

ITEM No ...7.....

REPORT TO: PENSION SUB-COMMITTEE OF THE POLICY & RESOURCES COMMITTEE & PENSION BOARD – 5 MARCH 2018

REPORT ON: LGPS (SCOTLAND) PEER PERFORMANCE OVERVIEW

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 83-2018

1 PURPOSE OF REPORT

This report provides information on peer analysis of Tayside Pension Fund over the 12 month period to 31st March 2017.

2 RECOMMENDATION

The Sub-Committee are asked note the contents of the report.

3 FINANCIAL IMPLICATIONS

None.

4 BACKGROUND

Audit Scotland's 2016/17 Annual Audit Report (Article VI of the Minute of Meeting of the Pension Sub-Committee of the Policy and Resources Committee of, Report No 411-2017 refers) recommended peer comparison through available benchmarking data.

5 FINDINGS OF AUDIT SCOTLAND

Audit Scotland undertake an independent annual review of LGPS funds following submission of draft final accounts from the individual funds, where comparison is made in key areas of performance and cost. They also take information provided by the Government Actuary Department to use for their basis of comparison. An extract of these findings from their presentation to the CIPFA Pensions Network on 21st September 2017 are contained in appendix 1. Their annual review is objective, with measurement on a consistent and uniform basis.

8 POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major issues.

9 CONSULTATIONS

The Chief Executive and Head of Democratic & Legal Services have been consulted in the preparation of this report.

