Provider**	**Member**
02/02/2026	Review the RI Beliefs Statement, engagement policy and Transition to New Zero	Officers	Cllr. S Eiles (Chair) Cllr. M Ingleby (Vice-Chair) Cllr. T Anwar Cllr. E Kestner Cllr. L Krupski Cllr. J Muldoon Cllr. J Royston Cllr. L Shrivastava
05/02/2026	Sustainable Private Debt Re-structuring'.	Canbury and Colesco Capital	Cllr. M Ingleby (Vice-Chair)
17/03/2026	Review and update of the Quarterly Investment Performance Report	Hymans Robertson	Cllr. S Eiles (Chair) Cllr. M Ingleby (Vice-Chair) Cllr. T Anwar Cllr. L Krupski Cllr. J Muldoon Cllr. J Royston Cllr. L Shrivastava
17/03/2026	Update of the work of the pension administration team	Officers	Cllr. S Eiles (Chair) Cllr. M Ingleby (Vice-Chair) Cllr. T Anwar Cllr. L Krupski Cllr. J Muldoon Cllr. J Royston Cllr. L Shrivastava
17/03/2026	Investment Management Agreement (IMA) and Schedules with LCIV	Officers and London CIV	Cllr. S Eiles (Chair) Cllr. M Ingleby (Vice-Chair) Cllr. T Anwar Cllr. L Krupski Cllr. J Muldoon Cllr. J Royston Cllr. L Shrivastava
17/03/2026	Pooling with the London CIV and the changes from 1 Aprill 2026	Officers and London CIV	Cllr. S Eiles (Chair) Cllr. M Ingleby (Vice-Chair) Cllr. T Anwar Cllr. L Krupski Cllr. J Muldoon Cllr. J Royston Cllr. L Shrivastava
26/03/2026	Implementing The Mansion House Framework and the Consideration of Local Investment Opportunities and Real Estate Review: Is Now the Time to Invest in Commercial Property?	The European Pension Fund Investment Forum (EPFIF)	Cllr. M Ingleby (Vice-Chair)
Ongoing	The Pension Regulators Toolkit	The Pension Regulator	Cllr. J Muldoon
Ongoing	At least one hour per week unstructured CPD reading publications on market conditions, investment reports or pensions news including Citywire	Various	Cllr. S Eiles (Chair) Cllr. M Ingleby (Vice-Chair) Cllr. T Anwar Cllr. E Kestner Cllr. L Krupski Cllr. J Muldoon Cllr. J Royston Cllr. L Shrivastava

5.11. **Compliance with the CIPFA Knowledge and Skills Framework**

5.12. The Fund recognises the importance of maintaining high standards of knowledge and understanding amongst those charged with governance of the Local Government Pension Scheme. The Fund includes training in its annual business plan that is aligned with the principles of the CIPFA Knowledge and Skills Framework and the requirements of the Pension Regulator's General Code. During 2025/26, members of the Pension Investment Committee and Pension Board received ongoing training and development opportunities covering investment management, pensions legislation, governance, funding, accounting and responsible investment matters. The Fund considers that its approach to training, monitoring and reporting supports compliance with the CIPFA Knowledge and Skills Framework and enables members and officers to discharge their responsibilities effectively in the management and oversight of the Fund.

5.13. Members are also aware of their obligations under the Markets in Financial Instruments Directive (MiFID) II, under which the Fund has opted up to professional status with its fund managers and relevant service providers, committing to develop and maintain their knowledge of the LGPS in order to preserve the Fund's professional client status.

5.14. Members are provided with a schedule of suggested training events and conferences throughout the year, provided at each quarterly meeting of PIC. The events are intended to cover a range of skillsets and provide insight as appropriate to the needs of Members and the broader strategic direction of the Fund.

5.15. In addition, the Fund's advisors present training on relevant topics both within PIC meetings and as separate events; these cover a wide range of subjects, from the impact of legislative changes to asset specific training, which is also supported by presentations from fund managers on their respective asset classes.

6. REPORT FROM THE PENSION BOARD

A. INTRODUCTION

6.1. The Pension Board is not decision-making body but does have a specific remit under The Public Service Pensions Act 2013 to ensure that pension funds meet all relevant legal requirements.

6.2. The Pension Board has an important role of assisting the administering authority with the efficient management of the Fund and ensuring its compliance with legislation and best practice.

6.3. The Pension Board met four times in 2025/26 and one meeting was cancelled due to the national elections. There are planned quarterly meetings in 2026/27. The Board's focus has been on:

- Enhancing its understanding of the arrangements put in place by the administering authority, including through consideration of minutes and agendas of the Pensions Investment Committee and receipt of documentation by management;
- Reviewing the strategies and other reporting requirements to meet the administering authority's compliance with legislation and best practice.

- Reviewing the Government's new LGPS pooling and governance regulations and guidance.
- Monitoring the Fund's implementation of the reforms and providing assurance that appropriate governance and compliance arrangements are in place.
- Evaluates the authority's preparations for The Pension Regulator's General Code of Practice. The Board agreed its own work programme and plans to review this at each meeting; and
- Ensuring that appropriate arrangements are put in place for developing and maintaining the knowledge and understanding of members of the Board.

Further information about the Board and its operation, including its terms of reference, is available on the Council's website at: https://councilmeetings.lewisham.gov.uk/ieListMeetings.aspx?CId=353&Year=0 and on the Fund's website at the following link: https://www.lewishampensions.org/resources/

B. MEMBERSHIP OF THE BOARD

6.4. The Board consists of five members: two employer representatives, two scheme member representatives and an Independent Chair. During the year ending 31 March 2026 two new members were appointed to the Board. Claudia Menichetti replaced Sherene Russell-Alexander as an employer representative and Paul Pettitte replaced Mark Adu-Brobbey as a member representative.

Name	Capacity	Role	Meetings attended in 2025/26
Stephen Warren	Independent Chair (Non-Voting)		4/4
Sherene Russell-Alexander (until August 2025)	Employer Representative	Director of People and Organisational Development Lewisham Council	1/1
Claudia Menichetti (from Sept 2025)	Employer Representative	Head Of Employee Services Lewisham Council	3/3
Mark Booker	Employer Representative	Pension Administration Manager Change Live Grow	3/4
Paul Pettitt (from Sept 2025)	Member Representative	Multi-skills Operator Lewisham Council	3/3
Gary Cummins	Member Representative	Housing Partnership and Contract Manager Union Representative Lewisham Council	1/4

C. KNOWLEDGE AND UNDERSTANDING

6.5. Members of the Board are encouraged to complete the Pension Regulator's Toolkit. This is an online modular training facility which breaks the Pension Regulator requirements into various pension's subject areas. Relevant training via attendance at external events is made available to members of the Board. Officers also schedule relevant training sessions and a record of training for each member is maintained.

D. WORK PROGRAMME FOR THE FUTURE

6.6. The Board has agreed that:

- It will schedule four meetings a year.
- It will structure its workplan to ensure that there are regular reviews of all relevant Pension Fund policies and procedures in place such that these continue to comply with relevant legislation and Codes of Practice issued by the Pensions Regulator;
- It will monitor the implementation of the Pension Regulator's General Code of Practice and the Local Government Pension Scheme Advisory Board's guidance;
- It will receive and review the administering authority's risk register every six months,
- It will evaluate the robustness of the administering authority's arrangements for obtaining assurance about the operation of pooled funds, specifically the London CIV, the collective investment vehicle for London Local Authorities' Pension Funds, as the funds are now fully managed by the London CIV.
- It will also monitor the implementation of the Government's Fit for the Future reforms, which are expected to bring significant changes to LGPS governance and asset pooling arrangements. Attention will be given to strengthened governance standards, mandatory training requirements, the appointment of Independent Persons and the LGPS Senior Officer, and the development of enhanced oversight frameworks between administering authorities and investment pools. The Board will seek assurance that the Fund is well positioned to comply with the new requirements whilst continuing to deliver effective governance and value for scheme members and employers.

7. SCHEME MANAGEMENT, RISK AND BUDGET

A. SCHEME MANAGEMENT AND ADMINISTRATION

7.1. The individuals and organisations involved in the Lewisham Pension Fund are as set out below:

Pensions Investment Committee:	Cllr. Sian Eiles - Chair
	Cllr. Mark Ingleby – Vice Chair
	Cllr. Tauseef Anwar
	Cllr. Eva Kestner
	Cllr. Louise Krupski
	Cllr. John Muldoon
	Cllr. James Royston
	Cllr. Liam Shrivastava

Pension Board:	Stephen Warren - Chair
	Employer Representatives Mark Booker and Claudia Menichetti
	Scheme Member Representatives Gary Cummins and Paul Pettitt
Administrator:	David Austin – Executive Director of Corporate Resources
Responsible Officers:	Shida Ashrafi – Acting Head of Pensions & Payroll
	Katharine Nidd – Acting Director of Finance
Advisers:	Hymans Robertson LLP
Actuary:	Hymans Robertson LLP
Asset Pool:	The London Collective Investment Vehicle (LCIV)
Custodian:	Northern Trust
Legal Advisers:	LB Lewisham Legal Services
Bank:	Barclays Bank
Performance Measurement:	Northern Trust, Hymans Robertson, PIRC
AVC Providers:	Clerical Medical and Utmost
External Auditors:	KPMG UK LLP
Asset Managers:	BlackRock (Fixed Income Unit Trust)
	HarbourVest (Venture Capital)
	J.P. Morgan (Infrastructure – Hedge Funding)
	Legal & General Investment Management (LGIM) (Venture Capital)
	London Collective Investment Vehicle (LCIV) (Pooling)
	Partners Group (Venture Capital [private debt])
	Pemberton (Venture Capital [private debt])
	Schroders (Property)
	Storebrand Global and Emerging Markets (Equity Unit Trust)

B. RISK MANAGEMENT

7.2. The legal responsibility for the prudent and effective stewardship of the Fund's assets rests with the PIC. This Committee has full delegated authority to make investment decisions, the terms of which are set out in its terms of reference in the Council's constitution. It receives advice from the Chief Finance Officer and, as necessary, from the Fund's appointed actuary, investment managers, custodian and investment adviser.

7.3. The Committee has regard to the Myners Principles which codify best practice in investment decision-making, as updated and consolidated post 2008 by the Government and set out in the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Principles for

Investment Decision Making and Disclosure in the LGPS (2012). The Committee manages the Pension Fund's assets in accordance with the relevant Regulations.

