Brent Pension Fund Annual Report & Accounts 2025/26

Pensions Regulator Scheme Number: 10272080

Brent Council



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Chairman's Forward

It is my pleasure to present the Annual Report and Accounts of the Brent Pension Fund for 2025/26.

The Fund has 6,579 contributors, 7,790 pensioners and 8,389 deferred pensioners.

The scheme is administered locally and is a valuable part of the pay and reward package for employees working in Brent Council or working for other employers in the Borough participating in the scheme.

During 2025/26, the value of the Pension Fund's investments increased to £1,481.9m (2024/25 £1,310.3m). The primary driver of the Fund's positive performance was its overweight exposure to equities, supplemented by its allocation to diversified assets. The Fund's returns were dragged down by its underweight positions in infrastructure and private debt, even though both asset classes delivered positive performance.

Total contributions received from employers and employees was £69.6m for the year, a decrease on the previous years of £73.2m, however the current figure is in line with the total contributions received in 2023/24. Total benefits paid to scheme beneficiaries, in the form of pensions or other benefits, were £61.6m, an increase on the previous year's £59.9m.

During the 2025/26 financial year, the Pension Fund continued to maintain a positive cash-flow position, as total contributions exceeded member outgoings. This net inflow enabled the Fund to allocate a portion of these contributions toward investments, thereby expanding the asset base dedicated to funding future liabilities. Moving forward, however, employer contribution rates are projected to decrease following in the following year.

The Brent Pension Fund is revalued every three years by an independent actuary. The Pension Fund had its most recent triennial review in 2025. This is a detailed appraisal that uses economic and demographic assumptions in order to estimate future liabilities and set employer contribution rates.

The 2025 actuarial valuation revealed that the Fund achieved a 113% funding level as of 31 March 2025, marking a 26% improvement from the prior valuation on 31 March 2022. Consequently, based on comprehensive modelling, future return expectations, and extensive stakeholder consultation, the long-term contribution rates for open employers will decrease from 30.5% of pensionable pay in 2025/26 to 23.0% for 2026/27 and subsequent years.

In conclusion, I would like to extend my thanks and appreciation to all members of the Pension Fund Sub-Committee and officers for their continued input to the strong governance and management arrangements of the Fund. **Cllr Robert Johnson**

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1. Scheme Management & Advisors



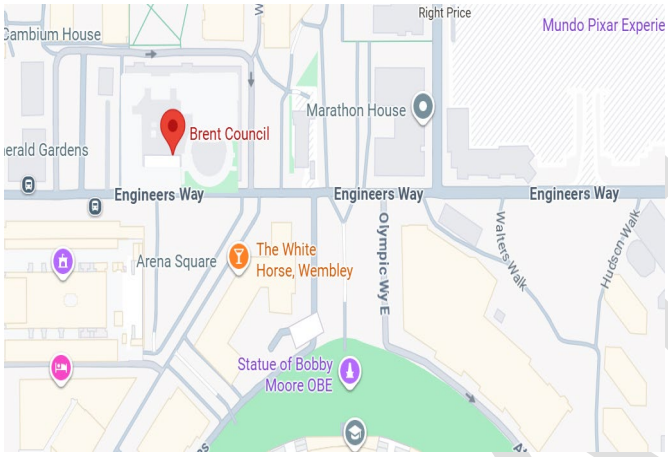
Scheme Management and Advisors 2025/26

Administering Authority:

Brent Council
Civic Centre
Engineers Way
Wembley
HA9 0FJ
☎ 0208 937 1234
Brent Council

Brent Pension Fund Officers:

Minesh Patel, Corporate Director, Finance and Resources
Amanda Healy, Deputy Director of Finance
Sawan Shah, Head of Finance
Manish Shah, Senior Finance Analyst
John Smith, Pensions Manager



Investment Advisor: Hymans Robertson LLP

Custodian: Northern Trust

Auditor: Grant Thornton LLP

Pooling Partner: London CIV

Performance Measurement: Northern Trust

Actuary: Hymans Robertson LLP

Investment Managers:

Alinda Capital Partners

Blackrock Investment Management

Capital Dynamics

Fidelity UK Real Estate

Legal & General Investment Management

London CIV

UBS Triton Property

Legal Advisers: In house

Banker: NatWest Bank

Scheme Administrator: LPPA

AVC Providers: Prudential

Prudential

Utmost (legacy, formerly Equitable Life)

Clerical Medical (legacy)

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2. Risk Management



Identifying, Managing and Reviewing Risks:

The Pension Fund has a dedicated Risk Management Policy, supported by a comprehensive risk register. The policy is reviewed at least every three years, while the risk register is reviewed and updated prior to each Pension Board meeting.

The processes for identifying and managing risks are integrated into the governance structure of the Fund.

Officers operate within the financial procedures and control environment which are regularly audited by internal and external audit, with overall oversight of risk management falling to the Pension Board.

The Pension Fund is exposed to risks inherent in its activities. Risk management policies and procedures are in place to identify, assess, monitor and manage these risks effectively.

The Fund's primary risk is that its assets will fall short of its liabilities (i.e. promised benefits payable to members) over time. Therefore, the aim of is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio.

The Fund looks to achieve this through asset diversification to reduce exposure to market risk (price, currency, interest rate risk and credit risks) to an acceptable level.

In addition, the Fund manages its liquidity risk to ensure there are sufficient funds to meet the Fund's forecast cash flows.

The Pension Fund manages investment risks through its overall pension fund risk management framework.

Responsibility for overseeing the Fund's risk management strategy rests with the Pension Fund Sub-Committee.

Policies are reviewed regularly to reflect changes in activity and in market conditions.

The risk management process involves:

- Review of the Funds key policies and procedures.
- Regular review of the Funds Risk Register.
- Review of quarterly investment and manager performance.
- Training.

The Fund's annual accounts (see note 17) also make detailed reference to managing specific risks relating to the Fund's assets, liabilities and investments.

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The Brent Pension Fund Risk Register is a key tool for managing risk and it incorporates an assessment of the likelihood and impact of risks together with control and mitigation measures. It ensures that key risks are identified and that mitigating actions are taken to control them.

How Risks Are Identified, Managed and Reviewed

Risks are "RAG" rated using a "traffic light system" and are monitored on a regular basis. The controls and mitigations are documented and further actions identified and implemented where necessary. This is reviewed and reported at Pension Board meeting and can be found on the Brent Pensions Board website.

The Funding Strategy Statement summarises the key risks within each objective area and sets out mitigating actions in place to manage them.

The actuary reports on these risks at each triennial valuation or more frequently as and when required. The key risks identified within the Pension Fund Risk Register are:

- Investment
- Funding
- Covenant
- Governance
- Administration
- Geopolitical

The Risk Management Programme in place ensures that key risks are identified and mitigating actions are taken to control them Risks. Appendix C of the Funding Strategy Statement summarises the key risks in each objective area and the mitigating actions being taken to manage them.

Cyber Risk

The Council has published its comprehensive Cyber Security Strategy, which establishes rigorous operational protocols and safeguards to defend critical infrastructure and sensitive data against evolving internet-based threats. By prioritising disaster recovery frameworks, the implementation of multi-factor authentication, and mandatory workforce training, the strategy ensures staff are fully equipped to identify vulnerabilities and uphold standards of data confidentiality

The Pension Fund has adopted the Council's data security procedures to maintain effective controls and actively monitors cyber risks as part of its overall risk register. The Fund's external administrators, the Local Pensions Partnership Administrators (LPPA)

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also implements cyber security controls, including network firewalls and daily remote backups to prevent the loss or corruption of sensitive data.

The Council's Cyber Security Strategy for 2022-2026 can be found here: Link to Council's Cyber Security Strategy

Third Party Risks

The payment of contributions is robustly monitored in accordance with the Pensions Administration Strategy to ensure compliance and accuracy. Scheme employers must submit an electronic return that verifies the underlying contribution calculations for both employees and employers while ensuring full alignment with the corresponding pension payments.

The Council has also outsourced the following functions of the Fund:

• Custodianship of assets.

• Pensions administration in coordination with the Brent pensions administration team who monitors and manages the Fund's contractor for pension administration services, Local Pensions Partnership Administration (LPPA).

• The Pension Payroll

As these functions are outsourced, the Council is exposed to Third Party Risk. A range of investment managers are used to diversify risk.

Custodianship risk is mitigated by AAF 01/06 and ISAE3402 assurance and any weaknesses in controls are reviewed and reported as necessary to the Pension Fund Sub-Committee.

During the 2023/24 financial year, Internal Audit reviewed the Pension Fund's procedures for monitoring the pensions administration contract and managing the collection of pension contributions. The primary objective was to provide formal assurance of the effectiveness of the controls governing the contributions management process. The scope of the review covered roles and responsibilities, service level agreement (SLA) monitoring, employer and employee contribution data, contribution receipts, and ongoing monitoring and reporting arrangements.

The audit identified no critical high or low risk issues with only one medium risk item being reported. Internal audit identified several areas of good practice. Any risks identified were agreed between internal audit and management and actions are taken to ensure that the recommendations are implemented and the controls are operating effectively.

The next internal audit of the Brent Pension Fund is set to take place in 2026/27 as part of the 3-Year Rolling Plan.

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The Pension Fund has formalised its operational expectations through its publication of the Pension Administration Strategy (PAS), which helps to mitigate administrative risks by establishing clear quality and performance standards for scheme employers. The strategy sets out the respective roles and responsibilities of both the Administering Authority and participating employers. It establishes a collaborative environment that ensures the timely submission of accurate data and the prompt notification of member events within prescribed service level agreements. The Fund reserves the right to impose financial penalties where employers consistently fail to meet these required service standards including deadlines for the payment of contributions and the submission of data returns (see Annex 1 of the Pensions Administration Strategy).

The Pension Fund also maintains its Members Communications Strategy, which is designed to ensure that all key stakeholders are kept informed of developments within the Fund and through the appropriate medium. The aim being to ensure an effective communication process is in place to help maintain the efficient and effective running of the Scheme and deliver better stakeholder and customer outcomes

Other Investment Risk

Brent Pension Fund maintains a rigorous framework for monitoring investment risk. Risk assessments are conducted at both the market level and the individual fund manager level. Fund managers implement diverse risk-management strategies, including disciplined valuation processes to prevent overpaying for assets, and regular oversight by dedicated risk and investment committees that review and challenge investment decisions and underlying assumptions. Fund managers actively navigate the complexities of asset mispricing, which can be exacerbated by heightened market competition and the investor demand for yield.

The Pension Fund employs an Investment Advisor, Hymans Robertson, to assist and advise the Pensions Sub Committee. Investment performance is reviewed by the committee each quarter.

The Pension Fund evaluates its fund managers on a quarterly basis as part of its regular performance monitoring. The assessment analyses both net returns and the specific attribution factors explaining how those results were generated. Performance is benchmarked against expected outcomes under prevailing market conditions to identify and manage guard investment or style drift. The fund also considers tactical adjustments by managers in changing market environments.

Pension Fund Officers ensure that all tasks are undertaken in compliance with best practice as detailed and the principles set out in the Investment Strategy Statement. This helps to mitigate any governance risk, such as acting outside the Fund's statutory powers (ultra vires).

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Pension Fund Officers document meetings with fund managers, and report back to the Pension Fund Sub-Committee on a quarterly basis.

The key risks and controls in place to mitigate investment risks are included in the Funding Strategy Statement.

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3. Governance & Training



Pension Fund Sub-Committee Membership as of 31 March 2026

Chair:	Cllr R Johnson
Other Members:	Cllr D Kennelly (Vice Chair)
	Cllr I Ahmadi Moghaddam
	Cllr S Choudry
	Cllr S Crabb
	Cllr S Kansagra
	Cllr A Molloy
Employee representatives: (non-voting)	Elizabeth Bankole (Unison)

Information on the voting rights and record of attendances at meetings for each member of the Pension Fund Sub-Committee can also be found on the committee web page on the Brent Democracy Portal:

Pension Fund Sub-Committee
Pension Fund Sub-Committee Link

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Governance Structure

The London Borough of Brent Council has delegated responsibility for pension matters to the Pension Fund Sub-Committee. The Committee is comprised of seven elected representatives of the council – six from the administration and one opposition party representative. An employer representative of the Trade Unions is appointed but has no voting rights.

Pension Fund Sub-Committee

The Pension Fund Sub-Committee is responsible for the strategic management of the assets of the Fund and the administration of benefits. The Pension Fund Sub-Committee meets quarterly to:

- Ensure compliance with legislation and best practice
- Determine policy for the investment, funding and administration of the Fund
- Monitor performance across all aspects of the service
- Consider issues arising and make decisions to secure efficient and effective performance and service delivery
- Appoint and monitor advisers
- Ensure that arrangements are in place for consultation with stakeholders as necessary.
- To consider the annual statement of pension fund accounts and actuarial valuation.

Pension Board The below table summarises the Board attendance during the 2024/25 municipal year:

Attendee	22 July	6 November	23 March
David Ewart	✓	✓	✓
Cllr S Kabir	✓	✓	
Cllr T Smith	✓	✓	✓
Bola George	✓	✓	
Chris Bala	✓	✓	✓
Robert Wheeler		✓	

Governance Compliance Statement

This statement shows how Brent Council as the Administering Authority of the Brent Pension Fund complies with guidance on the governance of the Local Government Pension Scheme (LGPS) issued by the Secretary of State for Communities and Local

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Government in accordance with the Local Government Pension Scheme (Administration) Regulations 2013.

Ref.	Principles	Compliance and comments
A	**Structure**	
a.	That the management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council.	Full compliance. Brent Council's constitution sets out the terms of reference for the Pension Fund Sub-Committee.
b.	That representatives of participating LGPS employers, admission bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	Full compliance.
c.	That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	No formal secondary committees or panels have been established.
d.	That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	No formal secondary committees or panels have been established.
B	**Representation**	
a.	That all key stakeholders have the opportunity to be represented within the main or secondary committee structure. These include: i) employing authorities (including non-scheme employers, e.g. admission bodies) ii) scheme members (including deferred and pensioner scheme members) iii) where appropriate, independent professional observers, and iv) expert advisers (ad-hoc basis only).	Full compliance. The Pension Fund Sub-Committee includes a representative of the other employers in the Fund and contributor members. The Fund's investment adviser attends Pension Fund Sub-Committee meetings. Independent professional observers are not regarded as appropriate.
b.	That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers, meetings, and training and are given full opportunity to contribute to the decision-making process, with or without voting rights.	Full compliance. Equal access is provided to all members of the Pension Fund Sub-Committee.
C	**Selection and role of lay members**	
a.	That committee or panel members are made fully aware of the status, role and function they	Full compliance.

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Ref.	Principles	Compliance and comments
	are required to perform on either a main or secondary committee.	
D	**Voting**	
a.	That the individual administering authorities on voting rights are clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.	Full compliance. All representatives on the Pension Fund Sub-Committee have full voting rights, but the Sub-Committee works by consensus without votes being required.
E	**Training/facility time/expenses**	
a.	That in relation to the way in which the administering authority takes statutory and related decisions, there is a clear policy on training, facility time and reimbursement of expenses for members involved in the decision-making process.	Full compliance. Full training and facilities are made available to all members of the Pension Fund Sub-Committee.
b.	That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.	Full compliance.
c.	That the administering authority considers adopting annual training plans for committee members and maintains a log of all such training undertaken.	Full compliance. A training plan has been prepared for the Pension Fund Sub-Committee and training logs are maintained for all such training undertaken.
F	**Meetings (frequency/quorum)**	
a.	That an administering authority's main committee or committees meet at least quarterly.	Full compliance. The Pension Fund Sub-Committee meets regularly throughout the year. Additional meetings can be arranged to fit its business needs.
b.	That an administering authority's secondary committee or panel meets at least twice a year and is synchronised with the dates when the main committee sits.	No formal secondary committees or panels have been established.
c.	That an administering authority that does not include lay members in its formal governance arrangements must provide a forum outside of those arrangements to represent the interests of key stakeholders.	Full compliance. The Pension Fund Sub-Committee includes lay members. Employers' forums are arranged for employers.
G	**Access**	
a.	That, subject to any rules in the Council's constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and	Full compliance. Equal access is provided to all members of the Pension Fund Sub-Committee.

