

13 June 2013
Agenda Item:6
REPORT OF THE SERVICE DIRECTOR (FINANCE & PROCUREMENT)
FUND VALUATION AND PERFORMANCE
Purpose of the Report

1. To report on the total value of the Pension Fund at, and performance over the period to, 31 March 2013.

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 over that quarter and the previous year. Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972.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 Fund as at 31 March 2013, together with the comparative position 3 and 12 months previously.

	Latest Quarter		Previous Quarter		Previous Year	
Quarter ended:	31 Mar 2013		31 Dec 2012		31 Mar 2012	
	£m	%	£m	%	£m	%
UK Fixed Interest	319	9%	297	9%	313	10%
Overseas Fixed Interest	86	3%	89	3%	55	2%
Inflation-Linked	63	2%	58	2%	58	2%
UK Equities	1,212	35%	1,104	34%	1,047	34%
Overseas Equities	1,232	35%	1,087	34%	1,000	33%
Private Equity	75	2%	73	2%	67	2%
UK Property	323	9%	308	10%	297	10%
Overseas Property	87	3%	84	3%	89	3%
Cash	81	2%	86	3%	132	4%
TOTAL	3,477	100%	3,186	100%	3,057	100%

4. The Fund has increased by £291 million (9%) since the previous quarter and £420 million (14%) since the previous year. The table below shows the summary Fund Account for 2012/13 with comparative figures for 2011/12.

	2011/12	2012/13
Summary Fund Account	£000	£000
Employer contributions	(134,907)	(127,132)
Member contributions	(42,242)	(42,829)
Transfers in from other pension funds	(10,197)	(11,535)
Pensions	117,060	127,078
Commutation of pensions and lump sums	37,467	28,187
Lump sum death benefits	3,588	3,714
Payments to and on account of leavers	10,738	16,048
Administration Expenses	1,301	1,409
Net additions from dealings with members	(17,192)	(5,060)
Investment Income	(84,830)	(88,307)
Profits & losses on disposals & changes in value	32,988	(334,869)
Taxes on income	674	580
Investment management expenses	3,871	3,506
Net Returns on Investments	(47,297)	(419,090)
 Net (increase)/decrease in net assets	 (64,489)	 (424,150)

5. Net additions from members has reduced further in 2012/13 but still shows a net cash inflow to the Fund. Part of the reduction is a result of net transfers out to other funds of £4.5 million (compared to only £0.5 million in 2011/12). Investment income continues to increase.

Statutory and Policy Implications

6. This report has been compiled after consideration of implications in respect of finance, equal opportunities, 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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