7.4. The Fund maintains a Risk Management Policy which sets out the risk philosophy for the management of the Fund, the Fund's attitudes to risk, and how risk management is implemented and monitored. The risk management process is consistent with the Regulations and guidance issued by CIPFA, Managing Risk in the Local Government Pension Scheme (2018), and is a continuous process as outlined in the table below.



Risk Management Stage	Description of Process
1. Risk Identification	Assessing risks in the context of the objectives and targets of the Fund, which is both a proactive and reactive process. Risks are identified by a number of means, including: i/ Formal risk assessment exercises managed by the Pensions Investment Committee; ii/ Regular performance measurement against agreed objectives or benchmarks; iii/ Findings of internal and external audit; iv/ Feedback from Pensions Board, employers and other stakeholders; v/ Liaison with regional and national associations, professional groups and other sector organisations. Once identified, risks will be documented on the Fund's risk register, which is the primary control document for the analysis and classification, control and monitoring of those risks.

Risk Management Stage	Description of Process
2. Risk Analysis and Evaluation	Once identified, the potential risks are assessed and scored according to their likelihood of occurring (from rare to almost certain) and the impact on the Fund should they occur (from insignificant to extreme).
3. Risk Response	These scores are then used to prioritise the risk from low risk to high risk according to the level of response required, as shown in the graphic below. Senior officers will review the extent to which the identified risks are mitigated by existing controls and whether any further action is required to address the risk. Before any such action can be taken, PIC approval may be required where appropriate officer delegations are not in place. Actions taken may result in risk elimination, risk reduction, or risk transfer.
4. Monitor and Review	The ultimate responsibility of PIC, in monitoring risk management activity the Committee will consider whether: i/ The risk controls in place achieve the desired outcomes; ii/ The procedures in place for assessing risk are appropriate; iii/ Greater knowledge of the risk and potential outcomes would have improved the decision-making process in relation to that risk; iv/ There are any lessons to be learned for the future assessment and management of risks.

7.5. The risk register is incorporated within the annual business plan which is approved by Pension Investment Committee and reviewed periodically to ensure that risks are updated, and the relevant mitigations are put in place to manage them. The Pension Board reviews the authority risk management adequately mitigates against risk and that the direction of travel shows movement towards target scores. Senior officers and those named as responsible officers on the register will review the extent to which the identified risks are covered by existing internal controls and determine whether any further action is required to control the risk, including reducing the likelihood of a risk event occurring or reducing the severity of the consequences should it occur.

7.6. The Fund's Investment Strategy Statement also outlines a number of risks taken to meet the funding objectives and the approaches taken to managing those risks, and include the following:

1. Funding Risks – broken down into:

a. Insufficient asset growth – the risk that the Fund assets fail to grow in line with the developing costs of meeting the liabilities. This is mitigated by the PIC setting a strategic asset allocation benchmark for the Fund which takes into account probability of success and downside risk, and monitoring allocation and returns relative to the benchmark. The PIC also assesses risk relative to liabilities by monitoring the delivery of benchmark returns relative to liabilities.

b. Changing demographics – the risk that longevity improves and other demographic factors change, increasing the cost of Fund benefits. This is mitigated by the PIC seeking to understand the assumptions used in any analysis and modelling so they can be

compared to their own views, and the level of risks associated with these assumptions can be assessed.

c. **Systemic risk** – the possibility of an interlinked and simultaneous failure of several asset classes and/or investment managers, possibly compounded by financial 'contagion', resulting in an increase in the cost of meeting the Fund's liabilities. The PIC seeks to mitigate this as much as it can through a diversified portfolio.

2. **Asset Risks** – specifically:

a. **Concentration** – the risk that a significant allocation to any single asset class and its underperformance relative to expectation would result in difficulties achieving funding objectives. The PIC strategic asset allocation invests in a diversified range of asset classes and has in place rebalancing arrangements to ensure actual allocation does not deviate substantially from the target. The Fund invests in a range of mandates, each of which has a defined objective, performance benchmark and manager process which, taken in aggregate, help to reduce the Fund's concentration risk.

b. **Illiquidity** – the risk that the Fund cannot meet its immediate liabilities because it has insufficient liquid assets. By investing in liquid asset classes such as listed quoted equities and bonds, as well as property, the PIC has recognised the need for access to liquidity in the short term.

c. **Currency risk** – the risk that the currency of the Fund's assets underperforms relatives to Sterling (i.e. the currency of the liabilities). The Fund invests in a range of overseas markets which provides a diversified approach to currency markets. The Fund has also considered, and will continue to consider at periodic intervals, the potential need for any currency hedging to reduce currency risk.

d. **Environmental, Social and Governance (ESG)** – the risk of embedding ESG factors to the extent that the ability of the Fund to meet its long-term funding obligations is significantly reduced. The PIC expects all investment managers to undertake appropriate monitoring of investments with regards to their policies and practices on all issues which could present a material financial risk to the long-term performance of the Fund, including corporate governance and environmental factors. It expects managers to integrate material ESG factors within its investment analysis and decision making, and to use their influence as major institutional investors to promote good practice in the investee companies and markets to which the Fund is exposed.

e. **Manager underperformance** – the failure of managers to achieve the returns as set out in their mandates. The PIC has attempted to reduce this risk by appointing more than one manager and having a large proportion of the Fund managed on a passive basis. The PIC assesses manager performance on a quarterly basis and will take steps if underperformance persists.

3. **Other Provider Risk** – comprising:

a. **Transition risk** – the risk of incurring unexpected costs in relation to the transition of assets among managers. When carrying out significant transitions, the PIC seeks suitable professional advice.

b. **Custody risk** – the risk of losing economic rights to Fund assets, when held in custody or being traded.

c. **Credit default** – the possibility of default of a counterparty in meeting its obligations.

d. **Stock-lending** – the possibility of default and loss of economic rights to Fund assets.

The PIC monitors and manages risks in these areas through a process of regular scrutiny of its providers or has delegated such monitoring and management of risk to the appointed investment managers as appropriate (e.g. custody risk in relation to pooled funds). The PIC has the power to replace a provider should serious concerns exist.

7.7. The Pension Fund Statement of Accounts sets out additional financial risk management in place for the Fund and provides some sensitivity analysis of market price risk and currency risk, and the potential impact on the Fund's market value.

7.8. The Fund also gains assurance from the work of internal audit, which undertakes a periodic audit to provide an opinion on the effectiveness of controls in place and to make recommendations to management on how to improve those controls. The findings of the last internal audit reported that the Fund achieving a limited assurance level and the recommendations from the audit included the need to regularly review accuracy of payments to pensioners along with the contribution rates of both the scheme members and employers to ensure no under/over payments. Reconciliation reviews and actions to resolve any variances have been undertaken to ensure a that the procedure notes for calculating member pension benefits are kept up to date and regularly reviewed.

C. FINANCIAL PERFORMANCE

7.9. Total administration, oversight and governance, and investment management expenses were £3.287m 2025/26, compared with £3.870m in 2024/25, a reduction of £0.582 million or 15.0%. Administration and oversight and governance expenses reduced by £0.337 million, principally reflecting reduction in administration and professions expenses. Investment management expenses reduced by £0.245 million, mainly because transaction costs were lower than in the previous year.

7.10. Investment income for the year was £36.0m, compared with £31.2m in 2024/25. The movement primarily reflected changes in distributions and interest income.

7.11. Transfer values received and paid during the year were £11.0m and £13.2m, respectively. Material movements should be considered alongside changes in membership, the number of retirements and transfers processed, and the timing of investment distributions. The Fund Account in Appendix A provides the complete year-on-year analysis.

7.12. Significant non-investment assets and liabilities

7.13. At 31 March 2026, the Fund reported cash and net current assets of approximately £82.9m, compared with £80.2m at 31 March 2025. This balance principally comprised, cash deposits and other debtors, less other creditors.

7.14. The year-on-year movement of £176.1m arose mainly from increased value of the investments particularly from equities. These balances are monitored as part of the Fund's cash-flow and liquidity management arrangements to ensure that pensions, lump sums, investment commitments and operating expenses can be paid as they fall due. No individual non-investment debtor or creditor balance was material to the Fund's overall financial position, other than those separately disclosed in Appendix A.

7.15. Contributions and payment monitoring

7.16. Employer contribution rates during 2025/26 were determined in accordance with the Rates and Adjustments Certificate arising from the actuarial valuation. Rates varied by employer according to funding position, covenant and membership profile. The applicable employer rates are set out in the Funding Strategy Statement section of this report.

7.17. Employee contribution rates were determined by reference to members' pensionable pay in accordance with the LGPS Regulations and ranged from 5.5% to 12.5% during 2025/26.

7.18. Participating employers are required to pay employee and employer contributions to the Fund by the statutory due date.

7.19. Late payments were followed up with the employers concerned in accordance with the Fund's contribution monitoring arrangements. No interest or late payment penalties were levied during the year because the delays were resolved promptly and no material losses arose. No material contribution arrears were written off during the year.

7.20. The administration expenses and investment expenses are set out below:

	2025/26 Actuals	**2024/25 Actuals**	**Year on Year Variance**	
	£'000	£'000	£'000	%
Administration Expenses	1,076	1,387	(311)	-22.4%
Oversight and Governance Expenses	548	574	(26)	-4.5%
	1,624	**1,961**	**(337)**	-17.2%
Investment Management Expenses:				
Transaction Costs	2	395	(392)	-99.5%
Management Fees	1,598	1,452	146	10.1%
Custody Fees	63	62	1	1.6%
	1,663	**1,909**	**(245)**	**-12.8%**
Total Expenses	**3,287**	**3,870**	**(582)**	**-15.0%**

7.21. Administration expenses consist of all expenses the administering authority must incur in performing its duties to administer entitlements and provide benefit information. This includes staff costs, IT costs, general costs such as stationery and postage, membership fees, and costs associated with the provision of additional voluntary contributions.

7.22. Oversight and governance expenses can include the cost of selection, appointment and performance monitoring of fund managers, investment advisory services, legal and actuarial services, and audit fees.

7.23. The investment management fees are paid to fund managers who manage the individual investment. The investment management fees are in line with previous years costs.

7.24. Pension Overpayments and Recoveries

7.25. The Fund maintains procedures designed to minimise the risk of pension overpayments through regular data validation, reconciliation processes, and periodic reviews of pensioner records. Where an overpayment is identified, the Fund seeks recovery in accordance with its established policies, taking account of the circumstances of each case and ensuring that

members are treated fairly and consistently. During 2025/26, all identified overpayments were reviewed and appropriate recovery action was undertaken where appropriate. No material amounts were written off during the year. If any write-offs occur, these are approved in accordance with the Council's financial regulations and recorded within the Fund's governance arrangements.

