

LONDON BOROUGH OF CAMDEN		WARD: All
REPORT TITLE: Pension Fund Annual Report		
REPORT OF: Executive Director Corporate Services		
FOR SUBMISSION TO: Pension Board		DATE: 16 April 2024
SUMMARY OF REPORT: <p>The Pension Fund is required to produce an Annual Report under the Local Government Pension Scheme Regulations 2013. This report presents the 2022/23 Annual Report.</p> <p>The Pension Committee, at its meeting on 5 March 2024, noted the contents of the report.</p>		
Local Government Act 1972 – Access to Information <p>No documents required to be listed were used in the preparation of this report.</p> <p>Contact Officer: Nigel Mascarenhas Head of Treasury and Financial Services Finance Corporate Services Dennis Geffen Annexe Camley Street London. N1C 4DG</p> <p>Telephone: 0207 974 1904 Email: nigel.mascarenhas@camden.gov.uk</p>		
RECOMMENDATIONS: <p>The Board is requested to note the contents of this report.</p>		
Signed by <p>Director of FinanceAgreed.....</p> <p>Date4/04/2024.....</p>		

1. INTRODUCTION

- 1.1. This report introduces the 2022/23 Pension Fund Annual Report, attached as **Appendix A** and the requirements for it. Due to the backlog in auditing the Council's and Fund's account this report had been delayed. However, A decision has been taken to bring this report to Pension Committee to avoid further delays without the accounts for 22/23 which have yet to be prepared or audited.

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 1 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 2022/23 scheme administration was £35.85 per member of the Fund compared to £26.59 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
 - Funding Strategy Statement
 - Investment Strategy Statement
 - Communications Policy Statement
 - Risk Register
- 2.6. The revised Funding Strategy Statement was reported to committee in [December 2022](#). 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 2023.
- 2.8. The report does not include the 2022/23 Pension Fund Accounts, which will be audited by Mazars. Our auditors will issue an opinion on the accounts included in the Annual Report. The audit has not commenced due to national issues on the Council's main accounting statements for 2019/20 and 2020/21 which have delayed the preparation and auditing of 2021/22 and 2022/23 accounts. 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. 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.
- 2.10. The Annual Report will be published on the Council's pension fund website with the caveat that the accounts are still subject to audit and will be reissued once the final audit opinion has been received.

3. RESPONSIBLE INVESTOR COMMENT

- 3.1. This report covers performance and administration, but also the extent to which the Fund's assets are moving away from highly-polluting or carbon dioxide-intense holdings over time. This report illustrates the Fund's efforts to move to a lower carbon model and to use the assets of the fund to achieve ESG objectives.

4. ENVIRONMENTAL IMPLICATIONS

- 4.1. There are numerous environmental implications to the performance of the fund; in terms of the carbon impact, these are discussed in the narrative forewords and in the Fund's efforts to secure TCFD-compliant reporting from managers.

5. FINANCE COMMENTS OF THE EXECUTIVE DIRECTOR CORPORATE SERVICES

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

6. COMMENTS OF THE BOROUGH SOLICITOR

- 6.1. 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.
- 6.2. 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).
- 6.3. This report and the appended Annual Report fulfil all legislative and constitutional requirements placed upon the Committee.

7. APPENDICES

APPENDIX A: Pension Fund Annual Report 2022/23