LONDON BOROUGH OF BRENT

MINUTES OF THE BRENT PENSION FUND SUB-COMMITTEE
Held in the Conference Hall, Brent Civic Centre on Wednesday 8th October 2025 at 6.00 pm

PRESENT: Councillor Johnson (Chair), Councillor Kennelly (Vice-Chair) and Councillors Moghaddam, Choudry, Kansagra and Molloy

Also present: Councillor Crabb (as an online participant), James Glasgow & Craig Alexandar (Hymans Robertson), David Ewart (Independent Chair – Brent Pension Board) and Councillor Milli Patel (Deputy Leader & Cabinet Member for Finance & Resources – in attendance as an online participant)

1. **Apologies for Absence and clarification of Alternative Members**

Apologies for absence were received from Elizabeth Bankole (Non-Voting co-opted member).

It was also noted that whilst unable to attend in person Councillor Crabb had joined the meeting as an online participant.

2. **Declarations of personal and prejudicial interests**

Councillor Johnson declared a personal interest as a member of the Brent Pension Fund Scheme and also as a Governor of Chalkhill Primary School who were an employer member of the scheme.

3. **Minutes of the previous meeting**

RESOLVED that the minutes of the previous meeting held on Tuesday 24th June 2025 be approved as an accurate record of the meeting.

4. **Matters arising**

Deputation – Brent & Harrow Palestine Solidarity Campaign (PSC)

The Chair advised members that following on from the deputation received at the last meeting he had received a request for a further deputation from the Brent & Harrow Palestine Solidarity Campaign seeking an update on progress following the response to Council question on divestment provided by the Deputy Leader and Cabinet Member for Finance & Resources at the September 2025 Full Council meeting. Members were advised, however, that on this occasion he had declined the request, which had been on the basis that the Council (as was the case with other local authorities) was still awaiting final advice from the LGPS Scheme Advisory Board and the relatively short time since the Council meeting.
Members were advised that Brent & Harrow PSC had been informed of the decision and had subsequently submitted a written representation detailing the issues on which they were keen to receive updates. It was noted that representatives from Brent & Harrow PSC were also in attendance at the meeting in order to observe proceedings with the Chair (having welcomed them) advised that once the SAB

response had been received and Council obtained any subsequent legal opinion it should be in a position to provide a more detailed update for the PSC.

5. **Deputations (if any)**

Following on from the update provided under Matters Arising, the Chair advised that no further requests for any deputations had been received.

6. **Investment Monitoring Report - Q2 2025**

The Chair invited James Glasgow (Hymans Robertson) to introduce a report, which outlined the performance of the Brent Pension Fund over the second quarter for the 2025-26.

In noting the outline provided in relation to market background covering the monitoring period the Sub Committee were advised that equity returns had remained volatile following announcements from the US Administration on Liberation Day, although this position had stabilised as nervousness within the markets had been short-lived, partly due to the backtracking by the US Administration with markets recovering earlier losses. Having recovered initial loses members were advised that global equities had actually finished up 9.4% in local currency terms. This performance was attributed to investor confidence and was strongly supported by mega cap tech stocks. The only outlier had been overseas bonds, which had fallen 1.7% following a surge in yields triggered by the US Administration's announcements of larger-than-expected reciprocal tariffs, which had also created nervousness in bond markets. Regarding the market backdrop over the quarter, James Glasgow reported that US GDP contracted 0.5%, down from 2.4% in Q4. However, this represented a somewhat distorted picture due to a surge in imports before April's tariff announcement, as companies attempted to complete purchases before the tariffs took effect. From an inflation perspective, CPI inflation rose to a greater than expected 3.4%, driven in part by energy price cap hikes. Interest rates in Europe were cut twice to 2%, while the Bank of England reduced rates from 5.25% to 4.25%, with a further reduction of 0.25% near quarter end, bringing rates to 4%.