7.26. Fraud Prevention and Detection

7.27. The Fund is committed to preventing and detecting fraud and participates in a range of assurance and data-matching activities. These include participation in the National Fraud Initiative (NFI), the review of pension records against mortality and residency data, and reconciliation exercises designed to identify duplicate, erroneous or potentially fraudulent payments. Any matches identified through these exercises are investigated by officers and appropriate action is taken where discrepancies are found. During 2025/26, the Fund continued to work with the Council's corporate fraud, audit and pension administration teams to strengthen controls, improve data quality and minimise the risk of fraud and error within pension administration processes.

7.28. Fraud, credit losses, provisions, contingent liabilities and impairments

7.29. The Fund participates in the National Fraud Initiative and undertakes mortality, residency, data-matching and reconciliation checks to identify potentially fraudulent, duplicate or erroneous pension payments. Any matches are investigated and recovery action is initiated where appropriate.

7.30. During 2025/26, identified pension overpayments were reviewed, and appropriate recovery action was taken. No material overpayments were written off during the year.

7.31. Progress Towards Asset Pooling

The Government's "Fit for the Future" reforms require LGPS administering authorities to manage investments through FCA-regulated investment pools. The Fund is fully pooling with the London Collective Investment Vehicle (LCIV) having signed an Investment Management Agreement (IMA) on 31 March 2026. The Fund achieved full compliance, completed the transition of all investment assets into arrangements managed by the London CIV to meet the Government's pooling deadline of 31 March 2026.

7.32. Pooling Costs and Savings

The transition to pooled investment arrangements through LCIV forms part of the Government's asset pooling programme, which seeks to achieve economies of scale, improved governance and enhanced investment opportunities across the Local Government Pension Scheme. The Fund monitors the direct costs associated with pooling, including implementation and transition costs, alongside the ongoing savings generated through reduced investment management fees and operational efficiencies. The fund is fully pooled from 31 March 2026 so in 2026/27 monitoring will be provided of the pooling costs and savings generated from pooling.

8. INVESTMENT STRATEGY AND PERFORMANCE

A. INVESTMENT STRATEGY

8.1. The Council's Investment Strategy Statement (ISS) was reviewed and updated in March 2026, and it sets out its approach to funding its liabilities in the Funding Strategy Statement (FSS). The FSS sets out the strategy for prudently meeting the Fund's future pension liabilities over the longer term. The ISS sets out the Fund's policies in respect of asset allocation, rebalancing, and the approach to risk including environmental, social and governance considerations. The ISS and the FSS can be found at http://www.lewishampensions.org/

8.2. The administration of the investment side of the Fund is managed internally by officers within the Council's Strategic Finance team. The Fund's custodian is the main depositary for investment assets and provides performance reporting and accounting support for all transactional activity in relation to the Fund's investments which is used to update the Fund's ledger and compile the annual accounts. The Fund also maintains its own bank account for day-to-day cash flow requirements.

8.3. Asset Allocation at 31 March 2026

8.4. The Fund maintains a diversified investment strategy designed to achieve its long-term funding objective while managing investment risk. In accordance with LGPS annual report guidance, the table below provides an analysis of the Fund's year-end asset allocation by underlying asset class together with the pooling status of those investments. All funds in the table below are 100% pooled with the London CIV as at 31 March 2026. This disclosure complements the strategic asset allocation information included elsewhere in this report and provides additional transparency regarding the composition of Fund assets and the extent to which they have been incorporated within pooled investment arrangements.

8.5. Fund Allocation Table 31 March 2026

London CIV Pooled Assets		
Funds	**Fund Manager**	31/03/2026
Equity		
	LCIV - Passive Equity Progressive Paris Aligned	745,975.43
	Storebrand Global	156,394.32
	Storebrand EM	100,600.21
Venture Capital		
	Harbourvest	105,186.97
TOTAL GROWTH		1,108,156.94
Property		
	Schroders Property / LCIV IREP	123,736.07
	LGIM (Build to rent)	40,278.60
Infrastructure		
	JP Morgan infrastructure	81,414.12
	LCIV - Renewable Infrastructure Fund	70,354.56

Debt		
	Pemberton European Debt Fund	22,661.81
	Partners Group	
	LCIV Private Debt	74,967.33
	LCIV Private Debt	25,213.54
	Nature Based Solutions	44,232.32
	LCIV Buy & Maintain Credit	
TOTAL INCOME		482,858.36
Bonds		
	BlackRock Bonds	362,256.56
TOTAL PROTECTION		362,256.56
TOTAL before Cash		1,953,271.85
CASH/Debtors/Creditors		82,871.54
TOTAL SCHEME		2,036,143.39

B. UK STEWARDSHIP CODE

8.6. The Financial Reporting Council revised the UK Stewardship Code in 2020, and the Code sets the expectations for investor's stewardship policy and practice.

8.7. The Code defines stewardship as the "responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society", and consists of twelve Principles for asset managers and owners, and six for service providers, to which signatories to the Code are expected to evidence compliance through the publication of an annual Stewardship Report. Managers, owners and service providers are tiered based on the quality of their Code statements, distinguishing between those who report well and demonstrate their commitment to stewardship, and those where reporting improvements are required.

8.8. Although not currently a direct signatory to the new Code, the Fund will consider its impact and align its expectations of asset managers and service providers accordingly. The Fund will use the revised Code as a basis for reviewing and strengthening its approach to responsible investment, and fully endorses the principles embedded within the Code. It expects its external fund managers to be signatories to the 2020 Code. The Pensions Committee believes that investor stewardship is a key component of the CIPFA Good Governance Framework and is committed to exercising this responsibility.

8.9. The twelve principles of the UK Stewardship Code 2020 are set out below with brief examples of how the Fund works to meet each one in line with the expectations set out in the Code, although this does not constitute a statement of compliance and is by no means exhaustive.

Category	Code Principle	Examples of Compliance
Purpose and Governance	1. Signatories' purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.	PIC Members have contributed to a Statement of Investment beliefs that when considered with the Funding Strategy Statement translate Fund objectives into a well-defined Investment Strategy. Taken in conjunction with PIC's Climate Objectives, the Fund seeks to make ESG focussed investments to achieve the overriding purpose of preserving the resources necessary to secure the long-term payment of members' benefits.
	2. Signatories' governance, resources and incentives support stewardship.	The Fund's Pension Board assists the Council, as administering authority, to monitor adherence to legislation and best practice relating to the administration and governance of the Fund.
	3. Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.	PIC members declare any conflicts of interest before meetings begin. This is recorded in the minutes and published on the Council website. A decision is made by the Chair on the necessary steps to be taken to ensure the interests of the Fund and its beneficiaries are put first.
	4. Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.	The Fund's stewardship responsibilities are set out in the ISS, including its approach to systemic risks which includes maintaining a diversified portfolio to reduce the impact of any market or business group failure.
	5. Signatories review their policies, assure their processes and assess the effectiveness of their activities.	The fund is audited, both externally and internally. The Pension Board in April 2019 commissioned an external review to measure the Fund's compliance to the Pension Regulator's Code of Practice and the Local Government Pension Scheme Advisory Board's guidance.
Investment Approach	6. Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.	The Fund publishes its Statement of Accounts and Annual Report every year which details the breakdown of the Fund and its investments, the membership of the Fund and how officers deal with member queries, and how decisions are taken to meet the Fund's liabilities and continue to pay member benefits. The FSS and ISS set out in greater detail the stewardship of the Fund, the former being consulted on with Fund employers prior to publication.
	7. Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate	The Fund has integrated stewardship and ESG factors into its new Investment Strategy, which has seen the Fund transition its equity holdings into low carbon ESG passive equities and pursue investments in other low carbon assets including renewable energy infrastructure, to continue to provide benefits for its members whilst addressing

Category	Code Principle	Examples of Compliance
	change, to fulfil their responsibilities. 8. Signatories monitor and hold to account managers and/or service providers.	wider ESG issues such as climate change and decarbonisation. The Fund's custodian produces monthly performance reports, whilst the Fund's advisor prepares quarterly performance reports which are reported at PIC. Fund managers also prepare monthly and quarterly reports for officers' attention and attend PIC at least annually to update Members on fund performance.
Engagement, Exercising Rights and Responsibilities	9. Signatories engage with issuers to maintain or enhance the value of assets. 10. Signatories, where necessary, participate in collaborative engagement to influence issuers. 11. Signatories, where necessary, escalate stewardship activities to influence issuers. 12. Signatories actively exercise their rights and responsibilities.	The Fund has established a set of Investment Consultant Objectives which includes objectives on strategic advice, effective implementation and research, all of which require the Fund's advisers to use its more extensive resources and engage with asset managers and other stakeholders on the Fund's behalf. Officers regularly engage with asset managers on all issues of asset administration and performance. The Fund participates in collective engagement and is actively committed to the LCIV for the pooling of its assets into centrally managed Funds, whilst liaising and working with other shareholders of the LCIV to achieve shared objectives, outside of the larger pool if necessary but always in the spirit of collaboration to achieve shared goals. PIC has delegated the exercise of voting rights to its investment managers on the basis that voting power will be exercised by them with the objective of preserving and enhancing long term shareholder value.

8.10. The Fund is also a member/subscriber of the following bodies:

a. Pensions and Lifetime Savings Association (PLSA);
b. Local Authority Pension Fund Forum (LAPFF);
c. Local Government Pension Committee (LGPC).

C. APPLICATION OF CIPFA PRINCIPLES FOR INVESTMENT DECISION MAKING

8.11. The Fund is required to demonstrate compliance with CIPFA's Principles for Investment Decision Making and Disclosure, which reflect principles of good investment practice issued by government in response to the Myners review. Actions taken to comply with the principles are set out in the Investment Strategy Statement.

8.12. The Pension Fund has a paramount fiduciary duty to obtain the best possible financial return on Fund investments without exposing assets to unnecessary risk. Following good practice in terms of social, environmental and ethical issues is likely to have a favourable effect on the long-term financial performance and improve investment returns to shareholders.

D. INVESTMENT PERFORMANCE

8.13. The overriding investment objective is to ensure that the Fund's investments increase the likelihood that benefits will be paid to members as they fall due, by maximising investment returns over the long term within acceptable risk tolerances. It is in the interest of both scheme members and the public that the Fund is well managed and continues to provide high returns and excellent value for money.

8.14. The investment strategy has previously allocated a significant proportion of the Fund for investment into growth assets. After the 2016 valuation, the strategy was adapted to seek a more diversified portfolio and reduce the heavy exposure to the volatility of equities by investing in income assets such as infrastructure and private debt. As at 31 March 2026 approximately 60% of the Fund was invested in growth assets, 25% in income assets and 15% in protection assets including passive bonds and cash.

