

COMMITTEE: Pensions Committee	DATE: 13th August 2009	CLASSIFICATION: Unrestricted	REPORT NO.	AGENDA NO.
REPORT OF: Corporate Director of Resources		TITLE: Local Government Pension Scheme Annual Report		
ORIGINATING OFFICER(S): Alan Finch, Service Head, Corporate Finance		Ward(s) affected: N/A		

1. SUMMARY

- 1.1 This report seeks the Committee's agreement to the draft Pension Fund Annual Report and to any subsequent amendments being agreed with the Chair and reported to the Committee on 19 November.

2. RECOMMENDATIONS

- 2.1 Members are recommended
- 2.1.1 To agree the attached draft Pension Fund Annual Report.
- 2.1.2 To agree that any subsequent amendments be agreed with the Chair and reported to the Committee on 19 November.

3. BACKGROUND

- 3.1 Under Regulation 34 of the Local Government Pension Scheme (Administration) Regulations 2008 SI 2008 No 239 all administering authorities must publish an annual report to be made available to scheme members and pensioners
- 3.2 The content of the Report is specified in some detail in the Regulation and in the Department for Communities and Local Government draft guidance. The report provides information on the performance and governance of the Fund in the 2008/09 financial year.
- 3.3 Attached is the draft report, which complies with the Regulations, which the Committee is asked to agree in draft.
- 3.4. The report forms part of the annual audit of the Pensions Fund, which is still in progress. However the next meeting of Pensions Committee is after the statutory deadline for finalising the accounts of 30th September. No substantial changes are anticipated, but if any changes to the draft report attached are required as a result of the audit, it is recommended that these should be agreed with your Chair and reported back to the next meeting for information.

4. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 4.1. The comments of the Corporate Director Resources have been incorporated into the report.

5. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL)

- 5.1 Members are advised that as stated in the body of the Report Regulation 34 Local Government Pension Scheme (Administration) Regulations 2008 imposes a duty on an administering authority beginning on 1st April 2008 to prepare in relation to each year a document which is to be termed 'the pension fund annual report'.

The report should deal with the following matters:

- (a) Management and financial performance during the year of the pension;
- (b) Explain the investment policy for the fund and review performance;
- (c) Report on arrangements made during the year for administration of the fund;
- (d) A statement by an actuary who carried out the most recent valuation of the fund and the level of funding disclosed by that valuation;
- (e) A Governance Compliance Statement;

- (f) A Fund Account and Net Asset Statement;
- (g) An Annual Report dealing with levels of performance and any other appropriate matters;
- (h) Funding Strategy Statement;
- (i) Statement of Investment Principles;
- (j) statements of policy concerning communications with members and employing authorities and
- (k) any other material which the authority considers appropriate.'

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 The employer's contribution is a significant element of the Council's budget and consequently the performance of the Fund affects the funds available for other corporate priorities.
- 6.2 A viable pension scheme also represents an asset for the recruitment and retention of staff to deliver services to the residents.

7. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 7.1 There are no Sustainable Action for A Greener Environment implications.

8. RISK MANAGEMENT IMPLICATIONS

- 8.1 The management of the Pension Fund inevitably involves a degree of risk and the methods used to mitigate it are covered fully in the attached draft Report.

LOCAL GOVERNMENT ACT 1972 (AS AMENDED) SECTION 100D

LIST OF "BACKGROUND PAPERS" USED IN THE PREPARATION OF THIS REPORT

Brief description of "background papers"

Directorate Submissions

***Name and telephone number of holder
And address where open to inspection***

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