



<u>Committee and Date</u>
Pensions Committee
21 September 2016
10.00am

<u>Item</u>
9
Public

PENSION FUND ANNUAL ACCOUNTS 2015/16

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1. Summary

- 1.1 The report provides Members with the Shropshire County Pension Fund Annual Report 2015/16 and an update on the annual audit. Grant Thornton has completed its annual audit and an unqualified opinion has been given.

2. Recommendations

- 2.1 The Committee is asked to approve the Pension Fund Annual Report 2015/16.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 Risk Management is part of the Pension Fund's structured decision-making process by ensuring that investment decisions are taken by those best qualified to take them.
- 3.2 The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998.
- 3.3 There are no direct environmental, equalities or climate change consequences of this proposal.
- 3.4 The Annual Report 2015/16 will be published on the Scheme's website.

4. Financial Implications

- 4.1 There are no direct financial implications arising from this report.

5. Background

- 5.1 Following the end of the financial year officers compiled the Pension Fund accounts for 2015/16. The annual report has been produced which outlines the accounts and details the activities of the Fund during the last year (**Appendix A**).
- 5.2 Grant Thornton have completed the audit of the accounts for the Shropshire County Pension Fund and an opinion and certificate is included within the annual report. An unqualified opinion has been given on the accounts.

6. Annual Accounts

- 6.1 In the year to the end of March 2016 the Fund decreased in value by £19 million to £1.494 billion. During the year the Fund received £14.2 million in contributions from employees and £45.9 million in contributions from scheme employers.
- 6.2 The last financial year continued to see an increase in the total number of scheme members. Total scheme membership increased by 5.8% to 45,128 during the year.
- 6.3 Local Government employees who leave employment have the option to transfer out their accumulated pension fund. During the last financial year the Fund paid out £4.3 million in transfer payments for staff leaving employment. Conversely, new employees have the ability to transfer in accumulated benefits from previous employment. The Fund also received £2.4 million in transfer payments from new employees during the financial year.
- 6.4 In 2015/16 the Fund paid pensions totalling £53.1 million, an increase of £2 million on the previous year. This is due to an increase in the number of pensioners during the year.
- 6.5 Also in 2015/16 management expenses totalled £13.1 million, a decrease of £0.7 million from the previous year. This was due to the decrease in the value of the Fund over the financial year as well as a reduction in performance related fees as a result of underperformance of benchmark targets for several Fund managers.
- 6.6 A full analytical review of the Pension Fund Accounts was carried out by officers and passed to Grant Thornton in advance of their audit. The audit was completed by September 2016.
- 6.7 The Annual Report will be available to all scheme employers, investment managers, advisor's and scheme members as it will be published on the pension fund website. The report will also be available for review at the Fund's AGM in November.

<p>List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)</p>
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N/A

<p>Cabinet Member</p>

N/A

<p>Local Member</p>

N/A

<p>Appendices</p>

<p>A. Shropshire County Pension Fund Annual Report 2015/16.</p>
