

 the low tax borough	London Borough of Hammersmith & Fulham AUDIT, PENSIONS AND STANDARDS COMMITTEE 26 th September 2013
PENSION FUND ANNUAL REPORT 2012/13 AND COMMUNICATION POLICY STATEMENT	
Report of the Executive Director of Finance and Corporate Governance	
Open Report	
Classification: For Decision Key Decision: No	
Wards Affected: All	
Accountable Executive Director: Jane West, Executive Director of Finance and Corporate Governance	
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1. EXECUTIVE SUMMARY

- 1.1. The Local Government Pension Scheme regulations require the Pension Fund to prepare and publish an annual report by 1st December every year. The report for 2012/13 which the Committee is asked to approve has been prepared in line with the requirements of the regulations and having regard for the CIPFA guidance on the preparation of annual reports.
- 1.2. The same regulations also require the Pension Fund to prepare and keep under review a number of policy statements. The Committee is asked to approve an updated version of the Communication Policy Statement, which has been prepared in accordance with the regulations and has been updated to reflect current practice.

2. RECOMMENDATIONS

- 2.1. That the Pension Fund Annual Report 2012/13 be approved.
- 2.2. That the updated version of the Pension Fund Communication Policy Statement be approved.

3. REASONS FOR DECISION

- 3.1. The Local Government Pension Scheme (LGPS) Administration Regulations 2008 require the Pension Fund to publish an annual report covering the financial year by 1st December. The regulations also require the Pension Fund to publish and keep under review a Communication Policy Statement.

4. INTRODUCTION AND BACKGROUND

- 4.1. The Local Government Pension Scheme Administration Regulations 2008 require all Local Government Pension Funds to prepare and publish an annual report on the activities of the Fund by 1st December following the end of the financial year. The regulations set out the areas to be covered in the report and guidance from CIPFA provides further detail of the requirements.
- 4.2. These regulations also require the Fund to publish and keep under review a number of policy statements. One of those is a Communication Policy Statement. The Fund's current statement has not been reviewed for at least three years and some aspects no longer reflect current practice. The LGPS regulations set out what is to be included in the policy statement.
- 4.3. The Fund's other policy statements are the Statement of Investment Principles and the Funding Strategy Statement. The Statement of Investment Principles was reviewed in 2012 and reflects the current strategy. The Funding Strategy Statement will be reviewed in late 2013/early 2014 alongside the triennial actuarial valuation results.

5. PROPOSAL AND ISSUES

- 5.1. The LGPS regulations require the Pension Fund annual report to include the following:
 - Management and Financial performance;
 - Investment Policy;
 - Administration;
 - A Statement from the Fund's Actuary;
 - Fund Account and Net Asset Statement;
 - Links to Statement of Investment Principles, Funding Strategy Statement and Communication Policy Statement.
- 5.2. The annual report for 2012/13 attached at Appendix 1 includes all of the requirements above and was prepared having regard to the CIPFA guidance. The complete Pension Fund accounts including all the disclosure notes is published within the Council's Statement of Accounts as required by legislation.

5.3. The Communication Policy Statement is required by regulation to include:

- Provision of information to scheme members, employers and prospective scheme members;
- Format, frequency and method of distribution of the information.

5.4. The statement set out in Appendix 2 has been updated to reflect current practice and the fact Capita Employee Benefits now provide the administration service for the Pension Fund. This means communication with all stakeholders is carried out in partnership with them.

6. OPTIONS AND ANALYSIS OF OPTIONS

6.1. The production of the annual report and communication policy statement are required by the LGPS regulations and therefore there are no other options to consider.

7. CONSULTATION

7.1. Not applicable.

8. EQUALITY IMPLICATIONS

8.1. Not applicable.

9. LEGAL IMPLICATIONS

9.1. Not applicable.

10. FINANCIAL AND RESOURCES IMPLICATIONS

10.1. The comments of the Executive Director of Finance and Corporate Governance are contained within this report.

11. RISK MANAGEMENT

11.1. Not applicable.

12. PROCUREMENT AND IT STRATEGY IMPLICATIONS

12.1. Not applicable.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.			

LIST OF APPENDICES:

Appendix 1: Pension Fund Annual Report 2012/13

Appendix 2: Communication Policy Statement