8.15. The Fund's asset allocation as at 31 March 2026 has nine active managers with six mandates, as below.

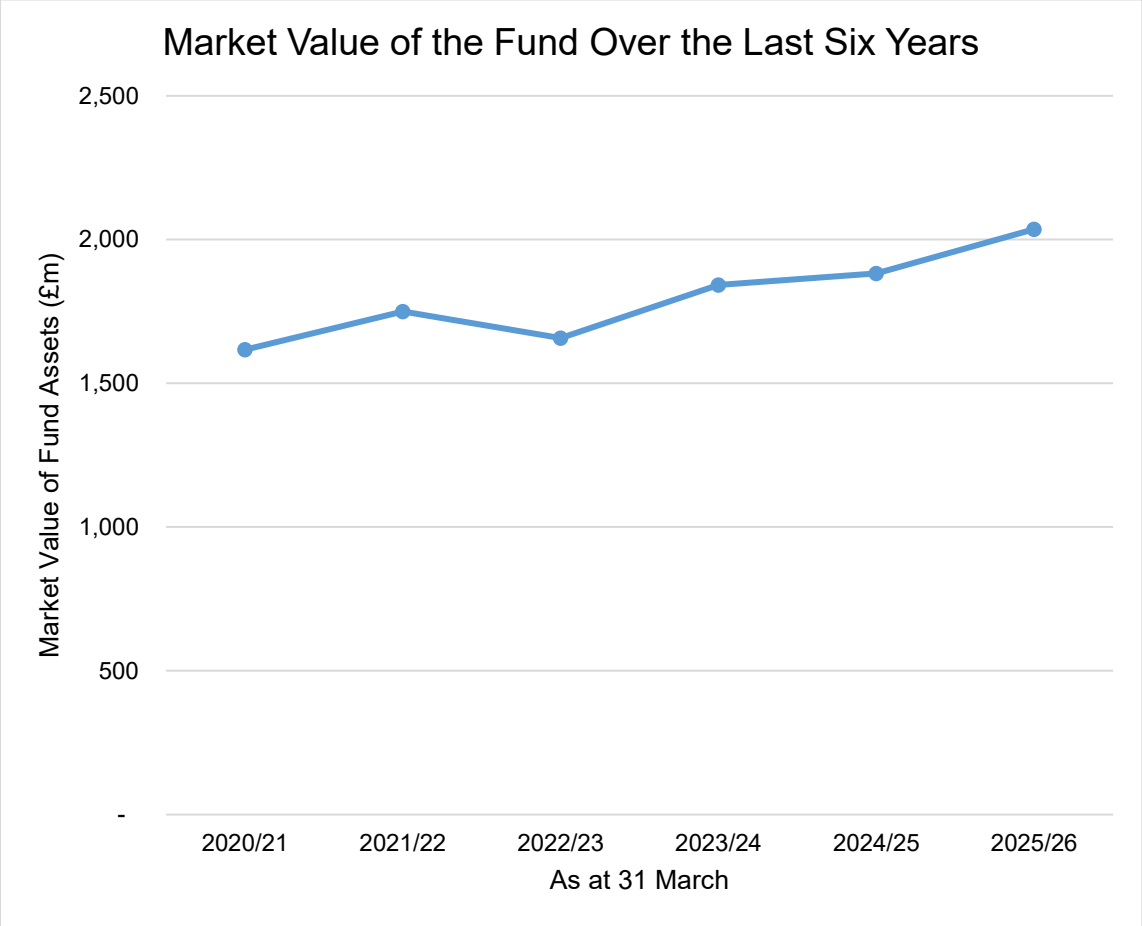
D1. STRATEGIC ASSET ALLOCATION AT 31 MARCH 2026:

	2025/26			2024/25
Fund	**Asset Value £'000**	**Target Allocation %**	**Actual Allocation %**	**Actual Allocation %**
Growth				
Equity Unit Trust	1,108,157	50.0	56.7	54.8
Income				
Property	164,015	7.5	8.4	9.4
Infrastructure	151,769	7.5	7.8	7.8
Private Equity/Debt	122,843	11.0	6.3	7.5
Natural Capital	44,232	5.0	2.3	1.0
Protection				
Fixed Income Unit Trust	362,256	19.0	18.5	19.5
Total Investments	**1,953.272**	**100**	**100**	**100**
Cash and Net Current Assets	82,871			
Total	**2,036,143**			

8.16. The differing short-term performances of asset classes and fund managers inevitably results in the actual asset allocations deviating from their strategic targets over time. Global equities have performed very strongly over the last few years resulting in being overweight in this asset class. Periodically the Fund undertakes a re-balancing exercise to return to the agreed strategic allocation, whilst separate re-balancing arrangements are in place within the passive mandates as outlined within the Investment Strategy Statement.

8.17. With the signing of the Investment Management Agreement with the London CIV, it will be for the London CIV to make any rebalancing after consultation with the fund.

8.18. The graph below depicts the changing value of the Fund's assets as at 31 March over the last seven years. The Fund has steadily increased in value over the period, from £1,352bn at 31 March 2019 to a high of £2,036bn at 31 March 2026. The Fund increased by approximately £155m in 2025/26.



8.19. The annualised return of the Fund's investments over the last 12 months was 9.45%, which was 0.94% less than the benchmark return (a composite of the benchmarks employed by each mandate). Over the last five years, the Fund's absolute return on its investments is 5.79%, which is approximately 0.13% above the benchmark return of 5.65% as depicted in the below table.

D2. AGGREGATE FUND – COMPARATIVE PERFORMANCE:

As at 31 March 2026	One Year %	Three Year %	Since Inception %
Fund Performance	9.45	8.28	5.79
Benchmark	10.40	9.06	5.65
Relative performance	**-0.94**	**-0.79**	**0.13**

8.20. Individual fund manager performance is assessed against customised benchmarks. The performance of each manager against their composite benchmark over a one-year period, three-year period and their inception is as set out in the table below.

D3. INDIVIDUAL MANAGER PERFORMANCE:

		Blackrock (Fixed Income Unit Trust)	Schroders (Property)	J.P. Morgan (Infrastructure)	LCIV (Passive Equity)	HarbourVest (Private Equity)	Pemberton (Venture Capital)	LGIM (Property)	Storebrand Global Mkt (Equity Unit Trust)	Storebrand Emerging Mkt (Equity Unit Trust)	LCIV (Renewable Infrastructure, Nature Based Solutions and Private Debt)
		%	%	%	%	%	%	%	%	%	%
1 year	Absolute	8.6	1.7	14.1	13.4	N/A	5.85	-1.0	14.0	26.3	N/a
	Benchmark	8.6	6.2	7.0	13.1	N/A	10.1	7.0	16.4	26.8	N/a
	Relative	**0.1**	**(4.2)**	**6.6**	**0.3**	N/A	**(4.0)**	**(7.5)**	**(2.1)**	**(0.4)**	N/a
3 years	Absolute	(4.4)	2.5	9.0	14.9	N/A	6.9	-1.2	12.2	12.3	N/a
	Benchmark	(4.6)	4.6	7.0	14.5	N/A	10.8	7.0	14.3	12.4	N/a
	Relative	**0.2**	**(2.0)**	**1.9**	**0.4**	N/A	**(3.5)**	**(7.7)**	**(1.8)**	**(0.1)**	N/a
Since Inception*	Absolute	(23.3)	4.1	7.4	8.0	N/A	6.4	(0.9)	11.2	9.7	N/a
	Benchmark	(23.5)	4.9	7.0	7.6	N/A	9.1	7.0	12.8	8.6	N/a
	Relative	**0.2**	**(0.8)**	**0.4**	**0.3**	N/A	**(2.5)**	**(7.4)**	**(1.4)**	**1.0**	N/a

8.21. The table above shows that there has been a varied performance over time. It is to be noted that Blackrock, LCIV PEPPA and Storebrand are all passive funds which track their composite benchmarks instead of actively trying to outperform them, and accounts for approximately 56% of the Fund. No other managers, apart from Storebrand, accounts for more than 5% of the Fund, in line with their target allocations. During 2025/26, the Fund completed the full realisation of its remaining investment with Partners Group, resulting in the holding being fully disinvested by 31 March 2026. HarbourVest performance figures have not been included in performance calculations due to questions raised regarding data consistency. The performance of the Renewable Infrastructure, Nature Based Solutions and Private debt funds is not formally assessed against its objective until four years after inception, in accordance with the fund terms. Pemberton was a new fund in 2017/18, J.P. Morgan were new funds in 2018/19, LCIV PEPPA and LGIM were new funds in 2021/22 and Storebrand was a new fund in 2022/23, LCIV Private Debt was a new fund in 2023 and 2025 and Nature Based Solutions was a new fund in 2025, hence the lack of historical performance data. PIC continues to monitor the performance of all fund managers on a quarterly basis via the reports it receives from the Fund's advisors.

8.22. Investment performance.

8.23. Unless otherwise stated, the investment performance figures in this section are presented net of investment management fees. Performance is measured by the Fund's custodian and investment adviser using time-weighted rates of return and is compared with the benchmark or performance objective applicable to each mandate.

8.24. The whole-Fund benchmark is a composite of the individual mandate benchmarks, weighted according to the Fund's asset allocation. Mandate benchmarks have been selected to reflect the relevant asset class, investment approach and manager objective. Passive mandates are assessed principally by reference to how closely performance tracks the applicable market index, while active and private-market mandates are assessed against an agreed index, absolute-return objective or hurdle rate.

8.25. "N/A" is shown where a meaningful performance figure was unavailable, principally because the mandate commenced recently, the investment was in its drawdown period, or the valuations were not available for a complete measurement period. Where a benchmark or mandate changed during the year, performance was linked across the relevant periods to preserve an appropriate comparison. Details of any material benchmark changes are set out above in the manager performance table.

A description of the benchmark for each fund manager is set out below.

