

	Pension Board 24 July 2023
	Report from the Independent Chair of the Pension Board
Annual Report for 2022/23	

Wards Affected:	ALL
Key or Non-Key Decision:	N/A
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:	None
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	David Ewart, Independent Chair of the Pension Board Sawan Shah, Head of Pensions (sawan.shah@brent.gov.uk) 020 8937 1955

1.0 Purpose of the Report

1.1 This is the Chair’s Annual Report to the Board for 2022/23. It provides an update on the work carried out by the Board during the year.

2.0 Recommendation(s)

2.1 That the Board note the contents of the report.

3.0 Detail

Background

3.1 To begin, I would like to reflect on the size of the Brent Pension Fund and Scheme, which held investments of £1,116m as at 31st March 2023 (a slight reduction on the £1,128m as at 31st March 2022), had 42 employer organisations with active members within the Fund and 6,061 active members, 7,160 pensioners and 8,544 deferred pensioners as at that date.

Overview

- 3.2 Before beginning a detailed review of the year, I would like to reflect on 2022/23 which has, in general, been a good year, but one which has put considerable strain on Brent's and its partners' pension service provider. The key achievements during the year being:
- a. The way the Council officers and partners responded to the demands of the Triennial valuation, and the very encouraging results of the valuation; and
 - b. The level of service being provided and quality of the data being maintained on the funds membership, being maintained, on the whole, despite the disruption caused by the upgrading to the administration system, although improvements are still required.
 - c. The issuing of Annual Benefit Statements to all members before the statutory deadline of 31st August 2022, which required significant project management and planning to deliver.
- 3.3 Although 2022/23 was a good year there is still a number of issues that need to keep on top of, particularly:
- a. The way the Council officers and partners responded to the demands of the Triennial valuation, and the very encouraging results of the valuation; and
 - b. The level of service being provided and quality of the data being maintained on the funds membership, being maintained, on the whole, despite the disruption caused by the upgrading to the administration system, although improvements are still required.
 - c. The issuing of Annual Benefit Statements to all members before the statutory deadline of 31st August 2022, which required significant project management and planning to deliver.

Board's working during 2022/23

- 3.4 The Board met three times during the year, in all case virtually, as the Board meets under specific, and different legislation from the Council. Despite not meeting in person, the Board continued with its work and considered a large number of matters.
- 3.5 At all three meetings the Board considered the following items:
- a. A Pension Administration Update giving details of the performance of Pension Fund in terms of the level of service to its members;
 - b. An Update from the Local Pensions Partnership Administration (LPPA) (the Council's pension administration partner) which included updates on their transfer to a new administration system (Project Pace) and complaints data;
 - c. An LGPS update which included;
 - i. The LGPC Bulletins provided by the Local Government Pension Committee (part of the LGA); and

- ii. DLUHC correspondences and similar information.
 - d. The Pension Fund risk register.
 - e. Items considered by the Sub Committee, including:
 - i. The Investment Management Update Report for each quarter;
 - ii. Low Carbon Investment reports and road map;
 - iii. An update on the London CIV (a confidential item).
- 3.6 Board members were invited to three training sessions during the year, covering a range of topical subjects such as investment matters, governance and administration.
- 3.7 Other items considered at the other meetings as well as those listed above included:
- a. At the first meeting on 25th July 2022 the following were considered:
 - i. The 2021/22 Chairs Annual Report;
 - ii. The Pension Board Terms of Reference and Conflicts of Interest policy;
 - iii. Items considered by the Sub Committee, including:
 - 1. Brent Business Plan for the Pension Fund
 - 2. The draft 2021/22 Statement of Accounts;
 - b. At the second meeting of the year on 9th November 2022 considered a slightly lighter agenda, which included:
 - i. Items considered by the Sub Committee, including:
 - 1. Brent Pension Fund: Annual Report and Accounts 2021/22;
 - 2. 2022 Valuation - Funding Strategy Statement Update;
 - 3. 2022 Valuation - Whole Fund Results; and
 - 4. 2022 Valuation - Employer Contribution Strategy.
 - c. At the third and final meeting on 22nd March 2023 considered:
 - i. Items from the Sub Committee:
 - 1. Investment Housing Allocation Recommendation;
 - 2. 2022 Triennial Valuation Results and Funding Strategy Statement;
 - 3. Procurement of Investment Management Services; and
 - 4. Employer Exit from the Pension Fund (a confidential item).
- 3.8 In summary, as in previous years, the board continues to receive high quality reports and regular updates on all those matters which enable it to fulfil its role in assisting the Council as scheme manager in ensuring that the scheme complies with the relevant legislation, policies and guidance. In particular:
- The Pension Administration providers, 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 overall oversight.

- The main focus in 2022/23 has been to ensure the board receives regular updates on the transition to a new IT system and assurance around improvements planned to ensure performance is returned to high standards.
- The Board was pleased to note at its November meeting that for active and deferred members Annual Benefits Statements (ABS) had been issued to all members identified on year end returns from employers by the deadline. 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 LPPA and as soon as the queries are resolved an ABS will be issued.
- The Board received updates to the Terms of Reference and Conflicts of Interest policy and, continued to receive and review copies of the reports that had been considered by the Pensions Sub Committee.

My Thanks

3.9 I should like to end by thanking the other members of the Board for their support, understanding and bearing with me and meetings on Zoom for the whole of the year. 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 the year.

4.0 Financial Implications

4.1 This report is for noting, so there are no direct financial implications.

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

Corporate Director Finance and
Resources