

<b>LONDON BOROUGH OF CAMDEN</b>	<b>WARD: ALL</b>
<b>REPORT TITLE:</b> Pension Fund Annual Report	
<b>REPORT OF:</b> Executive Director of Corporate Services	
<b>FOR SUBMISSION TO:</b> Pension Board	<b>DATE:</b> 16 March 2022
<p><b>SUMMARY OF REPORT:</b> The Pension Fund is required to produce an Annual Report under the Local Government Pension Scheme Regulations 2013. This report presented the 2020/21 Annual Report to the Pension Committee on 3<sup>rd</sup> March 2022.</p> <p>The Pension Committee approved the 2020/21 Pension Fund Annual Report, as attached at Appendix A</p>	
<p><b>Local Government Act 1972 – Access to Information</b> No documents required to be listed were used in the preparation of this report.</p> <p><b>Contact Officer:</b> Nigel Mascarenhas Interim Director of Finance Finance and Procurement Corporate Services Dennis Geffen Annexe 110-112 Camley Street London. N1C 4DG</p> <p><b>Telephone:</b> 0207 974 1904 <b>Email:</b> <a href="mailto:nigel.mascarenhas@camden.gov.uk">nigel.mascarenhas@camden.gov.uk</a></p>	
<b>RECOMMENDATIONS:</b>  The Pension Board is asked to note the contents of this report.	
<b>Signed by</b>	
Director of Finance	..... <b>Agreed</b> .....
Date	..... <b>07/03/2022</b> .....

## 1. INTRODUCTION

- 1.1. This report introduces the 2020/21 Pension Fund Annual Report, attached as **Appendix A** and the requirements for it.

## 2. BACKGROUND

- 2.1. The Local Government Pension Scheme Regulations 2013 outline the following requirements in respect of the Pension Fund Annual Report:

- (1) An administering authority must, in relation to each year beginning on 1st April 2014 and each subsequent year, prepare a document (“the pension fund annual report”) which contains—
  - (a) a report about the management and financial performance during the year of each of the pension funds maintained by the authority;
  - (b) a report explaining the authority's investment policy for each of those funds and reviewing the performance during the year of the investments of each fund;
  - (c) a report of the arrangements made during the year for the administration of each of those funds;
  - (d) for each of those funds, a statement by the actuary who carried out the most recent valuation of the assets and liabilities of the fund in accordance with regulation 62 (actuarial valuations of pension funds), of the level of funding disclosed by that valuation;
  - (e) the current version of the statement under regulation 55 (governance compliance statement);
  - (f) for each of the funds, the fund account and net asset statement with supporting notes and disclosures prepared in accordance with proper practices;
  - (g) an annual report dealing with—
    - (i) the extent to which the authority and the Scheme employers in relation to which it is the administering authority have achieved any levels of performance set out in a pension administration strategy in accordance with regulation 59 (pension administration strategy), and

- (ii) such other matters arising from a pension administration strategy as it considers appropriate;
  - (h) the current version of the statement referred to in regulation 58 (funding strategy statement);
  - (i) the current version of the investment strategy under regulation 7 (investment strategy statement) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016;
  - (j) the current version of the statement under regulation 61 (statements of policy concerning communications with members and Scheme employers); and
  - (k) any other material which the authority considers appropriate.
- (2) The authority must publish the pension fund annual report on or before 1st December following the Scheme year end.
- (3) In preparing and publishing the pension fund annual report, the authority must have regard to guidance given by the Secretary of State.
- 2.2. The Annual Report pulls together many of the reports and statements the Fund currently produces, and members of the Fund should find the single publication a good source of information on key matters about the Fund.
- 2.3. The report provides an outline of Camden's governance and management of the Local Government Pension Scheme and updates readers on the cost of administering the scheme. For 2020/21 scheme administration was £25.69 per member of the Fund compared to £27.70 the year before.
- 2.4. The document also has an update on investment policy and performance for the past year, including review of investment markets, individual managers' performance and details of the Fund's investments and asset allocation.
- 2.5. The individual statements included in the Annual Report have been revised where appropriate, and the versions in this Annual Report will be adopted and taken forward as the current version. These include:
- Governance Compliance Statement
  - Investment Strategy Statement
  - Communications Statement

- 2.6. The revised Funding Strategy Statement was reported to committee in July 2021. The Governance Compliance Statement, Investment Strategy Statement and Communications Statement required no significant amendment.
- 2.7. The Risk register included in Appendix 6 was reviewed by Committee in July 2020.
- 2.8. The report also includes the 2020/21 Pension Fund Accounts, which will be audited by Mazars. Our auditors will issue an opinion on the consistency of the Pension Fund Accounts included in the Annual Report. Therefore the report is subject to any amendments identified during the audit process, and the report is pending the inclusion of the auditor's report.
- 2.9. Mazars are yet to sign off the accounts due to valuation uncertainties of the main accounts and the auditor usually signs off both the main accounts and the Pension Fund accounts at the same time.
- 2.10. At the time of writing there are no further amendments or issues expected from the audit. Were any to be received they would be reported back to the Committee as necessary.
- 2.11. The Annual Report will then be made available to members of the Fund and other interested parties on the Council's pension fund website.

### **3. FINANCE COMMENTS OF THE EXECUTIVE DIRECTOR CORPORATE SERVICES**

- 3.1. The finance comments of the Executive Director Corporate Services are included in the report.

### **4. COMMENTS OF THE BOROUGH SOLICITOR**

- 4.1. In accordance with Part 2 of the Local Government Pension Scheme Regulations 2013/2356, Regulation 57 (in its capacity as the administering authority), the London Borough of Camden must produce a pension fund annual report.
- 4.2. The report must be prepared having regard to guidance published by the Secretary of State and must contain the material specified in the Administration regulations as detailed in paragraph 2.1 of this report. The guidance issued by the Secretary of State states that it is expected that the annual report will be formally signed off by the Chairman of the Pensions Committee and Director of Finance (or equivalent).
- 4.3. This report and the appended Annual Report fulfil all legislative and constitutional requirements placed upon the Committee.

## **5. APPENDICES**

APPENDIX 1: FUND ACCOUNTS & NET ASSETS STATEMENT

APPENDIX 2: GOVERNANCE COMPLIANCE STATEMENT

APPENDIX 3 : FUNDING STRATEGY STATEMENT

APPENDIX 4 : INVESTMENT STRATEGY STATEMENT

APPENDIX 5 : COMMUNICATIONS POLICY STATEMENT

APPENDIX 6 : RISK REGISTER