

Decision Maker: LOCAL PENSION BOARD

Date: 22nd January 2020

Decision Type: Non-Urgent Non-Executive Non-Key

Title: PENSION FUND ANNUAL REPORT 2018/19

Contact Officer: Thi Bang Hoang, Pensions Manager
Tel: 0208 313 4822 E-mail: ThiBang.Hoang@bromley.gov.uk

Chief Officer: Director of Finance

Ward: All

1. Reason for report

- 1.1 This report introduces the annual report and accounts of the Bromley Pension Fund for the year ended 31st March 2019 which the Council is required to publish under the Local Government Pension Scheme Regulations 2013.
-

2. RECOMMENDATIONS

- 2.1 Members of the Local Pension Board are asked to note the Pension Fund Annual Report 2018/19.

Impact on Vulnerable Adults and Children

1. Summary of Impact: N/A
-

Corporate Policy

1. Policy Status: Existing Policy. The Council's pension fund is a defined benefit scheme operated under the provisions of the Local Government Pension Scheme (LGPS) Regulations for the purpose of providing pension benefits for its employees.
 2. BBB Priority: Excellent Council
-

Financial

1. Cost of proposal: No Cost
 2. Ongoing costs: Recurring Cost. Pension Fund audit fee £16k in 2018/19. Total administration cost £4.9m (includes fund manager/actuary/adviser fees, Liberata charge and officer time)
 3. Budget head/performance centre: Pension Fund
 4. Total current budget for this head: £40.7m expenditure (pensions, lump sums, etc); £52.5m income (contributions, investment income, etc); £1,039m total fund market value at 31st March 2019)
 5. Source of funding: Contributions to Pension Fund
-

Personnel

1. Number of staff (current and additional): 0.4 FTE
 2. If from existing staff resources, number of staff hours: c 14 hours per week
-

Legal

1. Legal Requirement: Statutory Requirement Local Government Pension Scheme Regulations 2013 (as amended).
 2. Call-in: Not Applicable.
-

Procurement

1. Summary of Procurement Implications: N/A
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 6,316 current active members, 5,746 deferred pensioners and 5,370 pensioner members (for all employers in the Fund) as at 31st March 2019.
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

- 3.1 The Pension Fund is required by the Local Government Pension Scheme Regulations 2013 to publish an annual report and statement of accounts. The Regulations set out what is to be included within the report and require the report to be published by 1st December. Furthermore, the Regulations require an administering authority to have regard to guidance given by the Secretary of State and the Fund has complied fully with the Regulations and guidance. The annual report for 2018/19 is attached at Appendix 1 and was published before 1st December in line with LGPS regulations.
- 3.2 The Pension Fund accounts were approved by the General Purposes and Licensing Committee on 28th November 2019, following completion of the audit. The Annual Report (incorporating the accounts) was reported to the Pensions Investment Sub Committee on 3rd December 2019.
- 3.3 The Annual Report is provided to the Local Pension Board for oversight purposes and is attached at Appendix 1. The total net assets increased to £1,039m as at 31st March 2019 (£967.0m as at 31st March 2018). The Fund Accounts and Net Assets Statement can be found on pages 39 to 59 of the annual report.
- 3.4 The total membership of the fund increased from 16,920 as at 31st March 2018 to 17,432 as at 31st March 2019, when it comprised 6,316 employees, 5,370 pensioners and 5,746 deferred members. Payments into the Fund from contributions (employee and employer), transfers in and investment income totalled £54.9m in 2018/19 (£41.6m in 2017/18) and payments from the Fund for pensions, lump sums, transfers out and administration totalled £42.8m (£40.9m in 2017/18). Details of this can be found in the Pension Fund Revenue Account statement on page 59 of the annual report.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

N/A

5. POLICY IMPLICATIONS

- 5.1 The Council's Pension Fund is a defined benefit scheme operated under the provisions of the Local Government Pension Scheme (LGPS) Regulations 2013 (as amended), for the purpose of providing pension benefits for its employees. The investment regulations (The LGPS (Management and Investment of Funds) Regulations 2016) allow local authorities to use all the established categories of investments, e.g. equities, bonds, property etc. and to appoint external investment managers who are required to use a wide variety of investments and to comply with certain specific limits. Under the 2013 Regulations, an annual report is required to be published by 1st December.

6. FINANCIAL IMPLICATIONS

- 6.1 These are summarised in the body of the report and more details are provided in the relevant sections of the annual report. The fee for the separate audit of the pension fund accounts and annual report was £16k in 2018/19 (£21k in 2017/18) and this was charged to the Pension Fund.

7. PERSONNEL IMPLICATIONS

N/A

8. LEGAL IMPLICATIONS

- 8.1 Regulation 57 of the Local Government Pension Scheme Regulations 2013 require an administering authority to prepare a pension fund annual report which must be published on or before 1st December following the Scheme year end

9. PROCUREMENT IMPLICATIONS

N/A

Non-Applicable Sections:	Personnel Implications; Impact on Vulnerable Adults and Children; Procurement Implications.
Background Documents: (Access via Contact Officer)	LGPS Regulations 2013 (as amended); LGPS (Management and Investment of Funds) regulations 2016; Pension Fund Performance Q4 2018/19 – Pensions; Investment Sub-Committee, 15th May 2019.