Manager	Mandate	Benchmark / Performance Target
BlackRock	Fixed Income Unit Trust	iBoxx Sterling Non-Gilts Index; FTSE Actuaries UK Conventional Gilts over 5 or 15;
Schroders	Property	MSCI Pooled Property Fund Index
J.P. Morgan	Infrastructure	Hurdle rate of 7% p.a. The fund targets a return of 8-12% per annum net of fees.
LCIV	Equity Unit trust	The objective of the Fund is to track the performance of the S&P Developed Ex-Korea Large Mid-Cap Net-Zero 2050 Paris-Aligned ESG Index
LCIV	Renewable Infrastructure	Hurdle rate of 7% p.a.
HarbourVest	Private Equity	To outperform the Morgan Stanley Capital International (MSCI) World Index by 5% over a five-year rolling period, net of fees.
Partners Group	Venture Capital	The fund targets a return of SONIA +4-6% net of fees, with a 5% cash yield
Pemberton	Venture Capital	Venture Capital The fund targets a return of SONIA +4-6% net of fees
LGIM	Property	UK Build To Rent Fund. Total return of 7-9% p.a. (net of fees)
Storebrand	Equity Unit Trust	MSCI AC World Development Index and MSCI EM Index
LCIV	Private Debt	6-8% net IRR
LCIV	Nature Based Solutions	6-8% net IRR with a target yield of 2 per cent per annum

8.26. The value of assets under management (AUM) by asset class and fund manager is shown in the Pension Fund Accounts in Appendix A and in the following table.

8.27. Investment details are shown in the table below:

Company Name	# Shares	Value GBP as at 31/03/2026	Fund Manager
AMX UCITS CCF - STOREBRAND-GLOBAL ESG PLUS UK PENSION SCHEME B GBP UNITS	1,257,253.75	156,394,320.32	Storebrand
AMX UCITS CCF - STREBRND-EMRGN MKT ESG PLS UK PENSION SCHEME GBP A UNITS AMUCSG UAKG	759,348.33	100,600,212.60	Storebrand
LCIV Passive Equity Progressive Paris-Aligned	527,937,317.09	745,975,429.05	London CIV
LCIV Private Debt Fund	608,697.00	74,967,326.21	London CIV
LCIV Renewable Infrastructure	586,551.60	70,354,564.68	London CIV
LCIV Private Debt Fund II	235,161.63	25,213,544.12	London CIV
LCIV Nature Based Solutions Fund	452,200.41	44,232,321.49	London CIV
AQ LIFE OVR 15Y UK GILT IDX S1	15,932,006.69	117,737,529.47	BlackRock
AQUILA LIFE OVR 5YR UK IDX LKD S1	15,146,628.63	121,627,427.96	BlackRock
ISHR UK CRDT BD IDX(IE) FLX GBP AC	3,809,883.36	122,891,597.66	BlackRock
MAYFAIR CAP PPTY (MCPUT)	6,935.70	7,823,466.22	Schroders
SSHF UNIT TRUST	5,714,992.00	5,886,441.76	Schroders
SCHRODERS LOCAL RETAIL FUND	6,317.15	6,263,327.88	Schroders
SDR CAP UK OPERATING HOTELS UNIT TRUST	5,266,830.00	5,267,883.37	Schroders
SCHRODER INV MGMT FUT WORKPLACE PPTY UT	7,820.76	4,364,299.14	Schroders
MULTI-LET INDL PROPERTY UNIT TRUST	7,587.36	12,232,109.33	Schroders
OCTOPUS INVSTS LTD OCTOPUS HEALTHCARE UNITS Q	2,292.30	3,094,792.43	Schroders
C - MANAGED PROPERTY	108,363.48	7,122,548.32	Schroders
UNITE UK STUDENT ACCOMADATI	2,068,175.00	3,120,876.08	Schroders
METRO PPTY UNIT TR	22,277.97	5,549,887.89	Schroders
SCH CAP UK SELF STORAGE UNIT TST	35,000.00	3,608,762.50	Schroders
NUVEEN UK RETAIL WAREHOUSE FUND	199.05	759,747.15	Schroders
SCHRODERS CAPITAL UNIT TRUSTS UK REAL ESTATE SREF I INC	195,002.05	6,659,319.84	Schroders
CORA FEEDER UNIT TRUST	42.93	5,009,975.32	Schroders
Schroder RECAP SSF Unit Trust	9,989,533.62	10,591,902.50	Schroders
INDUSTRIAL PROPERTY INVESTMENT FUND IPIF FEEDER GBP	12,054.75	21,554,743.98	Schroders
BLACKROCK UK FD	226,963.00	8,929,950.02	Schroders
HERMES INVEST MNGM HERMES PROPERTY UNIT TRUST	1,155.00	6,953.10	Schroders
UK RETIREMENT LIVING UNIT TRUST	6,647,571.00	5,889,083.15	Schroders
Pemberton European Debt Investments Jersey II LP	22,661,810.66	22,661,810.66	Pemberton
Legal & General UK Build to Rent	45,002,500.00	40,278,601.08	Legal & General
Infrastructure Investments Fund	67,504,896.84	81,414,121.20	JP Morgan
HARBOURVEST GL PE ORD NPV	965,687.00	29,018,894.35	HarbourVest
HIPEP IX AIF SCSP	10,874,756.83	12,713,051.82	HarbourVest
HARBOURVEST PARTNERS VIII-CAYMAN BUYOUT FUND L.P.	2,665,865.42	35,201.42	HarbourVest

HARBOURVEST PARTNERS XI AIF LP	13,468,353.15	22,148,813.16	HarbourVest
HARBOURVEST PARTNERS VIII-CAYMAN VENTURE FUND L.P.	2,698,027.96	3,269,455.17	HarbourVest
HARBOURVEST PARTNERS X AIF LP	12,440,196.79	22,783,506.36	HarbourVest
HIPEP VII (AIF) PARTNERSHIP FUND LP	10,245,131.53	15,218,051.78	HarbourVest
Total investments		**1,953,271,850.54**	
Cash and Debtor/creditors		82,871,536.37	
Total fund		**2,036,143,386.91**	

8.28. The Pension Fund's top equity and unit trust holdings are also shown in the Pension Fund Accounts in Appendix A, under Section 5 - Investment Analysis.

9. ASSET POOLING

A. FINANCIAL YEAR 2025/26

B. ASSET POOLING

9.1 The London Collective Investment Vehicle (LCIV) is the investment vehicle established for the pooling of London Local Authority (LLA) Pension Fund assets, created to deliver broader investment opportunities and more enhanced cost efficiencies than LLAs can achieve individually. It is authorised and regulated by the Financial Conduct Authority (FCA) as an Alternative Investment Fund Manager (AIFM) with permission to manage authorised and unauthorised Alternative Investment Funds (AIFs) via an Authorised Contractual Scheme (ACS) pooling structure and as an Exempt Unauthorised Unit Trust (EUUT).

9.2 In 2025 Buckinghamshire Council became a member of LICV. Each local authority is a shareholder in the LCIV, and the Fund has non-voting redeemable shares as a subscriber to the pool. It and contributes to the financial operation of the vehicle via an annual service charge and Development Funding Charge (DFC). The annual service charge is akin to a membership fee, providing access to LCIV services. The DFC is designed to cover the cash flow imbalance between the LCIV's annual revenues and annual costs until LCIV generates sufficient management fee income to cover annual operating costs.

9.3 The London Borough of Lewisham is one of thirty-three shareholders in the London Collective Investment Vehicle (LCIV), one of six pooling vehicles established as part of the reform of investment management in the LGPS which began in 2015 with the publication of criteria and guidance on pooling of LGPS assets to deliver significantly reduced costs while maintaining overall investment performance and achieving benefits of scale.

9.4 The 2025/26 financial year represents a significant milestone for the Lewisham Pension Fund, marked by the successful completion of full investment pooling in line with the Government's LGPS "Fit for the Future" reforms. By the end of March 2026, the Fund had transitioned 100% of its assets to the London CIV (LCIV), achieving full compliance with national pooling requirements and aligning with the broader policy objective of consolidating LGPS assets into larger, FCA-regulated investment pools.

9.5 The transition was formalised through the approval and execution of the Investment Management Agreement (IMA), which delegates responsibility for investment implementation, including manager selection and oversight, to LCIV. While operational responsibility for asset management now sits with LCIV, the Council retains its core fiduciary duties, including setting the Fund's strategic asset allocation and funding strategy.

9.6 This development reflects wider structural reforms introduced under the Pension Schemes Act 2026 and associated LGPS regulations, which establish asset pooling as the central delivery mechanism for investment activity. These reforms also strengthen governance requirements, including the introduction of a mandatory Senior LGPS Officer role and enhanced expectations around accountability, oversight, and alignment with statutory guidance.

9.7 From an operational perspective, the transition to pooling has been carefully managed through detailed planning between officers, LCIV, and the Fund's custodian to ensure continuity. Existing external managers largely remain in place but now operate within the LCIV governance framework. A developing Service Level Description (SLD) sets out roles, responsibilities, and performance monitoring arrangements, supporting a phased and controlled implementation of the new model.

9.8 Importantly, the move to pooling does not alter the governance role of the Pensions Investment Committee, which continues to retain strategic oversight, fiduciary accountability, and responsibility for long-term investment objectives. Officers also maintain active engagement with LCIV on responsible investment, stewardship, and local investment priorities, ensuring alignment with the Fund's ESG commitments and broader policy objectives.

9.9 During the year, progress was also made in transitioning specific mandates, including the transfer of the commercial property portfolio into LCIV's Indirect Real Estate Pool (IREP), managed by CBRE Investment Management. This move supports improved governance, potential cost efficiencies, and access to more diversified property strategies, while maintaining the Fund's long-term allocation to real assets.

9.10 Looking ahead, the Fund will continue to work closely with LCIV to embed the new pooling arrangements, monitor performance and costs, and ensure that the evolving structure supports long-term investment objectives. While the long-term benefits of pooling are expected to include improved efficiency and enhanced investment opportunities, there remains some uncertainty regarding transition costs in the short to medium term, which will be actively monitored.

9.11 Overall, 2025/26 marks the completion of a major structural transformation of the Fund, positioning it within a more centralised, regulated, and strategically aligned LGPS framework, while maintaining strong local governance and accountability.

10. ADDITIONAL DATA

10.1. To assist in the production of the scheme annual report compiled by the LGPS Scheme Advisory Board, Funds are required to include the following:

10.2. A summary of the number of employers in the Fund analysed by scheduled bodies and admitted bodies which are active (with active members) and ceased (no active members).

