



Report of: **Corporate Director of Resources**

Meeting of:	Date	Agenda item	Ward(s)
Pension Board	17 June 2019		n/a

Delete as appropriate		Non-exempt
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SUBJECT: Draft 2018/19 Pension Fund Statement of Accounts

1. Synopsis

- 1.1 This report is for the local pension board to review the Funds 2018/19 statement of accounts as part of its work programme objective to make recommendations on statutory and non-statutory policies and strategies

2. Recommendation

- 2.1 To review the draft pension funds accounts attached as Appendix 1 before it is audited by our external auditors Grant Thornton

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 The Local Government Pension Scheme (Amendment) Governance Regulations 2015 (the Governance Regulations) provide that Pensions Board 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 2018/19 Pension Fund Statement of Accounts

- 3.4 The draft pension fund accounts are being finalised and working papers compiled to be handed to the auditors in June 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 5.3% to £1,377million
- Employees' contributions totalled £12.1million compared to 11.9million in 2017/18
- Employers' contributions amounted to £34.8 million compared to the £33.3 million in the previous year.
- Pensions paid totalled £47.3 million compared to £44.6million in 2017/18, a rise of 6.1%. The increase was driven by annual pension increase of 3%
- As at 31 March 2019, the total income into the fund was £69.6million against an expenditure of £66.6 million. The other drivers apart from pension payments were retirement lump sums and transfer outs. This means that the fund was able to meet all its commitments from contributions and investment income.

- 3.5 Members should also note that the pension fund annual report will be on the September agenda for comments before the Pension AGM in October.
- 3.6 Members are asked to review the draft statement of accounts 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 council is required to prepare a pension fund statement of accounts in respect of each financial year. That statement forms part of the council's overall statement of accounts which must be approved by the council's Audit Committee by 31 July. The role of the Pension Board is to review the draft statement and provide any comments thereon to the council.

4.3 Environmental Implications

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

4.4 Resident 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 and review draft 2018/19 statement of accounts as per their agreed work plan

Background papers:

None.

Final report clearance:

Signed by:

Received by: Corporate Director of Resources Date

Head of Democratic Services Date

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