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Ref.	Principles	Compliance and comments
	advice that are due to be considered at meetings of the main committee.	
H	**Scope**	
a.	That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	Full compliance. The Pension Fund Sub-Committee deals with fund administration issues as well as fund investment.
I	**Publicity**	
	That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in how the scheme is governed can say they want to be part of those arrangements.	Full compliance. The Council's Governance Policy Statement is published in the Pension Fund's Annual Report and on its website.

Member Training

Members of the Pension Fund Sub-Committee and Pension Board are required to have the appropriate level of knowledge and understanding for their roles. This aims to ensure that members possess the necessary knowledge and skills to effectively fulfil their roles in providing effective oversight of the Brent Pension Fund.

Members of the Pension Fund Sub-Committee and Brent officers have opportunities to attend training courses and seminars on pension fund matters, when necessary and appropriate. The cost of attending is charged to the Pension Fund. Training is delivered in advance of all committee meetings and to ensure that the sessions are effective, topics are usually arranged in line with agenda items.

Training provided during 2025/26 included:

Committee training

- Actuarial Valuation: Introduction
- Valuation Assumption Setting
- Current Funding Environment
- Investment risk from conflict regions
- Risk-return profiles of assets
- Investment Strategy Review Implementation

LGPS Online Learning Academy (LOLA)

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- Module 1: Committee Role and Pensions Legislation
- Module 2: Pensions Governance
- Module 3: Pensions Administration
- Module 4: Pensions Accounting and Audit Standards
- Module 5: Procurement and Relationship Management
- Module 6: Investment Performance and Risk Management
- Module 7: Financial Markets and Product Knowledge
- Module 8: Actuarial methods, Standards and Practices

Accountability and Transparency

Pension Fund Sub-Committee agendas, reports and minutes are published on the Brent Council website at; **Brent Council**.

Conflict of Interests

A conflict of interest is defined as a financial or other interest which is likely to prejudice a person's exercise of functions as a member of the Pension Board and Sub-Committee. It does not include a financial or other interest arising merely by virtue of that person being a member of the Scheme.

There is a standing agenda item at each Pension Fund Sub-Committee and Board meeting for members to declare any personal or prejudicial interests.

On appointment and following any subsequent declaration of potential conflict by a member, the Administering Authority shall ensure that any potential conflict is effectively managed in line with both the internal procedures of the Conflicts of Interest policy and the requirements of the Code.

Summary of Freedom of Information requests

The Fund promotes a strong sense of accountability and transparency across the organisation, especially with its beneficiaries. Operating under public sector regulations dictates that the Pension Fund must respond to requests under the Freedom of Information (FoI) Act 2000. The Fund received and responded to 29 such requests in 2025-26.

Governance Overview – London CIV

London LGPS CIV Limited is an FCA authorised and regulated company limited by shares, in which all 32 London LGPS Funds are shareholders. In addition to London CIV's Articles of Association, there is a Shareholder Agreement in place which outlines the matters reserved to shareholders. These matters include items such as the approval of the budget, objectives, and the business plan. London CIV hosts several meetings throughout the year to provide touchpoints where such matters may be discussed, including two General Meetings, four Shareholder Committees and four Sustainability Working Groups.

London CIV also publishes an Annual Report, which captures all major developments throughout the year. A copy of the report for 2025/26 may be accessed here:

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https://londonciv.org.uk/block/download/6863/file

Oversight from the Brent Pension Fund of the work undertaken by LCIV is further exercised through:

- Regular relationship meetings to discuss current workstreams and priorities.
- Regular attendance at monthly Business Updates through which officers can ask questions and raise queries.
- Attendance at the annual LCIV conference providing a more detailed, up to date breakdown of the pool's operations and performance.
- Review of LCIV Fund performance by Sub-committee and Board.
- Participation in relevant seed Investor groups and working groups when new Funds or policies are being designed to help shape the idea, raise questions and challenge where necessary.
- An in-depth due diligence process is undertaken by the Funds investment advisors for any new Funds of interest presented by the LCIV.

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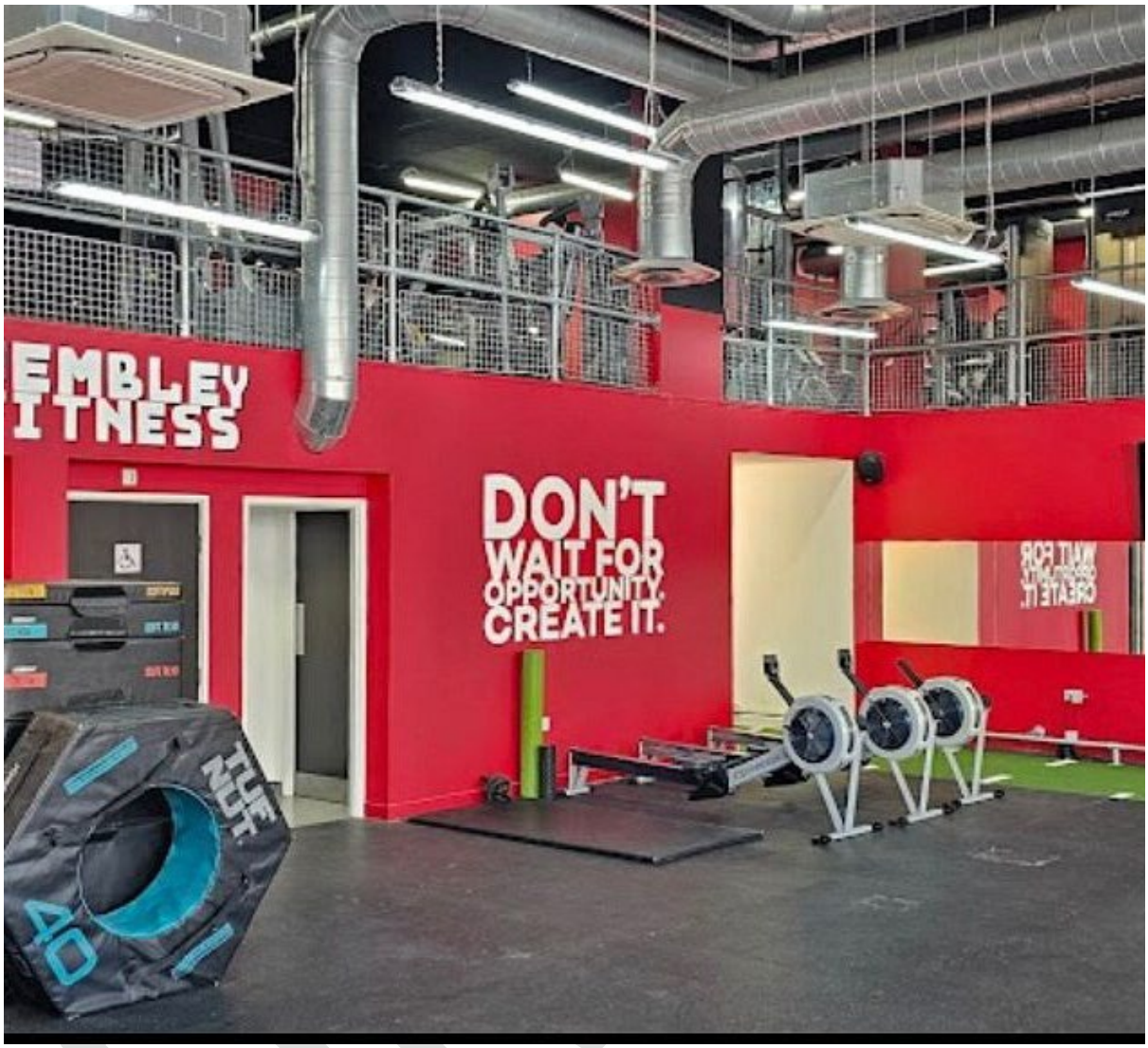
4. Financial Performance



Financial Summary

Income and expenditure of the fund over the past five years is shown below. This shows that a net increase in the Fund's market value of £452m over the five-year period. During 2025/26, the Fund's value increased by £169.6m.

Financial Summary	**2021/22 £m**	**2022/23 £m**	**2023/24 £m**	**2024/25 £m**	**2025/26 £m**
Contributions receivable	(70.9)	(73.8)	(76.7)	(80.0)	(78.7)
Benefits payable	52.7	55.6	59.8	69.2	74.5
Net (additions)/withdrawals from dealings with members	**(18.2)**	**(18.2)**	**(16.9)**	**(10.8)**	**(4.2)**
Management expenses	4.3	4.1	4.2	5.1	4.2
Net of investment income and taxes on income	(1.1)	1.8	(11.1)	(15.4)	(20.3)
Change in market value	(88.1)	25.8	(117.1)	(30.6)	(149.3)
Net (increase)/decrease in Fund Value	**(103.1)**	**13.5**	**(140.9)**	**(51.6)**	**(169.6)**

Movements in the Fund's income and expenditure primarily reflect changes in membership and demographics. Contribution income varies with active member numbers, pay levels, employer rates, and transfers, while benefit costs are driven by retirements, pensioner longevity and pension increases. A comprehensive summary of the Fund's member composition can be found in Note 1 of the main Statement of Accounts.

Analysis of Dealings with Scheme Members

As shown in the table below, net contribution from members has been positive over the past six years. Employer contributions show a modest increase relative to the previous year. Transfers out have increased compared to last year, reflecting more members electing to remove their benefits from the scheme.

Analysis of Dealings with Scheme Members	**2021/22 £m**	**2022/23 £m**	**2023/24 £m**	**2024/25 £m**	**2025/26 £m**
Contributions receivable					
Members	(9.7)	(10.6)	(11.1)	(12.0)	(12.5)
Employers	(54.4)	(56.9)	(57.8)	(61.2)	(57.1)
Transfers In	(6.8)	(6.3)	(7.8)	(6.8)	(9.1)
Total	**(70.9)**	**(73.8)**	**(76.7)**	**(80)**	**(78.7)**
Benefits payable					
Pensions	39.7	41.4	45.2	49.3	50.5
Lump sum retirement and death benefits	7.2	6.4	6.8	10.6	11.1
Transfers Out	5.7	7.6	7.7	9.1	12.6
Refunds to members leaving service	0.2	0.2	0.1	0.2	0.3
Total	**52.7**	**55.6**	**59.8**	**69.2**	**74.5**
Net Dealings with Members	**(19.2)**	**(18.2)**	**(16.9)**	**(10.8)**	**(4.2)**

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Analysis of Management Expenses

The costs of managing the Pension Fund are split into three areas: Administration expenses, Oversight and Governance costs and Investment management expenses.

Analysis of Management Expenses	**2021/22 £m**	**2022/23 £m**	**2023/24 £m**	**2024/25 £m**	**2025/26 £m**
Administration costs	1.6	1.4	1.6	2.4	1.6
Oversight and Governance costs	0.2	0.2	0.2	0.4	0.4
Investment management costs					
Management fees	2.4	2.4	2.4	2.3	2.2
Custody fees	0.1	0.1	0.0	0.0	0.0
Total	**4.3**	**4.1**	**4.2**	**5.1**	**4.2**

Analysis of non-investment assets and liabilities

Compared to the prior year, the Fund saw an increase in non-current assets. Sundry debtors decreased from £3.8m to £1.1m, and sundry creditors stayed unchanged.

The main driver for the decrease in debtors is that the Fund received £1.7m from employers to cover voluntary-redundancy costs and £1m for enhanced pension costs in the period to 31 March 2025. When an employer offers voluntary redundancy, the pension scheme meets the extra pension or early-retirement costs up front. The employer reimburses the Fund for those additional costs.

Contribution Rates

Members of the LGPS pay a contribution rate dependant on the salary band they fall in to. The contribution rate employees pay depends on their salary. The bands and contribution rates for 2025/26 are set out in the table below.

Annual Pensionable Pay	**Rate**	**50/50 Gross Contribution**
Up to £17,800	5.5%	2.75%
£17,801 to £28,000	5.8%	2.90%
£28,001 to £45,600	6.5%	3.25%
£45,601 to £57,700	6.8%	3.40%
£57,701 to £81,000	8.5%	4.25%
£81,001 to £114,800	9.9%	4.95%
£114,801 to £135,300	10.5%	5.25%
£135,301 to £203,000	11.4%	5.70%
£203,001 or more	12.5%	6.25%

Individual employers' rates vary depending on the demographic and actuarial factors particular to each employer. The most commonly applied employer contribution rate within the Brent Pension Fund was 30.5% in 2025/26.

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Regulations state that contributions must be paid to the Fund by the 22nd day of the month following deduction. The Fund reserves to right to levy interest on an employer for the late payment of contributions. In 2025/26, this power was not exercised.

Counter Fraud initiatives

Brent Council and the Brent Pension Fund have a statutory obligation to protect the public funds it administers. As part of this responsibility, the Council participates in the National Fraud Initiative, a government-led data matching scheme that helps identify fraud by detecting inconsistencies across public records. This initiative assists in identifying issues such as overpayments by flagging cases where pension recipients may have passed away, relocated overseas, or are receiving duplicate benefits. Identifying such inconsistencies allows the Fund to investigate and take corrective action before losses occur.

To further reduce the risk of overpayments, the Council provides information on the Tell Us Once service, which allows residents to report a death just once, ensuring relevant departments are notified promptly.

Overpayments and Write-offs

The Fund monitors and actively manages the recovery of pension overpayments, which can arise from late notification of a member's death or a change in circumstances. Where an overpayment is identified, prompt action is taken to stop further payments and to initiate recovery. Recoveries are pursued by LPPA, who balance the duty to safeguard scheme assets with the need to act reasonably and sensitively in individual cases. The recovery threshold is set at £500.

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5. Fund Account, Net Assets and Notes



Brent Pension Fund Accounts

Pension Fund Accounts as at 31 March 2026

2024/25 £m		Notes	2025/26 £m
	Dealings with members, employers and others directly involved in the fund		
(73.2)	Contributions	7	(69.6)
(6.8)	Transfers in from other pension funds	8	(9.1)
(80.0)			**(78.7)**
59.9	Benefits	9	61.6
9.3	Payments to and on account of leavers	10	12.9
69.2			**74.5**
(10.8)	**Net (additions)/withdrawals from dealings with members**		**(4.2)**
5.1	Management expenses	11	4.2
(5.7)	**Net (additions)/withdrawals including management expenses**		**(0.0)**
	Returns on investments		
(15.4)	Investment income	12	**(20.2)**
0.1	Taxes on income	13	**(0.1)**
(30.6)	(Profits) and losses on disposal of investments and changes in the market value of investments	14	**(149.3)**
(45.9)	**Net return on investments**		**(169.6)**
(51.6)	**Net (increase)/decrease in the net assets available for benefits during the year**		**(169.6)**
(1,261.2)	**Opening net assets of the scheme**		**(1,312.8)**
(1,312.8)	**Closing net assets of the scheme**		**(1,482.4)**

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Net Assets Statement of the Pension Fund as at 31 March 2026

	Notes	
Investment assets	14	
Total net investments		
Current assets	20	
Current liabilities	21	
Net assets of the fund available to fund benefits at the end of the reporting period		

The net asset statement includes all assets and liabilities of the Fund as at 31 March 2026 but excludes long-term liabilities to pay pensions and benefits in future years. The actuarial present value of promised retirement benefits is disclosed in Note 19.

Notes to the Brent Pension Fund accounts

1. Description of Fund

The Brent Pension Fund (the 'Fund') is part of the Local Government Pension Scheme (LGPS) and is administered by Brent Council. The following description of the Fund is a summary only.

a) General

The Fund is a contributory defined benefit pension scheme administered by Brent Council to provide pensions and other benefits for pensionable employees of Brent Council and a range of other scheduled and admitted bodies.

b) Membership

Membership of the LGPS is voluntary and employees are free to choose whether to join the scheme, remain in the scheme or make their own personal arrangements outside the scheme.

