

<b>Title of Report</b>	Pension Fund Report & Accounts 2022/23
<b>For Consideration By</b>	Pensions Committee
<b>Meeting Date</b>	28 November 2023
<b>Classification</b>	Public
<b><u>Ward(s) Affected</u></b>	All
<b><u>Group Director</u></b>	Jackie Moylan, Interim Group Director of Finance

1. **Introduction**

- 1.1. This report introduces the pre audit Annual Report and Accounts of the London Borough of Hackney Pension Fund for the year ended 31<sup>st</sup> March 2023, which will follow as a supplementary appendix to this report.

2. **Recommendations**

2.1. **The Committee is recommended to:**

- **Note this draft version of the Pension Fund Annual Report and Accounts**
- **Approve publication of the draft accounts and distribution to interested parties, ahead of audit and receipt of an audit certificate**

3. **Related Decisions**

- 3.1. Pensions Committee 22nd November 2022 – Pension Fund Annual Report & Accounts 2021/22.

4. **Comments of the Interim Group Director of Finance**

- 4.1. The Pension Fund Annual Report and Accounts sets out the financial position of the Pension Fund as at 31<sup>st</sup> March 2023 and acts as the basis for understanding the financial wellbeing of the Pension Fund. It enables Members to manage and monitor the Scheme effectively, helping to ensure that they are able to fully understand the financial implications of the decisions they make.

5. **Comments of the Acting Director of Legal, Democratic and Electoral Services**

- 5.1. Pursuant to the Local Government Pension Scheme (Administration)

Regulations 2013 (“The Regulations”), the Council, in its capacity as the administering authority for the pension fund, is obliged to prepare a pension fund annual report. The report must be published by 1 December following the year end and must be prepared in line with the Regulations and with regard to guidance published by the Secretary of State. The requirements specified in the Regulations are set out in paragraph 6.1 of this report.

- 5.2. The Council’s Constitution makes it the responsibility of the Pensions Committee to receive and approve the Annual Report prior to publication.

## 6. **Background to the report**

- 6.1. The Local Government Pension Scheme Regulations 2013 lay down the following requirements in respect of the Pension Fund Annual Report:

Regulation 57. —(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.

6.2. In 2018/19, CIPFA produced new guidance for funds on the production of the annual report; this has the status of statutory guidance in England and Wales. Guidance on the annual report was last produced in 2014; since then, asset pools, new legislation on investing, governance and benefits, and changes to year-end financial reporting have all brought new challenges and there is a continued focus on funding levels and investment management costs. Changes to the guidance since 2014 reflect national developments in terms of the following:

- New governance arrangements introduced by the Public Service Pensions Act 2013.
- CIPFA's working group on pension fund administration.
- Post Pool Reporting Guidance (for England and Wales)

The Hackney Pension Fund annual report has been prepared in line with this guidance.

6.3. The Accounts and Audit Regulations 2015 require local authorities to produce unaudited accounts by 31st May following the year end For LGPS administering authorities, the unaudited accounts must include a copy of the Pension Fund Statement of Accounts. Hackney Council's draft 2022/23 accounts (including the Pension Fund Statement of Accounts) were published by the deadline of 31st May.

6.4. Work is ongoing on the 2021/22 audit. This work has been delayed by a number of factors, including the requirement to incorporate the results of the 2022 valuation into reporting on the actuarial value of the defined benefit

pensions liability. This work affects both the Council and the Pension Fund accounts.

- 6.5. Work has commenced in relation to the 2022/23 audit; the current expectation is that this will run through to December 2023.
- 6.6. Once formally adopted the draft Pension Fund Report and Accounts will be circulated to employers in the Pension Fund with a copy sent to the Department for Levelling-Up, Housing and Communities in order to meet the 1st December deadline for the publication of the Pension Fund Annual Report and Accounts. This will be updated when the audit has been completed and audit opinion received.

### **Appendices**

Supplementary Appendix 1 (To Follow) - Pension Fund Report and Accounts 2022/23

### **Background documents**

None

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