In relation to total Fund performance members were advised that the Fund had posted a positive return over the quarter, ending the period with a valuation of £1,360.6m, up from £1,310.1m at the end of Q1 2025. The Fund’s passive global equity mandates were identified as the main contributors to positive returns this quarter, reversing their position as the largest detractor in Q1. UK equities and emerging markets had also added gains, while property and credit had provided modest support. UK government bonds were broadly flat as long-dated gilt yields had shown little movement. On a relative basis the Fund outperformed its benchmark by 0.1%. The Fund continued to remain behind its composite benchmark over the past 12 months and over 3 years with members noting the current target and asset allocations exposure on an interim and long-term basis across growth, income/diversification and protection plus cash and reflecting the Funds Investment and diversification Strategy. The LCIV Private Debt II Fund had been funded across April and May 2025, valued at £17.1m as of end of Q2 2025. Cash held by the Fund had had decreased over the period to £46.1m.

Moving on to consider performance relating to Fund Managers, members were advised that the Fund had delivered a return of 3.9% in Q2 2025, outperforming the benchmark by 0.1% which were based on long-term target allocations, and following the actuary evaluation and strategy review to be discussed later in the closed section of the meeting, these allocations could potentially shift and be adjusted accordingly. This position had been supported by the rebound in Global equities during Q2, led by large US technology companies, with Asia (ex-Japan) also performing well. Emerging markets had also posted positive returns, helped by easing trade tensions and a weaker US dollar, which supported investor confidence. All equity allocations had performed well in this environment, including the LGIM Global Equity and LGIM UK Equity allocations, with the LCIV JP Morgan emerging markets allocation the strongest performer during the quarter. Government borrowing costs for medium-term UK gilts had also fallen slightly, which had lifted bond prices and provided a small gain for the BlackRock Gilts mandate although it was noted very long-term yields were broadly unchanged, leaving long-dated gilts close to flat overall. In contrast, credit markets were calmer, with risk premiums narrowing in the US and euro areas while sterling investment-grade spreads were broadly steady. This supported the LCIV Multi-Asset Credit fund. Within real assets, UK property had delivered another modest positive return, with industrial and retail sectors ahead of offices supporting the property allocation. The Capital Dynamics infrastructure exposure remained small and in run-off, so members were again advised its effect on overall results was limited. Members noted that the combination of rising equities and steadier bond markets during the quarter was also supportive for the LCIV Baillie Gifford and Ruffer multi-asset allocations.

In terms of specific Funds, details were also provided on each mandate's contribution to the Fund's absolute performance over second quarter 2025, according to their allocation (including supporting details within the exempt appendix which had been provided for members of the Sub Committee). Members noted the positive contributions from the LGIM Global Equity fund, which had been the largest driver of returns during quarter having been the main detractor in Q1. Additional gains had come from the LGIM UK Equity fund, the LCIV JP Morgan Emerging Markets fund, and the LCIV Baillie Gifford and Ruffer Multi-Asset funds, alongside steady contributions from property and credit allocations. The only notable detractor had been the Alinda Infrastructure fund, although members were advised this impact would be minimal given its small weighting.

Following presentation of the report, the Chair invited members to raise any questions, with queries and responses summarised below:

- Regarding how investment benchmarks were calculated, members asked officers to explain this process. James Glasgow explained that long-term benchmarks formed part of the strategy review undertaken in 2022, which considered sectors, long-term risk, objectives, and the appropriate allocation for each asset sector within the overall fund, taking into account background economic factors. Reference was made to the details provided within the report circulated with the agenda (page 33 of the agenda pack) which had outlined the benchmarks and performance targets for each of the Fund Managers. Sawan Shah further clarified the review process in relation to the property holdings with these Funds using an industry standard benchmark tracked across the sector.

- Moving on to cover the Ruffer Multi-Asset Fund Performance and Capital Dynamics, the improvement in performance of the Ruffer Fund was welcomed with details sought on the turnaround plan for Capital Dynamics. It was explained by officers that the Capital Dynamics fund was a liquid private asset that had now matured and was in its run-down phase to exit the fund.

- Regarding the impact of tariffs and USA market volatility, James Glasgow highlighted the need to retain a longer-term focus given the nature of Pension Fund investments. Whilst short term adjustments had been noted due to market volatility the market's initial reaction after Liberation Day had become progressively smaller and more resilient to the ongoing situation.

- Moving on to discuss the Government Pooling Strategy impact, details were sought on how it was felt this would impact the Sub-committee's role and remit in terms of management of the Fund. James Glasgow explained that as a result of the pooling arrangements the remit was expected to shift to one of strategy oversight in terms of investment decisions which would be managed through the pool with a comprehensive package provided for oversight and holding pools to account. The Committee would still be responsible for review, development and monitoring of the Funds overall, which Hymans Robertson would continue to support pending the Government's longer-term aim for the Pools to provide that type of investment advice. An upcoming LCIV update would also be detailing discussions and agreements relating to the changes, confirming that strategy and monitoring would become the committee's primary focus.