Organisations participating in the Brent Pension Fund include:

- Scheduled bodies whose staff are automatically entitled to be members of the Fund
- Admitted bodies which are other organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

There were 43 employer organisations with active members within the Brent Pension Fund at 31 March 2026, listed below:

Scheduled bodies

London Borough of Brent	North West London Jewish Day School (Academy)
Alperton Community School	Oakington Manor Primary School
ARK Academy	Our Lady of Grace RC Infants School
ARK Elvin Academy	Our Lady of Grace RC Juniors School
Ark Franklin Primary School	Preston Manor High School
Braintcroft Primary School	Queens Park Community School
Byron Court	St Andrew & St Francis (Acad)
Claremont High School Academy	St Claudine's Catholic School for Girls
Compass Learning Partnership	St Gregory's RC High School
Crest Academy	St Margarets Clitheroe School

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Furness Primary School (Academy)	St Mary's RC Academy
Gladstone Park Primary School	Sudbury Primary School
Harris Lowe Acad. Willesden BR	The Village School
Harris Primary Academy (South Kenton)	Wembley High Technology College
Kingsbury High School	Woodfield School Academy
Manor School	Michaela Community School Academy
	Roundwood School and Community Centre

Admitted bodies

Alliance in Partnership (Gladstone Park Primary)

Atalian Servest AMK

Barnardos

Veolia (Ground Maintenance)

Continental Landscapes Limited

Local Employment Access Project (LEAP)

O'Hara Bros Surfacing

Prospects Services (BR)

Taylor Shaw

Veolia

Brent Pension Fund	**31-Mar-25**	**31-Mar-26**
Number of employers with active members	44	43
Number of employees in scheme		
Brent Council	4,630	4,508
Other employers	2,100	2,071
Total	**6,730**	**6,579**

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Number of pensioners		
Brent Council	6,753	6,785
Other employers	932	1,005
Total	**7,685**	**7,790**
Deferred pensioners		
Brent Council	6,951	6,861
Other employers	1,428	1,528
Total	**8,379**	**8,389**
Total members in pension scheme	**22,794**	**22,758**

c) Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the Fund in accordance with the LGPS (Benefits, Membership and Contributions) Regulations 2013 and range from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2026. Employee contributions are matched by employers' contributions which are set based on triennial actuarial funding valuations. The last such valuation was at 31 March 2025. During 2025/26, the most commonly applied employer contribution rate within the Brent Pension Fund was 30.5% of pensionable pay.

d) Benefits

Since April 2014, the scheme is a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate 1/49th. Accrued pension is updated annually in line with the Consumer Price index.

For a summary of the scheme before April 2014 and details of a range of other benefits provided under the scheme including early retirement, disability pensions and death benefits please refer to the LGPS website: www.lgpsmember.org

2. Basis of preparation

The Statement of Accounts summarises the Fund's transactions for the 2025/26 financial year and its position at year-end as at 31 March 2026. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 issued by the

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Chartered Institute of Public Finance and Accountancy (CIPFA) which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The accounts have been prepared on a going concern basis. The accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits. The accounts do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year. The actuarial present value of promised retirement benefits, valued on an International Accounting Standard (IAS) 19 basis, is disclosed at Note 19 of these accounts.

3. Summary of significant accounting policies

Fund Account – revenue recognition

a) Contribution income

Normal contributions are accounted for on an accruals basis as follows:

• Employee contribution rates are set in accordance with LGPS regulations and are accounted for in the payroll period to which they relate.

• Employer contribution rates are set at the percentage rate recommended by the Fund actuary and are accounted for in the payroll period to which they relate.

Employers' augmentation contributions and pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classified as a current financial asset. Amounts not due until future years are classified as long-term financial assets.

b) Transfers to and from other schemes

Transfer values represent the amounts received and paid during the year for members who have either joined or left the Fund during the financial year and are calculated in accordance with the Local Government Pension Scheme Regulations (see Notes 8 and 10).

Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged.

Transfers in from members wishing to use the proceeds of their additional voluntary contributions (see section o below) to purchase scheme benefits are accounted for on a receipts basis and are included in Transfers In (see Note 8).

Bulk (group) transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement.

c) Investment income

i) Interest income

Interest income is recognised in the Fund Account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination. Income includes the amortisation of any discount or premium, transaction costs or other differences between

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the initial carrying amount of the instrument and its amount at maturity calculated on an effective interest rate basis.

ii) Dividend income

Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as a current financial asset.

iii) Distributions from pooled funds

Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as a current financial asset.

iv) Movement in the net market value of investments

Changes in the net market value of investments are recognised as income and comprise all realised and unrealised profits/losses during the year.

Fund Account – expense items

d) Benefits payable

Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the Net Assets Statement as current liabilities.

e) Taxation

The Fund is a registered public service scheme under section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a Fund expense as it arises.

f) Management expenses

The fund discloses its management expenses in line with the CIPFA guidance accounting for local government pensions scheme management expenses, as shown below. All items of expenditure are charged to the fund on an accrual basis as follows:

i) Administrative expenses
All staff costs for the pensions administrative team are directly charged to the fund. Council recharges for management, accommodation, and other overhead costs are accounted for as administrative expenses.

ii) Oversight and governance
Costs associated with governance and oversight are separately identified, apportioned, and charged as expenses to the fund.

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iii) Investment management expenses

Investment fees are directly charged to the fund as management expenses and are not included in reported investment returns. If fees are netted off returns by investment managers, these expenses are adjusted to reflect their impact on the investment value. Fees charged by external investment managers and custodians are based on the market value of managed investments, increasing, or decreasing with the changes in value. Estimated fees based on market value are included if fee notes are not received by year-end. Costs of the council's in-house fund management team and officer team spent on investment management are charged to the fund.

Net Assets Statement

g) Financial assets

Financial assets are included in the Net Assets Statement on a fair value basis as at the reporting date. A financial asset is recognised in the Net Assets Statement on the date the Fund becomes party to the contractual acquisition of the asset. From this date, any gains or losses arising from changes in the fair value of the asset are recognised by the Fund.

The values of investments as shown in the Net Assets Statement have been determined as follows:

i) Market-quoted investments

The value of an investment for which there is a readily available market price is determined by the bid market price ruling on the final day of the accounting period.

ii) Fixed interest securities

Fixed interest securities are recorded at net market value based on their current yields.

iii) Unquoted investments

The fair value of investments for which market quotations are not readily available is determined as follows:

- Valuations of delisted securities are based on the last sale price prior to delisting, or where subject to liquidation, the amount the Fund expects to receive on wind-up, less estimated realisation costs.
- Securities subject to takeover offer – the value of the consideration offered under the offer, less estimated realisation costs.
- Directly held investments include investments in limited partnerships, shares in unlisted companies, trusts and bonds. Other unquoted securities typically include pooled investments in property, infrastructure, debt securities and private equity. The valuation of these pools or directly held securities is undertaken by the investment manager or responsible entity and advised as a unit or security price. The valuation standards followed in these valuations adhere to industry guidelines or to standards set by the constituent documents of the pool or the management agreement.
- Investments in unquoted property and infrastructure pooled funds are valued at the net

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asset value or a single price advised by the fund manager.

- Investments in private equity/infrastructure funds and unquoted listed partnerships are valued based on the Fund's share of the net assets in the private equity/infrastructure fund or limited partnership using the latest financial statements published by the respective fund managers.

iv) Limited partnerships

Fair value is based on the net asset value ascertained from periodic valuations provided by those controlling the partnership.

v) Pooled investment vehicles

Pooled investment vehicles are valued at closing bid price if both bid and offer prices are published; or if single priced, at the closing single price. In the case of pooled investment vehicles that are accumulation funds, change in market value also includes income which is reinvested in the Fund, net of applicable withholding tax.

h) Contingent Assets

Admitted body employers in the Brent Pension Fund hold bonds to guard against the possibility of being unable to meet their pension obligations. These bonds are drawn in favour of the pension fund and payment will only be triggered in the event of employer default. Contingent Assets are disclosed in Note 25.

i) Foreign currency transactions

Dividends, interest and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of transaction. End-of-year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, market values of overseas investments and purchases and sales outstanding at the end of the reporting period.

k) Cash and cash equivalents

Cash comprises cash in hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

l) Financial liabilities

The Fund recognises financial liabilities at fair value as at the reporting date. A financial liability is recognised in the Net Assets Statement on the date the Fund becomes party to the liability. From this date, any gains or losses arising from changes in the fair value of the liability are recognised by the Fund.

m) Actuarial present value of promised retirement benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of IAS 19 and relevant actuarial standards.

As permitted under IAS 26, the Fund has opted to disclose the actuarial present value of promised

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retirement benefits by way of a note to the Net Assets Statement (Note 19).

n) Additional voluntary contributions

Brent Pension Fund provides an additional voluntary contributions (AVC) scheme for its members, the assets of which are invested separately from those of the Pension Fund. The Fund has appointed Prudential as its AVC provider. AVCs are paid to the AVC provider by employers and are specifically for providing additional benefits for individual contributors. Each AVC contributor receives an annual statement showing the amount held in their account and the movements in the year.

AVCs are not included in the accounts in accordance with Section 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (SI 2016/946) but are disclosed as a note only (Note 22).

4. Critical judgements in applying accounting policies

In applying the accounting policies set out in note 3, the Pension Fund has had to make certain judgements about complex transactions or those involving uncertainty about future events.

There were no such critical judgements made during 2025/26.

5. Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits (Note 19)	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Fund with expert advice about the assumptions to be applied.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% p/a decrease in the real discount rate assumption would result in an increase in the pension liability of approximately £20.0m. A 0.1% increase in Pension Increase Rate (CPI) would increase the value of liabilities by approximately £20.0m, and a one-

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		year increase in assumed life expectancy would increase the liability by around 4% (c. £53.0m).
Private equity / infrastructure / private debt	Private equity/infrastructure/private debt investments are valued based on the latest available information, updated for movements in cash where relevant. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	The total private equity/infrastructure/private debt investments in the financial statements are £133.4m. There is a risk that this investment may be under- or overstated in the accounts. There is a risk that this investment may be under- or overstated in the accounts up to 12% (£16.6m).

6. Events after the Reporting Date

There have been no events since 31 March 2026, and up to the date when these accounts were authorised that require any adjustments to these accounts.

The Pension Schemes Act 2026 officially became law on April 29, 2026, after receiving Royal Assent. The landmark legislation introduces sweeping regulatory reforms across both Defined Benefit (DB) and Defined Contribution (DC) schemes, alongside changes to the Local Government Pension Scheme. The Pension Schemes Act 2026 is a non-adjusting post-balance sheet event and an estimate of its financial effect cannot be reliably made.

7. Contributions receivable

By Category

	2024/25	**2025/26**
	£m	**£m**
Employees' Contributions	12.0	12.5
Employers' Contributions:		
Normal contributions	39.1	40.4
Deficit recovery contributions	18.9	15.9
Augmentation contributions	3.2	0.8
Total Employers' contributions	61.2	57.1
Total contributions receivable	**73.2**	**69.6**

By authority

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	2024/25	2025/26
	£m	£m
Administering Authority	57.9	55.2
Scheduled bodies	14.0	14.1
Admitted bodies	1.3	0.3
Total	**73.2**	**69.6**

8. Transfers in from other pension funds

	2024/25	2025/26
	£m	£m
Individual transfers	6.8	9.1
Total	**6.8**	**9.1**

9. Benefits payable

By Category

	2024/25	2025/26
	£m	£m
Pensions	49.3	50.5
Commutation and lump sum retirement benefits	10.0	9.1
Lump sum death benefits	0.6	2.0
Total	**59.9**	**61.6**

By authority

	2024/25	2025/26
	£m	£m
Administering Authority	57.0	54.7
Scheduled bodies	1.8	3.1

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Admitted bodies	1.0	3.8
Total	**59.9**	**61.6**

10. Payments to and on account of leavers

	2024/25	2025/26
	£m	**£m**
Refunds to members leaving service	0.2	0.3
Individual transfers	9.1	12.6
Total	**9.3**	**12.9**

11. Management Expenses

	2024/25	2024/26
	£m	**£m**
Administration costs	2.4	1.6
Investment management expenses	2.3	2.2
Oversight and Governance costs	0.4	0.4
Total	**5.1**	**4.2**

The management fees disclosed above include all investment management fees directly incurred by the Fund including those charged on pooled fund investments. Audit fees were £97k (£98k 2024/25).

11a. Investment management expenses (see Note 11b for further details)

	2024/25	2025/26
	£m	**£m**
Management fees	2.3	2.2
Total	**2.3**	**2.2**

11b. Investment management expenses

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Fund Manager	2025/26 Total £m	Management fees £m
Alinda	0.2	0.2
Capital Dynamics	0.0	0.0
Fidelity	0.1	0.1
Legal & General	0.1	0.1
LCIV MAC	0.2	0.2
LCIV JP Morgan	0.1	0.1
LCIV Baillie Gifford	0.4	0.4
LCIV Infrastructure	0.0	0.0
LCIV Private Debt	0.0	0.0
LCIV Ruffer	0.7	0.7
LCIV UK Housing Fund	0.1	0.1
London LGPS CIV LTD	0.2	0.2
Blackrock	0.0	0.0
UBS Triton	0.1	0.1
Northern Trust (Fund Custodian)	0.0	0.0
Cash	0.0	0.0
Total	**2.2**	**2.2**

Fund Manager	2024/25 Total £m	Management fees £m
Alinda	0.2	0.2
Capital Dynamics	0.1	0.1
Fidelity	0.1	0.1
Legal & General	0.1	0.1
LCIV MAC	0.2	0.2
LCIV JP Morgan	0.3	0.3
LCIV Baillie Gifford	0.3	0.3
LCIV Infrastructure	0.0	0.0
LCIV Private Debt	0.0	0.0
LCIV Ruffer	0.6	0.6
LCIV UK Housing Fund	0.0	0.0
London LGPS CIV LTD	0.2	0.2
Blackrock	0.0	0.0
UBS Triton	0.1	0.1
Northern Trust (Fund Custodian)	0.0	0.0
Cash	0.0	0.0
Total	**2.3**	**2.3**

12. Investment income

	2024/25	2025/26
	£m	£m
Pooled investments- unit trusts and other managed funds	9.6	10.4
Dividend income from private equities/infrastructure/property	2.7	2.5
Interest income from private equities/infrastructure/private debt	0.4	5.2
Interest on cash deposits	2.7	2.1
Total	**15.4**	**20.2**

13. Taxes on income

	2024/25	2025/26
	£m	£m
Withholding tax paid / (refunded)	0.1	(0.1)
Total	**0.1**	**(0.1)**

14. Investments

Investments asset	Market value 31 March 2025 £m	Market value 31 March 2026 £m
Pooled investments	1,091.8	1,247.3
Pooled property investments	41.1	47.3
Infrastructure	72.1	76.3
Private debt	40.2	55.9
Private equity	1.5	1.2
	1,246.7	**1,428.0**

14a. Investments

2025/26	Market value 1 April 2025 £m	Purchases during the year £m	Sales during the year £m	Change in market value during the year £m	Market value 31 March 2026 £m
Pooled investments	1,091.8	579.1	(570.2)	146.6	1,247.3

Pooled property investments	41.1	5.8	(0.2)	0.6	47.3
Infrastructure	72.0	5.0	(2.3)	1.6	76.3
Private debt	40.3	25.7	(10.9)	0.8	55.9
Private equity	1.5	0.5	(0.5)	(0.3)	1.2
	1,246.7	**616.1**	**(584.1)**	**149.3**	**1,428.0**
Other investment balances: Cash Deposit	63.6				53.9
Net investment assets	**1,310.3**				**1,481.9**

2024/25	**Market value 1 April 2024 £m**	**Purchases during the year £m**	**Sales during the year £m**	**Change in market value during the year £m**	**Market value 31 March 2025 £m**
Pooled investments	1,068.4	27.6	(34.5)	30.3	1,091.8
Pooled property investments	24.1	15.2	(0.2)	2.0	41.1
Infrastructure	66.3	6.4	(4.8)	4.1	72.0
Private debt	39.1	0.0	0.0	1.2	40.3
Private equity	17.3	0.8	(9.6)	(7.0)	1.5
	1,215.2	**50.0**	**(49.1)**	**30.6**	**1,246.7**
Other investment balances: Cash Deposit	44.1				63.6
Net investment assets	**1,259.3**				**1,310.3**

14b. Analysis of investments by category	Market value 31 March 2025 £m	Market value 31 March 2026 £m
Pooled funds - additional analysis		
UK		
Fixed income unit trust	66.6	144.2
Unit trusts	192.1	245.1
Diversified growth funds	197.8	105.7
Overseas		
Unit trusts	635.2	752.3
Total Pooled funds	**1,091.8**	**1,247.3**
Pooled property investments	41.1	47.3
Private equity/infrastructure/private debt	113.8	133.4
Total investments	**1,246.7**	**1,428.0**

14c. Analysis of investments by fund manager

Fund manager	Market value 31 March 2025 £m	%	Market value 31 March 2026 £m	%
Legal & General	620.4	49.8	728.8	51.0
London CIV	0.2	0.0	0.2	0.0
LCIV – Emerging Market	61.4	4.9	83.6	5.9
Capital Dynamics	3.6	0.3	1.8	0.1
LCIV - Baillie Gifford	101.8	8.2	2.2	0.2
LCIV - Ruffer	96.0	7.7	103.5	7.2
LCIV - CQS & PIMCO	66.6	5.3	144.2	10.1
LCIV - Stepstone Infrastructure	54.2	4.3	60.7	4.3
LCIV UK Housing Fund	15.2	1.2	21.3	1.5
LCIV - Private Debt	40.2	3.2	55.9	3.9
Alinda	15.9	1.3	15.0	1.1
Fidelity UK Real Estate	14.7	1.2	14.8	1.0
Blackrock	145.4	11.7	184.7	12.9
UBS Triton Property Fund	11.2	0.9	11.3	0.8
	1,246.7	**100.0**	**1,428.0**	**100**

The following investments represent over 5% of the net assets of the fund. All of these companies are registered in the United Kingdom.

