



<u>Committee and Date</u> Pensions Committee	<u>Item</u>
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PENSION FUND ANNUAL ACCOUNTS 2009/10

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Summary

The report provides Members with the Shropshire County Pension Fund Annual Report 2009/10 and an update on the annual audit. The Audit Commission has completed its annual audit and an unqualified opinion has been given.

Decisions Required

Members are asked to approve the Pension Fund Annual Report 2009/10.

REPORT

Background

1. Following the end of the financial year officers compiled the Pension Fund accounts for 2009/10. The annual report has been produced which outlines the accounts and details the activities of the Fund during the last year (Appendix A).
2. This is the second year that the Pension Fund has undergone a separate audit. Previously the Pension Fund was audited as part of the accounts of Shropshire Council and the audit opinion was included within the Council accounts.
3. The Audit Commission have completed the audit of accounts for Shropshire County Pension Fund and an opinion and certificate is included within the annual report. An unqualified opinion has been given on the accounts.

Annual Accounts

4. In the year to the end of March 2010 the Fund increased in value by £235 million to £951 million. During the year the Fund received £15.2 million in contributions from employees and £40.2 million in contributions from scheme employers.
5. The last financial year continued to see an increase in the total number of scheme members. Total scheme membership increased by 4.6% to 34,539 during the year.
6. Local Government employees who leave employment have the option to transfer out their accumulated pension fund. During the last financial year the Fund paid out £8.9 million in transfer payments for staff leaving employment. Conversely, new employees have the ability to transfer in accumulated benefits from previous employment. The Fund received £10 million in transfer payments from new employees during the financial year.
7. In 2009/10 the Fund paid pensions totalling £35.1 million, an increase of £4.2 million on the previous year. This is due to an increase in the number of pensioners.
8. In 2009/10 Investment Management Fees totalling £7.9 million were paid, an increase of £2 million from the previous year. This was due to the significant increase in the value of the Fund and certain managers outperforming their benchmark over the year and becoming entitled to performance related fees.
9. A full analytical review of the Pension Fund Accounts was carried out by officers and passed to the Audit Commission in advance of their audit. The audit was completed in July.
10. The Annual Report is distributed to all scheme employers, investment managers and advisors. It is provided to all attendees of the Annual Meeting and is also available on the pension fund website.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

N/A

Human Rights Act Appraisal

The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998

Environmental Appraisal

N/A

Risk Management Appraisal

N/A

Community / Consultations Appraisal

The Annual Report is available on the Shropshire County Pension Fund website.

Cabinet Member

N/A

Local Member

N/A

Appendices

A – Shropshire County Pension Fund Annual Report 2009/10