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Purpose: For Noting

Committee report

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| Committee | PENSION FUND COMMITTEE |
| Date | 23 NOVEMBER 2018 |
| Title | 2018/19 HALF YEAR FINANCIAL UPDATE REPORT |
| Report of | PENSION FUND AND TREASURY MANAGEMENT ACCOUNTANT |

EXECUTIVE SUMMARY

1. The report sets out an overview of the financial performance of the Isle of Wight Pension Fund (the fund) for the six months to 30 September 2018.
2. The report includes a summarised income and expenditure statement and balance sheet as at 30 September 2018, and information regarding membership numbers and contributions received.
3. The committee is asked to note this report.

FINANCIAL PERFORMANCE AND MEMBERSHIP NUMBERS

4. The appendix attached contains summarised financial information, in the same format as presented each year in the annual report and accounts.
5. In the six months to 30 September 2018, the fund has received £8.7 million in income, from contributions and other sources and has paid benefits of £11.2 million.
6. The investment assets of the fund have increased in value by £35.6 million in the six month period, generating investment income of £11.4 million.
7. Total membership figures have increased since 31 March 2018, but the number of active members has declined in the same period.
8. There has been an increase in the number of instances of late payment of contributions by employers, but mostly it is the smaller employers that are responsible. The late payments are technically a breach of the law but due to the size of the employers and the value of the contributions concerned (just over one per cent of the total contributions due), it is not deemed to be significantly material to report to the pensions regulator.

9. The only change to the composition of the employers within the fund in this period, is the closure of Sandown Bay Academy on 31 August 2018. However, staff that are members of the pension fund were TUPE'd across to the Isle of Wight Council so there has been no reduction in members due to this event.

STRATEGIC CONTEXT

10. The primary objective of the fund is to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before retirement, for their dependents, in accordance with the Local Government Pension Scheme (LGPS) regulations and statutory provisions. The committee aims to operate the fund in such a manner that, in normal market conditions, all accrued benefits are fully covered by the value of the fund's assets and that an appropriate level of contributions is agreed by the employers to meet the costs of future benefits accruing.

EQUALITY AND DIVERSITY

11. The council, as a public body, is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations between people who share a protected characteristic and people who do not share it. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
12. There are no implications for any of the protected characteristics arising from this report.

RECOMMENDATION

13. The committee is asked to note this report.

APPENDICES ATTACHED

14. [Appendix 1](#): Financial Performance Report.

Contact Point: Jo Cooke, Pension Fund and Treasury Management Accountant
☎ 821000 e-mail jo.cooke1@iow.gov.uk

CHRIS WARD
*Director of Finance and Section
151 Officer*

CLLR ADRIAN AXFORD
Chairman of Pension Fund Committee