Security	Market value 31 March 2025	% of total fund	Market value 31 March 2026	% of total fund

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	£m	%	£m	%
L&G - Global Equities	536.8	43.1	**627.2**	**43.9**
L&G - UK Equities	83.6	6.7	**101.6**	**7.1**
Blackrock - Over 15-Year Gilts	108.3	8.7	**143.3**	**10.0**
LCIV - Ruffer DGF	96.0	7.7	**103.5**	**7.2**
LCIV - CQS & PIMCO MAC	66.6	5.3	**144.2**	**10.1**
LCIV - JP Morgan	61.4	4.9	**83.6**	**5.9**

14d. Stock lending

The London Borough of Brent Pension Fund does not operate a Stock Lending programme.

15. Fair Value – Basis of Valuation

The basis of the valuation of each asset class of investment asset is set out below. There has been no change in the valuation techniques used during the year. All assets have been valued using fair value techniques which represent the highest and best price available at the reporting date.

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Cash	Level 1	Carrying value is deemed to be fair value because of the short-term nature of these financial instruments	Not required	Not required
Pooled investments – overseas unit trusts and property funds	Level 2	Closing bid price where bid and offer prices are published. Closing single price where single price published	NAV-based pricing set on a forward pricing basis	Not required
Private Equity, Infrastructure and Private Debt	Level 3	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation Guidelines (2012)	EBITDA multiple Revenue multiple	Valuations could be affected by material events occurring between the date of the financial statements provided and the pension fund's own reporting date, by changes to expected cash flows, and by any differences between

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			Discount for lack of marketability Control premium	audit and unaudited accounts

15a. Sensitivity of assets valued at Level 3

Having analysed historical data and current market trends, and consulted with our independent investment advisor, the fund has determined that the valuation methods described above are likely to be accurate to within the following ranges and has set out below the consequent potential impact on the closing value of investments held at 31 March 2026.

	Assessed valuation range (+/-)	**Value at 31 March 2026**	**Value on increase**	**Value on decrease**
	%	**£m**	**£m**	**£m**
Private equity	27.0%	1.2	1.5	0.9
Infrastructure	14.6%	76.3	87.4	65.2
Private debt	9.1%	55.9	61.0	50.8

	Assessed valuation range (+/-)	**Value at 31 March 2025**	**Value on increase**	**Value on decrease**
	%	**£m**	**£m**	**£m**
Private equity	26.6%	1.5	2.0	1.1
Infrastructure	14.5%	72.1	82.6	61.7
Private debt	7.6%	40.2	43.3	37.2

15b. Fair value hierarchy

The valuation of financial instruments had been classified into three levels, according to the quality and reliability of information used to determine fair values. Transfers between levels are recognised in the year in which they occur.

Level 1

Financial instruments at Level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as Level 1 comprise

quoted equities, quoted fixed securities, quoted index linked securities, unit trusts and cash.

Listed investments are shown at bid prices. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

Level 2

Financial instruments at Level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

Level 3

Financial instruments at Level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

Such instruments would include unquoted equity investments and fund of hedge funds, which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

The values of the investment in private equity are based on valuations provided by the general partners to the private equity funds in which Brent Pension Fund has invested.

These valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation Guidelines, which follow the valuation principles of IFRS and US GAAP. Valuations are usually undertaken annually at the end of December. Cash flow adjustments are used to roll forward the valuations to 31 March as appropriate.

Transfers between levels will be recognised when there has been a change to observable mark data (improvement or reduction) or other change in valuation technique.

The following table provides an analysis of the financial assets and liabilities of the pension fund grouped into Levels 1 to 3, based on the level at which the fair value is observable.

Values at 31 March 2026	Quoted market price Level 1 £m	Using observable inputs Level 2 £m	With significant unobservable inputs Level 3 £m	Total £m
Financial assets at fair value through profit and loss				
Pooled investments		1,247.3		**1,247.3**
Pooled property investments		47.3		**47.3**

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Values at 31 March 2026	Quoted market price Level 1 £m	Using observable inputs Level 2 £m	With significant unobservable inputs Level 3 £m	Total £m
Private Equity/Infrastructure/Private Debt			133.4	**133.4**
Subtotal Financial assets at fair value through profit and loss		**1,294.6**	**133.4**	**1,428.0**
Cash	53.9			**53.9**
Subtotal Loans and receivables	**53.9**			**53.9**
Total Financial assets	**53.9**	**1,294.6**	**133.4**	**1,481.9**
Financial liabilities				
Current liabilities	(2.6)			**(2.6)**
Subtotal Financial liabilities at amortised cost	**(2.6)**	**0.0**	**0.0**	**(2.6)**
Total Financial liabilities	**(2.6)**	**0.0**	**0.0**	**(2.6)**
Net Financial assets	**51.3**	**1,294.6**	**133.4**	**1,479.3**

Values at 31 March 2025	Quoted market price Level 1 £m	Using observable inputs Level 2 £m	With significant unobservable inputs Level 3 £m	Total £m
Financial assets at fair value through profit and loss				
Pooled investments		1,091.8		**1,091.8**
Pooled property investments		41.1		**41.1**
Private Equity/Infrastructure/Private Debt			113.8	**113.8**
Subtotal Financial assets at fair value through profit and loss	**0.0**	**1,132.9**	**113.8**	**1,246.7**
Cash	63.6			**63.6**
Subtotal Loans and receivables	**63.6**	**0.0**	**0.0**	**63.6**
Total Financial assets	**63.6**	**1,132.9**	**113.8**	**1,310.3**
Financial liabilities				
Current liabilities	(2.6)			**(2.6)**

Subtotal Financial liabilities at amortised cost	**(2.6)**	**0.0**	**0.0**	**(2.6)**
Total Financial liabilities	**(2.6)**	**0.0**	**0.0**	**(2.6)**
Net Financial assets	**61.0**	**1,132.9**	**113.8**	**1,307.7**

15c. Transfers between Levels 1 and 2

There were no transfers between levels 1 and 2 during the year.

15d. Reconciliation of Fair Value Measurements within Level 3

	£m
Value at 31 March 2025	**113.8**
Transfers into Level 3	0.0
Transfers out of Level 3	0.0
Purchases	31.2
Sales	(13.7)
Issues	0.0
Settlements	0.0
Unrealised gains/losses	2.1
Realised gains/losses	0.0
Value at 31 March 2026	**133.4**

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16. Classification of financial instruments

Accounting policies describe how different asset classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the carrying amounts of financial assets and liabilities by category and net assets statement heading. No financial assets were reclassified during the accounting period.

31 March 2025				31 March 2026		
Fair value through profit and loss £m	Assets at amortised cost £m	Financial liabilities at amortised cost £m		Fair value through profit and loss £m	Assets at amortised cost £m	Financial liabilities at amortised cost £m
			Financial assets			
1,091.8			Pooled investments	1,247.3		
41.1			Pooled property investments	47.3		
113.8			Private equity/ infrastructure/ private debt	133.4		
	63.6		Cash		54.8	
	5.1		Debtors		2.2	
1,246.7	**68.7**	**0.0**	**Total Financial assets**	**1,428.0**	**57.0**	**0.0**
			Financial liabilities			
		(2.6)	Creditors			(2.6)
0.0	**0.0**	**(2.6)**	**Total Financial liabilities**	**0.0**	**0.0**	**(2.6)**
1,246.7	**68.7**	**(2.6)**	**Net Financial Assets**	**1,428.0**	**57.0**	**(2.6)**

16a. Net gains and losses on Financial Instruments

31 March 2025 £m		31 March 2026 £m
	Fair value through profit	
30.6	and loss	149.3
30.6	**Total**	**149.3**

17. Nature and extent of risks arising from financial instruments

Risk and risk management

The Fund's primary long-term risk is that the Fund's assets will fall short of its liabilities (i.e., promised benefits payable to members). Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across

the whole Fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk, and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows. The Pension Fund manages these investment risks as part of its overall pension fund risk management programme.

Responsibility for the Fund's risk management strategy rests with the Pension Fund Sub-Committee. Risk management policies are established to identify and analyse the risks faced by the Pension Fund's operations. Policies are reviewed regularly to reflect changes in activity and in market conditions.

a) Market risk

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix.

The objective of the Fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, whilst optimising the return on risk. In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the Pension Fund and its investment advisers undertake appropriate monitoring of market conditions and benchmark analysis.

Other price risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.

The Fund is exposed to share and derivative price risk. This arises from investments held by the Fund for which the future price is uncertain. All securities investments present a risk of loss of capital. Except for shares sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from shares sold short are unlimited.

The Fund's investment managers mitigate this price risk through diversification, and the selection of securities and other financial instruments is monitored by the Pension Fund to ensure it is within limits specified in the Fund investment strategy.

Other price risk – sensitivity analysis

Following analysis of historical data and expected investment return movement during the financial year, in consultation with the fund's investment advisors, the council has determined that the following movements in market price risk are reasonably possible for the 2025/26 reporting period.

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(Based on data as at 31 March 2026 using data provided by investment advisors scenario model). The sensitivities are consistent with the assumptions contained in the investment advisors' most recent review. This analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates, remain the same.

Other price risk – sensitivity analysis

Asset Type	Value as at 31 March 2026 £m	Potential market movements (+/-)	Value on increase £m	Value on decrease £m
Bonds	143.4	6.5%	152.7	134.1
Equities				
UK Equity	101.6	18.0%	119.9	83.3
Global Equity	668.7	18.4%	791.7	545.7
Emerging Market Equity	83.6	26.9%	106.1	61.1
Other Pooled investments				
Diversified Credit	144.2	6.1%	153.0	135.4
Ruffer Multi Asset	103.5	8.7%	112.5	94.5
Baillie Gifford Multi Asset	2.2	12.9%	2.5	1.9
Pooled Property investments	47.3	15.9%	54.8	39.8
Private Equity	1.2	27.0%	1.5	0.9
Infrastructure	76.3	14.6%	87.4	65.2
Private Debt	55.9	9.1%	61.0	50.8
	1,427.9		**1,643.1**	**1,212.7**

Other price risk – sensitivity analysis

Asset Type	Value as at 31 March 2025 £m	Potential market movements (+/-)	Value on increase £m	Value on decrease £m

Bonds	108.3	6.6%	115.5	101.2
Equities				
UK Equity	83.7	16.3%	97.4	70.1
Global Equity	573.8	18.6%	680.5	467.1
Emerging Market Equity	61.4	24.3%	76.3	46.5
Other Pooled investments				
Diversified Credit	66.6	6.3%	70.8	62.5
Ruffer Multi Asset	96.0	8.6%	104.3	87.8
Baillie Gifford Multi Asset	101.8	12.8%	114.8	88.8
Pooled Property investments	41.1	15.2%	47.3	34.9
Private Equity	1.5	26.6%	2.0	1.1
Infrastructure	72.1	14.5%	82.6	61.7
Private Debt	40.2	7.6%	43.3	37.2
	1,246.5		**1,434.8**	**1,058.9**

Interest rate risk exposure asset type

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund's interest rate risk is routinely monitored by the Pension Fund in accordance with the Fund's risk management strategy, including monitoring the exposure to interest rates and assessment of actual interest rates against the relevant benchmarks.

The Fund's direct exposure to interest rate movements as at 31 March 2026 and 31 March 2025 is set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value:

	Asset value at 31 March 2025	**Asset value at 31 March 2026**
	£m	**£m**
Cash balances	63.6	53.9
UK Fixed income unit trust	66.6	144.2
Total	**130.2**	**198.1**

Asset type	**Carrying amount as at 31 March 2026**	**+1%**	**-1%**
	£m	£m	**£m**
Cash balances	53.9	0.5	(0.5)
UK Fixed income unit trust	144.2	1.4	(1.4)
Total	**198.1**	**1.9**	**(1.9)**

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Asset type	Carrying amount as at 31 March 2025 £m	+1% £m	-1% £m
Cash balances	63.6	0.6	(0.6)
UK Fixed income unit trust	66.6	0.7	(0.7)
Total	**130.2**	**1.3**	**(1.3)**

Currency risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the Fund (£UK). The Fund holds both monetary and non-monetary assets denominated in currencies other than £UK.

The Fund's currency rate risk is routinely monitored by the Pension Fund in accordance with the Fund's risk management strategy, including monitoring the range of exposure to currency fluctuations.

The following table summarises the Fund's currency exposure as at 31 March 2026 and as at the previous period end:

Currency risk exposure - asset type	Asset value at 31 March 2025 £m	Asset value at 31 March 2026 £m
Overseas unit trusts	635.2	752.3
Overseas private equity/infrastructure/private debt	113.8	133.4
Total	**749.0**	**885.7**

A 1% strengthening/weakening of the pound against the various currencies in which the Fund holds investments would increase/decrease the net assets available to pay benefits as follows:

Assets exposed to currency rate risk	Asset value as at 31 March 2026 £m	+1% £m	-1% £m
Overseas unit trusts	752.3	7.5	(7.5)
Overseas private equity/infrastructure/private debt	133.4	1.3	(1.3)
Total	**885.7**	**8.8**	**(8.8)**

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Assets exposed to currency rate risk	Asset value as at 31 March 2025	+1%	-1%
	£m	£m	£m
Overseas unit trusts	635.2	6.4	(6.4)
Overseas private equity/infrastructure/private debt	113.8	1.1	(1.1)
Total	**749.0**	**7.5**	**(7.5)**

b) Credit risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities.

In essence, the Fund's entire investment portfolio is exposed to some form of credit risk. However, the selection of high-quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner.

The Pension Fund's cash balance is held in an interest-bearing instant access deposit account with NatWest plc, which is rated independently and meets Brent Council's credit criteria.

The Pension Fund believes it has managed its exposure to credit risk and has had no experience of default or uncollectable deposits over the past five financial years. The Fund's cash holding under its treasury management arrangements at 31 March 2026 was £54.8m (31 March 2025: £63.5m). This was held with the following institutions:

Credit risk exposure

	Rating	Balances at 31 March 2025 £m	Balances at 31 March 2026 £m
Bank deposit accounts			
NatWest	A+	0.8	0.9
Northern Trust - Aviva Cash		0.2	0.1
Money Market deposits	AAA	62.6	53.8

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Total	**63.6**	**54.8**

c) Liquidity risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Pension Fund therefore takes steps to ensure that it has adequate cash resources to meet its pensioner payroll costs and investment commitments.

The Pension Fund has immediate access to its cash holdings.

Periodic cash flow forecasts are prepared to understand and manage the timing of the Fund's cash flows. The appropriate strategic level of cash balances to be held forms part of the Fund investment strategy.