	Active	Ceased
Scheduled Bodies	14	1
Admitted Bodies	19	50
Total	33	51

10.3. An analysis of Fund assets as at the reporting date, analysed as follows:

Asset Class	UK £m	Non-UK £m	Total £m
Equity Unit Trust	746	286	1,032
Fixed Income Unit Trust	239	123	362
Property	124	0	124
Private Equity	278	158	436
Cash	68	15	83
Net Current Assets/(Liabilities)	-1	0	-1
Total	**1,454**	**582**	**2,036**

10.4. An analysis of investment income accrued during the reporting year, analysed as follows:

Asset Class	UK £000	Non-UK £000	Total £000
Equity Unit Trust	11,111	4,100	15,211
Hedge Funds	0	428	428
Pooled property Investments	3,682	0	3,682
Private Equity/Infrastructure	13,849	300	14,149
Cash	5,505	67	2,572
Total	**31,147**	**4,895**	**36,042**

B. AT TIME OF WRITING ANNUAL REPORT

10.5. In respect of asset pooling, it is noted that at the time of writing the annual report (September 2026) the Fund had made an investment of £90m into the LCIV Buy and Maintain Credit Fund.

11. 10. SCHEME ADMINISTRATION

A. SCHEME ADMINISTRATION / PENSIONS ADMINISTRATION AND ASSURANCE

11.1. As at 31 March 2025 there were 28,119 members of the Fund; an increase of 539 members. 6,737 of the members were active, 12,044 deferred (undecided and deferred) and 9,338 retired. Besides the administering authority, the Fund also comprised 14 active scheduled bodies and 19 active admitted bodies.

11.2. There are 1,223 frozen members who are not included in the total deferred members. This is because they do not have an entitlement to a deferred benefit. They have an entitlement to a refund and haven't yet claimed the refund.

11.3. Scheme member administration and pensioner administration is undertaken by a small in-house Pensions team which is also responsible for other areas of pension work including

providing data to the LPFA, TPA and the NHS pension schemes. The team also carries out non-Pension Fund work such as providing estimates and calculating and paying redundancy and compensation payments. Further information about the administration of the scheme including forms and publications, information on complaints and disputes, and details on how members are kept informed, including relevant contact details, can be found on the Fund's website at www.lewishampensions.org. Internal audit reviews the scheme's administration periodically as described in sections 4.8 and 4.9 of this report.

11.4. Pension transactions are completed monthly as they fall due, the in-house team also work through queries and respond to members and bodies as appropriate. Membership is updated regularly to ensure it is accurate.

11.5. The number of key administrative activities carried out in 2025/26 and across the previous four years are shown in the table below.

A1. KEY ADMINISTRATIVE ACTIVITIES:

	2025/26	2024/25	2023/24	2022/23
New scheme members	1,081	1,125	1,517	1,054
Estimate of benefits	585	539	596	840
Responding to correspondence	8,756	7,947	3,718	3,380
Deferred benefits	70	89	141	131
Calculation of quotations and actuals relating to transfers into the Local Government Pension scheme	456	458	323	575
Retirements	509	475	440	425
Death cases (with dependants)	78	71	69	90
Calculation of quotations and actuals relating to transfers out of the Local Government Pension scheme	690	473	538	344
Additional contributions	38	30	33	29
Refunds of contributions	185	205	219	172
Overall Performance	**12,448**	**11,412**	**7,594**	**7,040**

11.6. The role of the pensions section in the administering authority during 2025/26 was carried out by 10.4 Full Time Equivalent (FTE) staff serving some 28,000 members. Relevant data and staffing ratios are as set out below and indicate an increasing number of transactions over time being undertaken by the same number of FTE staff.

A2. KEY STAFF INDICATORS:

FTE Staff:	**2025/26**	**2024/25**	**2023/24**	**2022/23**	**2021/22**
Lewisham	11.9	11.5	10.7	8.5	7.5
Made up of:					
Work for other schemes	0	0	0	0	(0.5)
Other work	(1.5)	(2.0)	(2.0)	(2.0)	(2.0)
Administration of LGPS	**10.4**	**9.5**	**8.7**	**6.5**	**5.0**

Scheme Membership:	**2025/26**	**2024/25**	**2023/24**	**2022/23**	**2021/22**
Number of contributors	6,737	6,728	6,888	6,846	6,759
Number of deferred members	12,044	11,856	12,130	11,493	10,996
Number of pensioners	9,338	8,996	8,753	8,524	8,384

Total	**28,119**	**27,580**	**27,771**	**26,863**	**26,139**

Staff Performance:	**2025/26**	**2024/25**	**2023/24**	**2022/23**	**2021/22**
Ratio of members to 1 FTE staff	2,704	2,903	3,192	4,133	5,228
Transactions per member of staff	1,197	1,201	873	1,083	893

11.7. Value for Money in Pension Administration

11.8. The Fund seeks to deliver a high-quality pension administration service that provides value for money to scheme members and employers while maintaining compliance with statutory and regulatory requirements.

11.9. The age profile of the membership calculated as at 31 March 2026 is show in the table below.

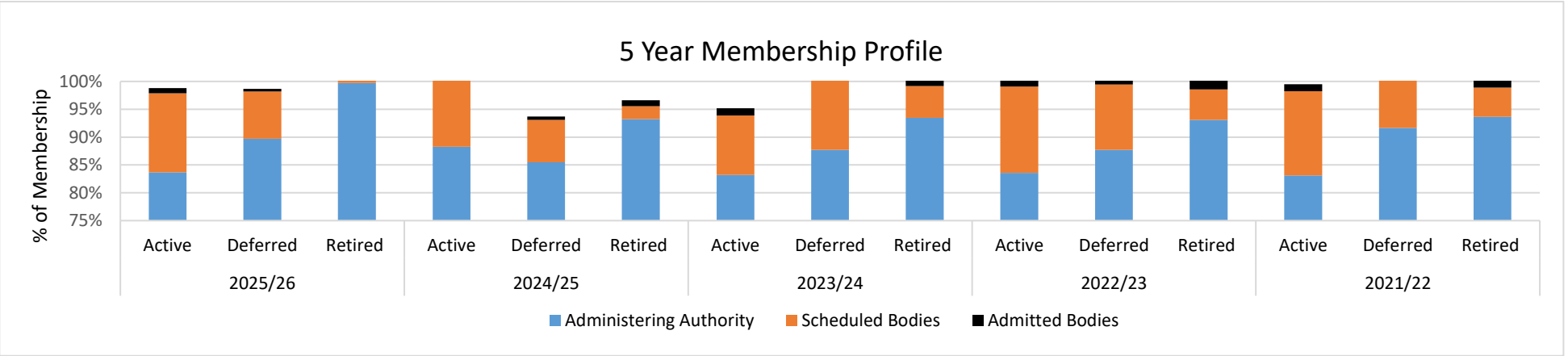
A3. AGE PROFILE OF MEMBERSHIP:

A	Contributing	Deferred	Pensioners/ Dependents
0-4	0	0	3
5-9	0	0	4
10-14	0	0	11
15-19	24	0	18
20-24	206	3	12
25-29	425	65	1
30-34	518	266	2
35-39	690	636	4
40-44	798	835	3
45-49	869	943	16
50-54	847	1,158	31
55-59	1,028	1,523	327
60-64	971	1,245	1,308
65-69	339	367	2,220
70-74	65	115	1,892
75-79	0	25	1,567
80-84	0	4	974
85-89	0	2	628
90-94	0	0	281
95-99	0	0	77
100-104	0	0	5
Total	**6,780**	**7,187**	**9,384**

*Does not include undecided leavers or frozen accounts shown in the deferred membership numbers above.

11.10. A five-year analysis of the Fund's membership (active, deferred, and retired) is shown in the next graph and table. The table also provides the unit costs per active, deferred and retired member in terms of both administrative and investment management expenses. Administrative expenses in this context include oversight and governance expenses as outlined in section 4.11, whilst management expenses relate to fund manager fees, transaction costs and custody fees.

A4. 5 YEAR MEMBERSHIP PROFILE:



A5. FIVE YEAR ANALYSIS: MEMBERSHIP AND ADMINISTRATIVE UNIT COSTS:

	2025/26			2024/25			2023/24			2022/23			2021/22		
Membership	**Active**	**Deferred**	**Retired**	**Active**	**Deferred**	**Retired**	**Active**	**Deferred**	**Retired**	**Active**	**Deferred**	**Retired**	**Active**	**Deferred**	**Retired**
Administering Authority	5,726	10,994	9,042	5,762	10,880	8,730	6,079	10,371	8,162	5,696	10,079	7,968	5,648	9,645	7,804
Scheduled Bodies	959	1,026	232	903	921	201	734	1,685	497	1,061	1,351	469	1,023	1,208	441
Admitted Bodies	52	24	64	63	55	65	75	74	94	89	63	87	88	143	139
Total	**6,737**	**12,044**	**9,338**	**6,728**	**11,856**	**8,996**	**6,888**	**12,130**	**8,753**	**6,846**	**11,493**	**8,524**	**6,759**	**10,996**	**8,384**
Unit Costs	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**
Administrative Unit Cost (£)	169	27	17	204	33	22	158	26	18	142	24	16	164	29	19
Investment Management Unit Cost (£)	173	28	18	199	32	21	199	32	22	279	48	32	237	42	27
Total Unit Cost (£)	**341**	**55**	**35**	**403**	**65**	**43**	**357**	**58**	**40**	**421**	**72**	**48**	**401**	**70**	**46**

11.11. A list of contributing employers and the amounts and rates contributed by the employers in 2025/26 is shown below:

A6. EMPLOYER CONTRIBUTIONS:

Employer	Contributions Paid £'000	Comments
Administering Authority		
Lewisham Council	40,103	
Scheduled Bodies		
Haberdashers' Aske's Knights Academy	1,784	
Childeric	215	
Christ The King Sixth Form College	459	
Conisborough Academy	301	
Prendergast Leathersllers Federation	614	
Sedgehill Academy	206	
St Benedicts - Bonus Pastor	198	
St Benedicts - OLSPN	64	
St George's Academy	78	
St James	57	
St Matthew's Academy	241	
St Michael	45	
St Stephens	65	
Tidemill Academy	201	
Admitted Bodies		
Atlas - Brindishe Manor	2	
Atlas - Sydenham	11	Admission Agreement signed 22 January 2026. Commencement date 01/08/2025
Change Grow Live	12	
CGL	8	
Choice Support (Three C's)	1	Ceased - Last member retired 03/05/2025
CK Bless	0	Ceased 31/05/2025. New admission agreement not yet signed by legal
Everystory	1	
Greenwich Leisure Ltd (GLL)	4	
Housing 21	6	
Innovate Services Ltd - Hatcham	48	Admission Agreement signed 4 June 2025. Commencement date 01/08/2024
Innovate Services Ltd - Knights	15	Admission Agreement signed 4 June 2025. Commencement date 01/08/2024
KGB Cleaning	6	Ceased 31/07/2025
Kier	3	
Lewisham Music	0	

M Group	28	
NSL	0	
OCS Group Hatcham	35	
Olive Dining Catering (St Matthews)	19	
Phoenix	193	
Raigins - John Ball	2	Admission Agreement signed 18 November 2025. Commencement date 18/04/2025
Super Kids	1	
Tower Services	0	Ceased 17/04/2025

11.12. The Statement of Accounts summarises the contributions received from Scheme member and employers by type of body; the total contributions received per establishment are shown in the table further below.

