

COMMITTEE: Audit Committee	DATE: 29th September 2009	CLASSIFICATION: Unrestricted	REPORT NO.	AGENDA NO.
REPORT OF: Corporate Director of Resources		TITLE: Local Government Pension Scheme Annual Report		
ORIGINATING OFFICER(S): Ian Talbot, Chief Financial Strategy Manager		Ward(s) affected: N/A		

Special Circumstances and Reasons for Urgency

- The report was unavailable for public inspection within the standard timescales set out in the Authority's Constitution because of the continuation of discussions with the Audit Commission over its contents.
- The Corporate Director of Resources recommends that the Committee considers the report to facilitate compliance with statutory requirements.

1. SUMMARY

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

2. RECOMMENDATIONS

2.1 Members are recommended

2.1.1 To note the attached Pension Fund Annual Report.

BACKGROUND

- 3.1 Under Regulation 34 of the Local Government Pension Scheme (Administration) Regulations 2008 all Local Government Pension Scheme 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of the Report is specified in some detail in the Regulations and in the Department for Communities and Local Government draft guidance.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 A draft report was considered by the Pensions Committee on 13 August and a copy passed to the Audit Commission for consideration as part of their audit of the Council's annual accounts. The amendments required by the auditors have now been included.

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 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. The obligation commences on 1 April 2008 and thus applies to the 2008/2009 financial year.
- 5.2 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.

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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