All financial liabilities at 31 March 2026 are due within one year.

d) Refinancing risk

The key risk is that the Pension Fund will be bound to replenish a significant proportion of its financial instruments at a time of unfavourable interest rates. However, the Pension Fund does not have any financial instruments that have a refinancing risk as part of its treasury management and investment strategies.

18. Funding arrangements

In line with the LGPS Regulations 2013, the Fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period. The last such valuation took place as at 31 March 2025. The next valuation will take place as at 31 March 2028 and the results will be released in March 2029.

The key elements of the funding policy are:

- to ensure the long-term solvency of the Fund, i.e., that sufficient funds are available to meet all pension liabilities as they fall due for payment
- to ensure that employer contribution rates are as stable as possible
- to minimise the long-term cost of the Scheme by recognising the link between assets and liabilities and adopting an investment strategy that balances risk and return
- to reflect the different characteristics of employing bodies in determining contribution rates where the administering authority considers it reasonable to do so
- to use reasonable measures to reduce the risk to other employers and ultimately to the council tax payer from an employer defaulting on its pension obligations.
-

The aim is to achieve 100% solvency over a period of 20 years from 1 April 2025 and to provide stability in employer contribution rates by spreading any increases in rates over a period of time. Solvency is achieved when the funds held, plus future expected investment returns and future contributions are sufficient to meet expected future pension benefits payable.

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At the 2025 actuarial valuation the Fund was assessed as 113% funded, which is a improvement to the 87% valuation at the 2022 valuation. This corresponded to a surplus of £151m (2022 valuation: deficit of £162m) at that time.

Contribution increases or decreases may be phased in over the three-year period beginning 1 April 2026 for both Scheme employers and admitted bodies. The most commonly applied employer contribution rate within the Brent Pension Fund is:

Year	Employers' contribution rate
2024/25	32.0%
2025/26	30.5%
2026/27	23.0%

Individual employers' rates will vary from the common contribution rate depending on the demographic and actuarial factors particular to each employer. Full details of the contribution rates payable can be found in the 2025 actuarial valuation report and the funding strategy statement on the Fund's website.

The valuation of the Fund has been undertaken using the projected unit method under which the salary increase for each member is assumed to increase until they leave active service by death, retirement or withdrawal from service. The main actuarial assumptions used for the 2025 actuarial valuation were as follows:

Discount rate	6.0% p.a.
Pay increases	2.6% p.a.
Pension increases	2.3% p.a.

Demographic assumptions

Future life expectancy based on the Actuary's fund-specific review was:

Life expectancy at age 65	Male	Female
Current pensioners	22.2 years	24.8 years
Future Pensioners retiring in 20 years	23.1 years	26.0 years

Commutation assumption

It is assumed that 80% of future retirements will elect to exchange pension for additional tax free cash up to HMRC limits.

19. Actuarial present value of promised retirement benefits

In addition to the triennial funding valuation, the Fund's Actuary also undertakes a valuation of the pension fund liabilities, on an IAS 19 basis, every year using the same base data as the funding

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valuation rolled forward to the current financial year, taking account of changes in membership numbers and updating assumptions to the current year. This valuation is not carried out on the same basis as that used for setting fund contribution rates and the fund accounts do not take account of liabilities to pay pensions and other benefits in the future.

In order to assess the value of the benefits on this basis, the Actuary has updated the actuarial assumptions (set out below) from those used for funding purposes (see Note 18). The Actuary has also used valued ill health and death benefits in line with IAS 19.

Calculated on an IAS19 basis, the actuarial present value of promised retirement benefits at 31 March 2026 was £1,321m (31 March 2025: £1,220m). This figure includes both vested and non-vested benefits, although the latter is assumed to have a negligible value. The Fund Accounts do not take account of liabilities to pay pensions and other benefits in the future

The liabilities above are calculated on an IAS 19 basis and therefore differ from the results of the 2025 triennial funding valuation because IAS 19 stipulates a discount rate rather than a rate which reflects market rates.

Financial assumptions

Inflation/pensions increase rate	3.00%
Salary increase rate	3.30%
Discount rate	6.20%

Longevity assumption

The average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	22.4 years	24.9 years
Future pensioners*	23.2 years	26.1 years

* Future pensioners are assumed to be currently aged 45

Commutation assumption

An allowance is included for future retirements to elect to take 80% of the maximum additional tax-free cash up to HMRC limits.

Sensitivity Analysis

Sensitivity to the assumptions for the year ended 31	Approximate %	Approximate

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March 2026	increase to liabilities	monetary amount (£m)
0.1% p.a. decrease in the discount rate	2%	20
1 year increase in member life expectancy	4%	53
0.1% p.a. increase in the Salary Increase Rate	0%	1
0.1% p.a. increase in the Pension Increase Rate (CPI)	2%	20

The principal demographic assumption is the longevity assumption. For sensitivity purposes, it is estimated that a 1 year increase in life expectancy would approximately increase the liabilities by around 4% (c. £53m).

20. Assets

a) Current assets

	31 March 2025	31 March 2026
	£m	£m
Debtors		
- Contributions due – employees	0.2	0.2
- Contributions due – employers	1.1	0.9
- Sundry debtors	3.8	1.1
Total	**5.1**	**2.2**
Cash balances	**0.8**	**0.9**
Current assets	**5.9**	**3.1**

Analysis of debtors

	31 March 2025	31 March 2026
	£m	£m
- Central government bodies	0.0	0.1
- Other local authorities	2.7	0.3
- Other entities and individuals	2.4	1.8
Total	**5.1**	**2.2**

21. Current liabilities

	31 March 2025	31 March 2026
	£m	£m
Group transfers	0.0	0.0
Sundry creditors	2.6	2.6
Total	**2.6**	**2.6**

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Analysis of creditors

	31 March 2025	31 March 2026
	£m	£m
Central government bodies	1.2	1.4
Other entities and individuals	1.4	1.2
Total	**2.6**	**2.6**

22. Additional voluntary contributions

	Market Value 31 March 2025	Market Value 31 March 2026
	£m	£m
Clerical Medical	1.2	1.3
Prudential	1.1	1.2
	2.3	**2.5**

	Contributions March 2025	Contributions March 2026
	£m	£m
Clerical Medical	0.0	0.0
Prudential	0.1	0.2
	0.1	**0.2**

For information, Prudential has since replaced Clerical Medical as the Fund's AVC provider with effect from 1 April 2014.

In accordance with Regulation 4(1)(b) of the Pension Scheme (Management and Investment of Funds) Regulations 2016, the contributions paid and the assets of these investments are not included in the Fund's Accounts.

23. Related party transactions

Brent Council

The Brent Pension Fund is administered by Brent Council. Consequently, there is a strong relationship between the Council and the Pension Fund.

The Council incurred costs of £0.77m (2024/25: £0.98m) in relation to the administration of the Fund and was subsequently reimbursed by the Fund for these expenses. The Council is also the single largest employer of members of the Pension Fund and contributed £44.9m to the Fund in 2025/26 (2024/25: £45.2m).

Key management personnel

One member of the Pension Fund Sub-Committee (chair Cllr R Johnson) and one member of the Pension Board (C Bala) are in receipt of pension benefits from the Brent Pension Fund. Another member of the Pension Board (Cllr S Kabir) is an active member of the Pension Fund. In addition, both the Chief Executive (Kim Wright), and S.151 Officer (Minesh Patel) are active members of the Pension Fund. Each member of the Pension Fund Sub-Committee is required to declare their interests at each meeting. The proportion of the total remuneration payable to key management personnel that is charged to the Pension Fund is set out below:

	31st March 2025	31st March 2026
	£'000	£'000
Short Term Benefits	82.2	72.3
Post-Employment Benefits	26.3	22.1
Termination Benefits	0.0	0.0
Total Remunerations	**108.5**	**94.4**

24. Contingent liabilities and capital commitments

Outstanding capital commitments (investments) at 31 March 2026 totalled £80.0m (31 March 2025 £107.1m)

	31st March 2025	31st March 2026
	£m	£m
Capital Dynamics	11.9	12.6
Alinda Fund II	2.4	0.0
Alinda Fund III	7.1	7.0
London CIV Infrastructure Fund	4.6	0.0
London CIV Private Debt Fund	16.4	12.6
LCIV UK Housing Fund	19.7	13.9
LCIV Private Debt II Fund	45.0	33.9
Total	**107.1**	**80.0**

These commitments relate to outstanding call payments due on unquoted limited partnership funds held in the private equity and infrastructure parts of the portfolio. The amounts 'called' by these funds are irregular in both size and timing over a period of between four and six years from the date of each original commitment.

25. Contingent Assets

Contingent assets

One non-associated admitted body employers in the Brent Pension Fund held insurance bonds to guard against the possibility of being unable to meet their pension obligations. These bonds are drawn in favour of the Pension Fund and payment will only be triggered in the event of employer default. No Such defaults occurred in 2025/26.

	31st March 2025	31st March 2026
	£m	£m
Continental Landscapes	0.5	0.5
Total	**0.5**	**0.5**

26. Impairment Losses

The Fund had no Impairment Losses at 31 March 2026.

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6. Investments and Funding



Investment Strategy:

The Investment Strategy Statement (ISS) sets out the Fund's investment objectives and principles on how the Pension Fund will manage its assets to ensure pensions and other benefits, the long-term liabilities, can be paid as they fall due (Funding Strategy Statement).

The ISS is made in accordance with Regulation 7 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 .

The key regulatory requirement under the guidance is for the Pension Fund to formally formulate and maintain a comprehensive investment strategy statement that covers the investment objectives, asset allocation, risk parameters, and approaches to asset pooling and responsible investment, together with policies on environmental, social, and governance (ESG) integration.

The Investment Strategy Statement (ISS) must be published and remain accessible to scheme employers, members, and the public to maintain institutional transparency.

Finally, the Pension Fund must regularly review and revise their strategies, at least every three years, to reflect changing market conditions, scheme valuations, or updated government directives.

The Investment Strategy Statement (ISS) should be read in conjunction with the following statutory documents:

- Funding Strategy Statement (FSS)
- Communications Policy Statement
- Actuarial Valuation

Growth assets, such as global and UK equities, represents over half the Brent portfolio, and is subject to greater market volatility relative to income and protection assets, which provide safety and diversification benefits as well as steady cash flows to the overall fund.

Asset Class	Interim Target Allocation (%)	Long-Term Target Allocation (%)
Growth Assets (Global/UK/Emerging Equities, Private Equity)	**52.5%**	**50.0%**
Income Assets (Property, Infrastructure, Private Debt, Diversified Growth)	**32.5%**	**35.0%**
Protection Assets (Government Gilts, Multi-Asset Credit)	**15.0%**	**15.0%**
Total Allocation	**100.0%**	**100.0%**

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The Fund actively oversees primary risks to its financial stability, including broader financial market volatility and demographic shifts like increasing life expectancy, through a continuous risk management framework that reports findings directly to the Pension Fund Sub-Committee and Pension Board.

Investment performance is evaluated relative to risk. An increased allocation toward higher-risk assets offers the potential for enhanced financial returns; however, it concurrently elevates portfolio volatility and the probability of adverse investment outcomes. The Fund continuously reviews its allocation to maintain an optimal risk-reward balance.

When setting up the ISS, the Pension Fund carefully balances expected returns, risk, and costs. High returns often come with high-risk assets. Conversely, low-risk investments offer stability but slower growth. The aim of the ISS is to balance the competing objectives of maximising financial returns, protecting asset values, and funding pension liabilities.

Investment management fees fund the expertise and operations of asset managers. Passive funds replicate market indices, require minimal rebalancing, and maintain low expense structures. Active funds charge higher fees to employ specialized talent and conduct the research necessary to outperform benchmarks. While higher costs do not guarantee superior returns, they finance the advanced risk mitigation and security selection required for capital appreciation.

The Fund actively monitors this balance across its portfolio to ensure that its investment approach delivers sustainable, risk-adjusted returns while providing value for money for scheme members.

The Fund is a member of the Local Authority Pension Fund Forum (LAPFF), which is a voluntary association of LGPS funds that seeks to protect and enhance the value of its members' shareholdings by way of shareholder engagement, by action on corporate governance issues and by seeking to promote the highest standards of corporate social responsibility at the companies in which LAPFF members invest. Through LAPFF, the Fund exercises its belief that engagement with company management to promote improvements in socially responsible investment (SRI) practices is more powerful than divesting from the company's shares.

Funding Strategy Statement (FSS):

The FSS is a statutory public document for the Pension Fund that explains how an administering authority plans to pay future pensions. It outlines the Fund's approach to funding liabilities including:

- how employers' pension liabilities are best met;
- supporting stable employer contribution rates;
- ensuring the fund meets its solvency and long-term cost efficiency objectives;

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- taking a prudent longer-term view of funding liabilities

The Funding Strategy Statement (FSS) has been formulated by the administering authority in conjunction with the Fund's actuary, Hymans Robertson LLP. The preparation process includes comprehensive consultations with both the Fund's participating employers and its investment advisor. The FSS is reviewed in detail at least every three years during the triennial actuarial valuation.

The Local Government Pension Scheme (LGPS) guarantees employee benefits through statutory regulations, ensuring they remain independent of employer contribution rates and investment market fluctuations. While investment returns contribute partially to scheme funding, they carry no performance guarantees. Furthermore, employee contribution rates are statutorily fixed to cover only a designated fraction of the total benefit costs.

Employers must consequently fund the remaining costs required to provide member and dependent benefits.

Pension funding levels and employer contribution rates depend heavily on long-term predictions about the economy and demographics, such as investment returns, inflation, and how long members will live. Because these factors are uncertain, each Local Government Pension Scheme (LGPS) fund sets its own customised assumptions based on its specific risks, local context, and financial goals.

These differing approaches—combined with unique funding levels and varying employer budgets—naturally lead to different financial metrics across the LGPS network.

To allow for fair comparisons between different funds, all authorities must publish a standardized metric called the Scheme Advisory Board (SAB) funding level, which uses identical rules for everyone. As of 31 March 2025, the Fund's SAB funding level was 93%.

However, this standardised SAB figure is purely for comparison. It is not used to calculate the fund’s actual financial health or to plan how to pay off deficits. As a result, it does not change the fund's day-to-day investment strategy or the contribution rates that employers are legally required to pay.

The 2025 actuarial valuation indicated that the Fund achieved a funding level of 113% as of 31 March 2025, representing a 26% improvement compared to the 31 March 2022 assessment, as positive asset performance enhanced the Fund's financial position. The funding improvements have been factored into the revised contribution rates which balance affordability for the employers and security for the pension fund. This has resulted in the main contribution rate for employers decreasing from 30.5% of pensionable pay in 2025/26 to 23.0% in 2026/27.

The FSS was agreed and approved at the Pension Sub-Committee meeting in February 2026, with the next review set to take place in 2029. More information can be found in the FSS.

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Strategic Asset allocation (SAA):

The Pension Fund monitors its strategic asset allocation in line with the interim and long-term targets set out in the ISS, ensuring a balanced and well-diversified investment portfolio. The Fund's holdings (excluding cash) showing target asset allocation and performance over the previous 12 months are shown in the later pages below.

The SAA reflects the Fund's long term investment objectives and is inline with the interim and long-term targets set out in the ISS, ensuring a balanced and well-diversified investment portfolio.

The Pension Fund employs a phased approach to working towards the long-term target allocation; therefore, an interim allocation was also agreed to get to target.

The table below shows the current, interim and long-term allocation.

