



Havering

LONDON BOROUGH

PENSIONS COMMITTEE

14 September 2011

Subject Heading:	PENSION FUND ACCOUNTS 2010/11
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Policy context:	Pension Fund Accounts to be noted by the Pensions Committee prior to agreement by the Audit Committee
Financial summary:	The report comments on the Pension Fund Accounts for the year ended 31 March 2011

The subject matter of this report deals with the following Council Objectives

- Clean, safe and green borough
- Excellence in education and learning
- Opportunities for all through economic, social and cultural activity
- Value and enhance the life of every individual
- High customer satisfaction and a stable council tax

SUMMARY

This report provides Members with an extract of the Council's Statement of Accounts for the year to 31st March 2011 showing the accounts of the Havering Pension Fund as at that date.

RECOMMENDATIONS

That the Committee consider and note the Havering Pension Fund unaudited Accounts as at 31st March 2011 and consider if there are any issues that need to be brought to the attention of the Audit Committee.

REPORT DETAIL

1. Background

1.1 The Council's Audited Statement of Accounts for 2010/11 will be presented to the Audit Committee for agreement on 22 September 2011. As these accounts include the Pension Fund accounts any matters which in the opinion of the Pensions Committee would require any amendments to the accounts will need to be reported to the Audit Committee.

1.2 At the time of writing this report the Pension Fund Accounts are still subject to audit by PricewaterhouseCoopers (PwC) as part of the overall audit of the Council's accounts, no material changes have yet been requested. If there are any material changes to report this will be provided verbally on the night of this committee meeting, as will any material issues raised as part of the audit process. The part of the Statement of Accounts which covers the Havering Pension Fund Accounts has been extracted and attached to this report as **Appendix A**.

1.3 Key items to note from the statement are:

- The Net Assets of the Fund have increased to **£388m** for 2010/11 from £360m in 2009/10, a net increase of £28m.
- The net increase of £28m is compiled of a change in the market value of assets of £14m, investment income of £10m and net additions (cash) of £5m, offset by management expenses of (£1m).
- The overall return on the Fund's investments was 6.3%. This was an under performance of -1.9% against the tactical benchmark and an under performance of -3.3% against the strategic benchmark. Although stock market values have risen over the year the markets are still very volatile.

- 1.4 A copy of the audited Pension Fund Accounts and the auditors' opinion will be included in the 2010/11 Pension Fund Annual Report. The 2010/11 Pension Fund Annual report will be presented to the Pensions Committee on 9 November to meet the statutory publication date of 1 December 2011.

IMPLICATIONS AND RISKS

Financial Implications and risks:

Pension Fund Managers' performance is regularly monitored in order to ensure that the investment objectives are being met and consequently minimise any cost to the General Fund.

The Financial Statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, and with guidelines set out in the Statement of Recommended Practice, Financial Reports of Pension Schemes (Revised May 2007).

Regulation 11 of the Accounts and Audit regulations require the publication of the Statement of Accounts after the conclusion of the audit but in any event no later than the 30th September 2011.

Legal Implications and risks:

None arising directly

Human Resources Implications and risks:

None arising directly

Equalities and Social Inclusion Implications and risks:

None arising directly

BACKGROUND PAPERS

Working papers held within the Corporate Finance section.
Draft statement of Accounts 2010/11