

Report to: Pension Committee

Date of meeting: 4 September 2017

By: Chief Finance Officer

Title: Officers' Report – General update

Purpose: To provide a general update to Members of the Pension Committee on matters related to the fund activities.

RECOMMENDATION

The Committee 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 invests any surplus cash with the Fund's custodian, Northern Trust. Over the past 5 years, the East Sussex fund 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	Original 2017/18 £m	Projected Outturn 2017/18 £m	Variance £m
Employees Contributions	28.4	31.2	2.8
Employers Contributions	82.2	89.4	7.2
Deficit Recovery	14.1	13.2	(0.9)
Transfers In	8.8	9.4	0.6
TOTAL INCOME	133.5	143.2	9.7
Pensions Benefits Paid	(103.3)	(103.6)	(0.3)
Pensions Lump Sum Paid	(20.1)	(19.2)	0.9
Administration expenses	(1.8)	(1.8)	-
Transfers Out (excluding College transfer)	(3.7)	(4.2)	(0.5)
TOTAL EXPENDITURE	(128.9)	(128.8)	0.1
SURPLUS CASH	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 Committee Agenda – 27 November 2017

- 5.1 The draft agenda for the November 2017 Pension Board meeting include the following
- LGPS Pooling – ACCESS Pool Update
 - Risk register
 - Pension Committee Forward/Training Plan.

6. Conclusion and reasons for recommendations

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

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