10 BACKGROUND PAPERS

None

**GREGORY COLGAN
EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

23 FEBRUARY 2018

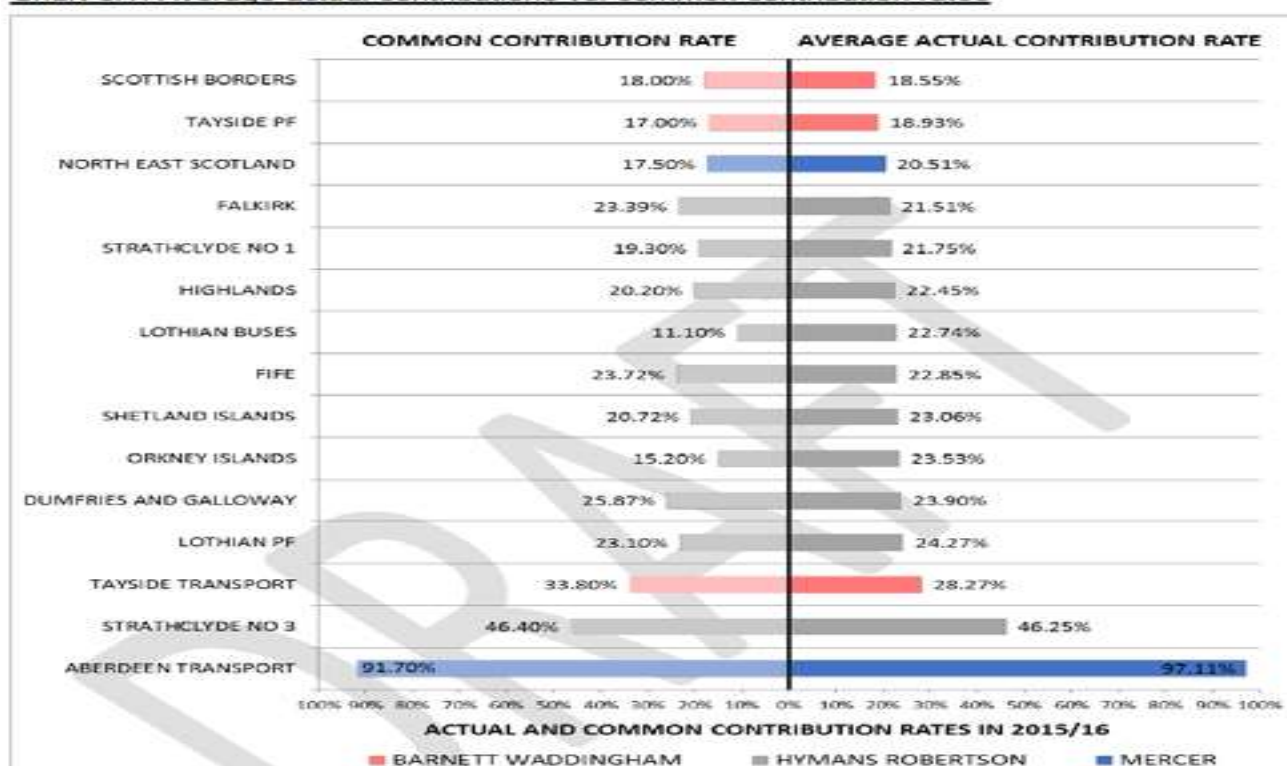
AUDIT SCOTLAND - CIPFA PENSIONS NETWORK 21ST SEPTEMBER 2017

1. GOVERNMENT ACTUARY DEPARTMENT SOURCED INFORMATION (31ST MARCH 2016)

1.1 CONTRIBUTION RATES

The following provides comparison of fund common contribution rates, and also compares to actual contribution levels received.

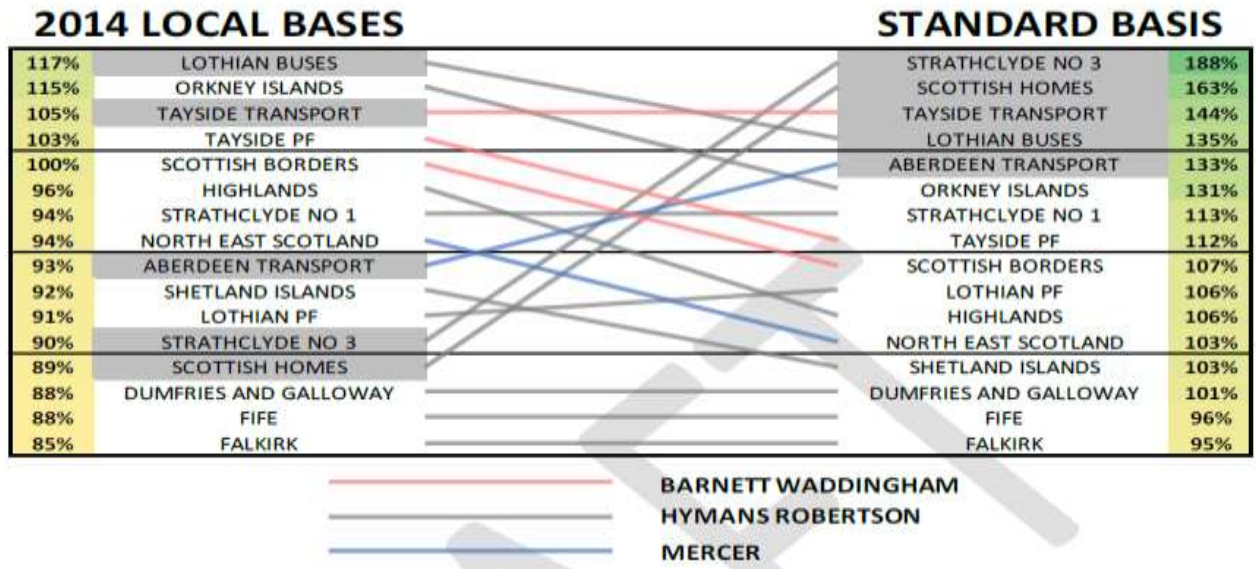
Chart 5.1: Average actual contributions vs. common contribution rates



1.2 FUNDING LEVELS

The following provides comparison of all funding levels as estimated by individual fund actuaries based upon fund unique assumptions to that of the Government Actuaries standardised set of assumptions:

