

Pension Fund Annual Report 2023/2024

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1. Summary

- 1.1 The draft full annual report is attached as appendix A. The final finished version of the annual report will appear on the Somerset Council website following the formal adoption by the Committee and Pension Fund Board and the issue of the consistency opinion by the external auditor.
- 1.3 Under the LGPS regulations the Fund is required to produce an Annual Report and publish it by 1st December each year. Much of the content of the annual report is either required under the regulations or under statutory guidance issued by CIPFA.
- 1.4 Fresh statutory guidance on the “Preparing the Pension Fund Annual Report” was issued jointly by DLUHC (now MHCLG), CIPFA and the LGPS Scheme Advisory Board in April. Funds are encouraged to adopt the new guidance on a best efforts basis for the 2023/2024 year with it being a formal requirement for subsequent years. Officers have applied the new guidance as much as possible.

2. Recommendations

- 2.1 The board is asked to formally approve the Fund’s annual report subject to the addition of the external auditor’s opinions.
- 2.2 In the event of the external auditor requiring changes to the accounts prior to the provision of their opinions it is requested that the Chair be given the ability to approve these amendments on behalf of the Board.

6. Consultations undertaken

- 6.1 The Pension Fund Committee reviewed the annual report at their meeting on 13 September and approved it.

7. Financial and risk implications

- 7.1 Over time the performance of the pension fund investments will impact the amount that Somerset Council and other sponsoring employers have to pay into the fund to meet their liabilities. The fund actuary calculates these amounts every three years and sets payments for the intervening periods. The next assessment is due in late 2025 using data from March 2025.
- 7.2 The audited accounts of the Pension Fund form a key part of the governance arrangements around the Finances of the Pension Fund. A Failure to produce accurate and timely accounts is a risk that is noted on the risk register.

8. Legal implications

- 8.1 The LGPS regulations require the publishing of an annual report by 1st December following the March year end each year. The regulations also include some specific information that it is a requirement to include in the annual report. The draft of the annual report provided meets all of the requirements.
- 8.2 As noted above the draft provided has met the new guidance on a best efforts basis. Officers have taken steps to ensure we can be fully compliant in next year's annual report as required by the guidance.

9. Background papers

- 9.1 None

Note: For sight of individual background papers please contact the report author.