



## PENSIONS COMMITTEE

24 JULY 2019

**Subject Heading:**

**PENSION FUND ANNUAL REPORT-  
YEAR ENDED 31 MARCH 2019**

**SLT Lead:**

**Jane West**

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**Policy context:**

Regulation 57 of the LGPS Pension Scheme Regulations 2013 applies from reporting period commencing 1 April 2014 and requires an administrative authority to publish an annual report

**Financial summary:**

Audit costs for the pension fund annual report are part of the overall cost of auditing the pension fund statement of accounts

**The subject matter of this report deals with the following Council Objectives**

Communities making Havering	[X]
Places making Havering	[X]
Opportunities making Havering	[X]
Connections making Havering	[X]

<b>SUMMARY</b>
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This report includes the Pension Fund Annual Report 2018/19 which has been prepared in accordance with Regulation 57 of the Local Government Pension Scheme (LGPS) Regulations 2013 which applies for reporting periods beginning 1 April 2014. This supersedes Regulation 34 of the Local Government Pension Scheme (Administration) Regulations 2008.

## **RECOMMENDATIONS**

1. The Committee note the progress of the Draft 2018/2019 Pension Fund Annual Report to date
2. The Committee agree the Pension Fund Annual Report will be published electronically once finalised.
3. That the Chair and the Statutory Section 151 officer be authorised to conclude and approve the final version of the Pension Fund Annual Report.

## **REPORT DETAIL**

### **1 Background**

1. The statutory basis for LGPS Fund annual reports is Regulation 57 of The LGPS Regulations 2013. It states that an administering authority must in relation to each year prepare a document ('the annual report').
2. The authority must publish the pension fund annual report on or before 1 December following the year end. This annual report covers the period 1 April 2018 to 31 March 2019.
3. The Regulations state that the annual report must contain the following:
  - a) Management and Financial Report
  - b) Investment Policy and Performance Report
  - c) Scheme Administration Report
  - d) Actuarial Statement
  - e) Current version of the Governance Compliance Statement
  - f) Fund Account and Net Asset Statement (including Audit opinion)
  - g) Levels of performance set out in a Pensions Administration Strategy
  - h) Current version of Funding Strategy Statement
  - i) Current version of Statement of Investment Principles
  - j) Current version of Communication Strategy
  - k) Any Other Material
4. In preparing and publishing the annual report, the authority must have regard to guidance given by the Secretary of State.
5. Authorities should use guidance as published by the Chartered Institute of Public Finance & Accountancy (CIPFA).

6. The Annual report attached as **Appendix A** has been prepared in accordance with the guidance issued by CIPFA in 2014 and 2019.
7. The CIPFA 2019 guidance includes additional new data requirements and these have been accommodated where practicable and where not available and disclosure is mandatory explanations have been provided.
8. The National Audit Office requires auditors to treat the LGPS fund as a separate audit engagement and requires a separate audit opinion on the pension fund accounts and the annual report. The auditor's opinion will be included in the annual report.
- 9.
10. Once the annual report has been signed off it will be made available on the Council's website. However hard copies will be available upon request.
11. At the time of writing this report the 2018/19 pension fund annual report is still subject to final clearance by our auditor's Ernst & Young as part of the overall audit of the Council's accounts. A verbal update will be provided at the meeting on the outcome or progress of the audit and any material changes will be distributed as a late item.

## **IMPLICATIONS AND RISKS**

### **Financial implications and risks:**

Auditors will be unable to finalise the audit opinion for the Administering Authority as a whole until they are satisfied that the financial statements in the annual report are the same as those reported in the authority's accounts. The audit deadline is the 31 July 2019

The planned cost of a separate audit opinion for the 2018/19 pension fund accounts is £16,170, which includes the cost of the Annual Report. This cost will be met from the Pension Fund. Final costs will not be known until the audit is finalised.

If Members agree to publish the report electronically then other than officer time there will be no publication costs.

### **Legal implications and risks:**

As stated in the main report Regulation 57 of the Local Government Pension Scheme Regulations 2013/2356 requires the administering authority to produce an annual report covering a number of different aspects set out at paragraph 3 above.

Provided the statement is published by 1 December there are minimal legal risks involved.

**Human Resources implications and risks:**

None arise from this report.

**Equalities implications and risks:**

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- i. the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- ii. the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- iii. foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment/identity.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants

An EIA is not considered necessary regarding this matter as the protected groups are not directly or indirectly affected

<b>BACKGROUND PAPERS</b>
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None