

	<p align="center">Pensions Board 22 July 2021</p>
	<p align="center">Report from the Independent Chair of the Pension Board</p>
<p>Annual Report for 2020/21</p>	

Wards Affected:	All
Key or Non-Key Decision:	N/A
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	None
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	David Ewart, Independent Chair of the Pension Board

1.0 Purpose of the Report

- 1.1 This is the Chair's Annual Report to the Board for 2020/21. It provides a summary of the work carried out by the Council's Pension Board during the 2020/21 municipal year.

2.0 Recommendations

- 2.1 That the Board note the contents of the report.

3.0 Detail

Board's Work during 2020/21

- 3.1 To begin, I would like to reflect on the size of the Brent Pension Fund and Scheme which held investments of £1,032m as at 31st March 2021, had 41 employer organisations with active members within the Fund and had 22,718 members, made up of 6,385 active members, 9,473 deferred members and 6,860 pensioner and dependant members.
- 3.2 The Board met three times during the year, in each case virtually, despite not being able to meet in person, and having the first meeting of the year being delayed from 25th March to 5th August, the Board continued with its work and considered a large number of matters.
- 3.3 The first virtual meeting on 5th August considered the following:
- a. The 2019 Triennial Valuation and Funding Strategy;
 - b. The Chairs Annual Report 2019/20;
 - c. Pension Fund Administration Update;
 - d. The Local Pensions Partnership (LPP) Scheme Update, and received presentations from LPP representatives on:
 - i. Their Business Update;
 - ii. Complaints data 2019/20;
 - iii. A COVID Impact Analysis.
 - e. An LGPS Update including updates on:
 - i. Consultation on the McCloud Judgment;
 - ii. The Public Sector Exit Payment Cap; and
 - iii. The LGPC Bulletins.
 - f. Brent Risk Register.
 - g. Items considered by the Sub Committee, including:
 - i. The Investment Management Update Report for Q1 2020;
 - ii. Low Carbon Equity Investment;
 - iii. The Investment Strategy Transition Roadmap;
 - iv. The draft 2019/20 Statement of Accounts;
 - v. An update on the London CIV (a confidential item).
- 3.4 The second meeting of the year on 3rd November considered the following:
- h. Pensions Fund Administration update, including:
 - i. Brent Breaches Policy;
 - ii. Reform of local government exit pay.
 - i. Actuarial update: COVID-19 and regulatory changes.
 - j. Brent Risk Register.
 - k. Items considered by the Sub Committee, including:
 - i. The Investment Management Update Report for Q2 2020;
 - ii. The Investment Strategy Transition Roadmap;
 - iii. Competitions Market Authority (CMA) Objectives;
 - iv. Brent Pension Fund – Annual Report and Accounts 2019-20; and

- v. An update on the London CIV (a confidential item).

3.5 The third and final meeting on 23rd March 2021 considered a slightly large agenda, which was as follows:

- I. Pension Fund Administration update, including:
 - i. Brent's Q3 Pensions Fund Performance Report; and
 - ii. LLP Risk and Compliance Report (March 2021).
- m. The Pension Board and Committee Training Strategy;
- n. An LGPS Update including updates on:
 - i. The Public Sector Exit Payment Cap, including the HM Treasury Directive;
 - ii. The Good Governance Final Report; and
 - iii. The LGPC Bulletins.
- o. Brent Pension Board's Terms of Reference and Conflict of Interest Policy
- p. Brent Risk Management Strategy and Register.
- q. Items from the Sub Committee:
 - i. London CIV update including LCIV's Responsible Investment Update;
 - ii. The Investment Monitoring Report to 31st December;
 - iii. An investment Update including the Strategy transition roadmap; and
 - iv. LAPFF Engagement Report
 - v. An update on the London CIV (a confidential item)

3.6 In summary, the board continues to receive high quality reports and regular updates on all matters with regards to pension's administration and governance, in order to fulfil its role in assisting the scheme manager in ensuring that the scheme complies with all relevant legislation, policies and guidance. In particular:

- The LPP have been invited to attend meetings regularly to discuss their performance, improvements to the member experience, progress in increasing the quality of data and other relevant items such as complaints, operational controls, risk and compliance oversight. Regarding the quality of data, it should be noted that as a result of the additional investment in data cleansing, both common and conditional data scores have improved considerably since the contract was let in 2018. The focus for 2021/22 will be to ensure the board receives assurances that the transition to a new IT system is properly managed.
- The Board was pleased to note at its November meeting, that for active and deferred members, an ABS was issued to all members identified on year end returns from employers by the deadline of 31 August 2020. There were only a small number of records where queries from year end returns had not been resolved in time for members to receive an ABS. The board noted these outstanding queries are being monitored by LPP and as soon as the queries are resolved an ABS will be issued.

- The Board has continued to receive an updated, detailed and tailored risk register at each of its meetings supplied together with a risk strategy. The Board is particularly grateful for this, as effective risk management is a key foundation for sound corporate governance of the Scheme.
- The Board continues to receive updates on elements of Pension Administration Strategy when appropriate, including:
 - Conflict of interest policy;
 - Terms of reference;
 - Brent's breaches policy;
 - The statutory guidance on annual benefits statements;
 - The Data Cleanse project;
 - The Record Keeping Plan.

3.7 Although, 2020/21 has, in general, been a terrible year and one which has put considerable strain on Brent and Local Pensions Partnership officers. Nevertheless, it has been in other ways a very encouraging year. Both in the superb way the Council officers and partners responded to the pandemic, keeping all the key pension services functioning, and the continuing improvement in the level of service being provided and quality of the data being maintained on the funds membership.

3.8 I should like to end by thanking the other members of the Board for their continued support during the year and understanding with respect to challenging nature of virtual meetings. I would also like to express my sincere thanks to the Council officers, particularly those from Finance and Democratic Services for their excellent support during a very difficult year.

4.0 Financial Implications

4.1 There are no financial implications arising out of this report.

5.0 Legal Implications

5.1 Not applicable.

6.0 Equality Implications

6.1 There are no equality implications arising out of this report.

7.0 Consultation with Ward Members and Stakeholders

7.1 Not applicable.

8.0 Human Resources/Property Implications (if appropriate)

8.1 Not applicable.