

**PENSIONS COMMITTEE**  
**11 January 2023**

<b>Title:</b> Draft Pension Fund Accounts 2021/22	
<b>Report of the Chief Operating Officer</b>	
Public Report	<b>For Information</b>
<b>Wards Affected:</b> None	<b>Key Decision:</b> No
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<b>Accountable Director:</b> Philip Gregory, Chief Financial Officer	
<b>Accountable Strategic Leadership Director:</b> Fiona Taylor, Acting Chief Executive.	
<b>Summary:</b>  This report presents the Pension Committee with the Draft Pension Fund Accounts for 2021/22.	
<b>Recommendations</b>  The Committee is asked to consider and note the Draft Pension Fund Accounts for 2021/22.	

## **1 Introduction**

- 1.1 This report introduces the draft annual accounts of the London Borough of Barking and Dagenham Pension Fund for the year ended 31 March 2022, which are included as appendix 1.
- 1.2 The Pension Fund Accounts sets out the financial position of the Pension Fund as at 31 March 2022 and as such acts as the basis for understanding the financial well-being of the Pension Fund. It also enables Members to manage and monitor the Scheme effectively and be able to take decisions understanding the financial implication of those decisions.
- 1.3 The draft annual accounts are due to be finalised once audit commences.

## **2 Key Highlights**

- 2.1 2021/22 had positive return for the year, although the return was significantly reduced as a result of a market downturn following Russia's invasion of Ukraine. The overall investment return for the fund over the year, net of fund manager fees and custodian costs was 5.1%, which was 5.4% lower than the benchmark of 10.5%. Over three years the Fund's annualised return was 8.8%, which is 1.3% below the Fund's benchmark return of 10.1%.

- 2.2 Over one-year Baillie Gifford providing a negative return of 5.8% but underperformed its benchmark by 18.4%, while BlackRock, Abrdn, Hermes and passive equities provided double digit positive returns.
- 2.3 One new employer, Aspens 3, was admitted to the Fund in 2021/22. During the year, the total number of active employers within the Fund was 42.
- 2.4 The Fund increased in value by £78.1m from £1,282.8m as at 31 March 2021 to £1,360.9m as at 31 March 2022.
- 2.5 Audit fees for the year remained at £16.2k for the year.

### **3 Recommendation**

- 3.1 The Committee members are recommended to note the Pension Fund Accounts for 2021/22.