

4 September 2014
Agenda Item: 4

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 2014.

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 Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972.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 30 June 2014, together with the comparative position 3 and 12 months previously.

Quarter ended:	Latest Quarter		Previous Quarter		Previous Year	
	30 Jun 2014		31 Mar 2014		30 Jun 2013	
	£m	%	£m	%	£m	%
UK Fixed Interest	350	9%	323	9%	279	8%
Overseas Fixed Interest	15	0%	38	1%	93	3%
Inflation-Linked	104	3%	103	3%	59	2%
UK Equities	1,324	35%	1,287	35%	1,207	35%
Overseas Equities	1,356	36%	1,325	35%	1,202	35%
Private Equity	72	2%	76	2%	82	2%
UK Property	342	9%	328	9%	318	9%
Overseas Property	78	2%	79	2%	87	3%
Cash	155	4%	154	4%	119	3%
TOTAL	3,797	100%	3,712	100%	3,444	100%

4. The Fund has increased by £85 million (2.3%) since the previous quarter and is £353 million (10%) higher than the same period last year. The table below shows the provisional Fund Account for 2014/15 to the end of June along with the full year figures for 2013/14.

Summary Fund Account	2014/15 to date Provisional £000	2013/14 Full year £000
Employer contributions	(26,440)	(123,905)
Member contributions	(8,277)	(41,018)
Transfers in from other pension funds	(3,055)	(6,638)
Pensions	34,808	132,832
Commutation of pensions and lump sums	8,730	23,115
Lump sum death benefits	859	3,793
Payments to and on account of leavers	3,278	15,326
Administration expenses	22	1,442
Net additions from dealings with members	9,925	4,947
Investment income	(12,794)	(105,388)
Profits & losses on disposals & changes in value	(61,416)	(141,271)
Taxes on income	355	644
Investment management expenses	136	4,369
Net Returns on Investments	(73,719)	(241,646)
 Net (increase)/decrease in net assets	 (63,794)	 (236,699)

5. It is important to note that the provisional fund account for 2014/15 to the end of June has had no adjustments made for amounts owing to or from the Fund (debtors and creditors). The cash flow position of the Fund will continue to be closely monitored throughout 2014/15 and in particular, employer contributions will be reviewed to ensure they comply with the revised schedule of rates and contributions certified by the actuary.

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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