- As a final issue, details were sought on the performance on funds being managed through LCIV, which James Glasgow confirmed had seen an upturn in returns, although it was difficult to determine whether this was cyclical or due to fundamental portfolio improvements.

With no further issues raised, the Chair thanked James Glasgow (Hymans Robertson LLP) for the update and the Sub Committee (having noted the Fund Manager Performance updated included within the exempt appendix of the report) **RESOLVED** to note the report.

7. **Brent Pension Annual Report & Accounts 2024/25**

Sawan Shah (Head of Finance Pensions and Housing Companies) introduced the report from the Corporate Director Finance & Resources, providing an update on the Pension Fund Annual Report and Accounts for the year ended 31 March 2025. At the time of the meeting, the Sub Committee was advised that the audit fieldwork was substantially complete, with the auditors now working on completing their closing procedures and final reviews in order to enable audit sign off by the Audit and Standards Advisory Committee which it was noted would be dependent on progress on the Council's audit.

Members were advised that the accounts had been prepared to meet the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code) governing the preparation of the 2024-25 financial statements for Local Government Pension Scheme funds with the aim of providing a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2025 and the amount and disposition of the Fund's assets and liabilities as at 31 March 2025. The main items of note were identified as follows:

- During 2024/25, the value of the Pension Fund's investments had increased to £1,310m (2023/24 £1,259m).

- Total contributions received from employers and employees had been £73m for the year, an increase on the previous year's £69m.

- Total benefits paid to scheme beneficiaries, in the form of pensions or other benefits, had been £60m, an increase on the previous year's £52m.

- As in 2024/25, the pension fund was in a positive cash-flow position on the basis of its contributions exceeding its outgoings to members.

Members noted that the Statement of Accounts had been as Appendix 1 to the report. In terms of the draft Pension Fund Annual Report, members were advised this had been sent to Grant Thornton (External Auditor) for review and would be published on completion of the audit process. The Annual Report had been updated to reflect the latest guidance from MHCLG, which set out the required structure and content for LGPS Annual Reports which included sections on Overall Fund management; Governance & Training; Financial Performance; Investments & Funding; Scheme Administration and Actuarial report. Also included were the Investment Strategy Statement, Pensions Administration Strategy, Funding Strategy Statement and Communications Policy Statement all of which has been subject to approval via the Sub Committee.

The Chair thanked Sawan Shah for the update provided and then invited members to raise any questions or comments, with queries and responses summarised below:

- Following a query relating to employer and employee contributions, confirmation was provided that a detailed breakdown had been provided within the analysis of dealings with scheme members included within the draft Annual Report and Statement of Accounts 2024-25 attached as Appendix 1 to the report circulated with the agenda.

In thanking the Finance team for their work regarding preparation of the Fund's accounts the Committee **RESOLVED** to:

(1) Note the draft accounts included as part of the annual report.

(2) Note the draft Brent Pension Fund Annual Report 2024-25 which would be published as set out in paragraph 4.4 of the report.

2025 Triennial Valuation Update & Funding Strategy Statement

George Patsalides (Finance Analyst) introduced a report from the Corporate Director Finance & Resources, updating the committee on the 2025 Triennial Valuation and setting the context for the reports from the Fund Actuaries, Hymans

Robertson, to be considered in the closed part of the meeting relating to the initial results of the valuation and review of the Funding Strategy Statement (FSS).

The key issues outlined in relation to the Funding Strategy Statement were noted as follows:

- The requirement for a formal valuation of the whole Fund to be undertaken every 3 years under Regulation 62 (1) of LGPS Regulations 2013 to assess and examine the ongoing financial position of the Fund. The purpose of the update was to compare actual experience against assumptions made at the last valuation; value the assets and liabilities of each individual employer and the pension fund as a whole using data from the Fund's administration system and financial records; set employer contribution rates, including for the Council, for the next 3 years (1 April 2026 to 31 March 2029) and to review the Funding Strategy Statement (FSS) whilst also performing a health check on the Fund's solvency.

