

4 June 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 31 March 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 Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972.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 appendix.
3. The table below shows a summary of the total value of the investment assets of the Fund as at 31 March 2015, together with the comparative position 3 and 12 months previously.

Quarter ended:	Latest Quarter		Previous Quarter		Previous Year	
	31 Mar 2015		31 Dec 2014		31 Mar 2014	
	£m	%	£m	%	£m	%
UK Fixed Interest	396	10%	388	10%	323	9%
Overseas Fixed Interest	17	0%	13	0%	38	1%
Inflation-Linked	116	3%	110	3%	103	3%
UK Equities	1,337	33%	1,287	33%	1,287	35%
Overseas Equities	1,527	38%	1,415	36%	1,325	35%
Private Equity	72	2%	72	2%	76	2%
UK Property	369	9%	368	9%	328	9%
Overseas Property	84	2%	92	2%	79	2%
Cash	132	3%	191	5%	154	4%
TOTAL	4,050	100%	3,935	100%	3,712	100%

4. The Fund has increased by £115 million (2.9%) since the previous quarter and is £338 million (9.1%) higher than the same period last year. The table below shows the Fund Account for 2014/15 along with the full year figures for 2013/14.

Summary Fund Account	2014/15 £000	2013/14 £000
Employer contributions	(130,112)	(123,905)
Member contributions	(42,714)	(41,018)
Transfers in from other pension funds	(6,124)	(6,638)
Pensions	137,495	132,832
Commutation of pensions and lump sums	25,991	23,115
Lump sum death benefits	3,324	3,793
Payments to and on account of leavers	87,072	15,326
Administration expenses	1,764	1,291
Net (additions)/withdrawals from dealings with members	76,696	4,947
Oversight & governance expenses	572	628
Investment income	(110,790)	(105,388)
Profits & losses on disposals & changes in value	(316,474)	(141,271)
Taxes on income	703	644
Investment management expenses	3,838	3,892
Net Returns on Investments	(422,723)	(242,123)
 Net (increase)/decrease in net assets	 (345,455)	 (236,699)

5. The fund account for 2014/15 includes adjustments made for 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. Without that payment, the Fund would have had a small outflow from dealings with members of £699,000. The cash flow position of the Fund continues to be closely monitored, in particular to ensure that contributions due to the Fund are received.

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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For any enquiries about this report please contact: Simon Cunningham

Constitutional Comments

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

Financial Comments (SRC 26/05/15)

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