**Pension Fund Committee**

Meeting to be held on 6 September 2013

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| Electoral Division affected:  None |

**Annual Report and Accounts of the Fund – 2012/13**

(Appendix 'A' refers)

Contact for further information:

George Graham, (01772) 538012, County Treasurer's Directorate,

[george.graham@lancashire.gov.uk](mailto:george.graham@lancashire.gov.uk)

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| Executive Summary This reports sets out the Lancashire County Pension Fund Annual Report 2012/13 Recommendation The Committee is asked to agree the Lancashire County Pension Fund Annual  Report 2012/13, 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 require it to approve the annual report for submission to Full Council.

A copy of the Lancashire County Pension Fund Annual Report 2012/13 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.

**Knowledge and Skills Framework**

A summary of the framework used to ensure that the right knowledge and skills mix exists to meet the financial management needs of the pension fund.

**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 draft accounts and financial statements of the pension fund approved by the County Treasurer on 28 June 2013 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 external auditor and the auditor’s opinion, together with any changes required as a result of the audit process will be included inthe 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](http://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 in November 2012.

**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**

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| 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 | | |