Asset Class	March 2026 Exposure (£m)	March 2026 Exposure (%)	Interim Target (%)	Strategic Asset Allocation (%)	Range (%)
Listed Equities	854.3	57.6	52.5	45.0	+/- 3.0%
Private Equity	1.2	0.1	1.0	2.5	n/a
Private Debt	55.9	3.8	5.0	5.0	n/a
Property	47.5	3.2	6.0	10.0	+/- 3.0%
Infrastructure	76.3	5.1	6.0	10.0	n/a
Other Alternatives	105.7	7.1	7.0	7.5	n/a
Credit	144.2	9.7	10.0	10.0	+/- 3.0%
Gilts	143.3	9.7	11.0	10.0	+/- 3.0%
Cash	54.8	3.7	1.5	-	+/- 3.0%
Total	**1483.2**	**100.0**	**100.0**	**100.0**	

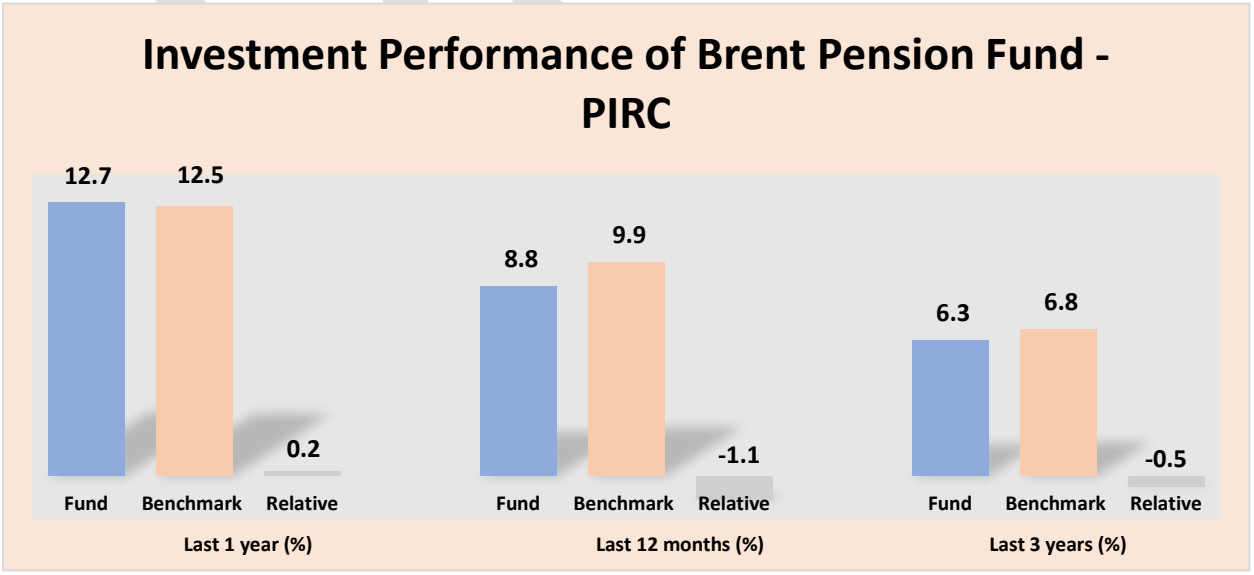
The table above outlines asset distribution for the year ending 31 March 2026. It also displays the Pension Funds current Strategic Asset Allocation (SAA) agreed in February 2026, plus the interim target asset allocation to provide context of the Pension Funds direction of travel.

Listed equities is outside of its allocation range in both the interim and long term with aim of reducing exposure over time with a view in the short term to increase exposure to gilts and credit. The Income allocation is made up of infrastructure, property, private debt and multi asset, totalling 19.2%, with the balance of 23.1% held in the form of Protection assets, i.e. credit, gilts and cash.

Strategic Asset allocation (SAA):

Investment	Asset Class	Benchmark Name	Long Term Allocation (%)	Allocation at 31 March 2026 (%)	Market value 31 March 2026 (£m)	Performance (%)	
						Fund	Benchmark
Legal & General	Global Equity	FTSE AW Dev World ex UK	37.0	12.2	180.8	17.7	17.8
Legal & General Future World Equity	Global Equity	Fund Return		30.1	446.7	-	-
BlackRock World Low Carbon	Global Equity	MSCI World		2.8	41.5	13.7	12.0
Legal & General	UK Equity	FTSE All Share Index	5.0	6.9	101.7	21.5	21.5
LCIV Arcadian/Ashmore	Emerging Market Equity	MSCI Emerging Market	3.0	5.6	83.6	36.2	26.8
Capital Dynamics	Private Equity	MSCI All World +1% p.a.	2.5	0.1	1.2	-	-
Total Growth			**47.5**	**57.7**	**855.5**		
LCIV Baillie Gifford	Diversified Growth	BoE Base Rate + 2% p. a	5.0	0.2	2.2	5.6	6.0
LCIV Ruffer	Diversified Growth	BoE Base Rate + 2% p. a		7.0	103.5	7.7	6.0
Alinda	Infrastructure	UK CPI + 2%	10.0	1.0	15.0	0.6	5.3
Capital Dynamics	Infrastructure	UK CPI + 2%		0.0	0.6	-0.2	5.3
LCIV Infrastructure	Infrastructure	UK CPI + 2%		4.1	60.7	6.7	5.3
Fidelity UK Real Estate	Property	MSCI/AREF UK All Balanced Property	10.0	1.0	14.8	-0.7	4.3
UBS Triton Property	Property	MSCI/AREF UK All Balanced Property		0.8	11.4	4.1	4.3
LCIV UK Housing Fund	Property	Absolute BM 6%		1.4	21.3	0.7	6.0
LCIV Private Debt I	Private Debt	Absolute BM 6%	5.0	3.0	44.7	13.7	6.0
LCIV Private Debt II	Private Debt	Absolute BM 6%		0.8	11.1	-	-
Natural Capital (New Allocation)			2.5	0.0	0.0		
Total Income			**32.5**	**19.2**	**285.3**		
LCIV MAC	Multi Asset Credit	SONIA + 2%	10	9.7	144.2	5.9	6.1
Blackrock Over 15-Year Gilts	Gilts	FTSE UK Gilts Over 15 Years	10	9.7	143.3	0.1	0.4
Total Protection			**20.0**	**19.4**	**287.6**		
Cash	Cash	LBB Total Cash	0.0	3.7	54.8		
Total			**100.0**	**100.0**	**1483.2**	**12.7**	**12.5**

Performance:



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The Fund delivered a return of 12.7% over the year to 31 March 2026, against the Fund's strategic benchmark return of 12.5%, delivering a relative outperformance of 0.2%.

The Pension Fund Committee aims to achieve a long-term return materially more than 6% per annum, the rate at which the Fund's liabilities are assumed to grow year on year, as set as part of the 2025 actuarial valuation.

Comparison of investment performance with other LGPS Funds:

The Fund's investment performance in comparison to the PIRC Local Authority percentile average for all Local Government Pension Schemes (LGPS) funds nationally is shown below (the PIRC universe consists of 61 LGPS funds):

Investment Benchmarking by Time Period	Rank	Period ended 31 March 2026 (%)	PIRC Local authority Average (%)
1 year	10	12.7	12.5
3 years	17	8.8	9.9
5 years	23	6.3	6.8

Comparison of investment performance with other LGPS Funds:

It is important to note that, as a long-term investor, investment returns over a longer period of time should be considered. The table below shows the rolling three-year performance of the Fund compared to other LGPS funds:

Investment Benchmarking by Year	Rank	Rolling 3-year return (%)
2025/26	17	8.8
2024/25	49	3.7
2023/24	36	5.4
2022/23	63	8.7
2021/22	61	8.2
2020/21	72	7.6
2019/20	42	1.5

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Investment Management Costs and Cost Transparency

The Pension Fund pays fees to external managers for the services they provide in managing the Fund's assets. These fees can be broken down into three categories:

1. Fees paid to fund managers for managing assets in line with agreed mandates. These fees are usually related to the value of assets managed and will therefore increase as asset values increase.
2. Transaction costs which include things like brokers fees which are incurred when investments are bought or sold.

The Pension Fund is a strong supporter of the LGPS Scheme Advisory Board's Code of Transparency in relation to investment management costs and secures data from fund managers using the Code's agreed templates for inclusion in the Fund's accounts. The table below provides a breakdown of investment management costs incurred by the Fund.

2024/25 (£m)	Investment Management Costs	Management Fee (£m)	Transaction Costs (£m)	Total (£m)
1.8	Assets managed by LCIV	1.8		1.8
0.3	Assets under Private Markets	0.2		0.2
0.2	Assets under Property	0.2		0.2
2.3	**Subtotal**	**2.2**	**-**	**2.2**
-	Custody fees	-	-	-
2.3	**Total**	**2.2**	**-**	**2.2**

Investment Administration and Custodianship:

The investment portfolio of the Fund is executed through a dual structure comprising pooled vehicles and directly appointed mandates. For pooled assets, the London Collective Investment Vehicle (London CIV) acts as the official pooling authority for London Local Government Pension Scheme (LGPS) funds. In this capacity, the London CIV administers sub-funds, appoints and oversees underlying investment managers, negotiates fee arrangements, and unifies reporting on performance, expenses, and stewardship.

The Brent Pension Fund's mandates with Legal & General and BlackRock are deemed as being under pooled management. They are investments which are not in an authorised London CIV sub-fund, but the mandate is monitored and overseen by the pool on behalf of the LGPS Funds.

Underlying fund managers carry out the day-to-day management of assets within their mandates, including security selection, portfolio rebalancing, trade execution, and cashflow management.

The Fund's assets are safeguarded by Northern Trust, who act as custodian. Northern Trust is responsible for the safe keeping of securities, settlement of trades, collection of income and reconciliation of holdings. They provide independent reporting on valuations, cashflows, and transactions to ensure that the Fund's assets are accurately recorded and securely managed.

The Brent Pension Fund's officers maintain oversight, monitor performance and risk, and provide quarterly reporting to the Pension Fund Sub-Committee and Pension Board.

Responsible Investment:

The Fund's Responsible Investment policy formalises the Fund's beliefs and principles with regard to environmental, social, and governance (ESG) considerations, in order to safeguard the long-term sustainability of its investments and acknowledges the critical significance of responsible investment, particularly regarding climate risk, and continuously refines its governance frameworks and investment strategies to address the financial implications of climate change.

The Funds RI Policy statement can be found at the following link: Brent Pension Fund RI Policy

The Fund's investment managers, acting in their fiduciary interests of the Fund, are required to evaluate all material factors including environmental, social and governance issues on the performance of an asset across the complete lifecycle when undertaking the acquisition, retention or realisation of investments for the Fund.

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The UN Principles for Responsible Investment (PRI) are a set of principles which have been developed to reflect the increasing relevance of ESG issues in investment practices. Each of the underlying investment managers in the Brent Pension Fund's portfolio are signatories to the UN PRIs and are required to publish a transparency report which details their compliance when measured against the guiding principles.

Our pooling operator, London CIV, is also a signatory to the UK Stewardship Code, which establishes the core Principles of effective stewardship and sets a high standard of transparency for asset owners and asset managers. Their responsible investment activities and supporting documents can be found by following the link below. LCIV RI Policy

Investment Pooling:

Background:

In 2015, the Department for Levelling Up, Housing and Communities (DLUHC) issued its Investment Reform Criteria and Guidance, setting out the requirement for Local Government Pension Scheme (LGPS) funds in England and Wales to pool their assets to deliver strong governance, economies of scale, reduced investment costs and an improved capacity and capability to invest in infrastructure.

In January 2019, DLUHC consulted on revised guidance in January 2019 to formalize the pooling framework and update expectations for administering authorities. This initiative built on previous discussions to introduce a more transparent regulatory structure for LGPS pool operations.

In July 2023, the Department for Levelling Up, Housing and Communities (DLUHC) published a formal consultation titled "Next Steps on Investment," which reaffirmed the Government's commitment to consolidating public pension assets. This strategy was subsequently reinforced by the Chancellor of the Exchequer in the Autumn Statement 2023. The directive established a formal expectation that all Local Government Pension Scheme (LGPS) funds transfer their listed assets into their respective regional investment pools by 31 March 2025.

Following the summer 2024 transition of the UK Government administration, the new Chancellor outlined legislative plans to consolidate the Local Government Pension Schemes (LGPS) into eight 'megafunds'. As a core element of the administration's 'Fit for the Future' agenda, this strategy aims to pool LGPS investment assets to deliver enhanced outcomes for both scheme members and taxpayers. Concurrently, the government launched a public consultation intended to accelerate previous pooling initiatives, with the specific objective of transferring all assets from the 86 individual

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LGPS funds into the eight designated pools to stimulate investment in high-growth businesses and infrastructure by March 2026.

Investment Pooling:

The London CIV, a FCA regulated investment company, was established in 2015 and is wholly owned by the 32 London local authority pension funds, with Buckingham Pension Fund also now a partner fund as of earlier this year.

The London CIV manage approximately £38.1bn in combined total pooled assets and actively manging £20.2bn with the balance passively being managed by LGIM and Blackrock where the Fund benefits from lower negotiated fees.

The Pension Fund continues to engage actively with the London CIV and monitors the development of new investment products.

As of 31 March 2026, the Fund held the following investments with the London CIV:

- Emerging Market equities (Arcadian/Ashmore)
- Diversified Growth (Baillie Gifford)
- Absolute Return (Ruffer)
- Multi Asset Credit (CQS/PIMCO)
- Infrastructure (Stepstone)
- Private Debt I (Churchill/Pemberton)
- Private Debt II (Ares, Patheon, Arcmont, Pollen Street, Churchill)
- UK Housing Fund (CBRE/Octopus/Savills/LGIM/Man Group)
- Gilts (Blackrock)
- UK Equity (LGIM)
- Global Equity (Blackrock/LGIM)

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Investment Pooling:

The table below shows the pooling status of the Fund's investments grouped by asset class.

	Pooled (£m)	Under pool Management (£m)	Non Pooled (£m)	Total (£m)
Global Equities	83.6	669.0	-	752.6
UK Equities	-	101.7	-	101.7
Diversified Growth & Multi Asset	105.7	-	-	105.7
Bonds	144.2	143.3	-	287.6
Private Equity	-	-	1.2	1.2
Infrastructure	60.7	-	15.6	76.3
Private Debt	55.9	-	-	55.9
Property	21.3	-	26.1	47.3
Cash	-	-	54.8	54.8
	471.4	**914.0**	**97.7**	**1,483.1**

Following the UK Government's Fit for the Future consultation, the UK Government proposes that LGPS funds transfer all assets, including legacy assets, to the management of pooling vehicles.

93% of the Brent Fund's assets are pooled or under pooled management.

Another component of the Fit for the Future consultation is for greater emphasis to be placed on investment in the UK. The table below illustrates investments made by the Brent Pension Fund, which are either made directly in UK equities or bonds, or which are exposed to projects based in the UK, such as in infrastructural projects or private equity holdings.

	Pooled (£m)	Under pool Management (£m)	Non Pooled (£m)	Total (£m)
Global Equities	-	-	-	-
UK Equities	-	101.7	-	101.7
Diversified Growth & Multi Asset	44.0	-	-	44.0
Bonds	7.52	143.34	-	150.9
Private Equity	-	-	-	-
Infrastructure	-	-	-	-
Private Debt	-	-	-	-
Property	21.3	-	14.7	35.9
Cash	-	-	54.7	54.7
	72.8	**245.0**	**69.3**	**387.1**

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Pool set-up and ongoing costs:

The table below shows pool setup and on-going costs paid to London CIV during 2025/26 and since inception:

	2025/26 £'000	Cumulative £'000
Set up costs		
Shareholding at cost	70	220
Development Funding Charge	73	684
Annual Service Charge	25	275
Ongoing investment management costs		
Investment management costs*	60	375
Total	**228**	**1,554**

Investment Pooling:

Investment management costs for the whole fund totalled £2.2m in 2025/26 as disclosed in the Pension Fund Accounts.

Cost savings as a result of pooling

London CIV produce an annual net savings report for the year, which shows the management fees incurred by the Pension Fund and the estimated management expenses for the Fund's investments if they were invested outside the London CIV pool. The net saving is the difference between these two figures.

London CIV calculate cost savings by estimating expenses if the Fund invested outside of the pool and comparing it to actual expenses incurred with London CIV. The difference is the projected saving in management and investment fees which arise from pooling.

In 2025/26, the estimated gross saving achieved by investing with London CIV totalled £1.529m, while net of the CIV's management and investment fees the total saving is £1.241m.

Contact Details

The London CIV can be contacted as follows:

Post: London CIV, Fourth Floor, 22 Lavington Street, London, SE1 0NZ

Telephone: 0208 036 9000

Website: https://lonconciv.org.uk

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7. Administration



The Brent Pensions Team

Pensions administration service is outsourced to the Local Pension Partnership Administrators (LPPA). A dedicated internal team complements this arrangement by serving as the primary point of contact for participating employers and scheme members, providing guidance on scheme membership, processes and procedures, as well as responding to enquiries and complaints.

