

## **Pension Fund Committee**

Meeting to be held on 15 September 2016

Electoral Division affected: (All Divisions);
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### **Annual Report and Statement of Accounts of Lancashire County Pension Fund for the year ended 31 March 2016.**

(Appendix 'A' refers)

Contact for further information:

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#### **Executive Summary**

This report sets out the Lancashire County Pension Fund Annual Report for the year ended 31 March 2016.

#### **Recommendation**

The Committee is asked to review and approve the Lancashire County Pension Fund Annual Report for the year ended 31 March 2016 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 2016 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 2015/16.

**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 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 Director of Financial Resources on 30 June 2016 are shown in the County Council's Statement of Accounts and also in the Pension Fund Annual Report. The accounts are being audited by the external auditor and the auditor's opinion, will be included in the published Annual Report once the audit has been finalised and the accounts have been approved at Audit and Governance committee.

**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 2013 and applicable for the three years commencing 1 April 2014.

**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/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A