

Report to: Pension Board

Date: 9 September 2019

By: Head of Pensions

Title of report: General Update

Purpose of report: To provide a general update to the Pension Board on matters relating to the Board activities.

RECOMMENDATION

The Board is recommended to note the update.

1. Background

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 2019/20 is that the fund will generate a surplus of £2.3m; the estimated cash flow position will be helped by employer pension contribution rates set at the last triennial valuation. The projected employer's contributions include a one-off payment of arrears/outstanding amount made to the Fund within the last quarter. Table 1 below shows the cash projection to 31 July 2019.

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

TOTAL EXPENDITURE

SURPLUS CASH

Original 2019/20 £m	Projected Outturn 2019/20 £m	Variance £m
30.1	32.0	1.9
84.9	91.2	6.3
20.4	18.4	(2.0)
6.2	6.5	0.3
141.6	148.1	6.5
(110.8)	(111.6)	(0.8)
(23.8)	(19.8)	4.0
(1.6)	(1.6)	-
(3.1)	(3.0)	0.1
(139.3)	(136.0)	3.3
2.3	12.1	9.8

3. 2019 Actuarial Valuation

3.1 The ongoing actuarial valuation update has been provided through PAT reports at this meeting. There is also a requirement within the Local Government Pension Scheme (LGPS) Regulations that there is an element of prudence built into the actuarial assumptions and that the actuary sets contributions in line with these prudent assumptions and that they are as stable as possible. The draft 2019 valuation timetable has been updated (attached as Appendix 1).

4. 2019 Employer Forum - reminder

4.1 The East Sussex Pension Fund (ESPF) Employer Forum is scheduled for 29th November 2019 at the American Express Community Stadium, Falmer.

5. Pension Board Agenda –11 November 2019

5.1 The draft agenda for the November 2019 Pension Board meeting will include the following-

- Cessation Policy (Annual Review)
- Pension Fund Policies – Discretionary Policy Statement,
- Pensions Administration Strategy Statement (Annual Review)
- Pensions Regulator Code of Practice 14 - Review and update gap analysis
- Investment Strategy Statement
- Pension Administration – reports/updates
- Update on regulatory changes
- Review of Investment Manager fee arrangements
- Funding Strategy Statement
- Review of Triennial Valuation Process
- Review of Pension Fund Risk Register
- Review Pension Administration processes and SLAs
- LGPS Pooling – ACCESS Pool Update.

6. Conclusion and reasons for recommendation

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

Contact Officers:

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