

Report to: Pension Board

Date of meeting: 3 August 2017

By: Chief Finance Officer

Title: Offers' Report – General Update

Purpose: To provide a general update to the Pension Board on matters related to the Board activity.

RECOMMENDATION

The Board is recommended to note the report

1. Introduction

1.1 This report provides an update on matters relating to the Pension Board and Committee activities.

2. Report Overview

Cash Flow Forecast and Summary

2.1 The East Sussex Pension Fund (ESPF) invests any surplus cash with the Fund's custodian, Northern Trust. Over the past 5 years, the ESPF has been broadly cash flow 'neutral'. The projection for the fiscal year 2017/18 is that the fund will generate a surplus of £4.9m; the estimated cash flow position will be helped by higher employer pension contribution rates set at the last triennial valuation and payable since 1 April 2016. Table 1 below shows the cash projection to 30 June 2017.

PENSION FUND DEALINGS WITH MEMBERS AND EMPLOYERS

Employees Contributions

Employers Contributions

Deficit Recovery

Transfers In

TOTAL INCOME

Pensions Benefits Paid

Pensions Lump Sum Paid

Administration expenses

Transfers Out (excluding College transfer)

TOTAL EXPENDITURE

SURPLUS CASH

| Original 2017/18 £m | Projected Outturn 2017/18 £m | Variance £m |
|------------------------------------|---|------------------------|
| 28.4 | 31.2 | 2.8 |
| 82.2 | 89.4 | 7.2 |
| 14.1 | 13.2 | (0.9) |
| 8.8 | 9.4 | 0.6 |
| 133.5 | 143.2 | 9.7 |
| (103.3) | (103.6) | (0.3) |
| (20.1) | (19.2) | 0.9 |
| (1.8) | (1.8) | - |
| (3.7) | (4.2) | (0.5) |
| (128.9) | (128.8) | 0.1 |
| 4.9 | 14.4 | 9.8 |

3. National Development - updates

Local Government Pension Scheme pooling and Funds Collaboration

3.1. The ACCESS pool updates has been provided through a separate report to this meeting, covering a legally binding Inter Authority Agreement (“IAA”) for the pooling of investments, governance, procurement, joint committee inaugural meeting, timescales, etc.

4. Governance Effectiveness - Committee questionnaire

4.1 With the focus of the Pensions Regulator and others very much on the issue of good governance there is an increasing expectation that LGPS Funds take time to review the effectiveness of their governance arrangements. One Fundamental part of any LGPS fund’s success is how effective it’s Pension Committee and Pension Board is.

4.2 There is going to be an initial assessment through the Pension Committee (to be followed by the Board), with a short questionnaire (Appendix 1) designed to give an opportunity to both members and representatives to provide their views on some key areas of effectiveness.

5. Pension Board Agenda – 7 November 2017

5.1 The draft agenda for the November 2017 Pension Board meeting include the following

- Internal dispute resolution procedure
- Internal Control Register
- Risk register

6. Conclusion and reasons for recommendations

6.1 The Board is recommended to note the general update regarding the Pension Fund activities.

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Background Documents

None