- The last valuation had taken place as of 31st March 2022 with the next one due to be carried out as of the 31st of March 2025. The results of each valuation were required to be reported to the administering authority within twelve months of the valuation date.

- The actuary was required to calculate the funding level at each valuation. This was calculated as the ratio of the market value of the assets and the value of the benefits built up to the valuation date for the employees and ex-employees. If this figure was less than 100% it meant, there was a shortfall and therefore a deficit; if it was more than 100% then there was said to be a surplus. The previous valuation had shown that the Brent Pension Fund overall had a funding position of 87%. Sawan Shah noted that the 2025 valuation process had now commenced, with an indicative timeline of the valuation process provided within section 3.3 of the report.

- In highlighting that the whole fund results look at the overall funding level initial results from the current valuation had identified that various employers had different funding and risk levels. The initial results of the 31 March 2025 Triennial Valuation had been received from the Fund Actuary (Hymans Robertson) which had been provided for consideration within Appendix 1 of the report (classified as exempt) which members were advised would be subject to a more detailed presentation during the closed part of the meeting with the results outlining how the funding position had changed since the last valuation in 2022.

In terms of a high-level summary, members noted that the results had shown an improvement in the Fund's funding position since the last valuation in 2022. The Fund was now in a surplus position, meaning the value of its assets was higher than the estimated value of its long-term pension liabilities. The overall funding level had improved to 113% compared to 87% at the previous valuation and 78% at the 2019 valuation.

- The next stage of the valuation process would focus on analysing data at the individual employer level to set individual employer contribution rates from 1

April 2026. Draft employer results would be issued later in the Autumn, and the Fund would also be holding an employers' forum in November 2025 to communicate the valuation results to the employers.

Moving to cover the Funding Strategy Statement (FFS), George Patsalides advised this formed a key governance document for the valuation with the FSS setting out the underlying assumptions and principles to be adopted when valuing the Fund's liabilities as well as the setting of contribution rates. The FSS was designed to recognise that different employers within the fund maintained different objectives, with the FFS including deficit recovery periods for different employers and would be subject to review during the valuation process in consultation with the Fund actuary and employers. Key issues highlighted in relation to the FSS were noted as follows:

- In January 2025, updated guidance for preparing and maintaining a FSS had been published by the Ministry of Housing, Communities and Local Government (MHCLG), the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Scheme Advisory Board's (SAB's) Compliance and Reporting committee which had replaced the 2016 guidance produced by CIPFA.

The updated guidance had included the need for Funds to now write their FSS in clear, non-technical language and adopt a common structure and terminology. In addition, the FSS would be required to explain (as part of Employer Lifecycle Coverage) how contribution rates were set when an employer joined the fund, at each valuation, and as the employer approached exit with an outline also provided on how exit debts or credits would be managed. Stronger Consultation requirements had also been introduced based on best practice, including early publication of a timetable, concise materials, and engagement with all relevant stakeholders such as employers, guarantors and the Local Pensions Board. Finally, Funds were asked to provide more information in the FSS to explain the impact of employers being in surplus or deficit, recognising a varying effect across different employer groups.

- A full review of the FSS document had been carried out to ensure the document was compliant with the updated guidance with an update having been provided by the Fund Actuary (within Appendix 2 of the report) highlighting the key changes being considered for the 2025 FSS review. These changes included structural changes introducing two new parts to the FSS - Key Funding Principles and Employer Events: the revised FSS taking effect on the 1st of April 2026, following the 31 March 2025 valuation and governing contribution rates for 1 April 2026–31 March 2029 as well as the recommendation for regular annual reviews of the FSS.
- In addition to these measures, a new policy had been introduced to the FSS to outline how individual employer contribution rates may be reviewed in between valuations. It also outlined the Fund's policy on employer requests for contribution rate reviews with the draft FSS having been attached as Appendix 3 of the report. In line with LGPS regulations, the FSS would be subject to formal consultation with employers, which had been scheduled for autumn 2025 enabling the final version of the FSS to be presented to the next Sub-committee in February 2026 for approval.

Given the nature of the update in providing context to the more detailed review on the initial valuation results scheduled during the closed session of the meeting no questions or comments were raised by the Committee at this stage in proceedings. In taking the opportunity to thank officers for the update provided the Committee **RESOLVED** to:

(1) Note the update on the 2025 valuation, as detailed within the report and on the basis of the more detailed presentation to be provided in the closed part of the meeting.

