

2 September 2013
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 30 June 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 Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972.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 30 June 2013, together with the comparative position 3 and 12 months previously.

	Latest Quarter		Previous Quarter		Previous Year	
Quarter ended:	30 Jun 2013		31 Mar 2013		30 Jun 2012	
	£m	%	£m	%	£m	%
UK Fixed Interest	279	8%	319	9%	319	11%
Overseas Fixed Interest	93	3%	86	3%	70	2%
Inflation-Linked	59	2%	63	2%	59	2%
UK Equities	1,207	35%	1,212	35%	1,030	34%
Overseas Equities	1,202	35%	1,232	35%	948	32%
Private Equity	82	2%	75	2%	71	2%
UK Property	318	9%	323	9%	296	10%
Overseas Property	87	3%	87	3%	85	3%
Cash	119	3%	81	2%	118	4%
TOTAL	3,444	100%	3,477	100%	2,996	100%

4. The Fund has decreased by £33 million (0.9%) since the previous quarter but is £448 million (15%) higher than the same period last year. The table below shows the provisional Fund Account for 2013/14 to the end of June along with the full year figures for 2012/13.

Summary Fund Account	2013/14 To 30/06/13 £000	2012/13 Full year £000
Employer contributions	(35,658)	(127,132)
Member contributions	(11,262)	(42,829)
Transfers in from other pension funds	(2,064)	(11,535)
Pensions	33,187	127,078
Commutation of pensions and lump sums	8,084	28,187
Lump sum death benefits	1,639	3,714
Payments to and on account of leavers	4,828	16,048
Administration Expenses	353	1,409
Net additions from dealings with members	(894)	(5,060)
Investment Income	(28,045)	(88,307)
Profits & losses on disposals & changes in value	60,112	(334,869)
Taxes on income	349	580
Investment management expenses	1,344	3,506
Net Returns on Investments	33,759	(419,090)
Net (increase)/decrease in net assets	32,866	(424,150)

5. The Fund has a small net cash inflow from members in the first quarter although this is affected by net transfers out to other funds of £2.8 million. Investment income remains healthy despite overall investment returns being flat or slightly negative over the quarter.

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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