The internal team is responsible for:

- Acting as the first point of contact for employers, members and prospective members, providing guidance, support and resolving queries and complaints.
- Ensuring compliance with relevant pension legislation, regulations and governance requirements.
- Supporting employers in meeting their responsibilities under the Local Government Pension Scheme (LGPS).
- Monitoring and managing the performance of the Local Pension Partnership Administrators (LPPA) to ensure service standards are met.
- Reviewing the LPPA's performance through monthly contract management meetings, during which areas for improvement are identified, and service enhancement initiatives are agreed, monitored, and implemented.
- Reporting to and supporting the Pension Fund Sub-Committee and Local Pension Board.
- Developing and maintaining pension policies, procedures and governance documents.
- Managing stakeholder communications and promoting high standards of customer service.
- Working with advisers, employers and other stakeholders to ensure the effective operation of the Pension Fund.

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The LPPA is responsible for maintaining all member records and administering key processes, including new starters, transfers, leavers, and pension benefit calculations. LPPA also manages direct communication with scheme members. All member records and correspondence are maintained by LPPA and are securely backed up daily.

Summary of Fund activity

Pension Payroll Migration

The migration of Pension Payroll and single payment processing to the LPPA was successfully implemented in January 2025. Since the transition, processes and controls have been reviewed and refined to support operational efficiency and service resilience. Payroll administration is now operating effectively, with pensions being processed accurately and paid to pensioners on time.

Data cleanse

Following the migration, the LPPA undertook a comprehensive data cleansing exercise to enhance data quality and provide assurance that pension benefits were being calculated and paid correctly. The Fund's internal team worked closely with the LPPA throughout the project, providing oversight and support to ensure the successful completion of the exercise and the continued integrity of member data.

The triennial valuation

The 2025 actuarial valuation represented the Fund's most significant strategic project during the period. The valuation was completed in 2026 and produced a positive outcome for the Fund. Key results included a significant improvement in funding level from 87% at the 2022 valuation to 113%, together with broadly proportionate reductions in employer contribution rates. These results demonstrate the Fund's strong financial position and provide assurance that it remains well placed to meet its long-term pension obligations while maintaining stable and sustainable contribution requirements for participating employers.

McCloud

The McCloud remedy was introduced in October 2023 to address the age discrimination identified in the McCloud judgment. The remedy provides eligible younger members with underpin protection comparable to that previously available to older members.

Brent has worked closely with the LPPA to improve the quality and completeness of member data, supporting compliance with the remedy and associated regulatory requirements.

The Fund, working in partnership with the LPPA, has made significant progress in enhancing data quality, resulting in 96.8% of Annual Benefit Statements (ABS) being

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compliant in 2025. As a precautionary measure, and in line with Local Government Association recommendation, the Fund passed a resolution to defer compliance.

Pensions Dashboard

The Pensions Dashboard enables members to access information about all their pension benefits through a single, secure platform.

Brent successfully connected to the Pensions Dashboard ecosystem ahead of the statutory deadline and has worked closely with the LPPA to improve data quality, enhance data accuracy, and oversee project delivery.

The Fund continues to work with the LPPA to maintain high data standards and support ongoing compliance with regulatory obligations.

Cyber Security

The Fund uses the host authority's Information Technology systems in common with all but the largest local government pension schemes. It has adopted the Council's information security policies and procedures to maintain appropriate safeguards over pension data and systems. Cyber security risks are monitored as part of the Fund's risk management framework and are regularly reviewed through the Fund's risk register.

The Fund's administration provider, LPPA, operates a range of cyber security controls to protect member data and ensure service resilience. These controls include network security measures, such as firewalls, and daily data backups to reduce the risk of data loss, unauthorised access, or system disruption.

The Fund works closely with LPPA and its other partners to ensure that data security arrangements remain robust and responsive to emerging cyber threats.

Key performance indicators (KPIs)

The LPPA's performance is closely monitored through monthly contract management meetings and quarterly performance reviews. While the KPIs reported in Annex 1 are satisfactory, the internal team validates these against other performance indicators, including calculation / payment accuracy, complaint volumes, and Internal Dispute Resolution Procedure (IDRP) cases, to ensure a balanced and comprehensive assessment of the LPPA's performance.

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Members and employers

The number of members in each category on 31 March 2026 were;

Active members	6,579
Deferred pensioners	8,389
Pensioner members	7,790

The number of employers by category on 31 March 2026 were;

Employer Type	Active	Ceased
Scheduled Bodies	1	1
Admitted & Other Bodies	10	29
Academies	32	0

Communications Policy

The London Borough of Brent Pension Fund ("the Fund") Communication Policy is reviewed every three years, or sooner if there is a material change in legislation, policy, or Fund operations.

The Communications Strategy is prepared in accordance with Regulation 61 of the Local Government Pension Scheme Regulations 2013, which requires the Administering Authority to prepare, maintain, and publish a policy on communications

The Fund will use the most appropriate communication channels for each audience, which may include:

- The Brent Pension Fund website
- PensionPoint Member Self-Service
- Email and electronic communications
- Letters and printed publications
- Annual Benefit Statements
- Employer newsletters, guidance, and training sessions

Where practical, the Fund will communicate electronically as the preferred method of communication. Paper communications will remain available for members and stakeholders who are unable or unwilling to access information digitally. The Fund will

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ensure that communications are clear, accessible, accurate, and compliant with relevant legislation, including data protection requirements and accessibility standards.

The Fund and its partners actively engage with the members through a variety of courses and events. The Pensions Made Simple presentations are particularly popular, with each session typically attracting between 55 and 85 attendees.

- 24 LPPA scheme member events
- 59 LPPA scheme employer events
- Employer's Forum
- 3 Affinity Connect pre-retirement courses
- 3 In-house "Pensions Made Simple" presentations
- 2 Scheme employer Presentations
- Regular dedicated and ad hoc communications on Viva Engage
- 10 Active member LPPA newsletters
- 9 Deferred member LPPA newsletters
- 9 Pensioner LPPA newsletters

Value for money

Operational costs

The Fund's operational costs are monitored throughout the year by the Fund's management team and are reported in the Pension Fund Annual Accounts.

To provide assurance that the Fund's investments are being managed effectively and efficiently, investment performance is benchmarked annually against other local authority pension funds participating in the PIRC Local Authority Pension Performance Analytics Universe. The Fund also maintains a robust system of internal controls to support the accuracy and integrity of financial information and is subject to both internal and external audit scrutiny.

Value for money

We are committed to delivering value for money for all members and employers. To demonstrate the efficiency and effectiveness of the services provided, officers within the Pensions Team, working in partnership with the Fund's pensions administration provider, collect and monitor key service performance indicators and cost data. This information is used to assess performance over time and, where possible, to benchmark the Fund against other local authority pension funds.

Performance is reviewed regularly through monthly meetings with LPPA, providing oversight of service delivery and progress against agreed objectives. These meetings also

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cover key projects and operational matters, including year-end processing, member and employer enquiries, resourcing, reporting requirements, and other activities.

This strategic monitoring helps ensure that services continue to meet the needs of members and employers while delivering value for money.

Dispute resolution

Where a member is unsure of their benefit entitlement or experiences any issues relating to their pension benefits, they should contact the Local Pensions Partnership (LPP) in the first instance for assistance and guidance.

The LPPA has a dedicated Complaints Team that manages routine complaints. This approach enables less complex complaints to be investigated and resolved independently of its administration teams, ensuring a consistent and impartial approach to complaint handling.

A summary of the complaints received during 2025/26 is provided below.

Number of complaints received	38
Number of complaints categorised as Pension Ombudsman cases	0
Number of Internal Dispute Resolution Procedure cases (IDRP)	5

A summary of the complaints received in 2024/25 is set out below for comparison.

Number of complaints received	47
Number of complaints categorised as Pension Ombudsman cases	2
Number of Internal Dispute Resolution Procedure cases (IDRP)	4

If a member is dissatisfied with any decision affecting their pension benefits, whether arising from an action taken or a failure to act, they have the right to appeal through the Internal Dispute Resolution Procedure (IDRP).

The IDRP is formal procedure set out in regulations 72-78 of the Local Government Pension Scheme Regulations 2013. The procedure follows a prescribed format and includes statutory timescales for submitting and determining appeals. Full details of the IDRP, together with guidance on how to submit an appeal, are available on the Fund's website.

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8. Actuarial Reports and Funds



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Introduction:

CIPFA's Code of Practice on Local Authority Accounting 2025/26 requires Administering Authorities of LGPS funds that prepare pension fund accounts to disclose what IAS26 refers to as the actuarial present value of promised retirement benefits. I have been instructed by the Administering Authority to provide the necessary information for the London Borough of Brent Pension Fund. ("the Fund").

The actuarial present value of promised retirement benefits is to be calculated similarly to the Defined Benefit Obligation under IAS19.

There are three options for its disclosure in the pension fund accounts:

• showing the figure in the Net Assets Statement, in which case it requires the statement to disclose the resulting surplus or deficit;

• as a note to the accounts; or

• by reference to this information in an accompanying actuarial report.

If an actuarial valuation has not been prepared at the date of the financial statements, IAS26 requires the most recent valuation to be used as a base and the date of the valuation disclosed. The valuation should be carried out using assumptions in line with IAS19 and not the Fund's funding assumptions.

Year ended	31 March 2026	31 March 2025
Active members (£m)	**381**	**406**
Deferred members (£m)	**321**	**317**
Pensioners (£m)	**619**	**497**
Total (£m)	**1321**	**1220**

The promised retirement benefits at 31 March 2026 have been projected using a roll forward approximation from the latest formal funding valuation as at 31 March 2025. The approximation involved in the roll forward model means that the split of benefits between the three classes of member may not be reliable. However, I am satisfied that the total figure is a reasonable estimate of the actuarial present value of benefit promises.

The figures include both vested and non-vested benefits, although the latter is assumed to have a negligible value. Further, I have not made any allowance for unfunded benefits.

It should be noted the above figures are appropriate for the Administering Authority only for preparation of the pension fund accounts. They should not be used for any other

purpose (i.e. comparing against liability measures on a funding basis or a cessation basis).

Assumption:

The assumptions used are those adopted for the Administering Authority's IAS19 report and are different as at 31 March 2026 and 31 March 2025. I estimate that the impact of the change in financial assumptions to 31 March 2026 is to decrease the actuarial present value by £40m. I estimate that the impact of the change in demographic assumptions is to decrease the actuarial present value by £33m.

Year ended	31 March 2026	31 March 2025
	% p.a.	% p.a.
Pension Increase Rate	3.00%	2.80%
Deferred members (£m)	3.30%	3.10%
Pensioners (£m)	6.20%	5.80%

Demographic assumptions:

The longevity assumptions have changed since the previous IAS26 disclosure for the Fund. 5.80% Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2025 model, with core parameterisation, initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a.. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

Year ended	Males	Females
Current Pensioners	22.2 years	24.8 years
Future pensioners (assumed to be aged 45 at the latest valuation date)	23.1 years	26.0 years

All other demographic assumptions have been updated since last year and are as per the latest funding valuation of the Fund.

Sensitivity Analysis:

CIPFA guidance requires the disclosure of the sensitivity of the results to the methods and assumptions used. The sensitivities regarding the principal assumptions used to measure the obligations are set out below:

Change in assumption at 31 March 2026	Approximate % increase to promised retirement benefits	Approximate monetary amount (£m)
0.1% p.a. decrease in the Discount Rate	**2%**	**20**
1 year increase in member life expectancy	**4%**	**53**
0.1% p.a. increase in the Salary Increase Rate	**0%**	**1**
0.1% p.a. increase in the Rate of CPI Inflation	**2%**	**20**

This paper accompanies the 'Accounting Covering Report – 31 March 2026' which identifies the appropriate reliance's and limitations for the use of the figures in this paper, together with further details regarding the professional requirements and assumptions.

Prepared by:- Craig Alexander FFA

20 May 2026

For and on behalf of Hymans Robertson LLP

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9. External audit opinion



External audit opinion

To Follow

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9. Additional Information



Glossary

Accounting Policies

The rules and practices adopted by the authority that determine how the transactions and events are reflected in the accounts.

Accruals

Amounts included in the accounts for income or expenditure in relation to the financial year but not received or paid as at 31 March.

Active Management

Active management or active fund management is where the fund manager makes specific investments with the aim of outperforming an investment benchmark.

Active Member

Fund members employed by one of the employers in the fund who are currently paying contributions into the fund.

Actuarial Assumptions

The combined set of assumptions made by the actuary, regarding the future, to calculate the value of liabilities. The main assumptions will relate to the discount rate, salary growth, pension increases and longevity. More prudent assumptions will give a higher liability value, whereas more optimistic assumptions will give a lower value. The lower the discount rate, the higher the liabilities and vice versa.

Actuary

An independent professional who advises the council on the financial position of the Fund. Every three years the actuary values the assets and liabilities of the Fund and determines the funding level and the employers' contribution rates.

Administering Authority

A local authority with statutory responsibility for running a pension fund under LGPS regulations, in effect the Fund's "trustees". Within the geographical boundary of the London Borough of Brent this is Brent Council.

Admitted Bodies

An organisation, whose staff can become members of the Fund by virtue of an admission agreement made between the Pension Fund and the organisation. It enables contractors who take on an employer's services with employees transferring to offer those staff continued membership of the Fund.

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Asset Allocation / Asset Mix

The apportionment of the Fund's assets between different types of investments (or asset classes). The long-term strategic asset allocation of a Fund will reflect the Fund's investment objectives.

Auditor

An independent qualified accountant who is required to verify and agree the Pension Fund Accounts and issue an opinion on their accuracy.

AVCs (Additional Voluntary Contributions)

An option available to active scheme members to secure additional pension benefits by making regular contributions to separately held investment funds managed by the Fund's AVC provider.

Benchmark

A measure against which the investment policy or performance of an investment manager can be compared. e.g., for a global equity fund the benchmark against which it will be measured could be the MSCI World index, for a UK equity fund the benchmark could be the FTSE All-Share Index. A target return is generally expressed as some margin over the benchmark.

Bond

Investments, mainly in government debt which guarantee a fixed rate of interest. The securities represent loans which are repayable at a future date, but which can be traded on a recognised stock exchange in the meantime.

Bulk Transfer

A transfer of a group of members agreed by and taking place between two pension schemes.

Capital Called

This is the proportion of the overall capital demanded by a private equity manager, which was promised to it by an investor. It is also known as a draw down or a capital commitment.

Cessation Valuation

A calculation carried out by the Actuary when an employer leaves the Fund, which may result in a final deficit payment becoming due to the Fund.

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CIPFA (Chartered Institute of Public Finance and Accounting)

CIPFA is the professional institute for accountants working in the public services. CIPFA publishes the code.

Common contribution rate

The Fund-wide future service rate plus past service adjustment. It should be noted that this will differ from the actual contributions payable by individual employers.

Commutation

The conversion of an annual pension entitlement into a lump sum on retirement.

Contingent Liability

A possible loss, subject to confirmation by an event after the Balance Sheet date, where the outcome is uncertain in terms of cost.

Covenant

The assessed financial strength of the employer. A strong covenant indicates a greater ability (and willingness) to pay for pension obligations in the long run. A weaker covenant means that it appears that the employer may have difficulties meeting its pension obligations in full over the longer term.

Creditors

Amounts owed by the Fund for goods and services received but not paid for as at 31 March.

Custodian

The custodian keeps a record of clients' investments and may also be responsible for trade settlements, collecting income, processing tax reclaims and providing other services.

Debtors

Amounts owed to the Fund for goods and services provided but where the associated income was not received as at 31 March.

Deferred Members

Scheme members, who have left employment or ceased to be active members of the scheme whilst remaining in employment but retain an entitlement to a pension from the scheme.

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Defined Benefit Scheme

A type of pension scheme, where the pension that will ultimately be paid to the employee is fixed in advance and not impacted by investment returns. It is the responsibility of the sponsoring organisation to ensure that sufficient assets are set to meet the pensions promised.

