Brent	**Pension Board** 21 July 2026
	Report from the Independent Chair of the Pension Board

Pension Board Chair's Annual Report 2025/26

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
List of Appendices:	None
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	David Ewart, Independent Chair of the Pension Board Sawan Shah, Head of Finance 020 8937 1955 sawan.shah@brent.gov.uk

1.0 Executive Summary

1.1 This is the Chair's Annual Report to the Board for 2025/26. It provides an update on the work carried out by the Pensions Board during the Municipal Year.

2.0 Recommendation(s)

2.1 That the Board notes the contents of the report.

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 the Council is undertakes statutory functions on behalf of the Local Government Pension Scheme (LGPS) and complying with legislation and as far as possible best practice. Efficient and effective performance and service delivery of the Pension Fund underpins all Borough the Plan priorities.

3.2 Introduction

3.2.1 The Pensions Board is established under the Public Service Pensions Act 2013, and the Local Government Pension Scheme Regulations 2013 (as amended). The Board is not a committee constituted under the Local Government Act 1972. In effect the Board's role is to provide a scrutiny function (although it is not a Scrutiny Committee) to the work of the Council's Pension Fund Sub-Committee. It does not have decision making powers, but its purpose is to assist the Council, the Sub-Committee and the scheme manager in carrying out their functions. Its remit therefore covers a number of areas, but principally the pension fund's investment and administration functions.

3.2.3 The Board has seven members, three representing the Fund employers, two Councillors and one other employer's representative (with that post having been vacant for over a year) and three scheme members' representatives, including one pensioner's representative as well as an Independent Chair. The Board met three times during the Municipal Year, in all cases remotely on Zoom, (which is permitted as the Board meets under different legislation to the other Council Committees).

3.2.4 I should like to begin by expressing my thanks to the members of the Board during 2025/26, particularly the two councillor employers representatives who are no longer members, and the Council officers who support the Board's work so diligently over the last year.

3.2.5 Before going any further, it is probably worth reflecting on the size of the Brent Pension Fund before proceeding. As at 31st March 2026 the Fund had assets of £1.48 billion (2025 - £1.31 billion), 24,272 members (2025 - 22,794) (of which, 6,579 were active members,10,373 were deferred members, and 7,790 were pensioner and dependants), and 43 active employers participating in the Fund (2025 - 44).

3.3 Summary

3.3.1 The work of the Board falls in effect into two parts, firstly the review of the investment activity and secondly reviewing the performance of the pension's administration function, particularly focused on level of service to the Fund's members. Additional, but important roles include the oversight of risk management, reviewing decisions on discretionary powers made by the Sub Committee, and considering the Council's response to Government consultation on changes to the LGPS.

3.3.2 The 2025/26 year has again been a busy year with three very full agendas, but a somewhat encouraging year, with positive reports coming from the Pension

Fund Sub Committee, the completion of the 2025 Actuarial Valuation and a slow but general improvement in the performance of the pension administration function (with some areas of challenges remaining).

3.4 Overview of Investment Activities

3.4.1 Although in many ways the most important function of the Board, this aspect of the Board's work has again taken up a small part as the Board's time in 2025/26 as the Sub Committee primary role is to oversee this area and there is general agreement on the action being taken both with regard to the move to the revised asset allocation, socially responsible investment and the steps towards low carbon investment.

3.4.2 The Board has continued to receive and review Hymans Robertson quarterly investment monitoring reports, reports on the investment strategy and general updates from the London CIV (the investment pool for London, used by the Fund) and are very mindful of our duty to effectively scrutinise the investment activity of the fund.

3.4.3 The Board also receive updates on the LGPS 'Fit for the future' Consultation and the outcome of the consultation which in this case primal concerned the requirement to pool all the Fund's relevant investments and the suggested requirement to investment a relatively small proposition of the Fund's assets in the UK.

3.4.4 The Board has also continued to receive and monitor reports on the Fund's journey to "Net Zero" (in terms of the Fund's carbon footprint), and the collective engagement on wider environmental, social and governance (ESG) issues in terms of the Fund's investments.

3.4.5 During 2025/26 the Board received reports on 2025 Triennial Valuation Results and Funding Strategy Statement. The results of the valuation were most encouraging with the whole fund results showing funding level of 113% up from 87% in 2022. However, it should be noted that this is one still of the lower levels of funding among the LGPS Funds. This has allowed a reduction in the level of employer's contributions which were reviewed by the Board. The Board also received and considered the Funding Strategy Statement, which is a key governance document for the Fund as it sets out the underlying assumptions and principles that were adopted when valuing the Fund's liabilities and setting contribution rates.

3.5 Overview of the fund's administrative functions.

3.5.1 The Board spent a significant amount of its time on reviewing the fund's administrative functions. (The Board has no executive powers and all decisions about the fund's administration functions are taken by the General Purposes Committee).

