

Report of: Corporate Director of Resources

Meeting of:	Date	Agenda item	Ward(s)
Pension Board	12 September 2018		n/a

Delete as appropriate		Non-exempt
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SUBJECT: Draft 2017/18 Annual Pension Fund Report

1. Synopsis

1.1 This report is for the local pension board to review the Funds annual report and accounts as part of its work plan.

2. Recommendation

2.1 To review the draft pension funds annual report attached as Appendix 1 before it is signed off by our external auditors

2.2 To note 2017/18 pension fund statement of accounts.

3. Background

3.1 The Public Services Pensions Act 2013 requires the establishment of local pension boards for each Local Government Pension Fund. Each administering authority must establish a pensions board no later than 1 April 2015.

3.2 Local Government Pension Scheme (Amendment) Governance Regulations 2014 (the Governance Regulations) provide that Pensions Board will have responsibility for assisting the 'scheme manager' (the Pensions Sub Committee in Islington's case) in relation to the following matters:

To ensure compliance with:

- the Local Government Pension Scheme Regulation (LGPS),
- other legislation relating to the governance and administration of the LGPS, and
- the requirements imposed by the Pensions Regulator in relation to the LGPS to ensure the effective and efficient governance and administration of the scheme.

3.3 The Pensions Sub -committee is the decision making body of the Fund and the Pension board can only advise or make recommendations to the Pensions -Sub Committee

The Pension Board should therefore be mindful;

- Its work plan should take account of the Fund's own work programme and seek to add value
- Servicing the Pension board will consume Fund management resources and time
- Senior Fund officers servicing the pension Board may on some fund performance issues be personally compromised and conflicted
- Some work items required may need the use of specialist external consultancy resources rather than using the officers servicing the Fund.

The Draft 2017/18 Annual Pension Fund Report

3.4 The draft annual report is legislated to be signed off by our external auditors KPMG by 30th September, and includes the pension fund statement of account to March 2018. A final copy of this annual report will be presented to members at the Annual Pension meeting due to be held on 16th October.

3.5 The pension fund accounts were produced and handed to the auditors in May for the auditing to be completed and Audit Committee approval before the statutory deadline of 31st July. The main highlights include:

- an increase in net assets of 4% to £1,307million
- Employees' contributions totalled £11.9million compared to 11.6million in 2016/17
- Employers' contributions amounted to £33.3 million compared to the £35.9 million in the previous year. The £2.6million decrease was mainly attributable to a much-reduced early retirement capital cost.
- Pensions paid totalled £44.6 million compared to £42.3million in 2016/17, a rise of 5.4%.
- As at 31 March 2018, the total income into the fund was £66.3million against an expenditure of £59.6 million. This means that the fund was able to meet all its commitments from contributions and investment income.

3.6 Members are asked to comment on any matters in the draft Annual Report and amendments made by officers before sign off by our external auditors.

4. Implications

4.1 Financial implications

Any cost associated with the governance of the fund will be treated as administration cost and charged to the Fund.

4.2 Legal Implications

The Public Services Pensions Act 2013 requires the council to establish a local pension boards by 1 April 2015. The board must comply with the requirements of the relevant Legislation.

4.3 Environmental Implications

None applicable to this report. Environmental implications will be included in each report to the board as necessary.

4.4 Equality Impact Assessment

None applicable to this report. The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of

disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding

5. Conclusion and reasons for recommendation

- 5.1 Members are asked to note 2017/18 statement of accounts and review the draft annual report 2017/18 as per their agreed work plan

Background papers:

Islington pension board's terms of reference

Final report clearance:

Signed by:

Corporate Director of Resources Date

Received by:

Head of Democratic Services Date

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