11.13. The Fund has a number of companies which participate in the Fund either as scheduled or admitted bodies. Scheduled bodies are organisations which have a statutory entitlement to be members of the scheme. Admitted bodies are those which have applied to join the scheme and the Council has formally approved their admission.

A7. TOTAL CONTRIBUTIONS RECEIVED FROM SCHEME MEMBERS AND EMPLOYERS:

Employer	Total Contributions Received £'000	% Returns Received by Due Date
Administering Authority		
Lewisham Council	52,389	100%
Scheduled Bodies		
Haberdashers Aske's Knights Academy	2,365	92%
Childeric	265	100%
Christ The King Sixth Form College	621	100%
Conisborough Academy	355	92%
Prendergast Leathersllers Federation	889	100%
Sedgehill Academy	246	92%
St Benedicts - Bonus Pastor	299	100%
St Benedicts - OLSPN	92	100%
St George's Academy	98	100%
St James	80	100%
St Matthew's Academy	328	100%
St Michael	63	100%
St Stephens	91	100%
Tidemill Academy	251	100%
Admitted Bodies		
Atlas - Brindishe Manor	3	92%
Atlas - Sydenham	13	100%
Change Grow Live	10	100%
CGL	15	100%
Choice Support (Three C's)	1	100%
CK Bless	0	50%

Everystory	2	100%
Greenwich Leisure Ltd (GLL)	5	100%
Housing 21	8	100%
Innovate Services Ltd - Hatcham	57	83%
Innovate Services Ltd - Knights	18	83%
KGB Cleaning	8	100%
Kier	3	100%
Lewisham Music	1	42%
M Group	35	100%
NSL	1	92%
OCS Group Hatcham	46	100%
Olive Dining Catering (St Matthews)	23	67%
Phoenix	285	17%
Raigins - John Ball	3	100%
Super Kids	1	75%
Tower Services	0	100%

11.14. Although the LGPS is a national scheme, it is administered locally. Lewisham Council has a statutory responsibility to administer the pension benefits payable from the Pension Fund on behalf of the participating employers and the past and present members and their dependents. The following table outlines benefits payable in 2025/26.

Benefits Payable	**Employer**	**Amount Payable**
		£'000
Pensions	Administering Authority	54,337
	Scheduled Bodies	3,440
	Admitted Bodies	4,125
Lump Sums: Retirement Allowances	Administering Authority	9,671
	Scheduled Bodies	411
	Admitted Bodies	1,097
Lump Sums: Death Grant	Administering Authority	921
	Scheduled Bodies	0
	Admitted Bodies	119

B. INTERNAL DISPUTE RESOLUTION PROCEDURE (IDRP)

11.15. The Local Government Pensions Scheme Regulations 2013 set out a two-stage 'Internal Dispute Resolution Procedure' (IDRP). The Fund's internal dispute resolution procedure is shown below:

11.16. Stage one: the member's complaint is referred to the Acting Executive Director of Corporate Resources, who is nominated by the London Borough of Lewisham to act as an independent adjudicator. Any decision made must be given in writing.

11.17. If the member is dissatisfied with the stage one decision, they can take the matter to stage two of the IDRP.

11.18. Stage two: the stage one decision is reviewed by the Director of Law and Corporate Governance who is nominated by the London Borough of Lewisham to act as an independent referee.

11.19. There are time limits associated with each stage of the procedure, both for the applicant and the adjudicator. Appeals must normally be made within six months of the date of the decision that is being challenged and the adjudicator must normally give written notice of their decision within two months of the receipt of the appeal.

11.20. At any stage of the process, or before the process begins, the member can seek help and advice from The Pensions Advisory Service (TPAS). The Pensions Advisory Service is an independent non-profit organisation that provides free information and guidance to members of the public on pension matters generally. They can also help to resolve disputes and complaints about private pension arrangements (workplace pensions, personal pensions and stakeholder pensions).

11.21. The member has the right to refer the complaint to The Pensions Ombudsman (TPO) free of charge. Before the complaint is put to the TPO the member should first have tried to resolve the complaint through the IDRP and consulted with TPAS. The TPO is completely independent and acts as an impartial adjudicator. Its role and powers have been decided by Parliament. The TPO cannot investigate matters where legal proceedings have already started but, subject to that, he can settle disputes about matters of fact or law as they affect occupational pension schemes.

11.22. Lewisham Pension Fund had one IDRP case in 2025/26, this represents 0.0002% of complaints against caseload in the financial year.

12. ACTUARIAL REPORT ON FUND

12.1. The Regulations require that every three years all Local Government Pension Schemes be subject to actuarial review. The actuarial review sets assumptions about the level of investment returns, life expectancy and other relevant factors to determine the assets and liabilities of the Fund and the corresponding funding level.

12.2. The Fund's triennial valuation as at 31 March 2025 confirms a significantly improved funding position, with the Fund now 119% funded, compared to 97% at the 2022 valuation. This represents a surplus of £301m, with assets of £1.88bn exceeding liabilities of £1.58bn.

12.3. The improvement is primarily driven by higher expected future investment returns, reflected in an increased discount rate of 5.3% per annum (up from 3.6%), alongside favourable changes in financial assumptions. While inflation and salary growth had a negative impact, this was outweighed by the effect of higher discount rates and broader economic conditions.

12.4. Although the funding level has improved materially, it remains sensitive to assumptions and future economic conditions. The stronger position is largely driven by the outlook for

investment returns, and a prudent approach continues to be maintained to manage downside risk.

12.5. The valuation informs employer contribution rates for the period 1 April 2026 to 31 March 2029. For the Council, a total contribution rate of 17.6% of pay is proposed, reflecting a primary rate of 19.8% and a secondary adjustment of -2.2%. This funding plan is assessed to have an 85% likelihood of success, consistent with the Fund's prudence framework, although there remains a risk that contributions may need to increase at the next valuation.

12.6. The next triennial valuation will take place as at March 2028, but the final results will not expected before December 2028.

13. FUNDING STRATEGY STATEMENT

13.1. The Fund has a Funding Strategy Statement (FSS) which details the Fund's approach to funding its liabilities. The FSS is reviewed in detail at least every three years in line with the triennial valuation and was last updated in December 2025 after its triennial valuation as at 31 March 2025. A copy of the Funding Strategy Statement can be found on the Fund's website at the following link: www.lewishampensions.org/resources

13.2. The Funding Strategy Statement was applied throughout 2025/26 in determining employer contribution requirements, monitoring funding risks and managing employer admissions, exits and covenant considerations. The Statement was reviewed following the actuarial valuation as at 31 March 2025 and was developed in consultation with the Fund's actuary and participating employers.

13.3. In preparing and applying the FSS, the administering authority had regard to the Local Government Pension Scheme Regulations, relevant statutory guidance and guidance issued by the Scheme Advisory Board. The administering authority considers that the FSS was implemented in accordance with those requirements during 2025/26.

13.4. There were no material departures from the FSS or applicable statutory guidance during the year. The FSS remains aligned with the Investment Strategy Statement so that the investment strategy, funding objectives and employer contribution framework operate on a consistent basis.

13.5. The FSS is developed by the Council in conjunction with the Fund's actuary, Hymans Robertson, and after consultation with employers. The FSS sets out any changes in the Fund's liabilities and obligations to pay pensions in the coming years, and how those liabilities are funded by investments and contributions. The FSS has links to the Investment Strategy Statement.

13.6. The Funding Strategy is updated after each Triennial Valuation, and the new funding strategy was approved in March 2026.

13.7. The Funding Strategy Statement is the Fund's key statutory document setting out how liabilities are measured and how employer contribution rates are determined. It has been

updated as part of the 2025 valuation to reflect new guidance issued by the Scheme Advisory Board and to ensure continued compliance with regulatory expectations.

13.8. The updated FSS maintains a prudent funding approach, including a strengthened level of prudence in the actuarial assumptions, particularly the discount rate. This prudence provides a buffer against adverse experience and supports long-term funding stability.

13.9. A small number of policy refinements were introduced, including requiring academies and colleges to adopt pass-through arrangements for outsourced services to ensure appropriate risk protection, and formalising the Fund's approach to exit valuations.

13.10. The purpose of the FSS is to:

- Establish a clear and transparent fund-specific strategy which will identify how employers' pension liabilities are best met going forward;
- Support the regulatory framework to maintain as nearly constant employer contribution rates as possible; and
- Take a prudent longer-term view of funding those liabilities.

13.11. The statement sets out how the administering authority has balanced the conflicting aims of affordability of contributions, transparency of processes, stability of employers' contributions, and prudence in the funding basis.

13.12. The Fund has an active risk management programme in place. The measures that the administering authority has in place to mitigate key risks are summarised in the FSS under the following headings:

- Financial;
- Demographic
- Regulatory; and
- Governance

13.13. The 2025 valuation specified the minimum employer contributions, expressed as a percentage of pensionable pay and shown in the Rates and Adjustment certificate, as follows:

Employer/Pool Name	Total Contribution Rate (%/£)		
	2024/25	2025/26	2026/27
LB Lewisham	17.6% plus up to £5.750m	17.6% plus up to £5.750m	17.6% plus up to £5.750m
Haberdashers' Aske's Knights Academy	19.8%	19.8%	19.8%
Christ The King Sixth Form College	21.4%	21.4%	21.4%
Lewisham Homes	19.0%	19.0%	19.0%
St Matthew's Academy	17.6%	17.6%	17.6%
Tidemill Academy	22.0%	22.0%	22.0%
Childeric	25.6%	26.4%	26.4%
St George's	23.7%	23.7%	23.7%

Employer/Pool Name	Total Contribution Rate (%/£)		
	2024/25	2025/26	2026/27
Sedgehill Academy	33.4%	33.4%	33.4%
NSL	0.0%	0.0%	0.0%
Phoenix	15.9%	15.5%	15.5%
3 C's Support	0.0%	0.0%	0.0%
Pre-School Learning Alliance	0.0%	0.0%	0.0%
Change Grow Live Ltd (2014)	18.0%	18.0%	18.0%
Inspace (Phoenix 2 formerly Wilmott)	15.9%	15.5%	15.5%
Lewisham Music	0.0%	0.0%	0.0%
City West	32.7%	31.7%	31.7%
Change Grow Live Ltd (2017)	30.2%	29.2%	29.2%
Greenwich Leisure Limited	28.8%	28.8%	28.8%
Kier Housing	29.8%	29.8%	29.8%
M Group	25.6%	25.6%	25.6%
KGB Cleaning South West Ltd	25.0%	25.0%	25.0%
Youth First	23.2%	23.2%	23.2%
Harrison Catering Knights	30.4%	30.4%	30.4%
Harrison Catering Crayford	30.4%	30.4%	30.4%
Harrison Catering Hatchams	30.4%	30.4%	30.4%

13.14. **Fund Actuary**

13.15. Hymans Robertson LLP carried out the formal actuarial valuation of the Lewisham Pension Fund as at 31 March 2025. The valuation assessed the Fund's assets at £1.882 billion and its liabilities at £1.581 billion, giving a funding level of 119% and a surplus of approximately £301 million.

