

3 December 2015
Agenda Item:

REPORT OF THE SERVICE DIRECTOR (FINANCE & PROCUREMENT)

FUND VALUATION AND PERFORMANCE

Purpose of the Report

1. To report on the total value and performance of the Pension Fund to 30 September 2015.

Information and Advice

2. This report is to inform the Sub-Committee of the value of the Pension Fund at the end of the latest quarter and give information on the performance of the Fund. Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972. Having regard to the circumstances, on balance the public interest in disclosing the information does not outweigh the reason for exemption because divulging the information would significantly damage the Council's commercial position in relation to the Pension Fund. The exempt information is set out in the exempt appendices.
3. The table below shows a summary of the total value of the investment assets of the Fund as at 30 September 2015, together with the comparative position 3 and 12 months previously.

Quarter ended:	Latest Quarter		Previous Quarter		Previous Year	
	30 Sep 2015		30 Jun 2015		30 Sep 2014	
	£m	%	£m	%	£m	%
UK Fixed Interest	389	10%	368	9%	365	9%
Overseas Fixed Interest	12	1%	14	0%	14	0%
Inflation-Linked	110	3%	114	3%	105	3%
UK Equities	1,261	33%	1,342	34%	1,286	34%
Overseas Equities	1,305	34%	1,406	36%	1,372	36%
Private Equity	78	2%	72	2%	73	2%
Infrastructure	38	1%	15	0%	0	0%
UK Property	416	11%	416	10%	354	9%
Overseas Property	83	2%	81	2%	78	2%
Cash	115	3%	138	4%	185	5%
TOTAL	3,807	100%	3,965	100%	3,831	100%

4. The Fund has decreased in value by £158 million (4.0%) since the previous quarter and is £24 million (0.6%) lower than the same period last year. The table below shows the provisional Fund Account for 2015/16 along with the full year figures for 2014/15.

Summary Fund Account	To Qtr End 2015/16 £000	Full Year 2014/15 £000
Employer contributions	(65,795)	(130,112)
Member contributions	(21,635)	(42,714)
Transfers in from other pension funds	(1,560)	(6,124)
Pensions	70,426	137,495
Commutation of pensions and lump sums	14,059	25,991
Lump sum death benefits	2,109	3,324
Payments to and on account of leavers	3,640	87,072
Administration expenses	11	1,764
Net (additions)/withdrawals from dealings with members	1,255	76,696
Oversight & governance expenses	73	572
Investment income	(32,025)	(110,790)
Profits & losses on disposals & changes in value	301,032	(316,474)
Taxes on income	497	703
Investment management expenses	1,142	3,838
Net Returns on Investments	270,646	(422,723)
 Net (increase)/decrease in net assets	 271,974	 (345,455)

5. The provisional fund account for 2015/16 to the end of September includes adjustments made only for contributions owing to the Fund. No other adjustments have been made for amounts owing (debtors and creditors). The fund account for 2014/15 includes adjustments made for all material amounts owing to/from the Fund at the year end. The 'Payments to and on account of leavers' in 2014/15 includes £76 million paid to the Greater Manchester Pension Fund in respect of the transfer of liabilities relating to the Probation Service.

Statutory and Policy Implications

6. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION

- 1) That the report be noted.

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Constitutional Comments

7. Because this report is for noting only, no Constitutional Comments are required.

Financial Comments (SRC 19/08/15)

8. There are no direct financial implications arising from this report.