

Pension Fund Committee

Meeting to be held on Friday, 15 September 2017

Electoral Division affected: None;

2016/17 Pension Fund Annual Report

Appendix A refers.

Contact for further information: Abigail Leech, Head of Fund, Lancashire County Pension Fund Abigail.leech@lancashire.gov.uk

Executive Summary

This report sets out the Lancashire County Pension Fund Annual Report for the year ended 31 March 2017.

Recommendation

The Committee is asked to review the Lancashire County Pension Fund Annual Report for the year ended 31 March 2017 as set out at Appendix 'A', and approve it for submission to the Full Council.

Background and Advice

The Local Government Pension Scheme (Administration) Regulations 2008 (No 239) requires each administering authority to prepare an annual report for the pension fund and publish it before the 1st December following the year end. The regulations prescribe that the following should be included in the annual report:

- A report on the management and financial performance of the fund during the year;
- An explanation of the investment policy;
- A report on the administrative arrangements for the fund;
- A statement from the actuary on the latest funding level;
- The current version of the governance compliance statement;
- The fund account and net asset statement with supporting notes and disclosures;
- The extent to which the fund has achieved its required performance levels; and
- The current version of the funding strategy statement, the statement of Investment principles and communications policy and any other information the authority considers appropriate.

The terms of reference of the Pension Fund Committee require it to approve the annual report for submission to Full Council.

A copy of the Lancashire County Pension Fund Annual Report for the year ended 31

March 2017 is attached at Appendix 'A'. The Annual Report includes the following sections:

An overview of the management and financial performance of the Fund

This highlights both the challenges and changes that have impacted on the Fund during the year 2016/17.

Governance of the Fund

This highlights compliance or otherwise with the guidance given by the Secretary of State.

Administration of the Fund

An update on issues arising from the administration of the fund during the year, including any changes to the administration regulations.

Knowledge and skills framework

A summary of the framework and approach used to ensure that the right knowledge and skills mix exists to meet the financial management needs of the pension fund.

Reference is made to the Lancashire County Pension Fund Training Plan agreed in 2015/16, complying with the Public Service Pensions Act 2013 and to the revised framework introduced in 2015, focussed on the knowledge requirements of Local Pension Board members.

Investment policy and performance

A summary of the investment activity during the year and an analysis of performance of the investments of the Fund.

The accounts and financial statements

The audited accounts and financial statements of the pension fund signed by the Director of Financial Resources at the LCC Audit & Governance Committee on 31 July 2017 are included in the County Council's Statement of Accounts and also in the Pension Fund Annual Report.

Extracts from the draft accounts were reviewed by the Pension Fund Committee on 30 June 2017.

A number of presentational changes were made to the accounts between the draft extracts being reviewed on 30 June 2017 and the final version being signed on 31 July 2017. No adjustments were made to the face of the primary financial statements (the Fund Account and Statement of Net Assets) and no change was made to the overall financial performance or position of the Fund.

Lancashire Local Pension Board Annual Report

A summary about the Lancashire Local Pension Board, their formal remit and details of their activities during the year.

Actuarial valuation

A summary of the latest actuarial valuation carried out at March 2016 and applicable for the three years commencing 1 April 2017.

Standing documents

The following standing policy statements are referred to in the Annual Report as available from the Pension Fund and from its web-site at [Your Pension Service - Lancashire Fund Information](#)

- The Annual Governance Statement
- The Governance Policy Statement
- The Communication Policy Statement
- The Funding Strategy Statement
- The Investment Strategy Statement

Consultations

Investment Panel are consulted on all investment policy issues.

Implications:

This item has the following implications, as indicated:

Risk management

Pension Fund risk policies are outlined in the Funding Strategy Statement and the Investment Strategy Statement.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Tel
Appendix A: Lancashire County Pension Fund Annual Report 2016/17	22 August 2017	Abigail Leech 01772 530808

Reason for inclusion in Part II, if appropriate
N/A