13.16. The valuation was undertaken using assumptions agreed with the administering authority and consistent with the Fund's Funding Strategy Statement. The results informed the employer contribution requirements applying from 1 April 2026 to 31 March 2029, as set out in the Rates and Adjustments Certificate.

13.17. The valuation represents a snapshot based on the financial and demographic assumptions adopted at the valuation date. Actual experience may differ from those assumptions, and the funding position will change over time as investment markets, inflation, longevity and membership experience develop. The next formal valuation is due as at 31 March 2028.

14. INVESTMENT STRATEGY STATEMENT

14.1. The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 require that administering authorities prepare, maintain and publish an Investment Strategy Statement (ISS) which must be in accordance with guidance issued by the Secretary of State. The Statement must include the following:

- A requirement to invest money in a wide variety of investments;
- The authority's assessment of the suitability of particular investments and types of investments;
- The authority's approach to risk, including the ways in which risks are to be measured and managed;
- The authority's approach to pooling investments, including the use of collective investment vehicles and shared services;
- The authority's policy on how environmental, social and governance (ESG) considerations are considered in the selection, non-selection, retention and realisation of investments; and
- The authority's policy on the exercise of rights (including voting rights) attaching to investments.

14.2. The Investment Strategy Statement (ISS) for the London Borough of Lewisham Pension Fund has been prepared to ensure the Fund continues to meet its statutory obligations while maintaining a disciplined, forward-looking approach to investment and risk management. The ISS was approved by the Pension Investment Committee following the 2025 actuarial valuation and reflects some of the new regulatory requirements and the Fund's evolving approach to responsible investment, governance, and long-term stewardship.

14.3. The Fund's primary objective remains to invest assets in a manner that secures the benefits due to members of the Local Government Pension Scheme. To support this, the ISS articulates the Fund's aim of achieving a benchmark return that exceed 5.3% The discount rate used in the valuation process is currently 5.3% per annum. Historically, the Fund has achieved returns above this level, and the strategy seeks to maintain strong, risk adjusted performance while ensuring liquidity is available to meet ongoing cashflow demands. This requires a balance of growth assets, income producing assets, and protection assets, all governed through a structured approach to strategic asset allocation and periodic rebalancing.

14.4. A significant development in this update is the government mandated transition of full investment management oversight to the London Collective Investment Vehicle (LCIV) from April 2026. The Pension Fund has everything it needs in the ISS, the IMA and Schedules to hold the LCIV to account. This move consolidates investment advice, manager monitoring, and asset oversight within a single structure, reflecting both national pooling requirements and the Fund's commitment to achieving efficiencies and increased scale. While this change introduces a new dimension of risk, with the reliance on one primary manager, it is accompanied by enhanced governance arrangements and ongoing performance monitoring by the Pension Investment Committee.

14.5. The ISS also introduces the new preliminary framework for local investment, aligned with the Government's "Fit for the Future" agenda. The Fund recognises the importance of supporting

sustainable economic development locally and has set the local investment area as the LCIV pooling area. A target allocation of between 1-3% of total assets is set aside for this purpose. LCIV will play a central role in identifying, monitoring, and stewarding these investments, ensuring that they deliver both financial returns and broader community benefits.

14.6. The Pension Investment Committee recognises that environmental, social and governance (ESG) factors can have material long term financial implications, and the ISS outlines how these considerations are integrated into the selection, monitoring, and retention of investments. Climate change in particular is treated as a significant financial risk, and the Fund has already taken steps to align its portfolio especially listed equities with the low carbon transition. LCIV is expected to incorporate ESG considerations across all mandates and provide transparent reporting that enables the PIC to assess alignment with the Fund's climate and stewardship objectives.

14.7. Risk management is treated in depth within the ISS, which categorises risks across funding, asset-related, demographic, and provider dimensions. The Fund employs a comprehensive risk framework to monitor and mitigate these exposures. Strategic risks, such as financial mismatch and market volatility, are managed through the careful construction of the strategic asset allocation benchmark. Asset-specific risks, including illiquidity, concentration, and currency, are mitigated through diversification, periodic rebalancing, and the use of appropriate investment structures. The ISS also recognises the operational and transition risks associated with moving assets into the LCIV structure, and appropriate oversight arrangements are in place to manage these.

14.8. The Fund continues to emphasise its role as a long-term steward of capital, recognising the importance of engagement, voting, and collaboration in influencing corporate behaviour. Voting rights and stewardship responsibilities are delegated to LCIV, but the Pension Investment Committee closely monitors activities and outcomes. The Fund participates in collaborative bodies such as the Local Authority Pension Fund Forum (LAPFF) to strengthen its voice on ESG matters and promote improved governance and sustainability outcomes across its investee companies.

14.9. Overall, the ISS provides a comprehensive and forward-looking framework designed to support the long-term sustainability and financial health of the Pension Fund. It balances regulatory compliance with strategic clarity, responsible investment principles, and robust risk oversight. With the forthcoming transition to LCIV and the introduction of a local investment commitment, the ISS positions the Fund to continue delivering strong financial outcomes for its members while contributing positively to the wider community and global climate transition.

14.10. A copy of the Lewisham Pension Fund's ISS is available on the Fund's website at the following link: www.lewishampensions.org/resources

15. COMMUNICATIONS POLICY STATEMENT

15.1. Pension Funds are required to prepare, maintain and publish a written statement of their policy concerning communication with members, representatives of members and employing authorities. Lewisham's most recently published Communications Statement is available on the Fund's website at the following link: www.lewishampensions.org/resources

15.2. The statement has been prepared to meet the provisions of Regulation 61 of The Local Government Pension Scheme Regulations (2013), as well as the Public Service Pensions Act (2013) and the Pensions Regulator's Code of Practice No.14, in particular by setting out the following:

- How scheme information is provided to members, their representatives, prospective members, employers (including admitted and schedules bodies), the Pension Investment Committee, the Pension Board and to other bodies.
- In what format it is presented, how frequently it is presented, and the method of distributing information, and;
- The steps the Fund has taken to promote scheme membership to prospective members and their employers.

15.3. The Fund is committed to ensuring that members, employers, pensioners and other stakeholders receive clear, timely and accessible information in accordance with its Communications Policy. During 2025/26, the Fund continued to deliver a range of communication activities, including the publication of annual benefit statements, pension newsletters, funding and governance reports, statutory notifications, website content and employer communications.

15.4. The Fund's website remained the primary source of scheme information, providing access to key policies, forms, guidance and committee papers. Regular communications were also issued to participating employers to support compliance with scheme requirements and regulatory changes. In addition, the Fund responded to member enquiries throughout the year and worked with its pension administration provider to ensure communications were delivered in a clear, accurate and timely manner. These activities supported the Fund's objective of improving stakeholder engagement, enhancing understanding of pension benefits and maintaining transparency in Fund operations.

16. INDEPENDENT AUDITOR'S CONSISTENCY REPORT

Independent auditor's statement to the members of London Borough of Lewisham on the Pension Fund financial statements of London Borough of Lewisham Pension Fund included within the Pension Fund Annual Report.

TO BE COMPLETED

17. Governance Compliance Statement

17.1 Regulation 55 of the Local Government Pension Scheme regulations 2013 requires all administering authorities for local government pension schemes to publish a Governance Compliance Statement setting out the Fund's governance arrangements. It should outline the extent of the Fund's compliance with guidance issued by the Department of Levelling Up, Housing and Communities (DLUHC) and review that statement on an ongoing basis.

17.2 This statement sets out the Fund's Governance Structure, scheme of delegation, and the terms of reference for its Governing Bodies, the Pensions Committee and the Pensions Board and can be found on the Lewisham Pension fund's website.

17.3 The Fund fully complies with the best practice guidelines on governance, issued by (HMCLG). For details, see the table below.

Principle	**Fully Compliant**
A - Structure	
The Management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing Council.	✓
That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	✓
That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	✓
That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	N/A
B - Representation	
That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee (the Pensions Board) structure. These include: • Employing authorities (including non-scheme employers (e.g. admitted bodies)) • Scheme members (including deferred and pensioner scheme members) • Independent professional observers (where appropriate) • Expert advisers (on an ad hoc basis)	✓
That, where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and access to papers and meetings, training and are given full opportunity to contribute to the decision-making process, with or without voting rights.	✓
Selection and Role of Lay Members	
That committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.	✓

That at the start of any meeting, committee members are invited to declare any financial or pecuniary interest related to specific matters on the agenda.	✓
Voting	
The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.	✓
Training/Facility Time/Expenses	
That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.	✓
That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form or secondary forum.	✓
Meetings	
That the administering authority's main committee or committees meet at least quarterly.	✓
That an administering authority's secondary committee or panel meet at least once a year and is synchronised with the dates when the main committee sits.	✓
That administering authorities who do not include lay members in their formal governance arrangements provide a forum outside of those arrangements by which the interests of key stakeholders be represented.	✓
Access	
That subject to any rules in the council's constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that fails to be considered at meetings of the main committee.	✓
Scope	
That administering authorities have taken steps to bring the wider scheme issues within the scope of their governance arrangements.	✓
Publicity	
That administering authorities have published details of their governance arrangements in such a way that stakeholders, with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.	✓

17.3 Appendix A contains the complete Pension Fund financial statements for the year ended 31 March 2026, comprising the Fund Account, Net Assets Statement, accounting policies and all supporting disclosure notes. These financial statements are the same as, and have been agreed to, the Pension Fund financial statements included within the London Borough of Lewisham's Statement of Accounts for 2025/26. Before publication, the figures, accounting policies, note numbering and comparative information in Appendix A were checked for consistency with the administering authority's final approved accounts. The external auditor's consistency statement is reproduced separately within this Annual Report.