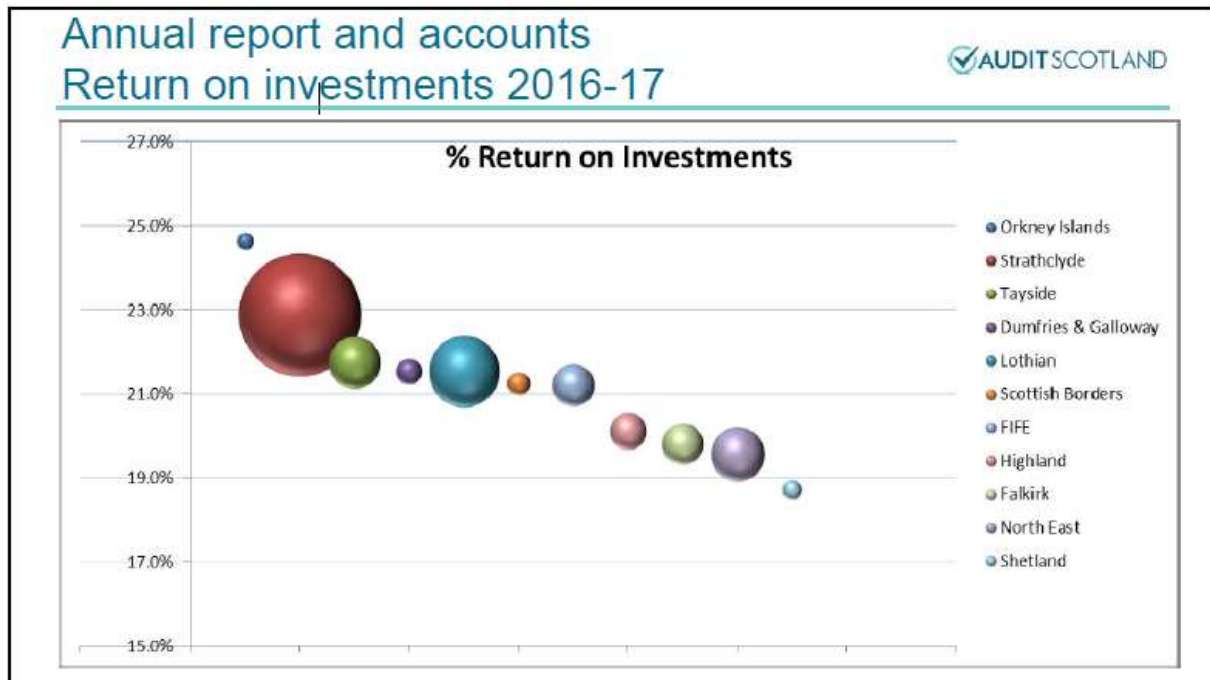
Chart 5.5: Standardising local valuation results



