

	Pension Fund Sub-Committee 04 October 2023
	Report from the Corporate Director Finance and Resources
Brent Pension Fund: Annual Report and Accounts 2022/23	

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
List of Appendices:	Three: Appendix 1 - Draft Brent Pension Fund Annual Report 2022/23 Appendix 2 - Draft Audit Findings Report 22-23 - Brent Pension Fund Appendix 3 - Brent Investment Strategy Statement 2023
Background Papers:	<ul style="list-style-type: none"> ▪ N/A
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1.0 Executive Summary

1.1 This report provides an update on the Pension Fund Annual Report and Accounts for the year ended 31 March 2023 and the draft Investment Strategy Statement (ISS).

2.0 Recommendation(s)

2.1 The Committee is recommended to:

- Note the draft accounts included as part of the annual report;
- Note the draft Brent Pension Fund Annual Report 2022/23 which will be published as set out in paragraph 4.4.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

3.1.1 The work of the Pension Fund is critical in ensuring that it undertakes statutory functions on behalf of the Local Government Pension Scheme and complying with legislation and best practice. Efficient and effective performance and service delivery of the Pension Fund underpins all Borough Plan priorities.

3.2 Statement of Accounts

3.2.1 Included in the Brent Pension Fund Annual Report 2022/23 attached in Appendix 1 are the latest version of the Pension Fund Annual Accounts for the year ended 31 March 2023.

3.2.2 At the time of writing, audit fieldwork is substantially complete. The auditors are now working on completing their closing procedures and final reviews with a view to sign off the audit shortly after the Audit and Standards Advisory Committee meeting on 26th September.

3.2.3 The draft Brent Pension Fund Audit Findings Report 2022/23, attached in Appendix 2, sets out the anticipated results of the audit. Grant Thornton intends to give an unqualified opinion on the Pension Fund accounts.

3.2.4 The Pension Fund has been subjected to a hot file review in 2022/23, which features a detailed review of the accounts and audit working papers by a specialist team before the audit has been fully signed off. The purpose of such a review is to identify any key issues which need to be addressed before final completion. The review was positive for the Fund. It did not result in any substantial changes, only minor presentational changes to the accounts were made.

3.2.5 The responsibility for approving the statement of accounts resides with the Audit and Standards Committee, which noted the Audit Findings Report in the 26th September meeting.

3.2.6 The accounts have been prepared to meet the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the

Code) governing the preparation of the 2022/23 financial statements for Local Government Pension Scheme funds. The accounts aim to give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2023 and the amount and disposition of the Fund's assets and liabilities as at 31 March 2023.

4.0 Background

4.1 The main items to note are as follows:

- During 2022/23, the value of the Pension Fund's investments decreased to £1,116m (2021/22 £1,128m). This is largely due to a challenging economic environment with persistent high inflation and rising interest rates in which most asset classes have struggled.
- Total contributions received from employers and employees were £68m for the year, an increase on the previous year's £64m.
- Total benefits paid to scheme beneficiaries, in the form of pensions or other benefits, were £48m, an increase on the previous year's £47m.
- As in 2022/23, the Council is in a positive cash-flow position because its contributions exceed its outgoings to members.

4.2 Attached in Appendix 3 is an updated draft Investment Strategy Statement (ISS). This is in line with Regulation 7 of the Local Government Pension Fund (Management and Investment of Funds) Regulations 2016 which requires administering authorities to prepare, publish, and when appropriate revise, a written statement recording the investment policy of the pension fund.

4.3 The committee is invited to comment on the ISS which will be published as part of the Fund's annual report later in the year.

Pension Fund Annual Report

4.4 The draft Pension Fund annual report has been sent to Grant Thornton for review. Regulations require the annual report to be published on or before 1st December. The Fund will publish the report on completion of the audit process and before the required deadline.

4.5 The Pension Fund annual report also includes the:

- Pensions Administration Strategy;
- Funding Strategy Statement; and
- Communications Policy Statement

which have been approved by the Committee at previous meetings.

5.0 Stakeholder and ward member consultation and engagement

5.1 Not applicable.

6.0 Financial Considerations

6.1 Not applicable.

7.0 Legal Considerations

7.1 Not applicable.

8.0 Equality, Diversity & Inclusion (EDI) Considerations

8.1 Not applicable.

9.0 Climate Change and Environmental Considerations

9.1 Not applicable.

10.0 Human Resources/Property Considerations (if appropriate)

10.1 Not applicable.

11.0 Communication Considerations

11.1 Not applicable.

Report sign off:

Minesh Patel

Corporate Director of Finance and Resources