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|  | Pensions Fund Sub-Committee 16 July 2020 |
| | Report from the Director of Finance |
| Brent Pension Fund: Draft Annual Accounts 2019/20 | |

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| Wards Affected: | ALL |
| Key or Non-Key Decision: | Non-Key |
| Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small> | Open |
| No. of Appendices: | 1 – Brent Pension Fund Draft Accounts 2019/20 |
| Background Papers: | <ul style="list-style-type: none"> ▪ N/A |
| Contact Officer(s): <small>(Name, Title, Contact Details)</small> | Minesh Patel, Director of Finance Ravinder Jassar, Head of Finance |

1.0 Purpose of the Report

- 1.1 This report presents the draft Pension Fund Annual Accounts for the year ended 31 March 2020.

2.0 Recommendation(s)

- 2.1 The Committee is recommended to note this report.

3.0 Detail

- 3.1 Attached as appendix 1 are the draft Pension Fund Annual Accounts for the year ended 31 March 2020.
- 3.2 The accounts have been prepared to meet the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 (the Code) governing the preparation of the 2019/20 financial statements for Local Government Pension Scheme funds. The accounts (which are unaudited) aim to give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2020 and the amount and disposition of the Fund's assets and liabilities as at 31 March 2020.

3.3 The main items to note are as follows:

- During 2019/20, the value of the Pension Fund's investments has decreased to £835m (2018/19 £856m). This is due to the poor performance of equity markets in the final quarter of the year related to COVID-19. At the end of December 2019, investments were valued at £935m.
- Total contributions received from employers and employees were £60m for the year, an increase on the previous year's £52.1m.
- Total benefits paid to scheme beneficiaries, in the form of pensions or other benefits, were £48m, an increase on the previous year's £46m.
- As in 2018/19, the Council is in a positive cash-flow position because its contributions exceed its outgoings to members.
- The Fund completed its 2019 valuation in the 2019/20 financial year. It was agreed in the valuation that the employer contribution rate would remain stable at 35% for the next 3 years. This is consistent with the Fund's deficit recovery plan to clear its deficit within 19 years of the balance sheet date.
- This Triennial Valuation revealed that the Fund's assets, at 31 March 2019, were sufficient to meet 78% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. This is a significant increase on the 55% funding level as at the March 2016 valuation.

4.0 Financial Implications

4.1 Not applicable.

5.0 Legal Implications

5.1 Not applicable.

6.0 Equality Implications

6.1 Not applicable.

7.0 Consultation with Ward Members and Stakeholders

7.1 Not applicable.

8.0 Human Resources

8.1 Not applicable.

Report sign off:

Minesh Patel
Director of Finance

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