

# 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 2022/23</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 draft London Borough of Croydon Pension Fund Annual Report and agree to its publication. The Annual Report for 2022/23 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 draft London Borough of Croydon Pension Fund Annual Report 2022/23.
- 2.2 to agree to republish the London Borough of Croydon Pension Fund Annual Report 2022/23 as final when the disclaimed audit opinions have been received.

## 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 2022/23 by 30 September 2023.
- 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. At the date of writing this report the Council has yet to publish the draft 2022/23 account for public inspection, so it is envisaged that the audited statements will not be published until after the backstop date.
- 3.4** The finalised Annual Report can be published when the auditor has issued disclaimed audit opinions.

## **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 2022/23. 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 September 2023.
- 4.4** For various reasons there have been delays in the preparation and publishing of Croydon Council's 2022/23 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 and 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** At the time of writing this report Croydon Council has yet to publish its draft 2022/23 accounts including the pension fund financial statements, for public inspection. It is envisaged this will be done soon. In order to fulfil the requirement for the period allowed for public inspection it is envisaged that the final accounts will be published by 24 January 2025.

**4.7** The auditor has been unable to audit the accounts, and it is expected that a disclaimed opinion on the consistency of the pension fund financial statements included in the Pension Fund Annual Report for 2022/23 and a disclaimed opinion on the financial statements of the Pension Fund for 2022/23, will be issued similar to that issued for 2021/22.

**4.8** The Pension Committee are asked to agree to the publication of the draft London Borough of Croydon Pension Fund Annual Report 2022/23 and agree that Officers can republish the final version which will include the audit opinions when they have been received.

## **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) note there are no direct legal implications arising from this report other than to be aware that there are legal time limits to adhere to when finalising and publishing annual reports.

**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 and 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 2022/23.

**9.2** Appendix B – Croydon Pension Fund Financial Statements 2022/23.

## **10. BACKGROUND DOCUMENTS**

**10.1** None