(2) Note the initial results and the improved funding position since the 2022 valuation as detailed within the report

(3) Note the key changes to the 2025 Funding Strategy Statement (FSS) outlined within the report with the draft FSS subject to consultation with employers as required by LGPS Regulations, prior to it being presented to the Sub Committee in February 2026 for formal ratification.

9. LAPFF Engagement Report

George Patsalides (Finance Analyst, Brent Council) introduced a report from the Corporate Director Finance & Resources which outlined the latest Local Authority Pension Fund Forum (LAPFF) Engagement Update.

In presenting the update, members were advised that the LAPFF had been established to promote the highest standards of corporate governance in order to protect the long-term value of local authority pension funds and engage directly with companies in which investments were held in order to affect change, understand views on company behaviour and risks with engagement being member led and designed to advance corporate responsibility and responsible investment on the basis of collaboration strengthening the voice of Pension Funds.

In noting the summary of key engagement work undertaken by the LAPFF during April - June 2025 (as detailed in Appendix 1 of the report) the key areas of activity were highlighted in relation to Water Stewardship especially in relation to mining and agriculture; engagement with the UK's largest housebuilders on climate-transition planning and the advancement of low-carbon innovation alongside equitable workforce adaptation, especially in the face of broader sectoral pressures such as skills shortages and energy-grid limitations; engagement with the luxury good sector in relation to human rights and supply chain management; lobbying within the steelmaking industry in relation to the approach towards decarbonisation price volatility and geopolitical risk along with updates on efforts to engage with UK boards on corporate governance.

Having noted the viability and advantages available through the sustained collective effort and pressure that could be applied through the LAPFF in seeking to promote corporate responsibility and responsible investment, rather than by single Pension Funds acting individually, the Chair thanked George Patsalides for presentation of the report, and then invited members to raise any questions or comments, with queries and responses summarised below:

- Further clarification was sought on the process of engagement and lobbying undertaken by LAPFF and how the issues raised were prioritised across the Pension Funds included as members. In response, officers advised that as a member the Brent Pension Fund was entitled to contribute and participate in the Forum's work plan, organised around issues of shared concern including voting rights at the LAPFF Annual Meeting and members of the Sub Committee being able to attend their regular meetings. This collaboration with other investors was emphasised as having the potential to strengthen the collective voice of Pension Funds, influence major companies on key Environmental, Social, and Governance (ESG) issues, and help drive real-world change with the issues raised as priorities being areas of concern and focus identified on a collective and collaborative basis across a range of Fund members. Officers advised that they would ensure that details of future LAPFF meetings were shared with Sub Committee members with an interest also expressed in examining the role of the LAPFF in seeking to engage with companies in which fund investments were held regarding their approach towards how these were managed in areas of high risk geopolitical conflicts. Officers advised that whilst much of the detail would not be available publicly, they would follow up with the LAPFF on their activity in this area with further detail also requested on the outcomes being achieved in relation to the nature of changes being made in response to the engagement process being undertaken

With no further questions or comments, the Sub Committee thanked officers for the update and **RESOLVED** to note the report.

10. **Training Update - Members' Learning and Development**

Sawan Shah (Head of Finance, Pensions and Housing Companies) introduced the report from the Corporate Director Finance & Resources, which provided an update on the provision of the LGPS online learning facility and informed committee members of recent training developments.

In introducing the update, members were reminded of the new measures included within the Fit for the Future proposals designed to enhance governance, including a focus on the training of members involved in overall strategic direction of local authority pension funds. This included the requirement for Pension Committee members to have the appropriate level of knowledge and understanding for their roles, with the requirements for Pension Committee and Local Pension Board members to be aligned in order to ensure they possessed the necessary knowledge and skills to effectively fulfil their roles. This included the requirement for administering authorities to publish a governance and training strategy (attached as Appendix 2 to the report), which would replace the currently used Governance and Compliance statement in outlining the authority's approach to governance, knowledge and training, representation, and conflicts of interest.

