



City of Westminster

Pension Board

Date:	11 November 2024
Classification:	General Release
Title:	Pension Fund Annual Report and Statement of Accounts 2023/24
Wards Affected:	All
Policy Context:	Effective control over Council Activities
Financial Summary:	There are no immediate financial implications arising from this report, although investment performance has an impact on the Council's employer contribution to the Pension Fund and this is a charge to the General Fund.
Report of:	Phil Triggs <i>Tri-Borough Director of Treasury and Pensions</i> ptriggs@westminster.gov.uk 020 7641 4136

1. Executive Summary

- 1.1 This report presents the Westminster Pension Fund Annual Report and Statement of Accounts for the year ended 31 March 2024, attached at Appendix 1.

2. Recommendations

The Board is recommended to:

- 2.1 Note the Pension Fund Annual Report and Accounts for 2023/24.

3. Background

- 3.1 The Pension Fund's Annual Statement of Accounts for 2023/24 was prepared and ready to be submitted to the Council's external auditors for external audit on 16 May 2024. The Fund received the Audit Findings Report during October 2024, with no significant findings reported.

- 3.2 The production of the Pension Fund Annual Report, which includes the Pension Fund Accounts, is a regulatory requirement and needs to be approved by the Pension Fund Committee by the 1 December following the year end. The Pension Fund Committee approved the Pension Fund Annual Report at the Committee meeting on 17 October 2024.
- 3.3 Please see attached the Annual Report and Accounts attached at Appendix 1.

4. Annual Report Overview

- 4.1 The Pension Fund Annual Report guidance was updated during 2023-24 and was jointly produced by the Scheme Advisory Board (SAB), the Chartered Institute of Public Finance and Accountancy (CIPFA) and The Ministry for Housing, Communities and Local Government (MHCLG). Application of the guidance works on the basis of the following:
- **Must:** Compliance is strongly expected
 - **Should:** Compliance is anticipated but is discretionary
 - **May:** Compliance is recommended but is discretionary
- 4.2 Highlights of the Pension Fund Annual Report include:
- **Report of the Pension Fund Committee Chair**
 - **Management and Financial Performance**

The Pension Fund's net assets were £2.014bn at 31 March 2024, a net increase in Fund value of £219.6m, compared with a decrease in value of £81.8m during the 2022/23 year. This is largely due to positive performance within the equity mandates during the year, which account for circa 62% of the total Fund value.
 - **Investment Policy and Performance**

The Fund returned 13.3% over the financial year to 31 March 2024, underperforming its benchmark by 1.6% net of fees. This underperformance can be largely attributed to the Long Lease Property Fund, owing to the detraction in long-dated property valuations over the year. The active equity mandates also underperformed their benchmarks as a result of their underlying style biases, despite delivering positive absolute returns during the period.
 - **Scheme Administration**

Fund officers are pleased that the relationship with the administration partner, Hampshire Pension Services (HPS), remains positive, with the monthly KPIs at 100%. The common data score as measured in November 2023 was 85%, improved from 72% in November 2021. The Scheme Specific data score was 92% as measured in November 2023, improved from 87% in November 2021.

- **Pension Fund Accounts**

The Statement of Accounts was presented at the Audit and Performance Committee on 22 October 2024, and the accounts were officially signed off by external audit on 28 October 2024.

- **Asset Pooling**

If you have any questions about this report, or wish to inspect one of the background papers, please contact the report author:

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BACKGROUND PAPERS: None

APPENDICES

Appendix 1: Pension Fund Annual Report and Statement of Accounts 2023/24