3.5.2 The Board has taken the lead in scrutinising the performance of the Fund's administrative functions and pensions administration partner the Local

Pensions Partnership Administration (LPPA), which has generally been improving since they completed a major systems upgrade and as stated previously is much improved compared with previous partners/ contractors. However, a small number of performance indicators have on occasions been below target, including some of most sensitive such as dealing with retirement from active membership, and death in service. However, for the last few periods performance had been above the agreed, 95% benchmark in all areas. The Board is continuing to monitor these and the general level of performance, including the Help Desk performance, with representatives of the LPPA attending every meeting.

3.5.3 The Board being mindful of its duties in this area, also regularly reviews the number and progress of resolution of complaints concerning the quality of service received (frequently link to delays) or the exercise of discretionary powers.

3.5.4 The quality of the data held on members of the fund, is another area reviewed, which has been showing a slow improvement as a result of a focus on improving the data quality.

3.5.5 A number of other areas have been reviewed by the Board, including the production of Annual Benefits Statements (ABSs) (a legal duty). The board was pleased to note that the vast majority, 99.0% for active members and 94.5% for deferred members by 31st August.

3.5.6 The Board has also received and reviewed updates on a number of activities being undertaken, most notable relating to the McCloud Remedy (an area still causing some concern) and the Fund's Pensions Dashboards connection.

3.6 Risk Management and Other Areas

3.6.1 The Board also takes the lead on risk management reviewing the Pension Fund risk register at every meeting. Although the level of risk is generally lower than that for the Council corporately, there are a number of increasing risks around cyber security and unlawful action, as well as the increasing uncertainty in the world's investment markets and the level of inflation (all red risks). As well these risks others monitored included:

- Funding levels (significantly reduced);
- meeting the Fund's statuary duties particularly with regard ABS and the like;
- The loss of key staff
- Pension Events planning; and
- Admission agreements
- All amber risks.

3.6.2. The Board has along with the Sub Committee has been receiving reports on the Governments consultation on the proposed changes to the LGPS particularly concerning:

- The significant changes to the Governance of the LGPS being proposed under the Government's "Fit for the Future" proposals both in terms of Governance; and

- The amendments to the LGPS regulations concerning benefits and eligibility.

- The proposals concerning pooling and local investment are covered in the section on investment activities.

3.7 Training

3.7.1 A major initiative undertaken during 2023/24 was to improve the training and knowledge of Board members (along with the members of the Sub-committee) with the introduction of online e-learning, provided by the Fund's actuaries as well the training offered to Board members before every Sub-committee meeting. The level of take up by both Board and Sub-committee members has been variable therefore some degree of focus is required in 2025/26 year.

3.7.2 The Board was very pleased to note that all of its members had completed their training.

3.8 Conclusion

3.8.1 As stated above, 2025/26 has again been a busy year for the Board but a generally encouraging year for the Brent Pension Fund, despite the increasing risks and pressures on the Fund.

3.8.2 The year has generally been an encouraging one with a number of areas to highlight, including:

- The draft 2025/26 accounts showing the Fund is still cash flow positive in terms of its transactions with members.

- The very encouraging result of the 2025 Fund Valuation.

- Investments returns were positive on an absolute basis however they have slightly under performed relative to the Fund's benchmark.

- The year has also been an encouraging one in terms of the level of service to the Fund's members, and quality of data held, although in both areas improvements are still required.

- However, Brent's Pension Fund is not exempt from the increased levels of risk and uncertainty in the world of investment and public administration.

3.8.3 2026/27 is likely to be a significant for the Board changes being made as a result of Fit for the Future changes particularly relating to Governance, including:

- The requirement for all Funds to have an administration, governance and training strategies; and

- The pending appointment of the Senior LGPS Officer and Independent Person.

3.8.4. I should like to end by again expressing my thanks to the members of the Board for their work, support and understanding, particularly with I should like to thank those members not returning in 2026/27. The Council officers and those of the Fund’s partners for their support and open provision of information, and particularly the pensions staff of the Finance & Resources Department, and Governance Officers for their diligent support during the year.

4.0 Stakeholder and ward member consultation and engagement

4.1 Not applicable.

5.0 Financial Considerations

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

6.0 Legal Considerations

6.1 Not applicable.

7.0 Equity, Diversity & Inclusion (EDI) Considerations

7.1 Not applicable.

8.0 Climate Change and Environmental Considerations

8.1 Not applicable.

9.0 Human Resources/Property Considerations (if appropriate)

9.1 Not applicable.

10.0 Communication Considerations

10.1 Not applicable.

Report sign off:

David Ewart
Independent Chair Brent Pension Board