

Pension Fund Committee

Meeting to be held on 27 July 2012

Electoral Division affected:
None

Annual Report and Accounts of the Fund – 2011/12

(Appendix 'A' refers)

Contact for further information:

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Executive Summary

This reports sets out the Lancashire County Pension Fund Annual Report 2011/12

Recommendation

The Committee is asked to agree the Lancashire County Pension Fund Annual Report 2011/12, as set out at Appendix 'A', for submission to the Full Council.

Background and Advice

The Local Government Pension Scheme (Administration) Regulations 2008 (No. 239) requires each administering authority to prepare an annual report for the pension fund and publish it before 1 December following the year end. The regulations prescribe that the following should be included in the annual report:

- a report on the management and financial performance of the fund during the year;
- an explanation of the investment policy;
- a report on the administrative arrangements for the fund;
- a statement from the actuary on the latest funding level;
- the current version of the governance compliance statement;
- the fund account and net asset statement with supporting notes and disclosures;
- the extent to which the fund has achieved its required performance levels; and
- the current version of the funding strategy statement, the statement of investment principles and communications policy and any other information the authority considers appropriate.

The terms of reference of the Pension Fund Committee is to approve the annual report for submission to Full Council

A copy of the Lancashire County Pension Fund Annual Report 2011/12 is attached at Appendix 'A'. The Annual Report includes the following sections:

An overview of the management and financial performance of the fund

This highlights the major issues considered by the Investment Panel and Committee during the year, a summary of market conditions and a summary of the performance of the fund.

The Governance Compliance Statement

This highlights compliance or otherwise with the guidance given by the Secretary of State.

Administration of the Fund

An update on issues arising from the administration of the fund during the year, including any changes to the administration regulations.

Investments of the Fund

A summary of the investment activity during the year and an analysis of performance of the investments.

The accounts and financial statements

The accounts and financial statements of the pension fund approved by the County Treasurer on 28 June 2012 are shown in the County Council's Statement of Accounts and also in the Pension Fund Annual Report. The accounts are currently being audited by the audit commission and the auditor's opinion will be included in the published Annual Report, when this is complete.

An up to date list of all the scheduled and admitted bodies within the fund is included within the notes to the financial statements.

Actuarial Valuation

A summary of the latest actuarial valuation carried out at March 2010 and applicable for the three years commencing 1 April 2011.

The following standing policy statements are referred to in the Annual Report as available from the Pension Fund and from its web-site at www.yourpensionservice.org.uk:

The Governance Policy Statement

The Governance Policy Statement approved by the Committee in April 2008 has been updated to include changes agreed by the Committee in July 2011.

The Communication Policy Statement

There are no changes to this document, which was revised in April 2007.

The Funding Strategy Statement

The Funding Strategy Statement which was approved by committee in February 2011.

The Statement of Investment Principles

The Statement of Investment Principles was approved by committee July 2011.

Consultations

The Investment Panel are consulted on all investment policy issues.

Implications:

This item has the following implications, as indicated:

Risk management

The policy on risk is outlined in the Funding Strategy Statement and the Statement of Investment Principles.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Directorate/Tel
Investment Manager reports, Investment Panel Agendas and Minutes	Quarterly throughout the year	Mike Jensen – Resources – 01772 534742

Reason for inclusion in Part II, if appropriate

N/A