

27 November 2014

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 Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972.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

Quarter ended:	Latest Quarter		Previous Quarter		Previous Year	
	30 Sep 2014		30 Jun 2014		30 Sep 2013	
	£m	%	£m	%	£m	%
UK Fixed Interest	365	9%	350	9%	322	8%
Overseas Fixed Interest	14	0%	15	0%	81	3%
Inflation-Linked	105	3%	104	3%	58	2%
UK Equities	1,286	34%	1,324	35%	1,270	35%
Overseas Equities	1,372	36%	1,356	36%	1,235	35%
Private Equity	73	2%	72	2%	78	2%
UK Property	354	9%	342	9%	324	9%
Overseas Property	78	2%	78	2%	84	3%
Cash	185	5%	155	4%	94	3%
TOTAL	3,831	100%	3,797	100%	3,547	100%

4. The Fund has increased by £34 million (0.9%) since the previous quarter and is £284 million (8%) higher than the same period last year. The table below shows the provisional Fund Account for 2014/15 to the end of the quarter 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	(66,761)	(123,905)
Member contributions	(21,185)	(41,018)
Transfers in from other pension funds	(3,890)	(6,638)
Pensions	68,908	132,832
Commutation of pensions and lump sums	14,916	23,115
Lump sum death benefits	1,583	3,793
Payments to and on account of leavers	4,103	15,326
Administration expenses	372	1,442
Net additions from dealings with members	(1,954)	4,947
Investment income	(38,342)	(105,388)
Profits & losses on disposals & changes in value	(58,890)	(141,271)
Taxes on income	518	644
Investment management expenses	1,054	4,369
Net Returns on Investments	(95,660)	(241,646)
 Net (increase)/decrease in net assets	 (97,614)	 (236,699)

5. The provisional fund account for 2014/15 to the end of September includes adjustments made for contributions owing to the Fund. No other adjustments have been made for amounts owing (debtors and creditors). The cash flow position of the Fund will continue to be closely monitored throughout 2014/15, in particular to ensure that employer contributions 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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For any enquiries about this report please contact: Simon Cunnington

Constitutional Comments

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

Financial Comments (SRC 19/11/14)

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