



Report of: Corporate Director of Resources

| Meeting of: | Date | Agenda item | Ward(s) |
|---------------|-----------------|-------------|---------|
| Pension Board | 8 December 2020 | | n/a |

| | | |
|-----------------------|--|------------|
| Delete as appropriate | | Non-exempt |
|-----------------------|--|------------|

SUBJECT: Draft 2019/20 Annual Pension Fund Report

1. Synopsis

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

2. Recommendations

- 2.1 To note the draft 19/20 annual report attached as Appendix 1
- 2.2 To note 2019/20 pension fund statement of account, activities and performance.

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 2019/20 Annual Pension Fund Report

3.4 The draft annual report is legislated to be signed off by our external auditors Grant Thornton and includes the pension fund statement of account to March 2020. A summarized copy of this report will be made available to members electronically.

3.5 The pension fund statement of accounts were produced and handed to the auditors in July delayed because of the COVID 19 pandemic. The draft accounts were reviewed by the board at their last meeting in June and the auditing was completed and presented at Audit Committee before the statutory deadline of 1st December 2020.

3.6 The draft annual report covers the fund activities, performance, statement of accounts and statutory documents. Members are asked to comment on any matters in the draft Annual Report and amendments made by officers before it is signed off by the 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 and contribution to achieving a net zero carbon Islington by 2030:

None applicable to this report. Environmental implications will be included in each report to the Pension Board Committee as necessary. The current agreed investment strategy statement for pensions outlines the policies and targets set to April 2022 to reduce the current and future carbon exposure by 50% and 75% respectively compared to when it was measured in 2016 and also invest 15% of the fund in green opportunities. The link to the full document is <https://www.islington.gov.uk/~media/sharepoint-lists/public->

4.4 **Residential 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

- 4.4.1 An equalities impact assessment has not been conducted because this report is seeking opinions on a policy document and therefore no specific equality implications arising from this report .

5. **Conclusion and reasons for recommendation**

Members are asked to review the draft annual report 2019/20 attached as Appendix 1 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

Report Author: Joana Marfoh
Tel: (020) 7527 2382
Email: Joana.marfoh@islington.gov.uk