In working towards this the Fund had subscribed to the LGPS Online Learning Academy (LOLA) as an online platform designed to support the training needs of Pension Committee and Board members with a training plan (attached as Appendix 1 of the report) detailing progress in completion of the required training modules within the agreed timeframe. Members noted the training plan had been adapted to allow members time to complete the required training programme, with the current focus on those needing to complete the required sections reflected within the current learning plan and members urged to ensure they had completed any outstanding modules.

In noting the update provided on progress being made by members against the current training plan and in line with the Training Strategy (as detailed within Section 3 of the report) as at 31 August 2025, the Sub Committee was reminded of the importance in ensuring consistent engagement and progress in completion of the require modules in order to ensure members possessed the necessary knowledge and skills in relation to their role on the Sub Committee and in overseeing the Pension Fund.

With no further questions or comments, the Chair thanked officers for their work in delivering the training plan and the Committee **RESOLVED** to note the plan and continue delivery of the learning programme as outlined in the training timetable.

11. Minutes of Pension Board

The Chair then welcomed David Ewart (as Independent Chair of the Pension Board) to the meeting in order to provide an overview of the issues considered at the most recent Board held on 22 July 2025, as set out in the draft minutes from the meeting.

As a starting point, David Ewart took the opportunity to remind members of the function and structure of the Pension Board, which he advised was a statutory body established to review the performance of the Pension Fund and was made up of an equal number of employer and member representatives. In comparison, the Pension Fund Sub-Committee's role focused on the investment and management of the Fund, although in practice the two bodies within Brent worked closely together and shared similar views in overseeing governance of the Pension Fund.

In outlining specific issues considered at the Board's last meeting, members were advised of the ongoing monitoring of performance relating to administration of the Pension Fund for scheme members (including an ongoing focus on data quality given its critical role on the valuation process) as well as the updated Risk Register for the Brent Pension Fund Administration Service and Annual Report, which it was felt also provided a useful point of reference for the Sub Committee in relation to the management of existing and emerging risks.

The Chair thanked David Ewart for the update provided, and with no further issues raised, it was **RESOLVED** to note the minutes from the Pension Board held on 22 July 2025.

12. Any other urgent business

No items of urgent business were raised for consideration at the meeting.

13. Exclusion of the Press & Public

At this stage in the meeting, the Chair advised that the Sub-Committee would need to move into closed session to consider the final items on the agenda.

It was therefore **RESOLVED** to exclude the press and public from the remainder of the meeting as the reports and appendices to be considered contained the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Access to Information Act 1972, namely:

"Information relating to the financial or business affairs of any particular person (including the Authority holding that information)".

As the Sub Committee moved into closed session the webcast was ended at this stage of the meeting

14. **2025 Triennial Valuation - Whole Fund results**

Following on from the initial outline provided under Item 7 in the open session of the meeting George Patsalides (Finance Analyst) provided a brief introduction to the initial results of the Actuarial valuation on 31 March 2025, as had been circulated as an exempt appendix to the main report.

The Sub Committee then received a presentation from Craig Alexander (Hymans Roberston Fund Actuary) on the timetable, key assumptions, risks and sensitives (including levels of prudence, current demographic, investment and economic outlook) relating to the future expectations and the valuation process.

Issues highlighted in response to the presentation included further clarification on the approach taken towards the levels of prudence outlined, employer contribution rates and treatment of schools and Academy Trusts within the Funding Strategy Statement.

Having thanked Craig Alexander for the outline provided in relation to the initial results of the Actuarial Valuation the Sub Committee **RESLOVED** to note the update provided along with timescales for completion of the valuation process, engagement and sign off of the Funding Strategy Statement.

15. **2025 Triennial Valuation - Contribution Rate Modelling**

Sawan Shah (Head of Finance Pensions and Housing Companies) then moved on to introduce a report from the Corporate Director Finance & Resources presenting an analysis from the Fund's actuary regarding the contribution rate strategy for the Council for the 3 years from 1 April 2026.

In presenting the report, members noted the process undertaken with the Council having commissioned, in line with the valuation process a contribution rate modelling exercise allowing consideration of a long term funding strategy for the stabilised employers within the Fund including Brent Council, local authority schools and a number of academy schools in Brent with the testing having involved the use of an 'Asset Liability Modelling' approach involving the assessment of a range of different simulations and contribution rate scenarios assessed against a number of specific metrics. Officers had subsequently been working with the actuary to review the contribution rate payable by Brent Council over the period from 1 April 2026 to 31 March 2029 with the results of the modelling assessment felt to be positive suggesting that the mechanism for the long-term funding of the scheme remained fit for purpose with a reduction in the Council contribution rate over the next 3 years therefore identified as meeting the Fund's criteria for likelihood of success and representing a balanced approach in allowing for the funding improvements to be reflected in affordability for the Council and security for the pension fund.