2. PERFORMANCE PER FINAL ACCOUNTS AS AT 31ST MARCH 2017

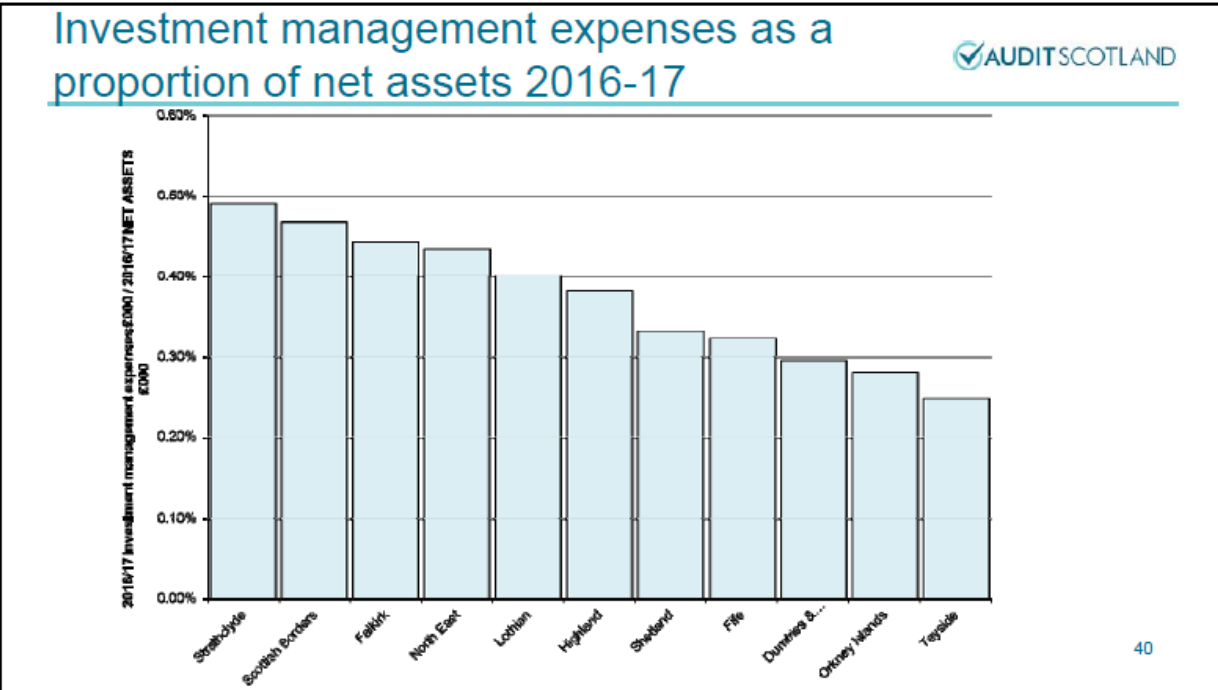
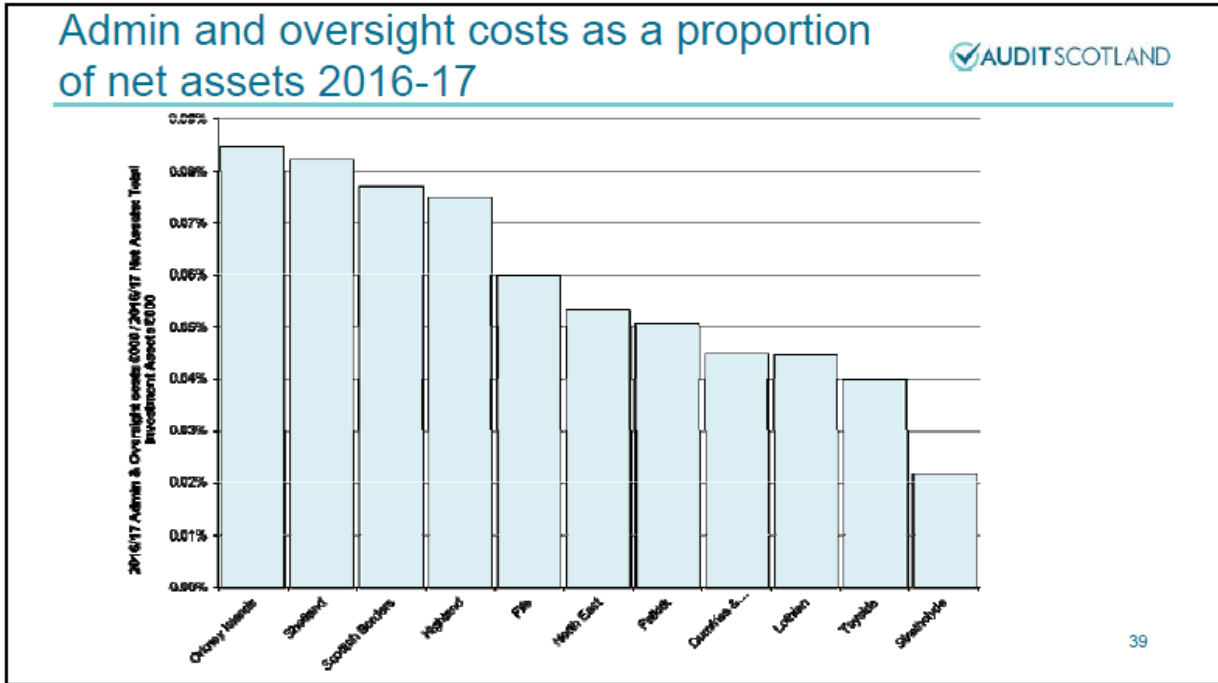
2.1 INVESTMENT RETURN

The following provides peer comparison in relation to returns on investment over the year:



2.2 COSTS

The following graphs provide comparison over a range of costs as proportion of net assets:



Management costs as a proportion of net assets 2016-17

