

Pension Fund Committee

Meeting to be held on 5 September 2014

Electoral Division affected: None

Annual Report and Statement of Accounts of Lancashire County Pension Fund for the year ended 31 March 2014

(Appendix 'A' refers)

Contact for further information:

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Executive Summary

This reports sets out the Lancashire County Pension Fund Annual Report for the year ended 31 March 2014.

Recommendation

The Committee is asked to review the Lancashire County Pension Fund Annual Report for the year ended 31 March 2014 as set out at Appendix 'A', 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 1 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 2014 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 the major issues considered by the Investment Panel and Committee during the year, a summary of market conditions and a summary of the performance of the fund.

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. In particular the Annual Report for the year ended 31 March 2014 refers to the changes brought about by the LGPS2014 reforms.

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 also made to the Lancashire County Pension Fund Training Plan agreed on 29 November 2013 and complying with the Public Service Pension Act 2013.

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 draft accounts and financial statements of the pension fund approved by the County Treasurer on 27 June 2014 are shown in the County Council's Statement of Accounts and also in the Pension Fund Annual Report. The accounts are currently being audited by the external auditor and the auditor's opinion, together with any changes required as a result of the audit process will be included in the published Annual Report, when this is complete.

An up to date list of all the scheduled and admitted bodies within the fund is included within the notes to the financial statements.

Actuarial valuation

A summary of the latest actuarial valuation carried out at March 2010 and applicable for the three years commencing 1 April 2011.

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 Statement of Investment Principles

Consultations

The Investment Panel are consulted on all investment policy issues.

Implications:

This item has the following implications, as indicated:

Risk management

The policy on risk is outlined in the Funding Strategy Statement and the Statement of Investment Principles.

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Directorate/Tel
Investment Manager reports, Investment Panel Agendas and Minutes	Quarterly throughout the year	Mike Jensen – County Treasurers – 01772 534742
Investment Performance reports	Quarterly throughout the year	Andy Fox – County Treasurers – 01772 535916

Reason for inclusion in Part II, if appropriate

N/A