

COMMITTEE: Pensions Committee	DATE: 18 November 2010	CLASSIFICATION: Unrestricted	REPORT NO.	AGENDA NO.
REPORT OF: Corporate Director of Resources		TITLE: 2009/10 Local Government Pension Fund Annual Report		
ORIGINATING OFFICER(S): Oladapo Shonola – Chief Financial Strategy Officer		Ward(s) affected: N/A		

Lead Member	
Community Plan Theme	All
Strategic Priority	One Tower Hamlets

1. SUMMARY

- 1.1 This report asks the Committee to note the Pension Fund Annual Report.

2. DECISIONS REQUIRED

- 2.1 Members are recommended
- 2.1.1 To note the attached Pension Fund Annual Report.

3. REASONS FOR DECISIONS

- 3.1 There are no decisions to be made as a result of this report. The report is written to present the audited 2009/10 pension fund annual report before members prior to publication.

4. ALTERNATIVE OPTIONS

- 4.1 The final pension fund annual report is presented to Members following the conclusion of the audit carried out by the Council's external auditors, the Audit Commission.

5. BACKGROUND

- 5.1 The Council as an administering authority under the Local Government Pension Scheme Regulations is required to produce a separate set of accounts for the scheme's financial activities and assets and liabilities.
- 5.2 The contents and format of the accounts are determined by statutory Requirements and mandatory professional standards as established by the Chartered Institute of Public Finance (CIPFA) in their Statement of Recommended Practice (SORP).
- 5.3 The Pension Fund Accounts audited by the Council's external auditors, the Audit Commission is now complete and the final report is attached.

5.4 Communities and Local Government (CLG) have introduced an additional requirement for Councils to publish before the 1st December 2010 an annual report which incorporates elements of the financial accounts. The pension fund annual report will be published after it has been presented to this Committee.

5.5 The Accounts are essentially the same as those presented to Committee on 5 August other than for minor adjustments to classification of assets and the inclusion of member training statistics. Pension fund asset value remains the same as what was reported on 5 August.

6. COMMENTS OF THE CHIEF FINANCIAL OFFICER

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

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

7.1 Regulation 34 of the Local Government Pension Scheme (Administration) Regulations 2008 imposes a duty on the Council as an administering authority to prepare a pension fund annual report.

7.2 The report should deal with the following matters:

- (a) management and financial performance during the year of the pension;
- (b) an explanation of the investment policy for the fund and a review of performance;
- (c) a 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) the Funding Strategy Statement;
- (i) the 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.

8. ONE TOWER HAMLETS CONSIDERATIONS

8.1 The Pension Fund Accounts demonstrate the financial stewardship of the scheme members and employers assets. A financially viable and stable pension fund is a valuable recruitment and retention incentive.

9. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

9.1 There is no Sustainable Action for A Greener Environment implication arising from this report.

10. RISK MANAGEMENT IMPLICATIONS

10.1 Accounts provide an effective mechanism to safeguard the Council's assets and assess the risks associated with its activities.

11. CRIME AND DISORDER REDUCTION IMPLICATIONS

11.1 There are no any Crime and Disorder Reduction implications arising from this report.

12. EFFICIENCY STATEMENT

12.1 The monitoring arrangement for the Pension Fund and the work of the Pension Fund Investment Panel should ensure that the Fund optimises the use of its resources in achieving the best returns for members of the Fund.

LOCAL GOVERNMENT ACT 1972 (AS AMENDED) SECTION 100D

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

Brief description of "background papers"

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

None

N/A