

AGENDA ITEM: 6

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Meeting	Pension Fund Committee
Date	16 June 2010
Subject	London Borough of Barnet Pension Fund Annual Report
Report of	Deputy Chief Executive
Summary	This report asks the committee to approve the draft Annual Report and adopt the associated accounting policies for the Barnet Pension Fund.

Officer Contributors	Karen Balam, Assistant Director of Finance Karen Bannister, Interim Treasury Manager
Status (public or exempt)	Public
Wards affected	None
Enclosures	Appendix A – Barnet Pension Fund Annual Report (to follow)
For decision by	Pension Fund Committee
Function of	Council
Reason for urgency / exemption from call-in (if appropriate)	Not applicable

Contact for further information: Karen Bannister – Interim Treasury Manager Tel: 0208 359 7119

1. RECOMMENDATIONS

- 1.1 That the draft Annual Report for the Barnet Pension Fund for the financial year ended 31 March 2010 be approved.**
- 1.2 That the Statement of Accounting Policies included in the accounts be adopted.**
- 1.3 That the Deputy Chief Executive, in consultation with the Chairman of the Pension Fund committee, be authorised to agree significant changes, if any, to the draft Annual Report following discussions with auditors, and inform members of the Committee accordingly.**
- 1.4 The Committee note that JLT Benefit Solutions (formally HSBC Actuaries and Consultants) have completed their probation period.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Pension Fund Sub-Committee – 17 July 2008.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 To ensure that the Pension Fund is being invested prudently and to the best advantage in order to achieve the required funding level. Effective monitoring of the Pension Fund will provide support towards the Council's corporate priorities in providing better services, with less money.

4. RISK MANAGEMENT ISSUES

- 4.1 The value of the Pension Fund assets at any point in time is determined by the market and a large movement in the markets could have a significant impact on the surplus or deficit of the fund.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 Ensuring the long term financial health of the Pension Fund will benefit everyone who contributes to the fund.

6. USE OF RESOURCES IMPLICATIONS

- 6.1 The draft Annual Report include the draft Statement of Accounts of the Pension Fund as at 31 March 2010.

7. LEGAL ISSUES

- 7.1 This report is based on the provisions of the Local Government Pension Scheme (Amendment) (No.3) Regulations 2007, which itself has its basis in the Superannuation Act 1972.
- 7.2 As a local authority, the Council's employees have the right to be members of the Local Government Pension Scheme and, therefore, the Council is statutorily required to make employer contributions.

8. CONSTITUTIONAL POWERS

- 8.1 Constitution – Part 3 Responsibility for Council Functions – Section 2 Functions delegated to the Pension Fund Committee – as set out in the Pension Fund Governance Compliance Statement.

9 BACKGROUND INFORMATION

9.1 History

- 9.1.1 The Superannuation Act 1972 makes provision for local authorities to operate pension funds for their employees and employees of other employers who have either a statutory right or an admission agreement to participate in the funds. The London Borough of Barnet Pension Fund (The Fund) is set up under the Local Government Pension Scheme Regulations 1997 (as amended). It provides for retirement pensions, grants on age or ill-health retirement, short service grants, death grants, injury allowances and widows' pensions.

9.2 Annual Report

- 9.2.1 The draft Annual Report is attached at Appendix A and has been prepared in line with the Statement of Recommended Practice (SORP) for Pension Funds. The Statement of Accounting Policies for the preparation of the accounts also reflects the requirement of the SORP.
- 9.2.2 The remaining entries for the accounts are currently being finalised to enable the draft Annual Report to be prepared. Once ready, the Annual Report will be circulated separately.
- 9.2.3 The external audit of the Pension Fund accounts will begin in July 2010 and it is proposed that the Deputy Chief Executive in consultation with the Chairman of this committee agree any significance changes following discussion with the auditors.

9.3 JLT Benefit Solutions (formally HSBC Actuaries and Consultants)

- 9.3.1 On the 17th of July 2008 the Pension Fund Sub-Committee resolved to appoint HSBC Actuaries and Consultants Limited (now JLT Benefit Solutions) as Independent Investment Advisors to the Fund subject to a twelve month probation period. The twelve month probation period has now passed.

10. LIST OF BACKGROUND PAPERS

- 10.1 None

Legal: TE
CFO: AT