

	<h2 style="margin: 0;">Pension Fund Committee</h2> <h3 style="margin: 0;">18 July 2017</h3>
<p style="text-align: right;"><b>Title</b></p>	<p><b>Barnet Council Pension Fund – Annual Report and Statement of Accounts 2016/17</b></p>
<p style="text-align: right;"><b>Report of</b></p>	<p>Director of Resources</p>
<p style="text-align: right;"><b>Wards</b></p>	<p>n/a</p>
<p style="text-align: right;"><b>Status</b></p>	<p>Public</p>
<p style="text-align: right;"><b>Urgent</b></p>	<p>No</p>
<p style="text-align: right;"><b>Key</b></p>	<p>No</p>
<p style="text-align: right;"><b>Enclosures</b></p>	<p>Appendix A – Annual Report and Accounts <b>(to follow)</b></p>
<p style="text-align: right;"><b>Officer Contact Details</b></p>	<p>Gillian Clelland, Assistant Director of Finance, CSG  <a href="mailto:gillian.clelland@barnet.gov.uk">gillian.clelland@barnet.gov.uk</a> - 0208 359 5310</p>

<h2 style="margin: 0;">Summary</h2>
<p>The primary responsibility of those charged with managing the Local Government Pension Scheme (LGPS) is ensuring that the pension fund has sufficient assets to meet pensions liabilities in the long term. This report brings to the Pension Board the draft Annual Report and Accounts for the Barnet Pension Fund.</p>

<h2 style="margin: 0;">Recommendations</h2>
<p><b>1. That the committee reviews and approves the draft Annual Report and Accounts for the Barnet Pension Fund.</b></p>

## **1. WHY THIS REPORT IS NEEDED**

- 1.1 The Pension Fund's Annual Report and Accounts for the year ended 31 March 2017 (included as Appendix A) has been completed and is in the process of being independently audited by the Council's external auditors, BDO. The accounts form part of the London Borough of Barnet Council's Statement of Accounts.
- 1.2 The Annual Report and Accounts have been produced taking into account the guidance produced by the Chartered Institute of Finance and Accountancy (CIPFA) - LGPS Fund Accounts 2016/17: Example Accounts and Disclosure Checklist.
- 1.3 The Annual Report and Accounts need to be approved by the Pension Fund Committee before external audit can issue their formal opinion on the Pension Fund accounts. The draft annual report and accounts will be finalised once the external auditor has issued his formal opinion and this has been incorporated into the report. This will then be taken to the Council's September Audit Committee, alongside the Council's Statement of Accounts.
- 1.4 A copy of the final annual report and accounts will be placed on both the Pension Fund and the Council websites, and all Fund employers will be notified. In addition, the link will be emailed to all Councillors, trade unions who represent contributing members of the Fund and on request to any other individuals or organisations.
- 1.5 A summary of the annual report will be sent to all scheme participants in due course.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 The terms of reference of the Pension Fund Committee require the Committee to approve the Annual Report and the Pension Fund Accounts.

## **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 None

## **4. POST DECISION IMPLEMENTATION**

- 4.1 The Director of Resources will carry out any actions considered necessary.

## **5. IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

- 5.1.1 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 by the Pension Fund Committee will ensure that long term investment targeted returns are achieved and will provide support towards the Council's corporate priorities (2015-2020). Separate reports on the agenda of this committee include the investment performance and the Funding Strategy Statement.

## **5.2 Resources (Finance and Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

5.2.1 There are no immediate resource issues for the Council as a result of preparation of the Annual Report and Pension Fund Accounts. The calculation of the Council employer's contribution rate, which is done at the time of the actuarial valuation, takes into account investment performance and this is a charge to the General Fund.

## **5.3 Social Value**

5.3.1 The Public Services (Social Value) Act came into force on 31 January 2013. It requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits.

5.3.2 Before they start the procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders.

5.3.3 The Act is a tool to help commissioners get more value for money out of procurement. It also encourages commissioners to talk to their local provider market or community to design better services, often finding new and innovative solutions to difficult problems.

5.3.4 There are no specific social value issues arising out of this report, however membership of the Pension Fund ensures the long term financial health of contributing employees on retirement.

## **5.4 Legal and Constitutional References**

5.4.1 Legal - Regulation 34 of The LGPS (Administration) Regulations 2008 provides the statutory requirement for LGPS pension funds to produce an Annual Report and Accounts.

5.4.2 Constitution - Under Part 15, Annex A - Responsibility for Functions, one of the terms of reference of the Pension Fund Committee is 'To meet review and consider approval of the Pension Fund Statement of Accounts, income and expenditure and balance sheet or record of payments and receipts (as the case may be)' and 'To receive and consider approval of the Pension Fund Annual Report'.

## **5.5 Risk Management**

5.5.1 Risk management is central to the LGPS. LGPS pension funds are in themselves risk management tools, managing the risk that future employer income streams will be able to meet future pensions liabilities by creating a reserve from which future liabilities will be met.

5.5.2 The CIPFA publication *Managing Risk in the Local Government Pension Scheme* (2012) provides more detail on the nature, identification and

management of risk in the LGPS.

5.5.3 The Council's risk register is being updated to ensure that it fully reflects the risks associated with the management of the Pension Fund.

## 5.6 Equalities and Diversity

5.6.1 Pursuant to the Equalities Act 2010, the Council is under an obligation to have due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between persons who share a relevant 'protected characteristic' and those who do not share it; and fostering good relations between persons who share a relevant 'protected characteristic' and persons who do not share it. The 'protected characteristics' are: age, disability, gender reassignment, pregnancy, and maternity, race, religion or belief, sex and sexual orientation.

5.6.2 The rules governing admission to and participation in the Pension Fund are in keeping with the public sector equality duty. The Public Sector Equality Duty requires public authorities in carrying out their functions, to have due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010. Good governance arrangements and monitoring of the Pension Fund's managers will benefit everyone who contributes to the fund.

## 5.7 Consultation and Engagement

5.7.1 The Pension Fund communication policy is being updated to outline how we communicate with our stakeholders, the key groups of stakeholders being:

- Scheme members
- Employing authorities
- The Fund's contractor for pension administration services, Capita Employee Benefits
- The Council's contractor for finance and HR services, Capita Customer Support Group
- Other bodies, for example prospective employing organisations

5.7.2 The Pension Fund website will be developed to support the communications strategy.

5.7.3 The council is committed to developing the strategy to clearly and effectively communicate and to provide a high-quality service to all its stakeholders.

## 5.8 Insight

5.8.1 Not applicable

## 6. BACKGROUND PAPERS

6.1 None