Craig Alexander (as Hymans Roberston Actuary) was then invited to provide the Sub Committee with a detailed presentation on the 2025 valuation funding review results, as detailed in Appendix 1 of the report circulated with the agenda detailing the objectives and approach towards the funding review along with details outcomes of the modelling approach outlined and recommendations being made as a result.

Issues highlighted in response to the presentation included the use of contributions to fund local economic investment, potential impact any reduction in employer contributions may be able to make towards the Councils budget saving target along with consultation and engagement with employers.

Having thanked Sawan Shah and Craig Alexander for the update provided the Sub Committee **RESOLVED** on the basis of the recommended approach outlined at the meeting and information provided to approve the proposed reduction in the employer contribution rate for the next three financial years for Brent Council, as set out in section 3.4.7 of this report and Appendix 1.

16. Investment Strategy Review

Sawan Shah (Head of Finance, Pensions and Housing Companies) introduced a report from the Corporate Director Finance & Resources the report, providing an update on the investment strategy review being carried out by the Fund's investment advisor, Hymans Robertson, following the Fund's 2025 valuation with the purpose of evaluating the current strategy and analysing the ability of alternative strategies to meet the Fund's strategic objectives.

In presenting the report, members noted that the Fund's current strategic asset allocation had been agreed in February 2023 following the 2022 valuation based on a long-term target of 50% to equities, 35% to income (including diversified growth funds) and 15% to protection assets with a phased approach (based around an interim allocation) toward implementation agreed working towards the long-term target allocation.

Members were advised that the Fund's investment advisors, Hymans Robertson, had begun the Investment Strategy review focussed around the high-level investment strategy with the aim of determining the high-level allocation to Growth, Income and Protection assets and incorporating the asset liability modelling carried out during the valuation to test the probability (and associated risks) of the Fund's current investment strategy and alternative strategies achieving its long-term objectives.

James Glasgow (Hymans Robertson) then presented an outline of the initial results identified to date through the review (as had been detailed within Appendix 1 of the report) with members advised that following their initial consideration the proposals would be subject to development over the autumn with the final version of the investment strategy review to then be presented to the Sub-Committee at the February 2026 meeting for approval.

Comments identified following the presentation included the move towards income generating as opposed to growth assets; the impact of the Fit for Future proposals on development and oversight of the strategy including threshold for local investment.

Having thanked Sawan Shah and James Glasgow for their presentation and the information provided the Sub Committee **RESOLVED** to note the update provided and endorse the approach and initial findings outlined as the strategy was developed and finalised.

17. **London CIV update**

The Board received noted a report that provided an update on recent developments regarding Brent Pension Fund investments held within the London CIV (LCIV).

Issues highlighted arising from the update included:

- The value of assets invested directly through the LCIV.

- The progress in developing an investment management agreement (IMA), in response to the requirement for all local authority pension fund assets to be transferred to a pooling arrangement by March 31st, 2026, with the IMA being a single contract to allow LCIV to manage the investments on behalf of the Brent Pension Fund, and the proposal for the Buckinghamshire Pension Fund to be able to join LCIV

- The update on the LCIV Fund Manager Monitoring Framework and progress in the development and launch of new Funds, with members keen to ensure a focus (in recognising the Funds fiduciary duty) in maintaining a broad and diversified approach toward the Fund’s Investment Strategy.

Having provided further clarification in relation to the IMA process and arrangements for Buckinghamshire’s proposed membership of LCIV, in response to members queries, the Sub Committee **RESOLVED**:

(1) To note the collaborative review process of the proposed IMA being undertaken by London Boroughs, led by the Royal Borough of Greenwich and supported by legal advisors Brabners LLP.

(2) Following on from (1) above to delegate authority to the Corporate Director, Finance and Resources to enter into the IMA with London CIV.

The meeting closed at 8:40pm

COUNCILLOR R JOHNSON
Chair