

# LONDON BOROUGH OF CROYDON

<b>REPORT:</b>	<b>PENSION COMMITTEE</b>	
<b>DATE OF DECISION</b>	<b>3 December 2024</b>	
<b>REPORT TITLE:</b>	<b>Pension Fund Annual Report 2021/22</b>	
<b>CORPORATE DIRECTOR / DIRECTOR:</b>	<b>Jane West, Corporate Director of Resources (Section 151 Officer)</b>	
<b>LEAD OFFICER:</b>	<b>Matthew Hallett- Head of Pensions and Treasury</b>	
<b>CONTAINS EXEMPT INFORMATION?</b>  <i>(* See guidance)</i>	<b>NO</b>	
<b>WARDS AFFECTED:</b>	<b>N/A</b>	

## 1. SUMMARY OF REPORT

- 1.1 This report asks the Committee to consider the London Borough of Croydon Pension Fund Annual Report and agree to its publication. The Annual Report for 2021/22 is attached as Appendix A to this report and the pension fund financial statements are attached as Appendix B.

## 2. RECOMMENDATIONS

The Pension Committee is recommended:

- 2.1 to agree to the publication of the London Borough of Croydon Pension Fund Annual Report 2021/22.

## 3. REASONS FOR RECOMMENDATIONS

- 3.1 Under the Local Government Pension Scheme (LGPS) Regulations 2013 the Administering Authority must prepare and publish a pension fund annual report by 1 December following the Scheme year end. The annual report must include the fund account and net asset statement with supporting notes and disclosures prepared in accordance with proper practices ('the pension fund financial statements').

- 3.2** Under the Accounts and Audit (Amendment) Regulations 2022 local authorities were required to publish audited accounts including the pension fund financial statements for 2021/22 by 30 November 2022.
- 3.3** Due to the impact of the covid pandemic and various other issues which prevented local authorities from meeting the publishing deadline, a series of backstop dates were set under the Accounts and Audit (Amendment) Regulations 2024 requiring the Council to publish audited accounts including the pension fund financial statements for years up to and including 2022/23 by 13 December 2024. The auditor has issued disclaimed audit opinions for 2021/22 which enable the Council to comply with the requirement of the Regulations in respect of that year.

#### **4. BACKGROUND AND DETAILS**

- 4.1** Attached to this report as Appendix A is the London Borough of Croydon Council Pension Fund draft Annual Report 2021/22. The Annual Report refers to Appendices A-I. The Pension Committee has previously seen all of the Appendices apart from Appendix B which is attached to this report; the fund account and net asset statement with supporting notes and disclosures prepared in accordance with proper practices ('the pension fund financial statements').
- 4.2** According to the Local Government Pension Scheme (LGPS) Regulations 2013 the Administering Authority must prepare and publish a pension fund annual report by 1 December following the Scheme year end. The annual report must include the fund account and net asset statement with supporting notes and disclosures prepared in accordance with proper practices ('the pension fund financial statements').
- 4.3** According to the Accounts and Audit (Amendment) Regulations 2022 local authorities were required to publish audited accounts including the pension fund financial statements by 30 November 2022.
- 4.4** For various reasons there have been delays in the preparation and publishing of Croydon Council's 2021/22 accounts including the pension fund financial statements, which has led to the statutory deadlines not being met.
- 4.5** On 30 July 2024 the Government proposed secondary legislation in order to facilitate a return to timely, purposeful audits of local body accounts. The secondary legislation amending the Accounts and Audit Regulations (2015) through the Accounts and Audit (Amendment) Regulations 2024 was passed setting a series of backstop dates. The legislation requires local authorities to publish audited accounts up to and including 2022/23 by 13 December 2024. Where auditors are unable to complete audits, they will issue a disclaimed or modified audit opinion.
- 4.6** Croydon Council published its draft 2021/22 accounts including the pension fund financial statements, for public inspection on 31 October 2024. The public inspection period lasts until 12 December 2024 and the intention is to publish the final audited accounts shortly after this date.
- 4.7** The auditor has been unable to audit the account, so has issued a disclaimed opinion on the consistency of the pension fund financial statements included in the Pension Fund Annual Report for 2021/22 attached as Appendix C and a disclaimed opinion on the financial statements of the Pension Fund attached as Appendix D. Issuing the

disclaimed opinions enables the Pension Fund to comply with requirement of the Pension Fund to publish audited financial statements for the year ended 31 March 2022 by 13 December 2024 ('the backstop date').

- 4.8 The Pension Committee are asked to agree to the publication of the London Borough of Croydon Pension Fund Annual Report 2021/22 in order to comply with the Regulations.

## **5. ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 N/A

## **6. CONSULTATION**

- 6.1 No consultation outside the formal process is required

## **7. CONTRIBUTION TO COUNCIL PRIORITIES**

- 7.1 Ensuring regulatory compliance, good stewardship and best practice are applied to the Council's Pension Fund

## **8. IMPLICATIONS**

### **8.1 FINANCIAL IMPLICATIONS**

- 8.1.1. There are no direct financial implications arising from this report.
- 8.1.2. Comments approved by James Huggett, Head of Strategic Finance for Resources, ACE and MTFs on behalf of Allister Bannin, the Director of Finance. (Date 20/11/2024)

### **8.2 LEGAL IMPLICATIONS**

- 8.2.1. Burges Salmon LLP (a legal advisor appointed to the Pension Fund) notes that there are no direct legal implications arising from this report other than to note that there are statutory time limits to be complied with when finalising and publishing Fund accounts.
- 8.2.2. Comments approved by Burges Salmon LLP. (Date: 21/11/2024)

### **8.3 EQUALITIES IMPLICATIONS**

- 8.3.1. The Council has a statutory duty to comply with the provisions set out in Sec 149 of the Equality Act 2010. The Council must therefore have due regard to:
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.
  - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
  - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The protected characteristics defined by law are race and ethnicity, disability, sex, gender reassignment, age, sexual orientation, pregnancy and maternity, religion or belief, marriage and civil partnership.

**8.3.2.** There are no equality implications arising from this report

**8.3.3.** Comments approved by Ken Orlukwu, Senior Equalities Officer, on behalf of Helen Reeves, Head of Strategy & Policy (Date 21/11/2024).

#### **8.4 HR IMPACT**

**8.4.1.** There are no immediate workforce implications arising from this report. If there were the council would apply its HR policy and procedure framework as appropriate.

**8.4.2.** Comments approved by Dean Shoesmith, the Chief People Officer. (Date 22/11/2024)

### **9. APPENDICES**

**9.1** Appendix A – Croydon Pension Fund Annual Report 2021/22.

**9.2** Appendix B – Croydon Pension Fund Financial Statements 2021/22.

**9.3** Appendix C – Audit Consistency Opinion for the Croydon Pension Fund Annual Report 2021/22

**9.4** Appendix D – Audit Opinion for the Croydon Pension Fund Financial Statements 2021/22

### **10. BACKGROUND DOCUMENTS**

**10.1** None