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Meeting	Pension Fund Committee
Date	13 June 2012
<b>Subject</b>	<b>London Borough of Barnet Pension Fund Annual Report</b>
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.

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Officer Contributors	John Hooton, Assistant Director of Strategic Finance Iain Millar, Head of Treasury
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

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## **1. RECOMMENDATIONS**

- 1.1 That the draft Annual Report for the Barnet Pension Fund for the financial year ended 31 March 2012 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.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 None.

## **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 includes the draft Statement of Accounts of the Pension Fund as at 31 March 2012.

## **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 Functions – Section 2 – Responsibility for Council Functions delegated to the Pension Fund Committee through 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 requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2011/12 governing the preparation of the 2011/12 financial statements for Local Government Pension scheme funds.
- 9.2.2 The external audit of the Pension Fund accounts will commence in June 2012 and it is proposed that the Deputy Chief Executive in consultation with the Chairman of this committee agree any significant changes following discussion with the auditors.

## **10. LIST OF BACKGROUND PAPERS**

- 10.1 None.

Legal: TO  
CFO: JH/MC