Deficit

The shortfall between the assets value and the liabilities value. This relates to assets and liabilities built up to date and ignores the future build-up of pension (which in effect is assumed to be met by future contributions).

Derivative

A derivative is a financial instrument which derives its value from the change in price (e.g. foreign exchange, rate, commodity price or interest rate) of an underlying investment (e.g. equities, bonds, commodities, interest rates, exchange rates and stock market indices), which no net initial investment or minimal initial investment and is settled at a future date.

Discount rate

The annual rate at which future assumed cash flows (in and out of the Fund) are discounted to the present day. This is necessary to provide a liabilities value which is consistent with the present-day value of the assets, to calculate the deficit. A lower discount rate gives a higher liabilities value, and vice versa. It is similarly used in the calculation of the future service rate and the common contribution rate.

Dividends

A dividend is a distribution of a portion of a company's earnings, decided by the board of directors, to a class of its shareholders. Dividends can be issued as cash payments, as shares of stock, or other property.

Emerging Markets

An emerging market economy is a nation's economy that is progressing toward becoming advanced. Emerging markets generally do not have the level of market efficiency and strict standards in accounting and securities regulation to be on par with advanced economies (such as the United States and Europe) but emerging markets will typically have a physical financial infrastructure including banks, a stock exchange and a unified currency.

Employee Contribution Rate

The percentage of the pensionable pay of employees which the fund pays as a contribution into the Pension Fund.

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Employer Contribution Rates

The percentage of the pensionable pay of employees that employers pay as a contribution towards the employees' pension.

Equities

Ordinary share in UK and overseas companies traded on a stock exchange. Shareholders have an interest in the profits of the company and are entitled to vote at shareholders' meetings.

ESG

ESG stands for Environmental, Social, and Governance. ESG covers a wide range of issues that may have a direct or indirect impact on how an organization is managing risks and opportunities related to environmental, social, and governance criteria (sometimes called ESG factors).

Financial Assets

Financial assets are contractual obligations to deliver cash or another financial asset (e.g. creditors) or exchange financial assets or financial liabilities under potentially unfavourable conditions (e.g. derivatives)

Final Pay

This is the figure used to calculate most of a member's pension benefits and is normally their pay in the last year before they retire, or one of the previous two years' pay if that amount is higher. For a part-time employee, the figure used is normally the pay they would have received had they worked whole time.

Fixed Interest Securities

Investments in stocks mainly issued by governments, which guarantee a fixed rate of interest.

FTSE

A company that specialises in index calculation. They are best known for the FTSE 100, an index of the top 100 UK companies (ranked by size).

Fund Manager

A firm of professionals appointed by the Pension Fund Sub-Committee to carry out day to day investment decisions for the Fund within the terms of their Investment Management Agreement.

Funding Level

The ratio of assets value to liabilities value.

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Funding Target

The amount of assets which the Fund needs to hold at any point in time to meet all benefits promised.

Future service rate

The actuarially calculated cost of each year's build-up of pension by the current active members, excluding members' contributions but including Fund administrative expenses. This is calculated using a chosen set of actuarial assumptions.

Gilts

Fixed-interest bonds issued by the British government, i.e., a promise by the Government to pay interest and capital as per the terms of that particular gilt, in return for an initial payment of capital by the purchaser. Gilts can be "fixed interest", where the interest payments are level throughout the gilt's term, or "index-linked" where the interest payments vary each year in line with a specified index (usually RPI). Gilts can be bought as assets by the Fund, but their main use in funding is as an objective measure of solvency. They are the equivalent of U.S. Treasury securities.

Guarantor

A body which guarantees to pay for an Admitted Body's liabilities in case of default. For any new Admitted Body wishing to join the Fund, the Administering Authority will require a Guarantor. The presence of a Guarantor will mean, for instance, that the Fund can consider the employer's covenant to be as strong as its Guarantor's.

Income Yield

Annual income on an investment divided by its price and expressed as a percentage.

Index Tracking Funds

Funds that are constructed to match closely the performance of a market index (e.g. FTSE All Share Index and the MSCI World Index). This can either be achieved by full replication (buying every single index constituent) or sampling (buying a representative cross-section).

Investment Adviser

A professionally qualified individual or company whose main livelihood is derived from providing objective, impartial investment advice to companies, pension funds or individuals.

Letting employer

An employer which outsources or transfers a part of its services and workforce to another employer (usually a contractor). The contractor will pay towards the LGPS benefits

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accrued by the transferring members, but ultimately the obligation to pay for these benefits will revert to the letting employer. A letting employer will usually be a local authority but can sometimes be another type of employer such as an Academy.

LGPS

Local Government Pension Scheme – a nationwide scheme for employees working in local government or working for other employers participating in the scheme. Government Regulations dictate eligibility (particularly for Scheduled Bodies), members' contribution rates, benefit calculations and certain governance requirements. The LGPS is divided into funds which map the UK. Each LGPS Fund is autonomous to the extent not dictated by Regulations, e.g., regarding investment strategy, employer contributions and choice of advisers.

Liabilities

The actuarially calculated present value of all pension entitlements of all members of the Fund, built up to date. This is compared with the present market value of Fund assets to derive the deficit. It is calculated on a chosen set of actuarial assumptions.

Mandate

A set of instructions given to the fund manager by the client as to how a fund is to be managed (e.g., targets for performance against a benchmark may be set or the manager may be prohibited from investing in certain stocks or sectors).

Market Value

The "on paper" value of a security at a specific point in time. It is calculated by multiplying the number of shares held by market price of that share in sterling terms.

Maturity

A general term to describe a Fund (or an employer's position within a Fund) where the members are closer to retirement (or more of them already retired) and the investment time horizon is shorter. This has implications for investment strategy and, consequently, funding strategy.

Members

The individuals who have built up (and may still be building up) entitlement in the Fund. They are divided into actives (current employee members), deferreds (ex-employees who have not yet retired) and pensioners (ex-employees who have now retired, and dependants of deceased ex-employees).

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Multi-Asset

A multi-asset class is a combination of asset classes (such as cash, equity or bonds) used as an investment. A multi-asset class investment would contain more than one asset class, thus creating a group or portfolio of assets. The weights and types of classes will vary according to the mandate.

Outperformance / underperformance

The difference in returns gained by a particular fund against the "average" fund or a benchmark over a specified time period, i.e., a target for a fund may be outperformance of a given benchmark over a three-year period.

Passive Management

A style of investment management where no active fund management is undertaken – investments are made in line with a designated benchmark or index.

Past service adjustment

The part of the employer's annual contribution which relates to past service deficit repair.

Pensioner Member

Members who are drawing benefits from the fund. They include former active members drawing their pension along with widows, widowers and other dependants of former active members.

Performance

A measure, usually expressed in percentage terms, of how well a fund has done over a particular time period – either in absolute terms or as measured against the "average" fund of a particular benchmark.

Pooled Investment Fund

A collective investment scheme that works by pooling money from different individual investors.

Pooling

Employers may be grouped together for the purpose of calculating contribution rates, so that their combined membership and asset shares are used to calculate a single contribution rate applicable to all employers in the pool. A pool may still require each individual employer to ultimately pay for its own share of deficit, or (if formally agreed) it may allow deficits to be passed from one employer to another.

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Pooled Investment Vehicles

Funds which manage the investment of more than one investor on a collective basis. Each investor is allocated units which are revalued at regular intervals. Income from these investments is normally returned to the pooled fund and increases the value of the units.

Portfolio

Term used to describe all investments held.

Private Equity

Mainly specialist pooled partnerships that invest in private companies not normally traded on public stock markets – these are often illiquid (i.e., not easily turned into cash) and higher-risk investments that should provide high returns over the long term.

Profile

The profile of an employer's membership or liability reflects various measurements of that employer's members, i.e., current and former employees. This includes: the proportions which are active, deferred or pensioner; the average ages of each category; the varying salary or pension levels; the lengths of service of active members vs their salary levels, etc.

A membership (or liability) profile might be measured for its maturity also.

Rates and Adjustments Certificate

A formal document required by the LGPS Regulations, which must be updated at least every three years at the conclusion of the formal valuation. This is completed by the actuary and confirms the contributions to be paid by each employer (or pool of employers) in the Fund for the three-year period until the next valuation is completed.

Recovery Period

Timescale allowed over which surpluses or deficiencies to the Fund can be eliminated.

Related Parties

Two or more parties are related parties when at any time during the financial period:

- One party has direct or indirect control of the other party: or
- The parties are subject to common control from the same source; or
- One party has influence over the financial and operational policies of the other party, to an extent that the other party might be inhibited from pursuing at all times its own separate interests: or

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- The parties, in entering a transaction are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interests.

Related Parties Transaction

A related party transaction is the transfer of assets or liabilities or the performance of services by, to or for a related party, irrespective of whether a charge is made. Examples: of related party transaction include:

The purchase, sale, lease, rental or hire of assets between related parties;

- The provision by a pension fund to a related party of assets of loans, irrespective of any direct economic benefit to the pension fund
- The provision of services to a related party, including the provision of pension fund administration services and
- Transactions with individuals who are related parties of an authority or a pension fund, except those applicable to other members of the community or the pension fund, such as Council Tax, rents and payment of benefits.

Recovery Period

Timescale allowed over which surpluses or deficiencies to the Fund can be eliminated.

Regulations

The Scheme is governed by Regulation approved by Parliament. Necessary amendments are made to these Regulations by means of Statutory Instruments.

Return

The total gain from holding an investment over a given period, including income and increase or decrease in market value.

Risk

Generally taken to mean the variability of returns. Investments with greater risk must usually promise higher returns than more “stable” investments before investors will buy them.

Scheduled Bodies

Types of employer explicitly defined in the LGPS Regulations, whose employers must be offered membership of their local LGPS Fund. These include Councils, colleges, universities, academies, police and fire authorities etc., other than employees who have entitlement to a different public sector pension scheme (e.g. teachers, health, and police and fire officers).

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Securities

The general name for stocks, shares and bonds issued by the company to investors.

Solvency

When the Fund's assets are greater than or equal to 100% of the Funding Target, which is the liabilities value.

SONIA

Sterling Overnight Index Average – the average of the interest rates that financial institutions charge banks to borrow sterling overnight. It is often used as a benchmark to set other interest rates or to measure returns on investments.

Stabilisation

Any method used to smooth out changes in employer contributions from one year to the next. This is very broadly required by the LGPS Regulations, but in practice is particularly employed for large stable employers in the Fund. Different methods may involve probability-based modelling of future market movements; longer deficit recovery periods; higher discount rates; or some combination of these.

The Code

The Code incorporates guidance in line with IFRS, IPSAS and UK GAAP Accounting standards. It sets out the proper accounting practice to be adopted for the statement of Accounts to ensure they 'present fairly' the financial position of the Council. The code has statutory status via the provision of the Local Government Act 2003.

Transfer Value

Capital value transferred to or from a scheme in respect of a contributor's previous periods of pensionable employment.

Uncalled Capital

This is the proportion of the overall capital that the investor has agreed to invest in the Scheme, but which has not been collected by the investment manager.

Unit Trust

A method which allows investors' money to be pooled and used by fund managers to buy a variety of securities.

Unrealised Gain/Losses

The increase or decrease in the market value of investments held by the fund since the date of their purchase.

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Valuation

An actuarial investigation to calculate the liabilities, future service contribution rate and common contribution rate for a Fund, and usually individual employers too. This is normally carried out in full every three years (last done as at 31 March 2025) but can be approximately updated at other times. The assets value is based on market values at the valuation date, and the liabilities value and contribution rates are based on long term bond market yields at that date also.

Volatility

This is the tendency of a share to move up and down. A very volatile security is one that has moved up or down more sharply than is normally the case in the market concerned. Volatility is very frequently used as a measure of risk on the grounds that a share which moves more sharply than others can be regarded as being much riskier. A steady share has less risk.

Weight

Weight is the percentage composition of a particular holding in a portfolio. The weights of the portfolio can simply be calculated using different approaches: the most basic type of weight is determined by dividing the value of a security by the total value of the portfolio. Another approach would be to divide the number of units of a given security by the total number of shares held in the portfolio.

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APPENDIX 1 – KEY PERFORMANCE INDICATORS

Table A - Total number of casework

Casework KPI	Total number of cases open as at 31 March (starting position)	Total number of new cases created in the year (1 April to 30 March)	Total number of cases completed in year	Total % of cases completed in year	Total number of cases completed in previous year	Total % of cases completed in previous year
Deaths recorded of active, deferred, pensioner and dependent members	257	374	481	76.2%	356	58.2%
Deferred member retirements	14	311	317	97.5%	370	96.4%
Active member retirements	12	174	176	94.6%	168	93.3%
Deferred benefits	314	909	976	79.8%	628	82.4%
Transfers in (including interfunds in, club transfers)	243	572	469	57.5%	398	62.5%
Transfers out (including interfunds out, club transfers)	282	789	778	72.6%	622	68.8%
Refunds	89	682	682	88.5%	700	88.7%
Divorce quotations issued	2	19	17	81.0%	21	91.3%
Actual divorce cases	2	0	1	50.0%	2	50.0%
New joiner notifications	7	40	47	100.0%	233	100.0%

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Casework KPI	Total number of cases open as at 31 March (starting position)	Total number of new cases created in the year (1 April to 30 March)	Total number of cases completed in year	Total % of cases completed in year	Total number of cases completed in previous year	Total % of cases completed in previous year
Aggregation cases	192	601	712	89.8%	397	67.4%

Table B - Time taken to process casework

Casework KPI	Suggested fund target*	% completed within fund target in year
Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member	5 days	94.2%
Communication issued to deferred member with pension and lump sum options (quotation)	15 days	99.1%
Communication issued to active member with pension and lump sum options (quotation)	5 days	98.6%
Communication issued to deferred member with confirmation of pension and lump sum options (actual)	5 days	98.6%
Communication issued to active member with confirmation of pension and lump sum options (actual)	5 days	97.9%

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Communication issued to scheme member with completion of transfer in	10 days	99.7%
Communication issued to scheme member with completion of transfer out	10 days	97.4%
Payment of refund	5 days	99.1%
Divorce quotation	45 days	100.0%
Communication issued following actual divorce proceedings i.e. application of a Pension Sharing Order	15 days	100.0%
Communication issued to new starters	10 days	100.0%
Member estimates requested by scheme member and employer	10 days	99.5%

*Days in this column are a suggested fund target for completion and not the statutory timescale.

Table C - Communications and engagement

Engagement with online portals	**Percentage as at 31 March**
% of active members registered	44.9%
% of deferred member registered	20.1%
% of pensioner and survivor members	48.5%
% total of all scheme members registered for self-service	35.6%
% of all registered users that have logged onto the service in the last 12 months	40.8%
Communication	
Total number of telephone calls received in year	5,340

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Total number of email and online channel queries received	1,652
Number of scheme member events held in year (total of in-person and online)	24
Number of employer engagement events held in year (in-person and online)	59
Number of active members who received a one-to-one (in-person and online)	0
Number of times a communication (i.e. newsletter) issued to:	0
a) Active members	10
b) Deferred members	9
c) Pensioners	9

Members registered for member self-service by age

Age Bracket	Total Registered
Under 21	11
21-25	94
26-30	215
31-35	263
36-40	400
41-45	548
46-50	623
51-55	795
56-60	1291
61-65	1630
66-70	1284
71-75	760
Over 75	900

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Administration KPI table D – Resources

Resources	
Total number of all administration staff (FTE)	7.6
Average service length of all administration staff	6.3 years
Staff vacancy rate as %	3.0%
Ratio of all administration staff to total number of scheme members (all staff including management)	2,963.8
Ratio of administration staff (excluding management) to total number of scheme members	3,612.5

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Table E - Data Quality

Annual Benefit Statements	
Percentage of annual benefit statements issued as at 31 August	96.8%
Short commentary if less than 100%	Not material
Data category	
Common data score	96.6%
Scheme specific data score	87.6%
Percentage of active, deferred and pensioner members recorded as 'gone away' with no home address held, or address is known to be out of date	Not reported
Percentage of active, deferred and pensioner members with an email address held on file	57.7%
Employer performance	
Percentage of employers set up to make monthly data submissions	100.0%
Percentage of employers who submitted monthly data on time during the reporting year	70.6%

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