

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 Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972.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

	Latest Quarter	
Quarter ended:	30 Sep 2013	
	£m	%
UK Fixed Interest	322	8%
Overseas Fixed Interest	81	3%
Inflation-Linked	58	2%
UK Equities	1,270	35%
Overseas Equities	1,235	35%
Private Equity	78	2%
UK Property	324	9%
Overseas Property	84	3%
Cash	94	3%
TOTAL	3,547	100%

Previous Quarter	
30 Jun 2013	
£m	%
279	8%
93	3%
59	2%
1,207	35%
1,202	35%
82	2%
318	9%
87	3%
119	3%
3,444	100%

Previous Year	
30 Sep 2012	
£m	%
315	11%
73	2%
57	2%
1,058	34%
1,005	32%
71	2%
308	10%
84	3%
119	4%
3,090	100%

4. The Fund has increased by £103 million (3%) since the previous quarter and is £457 million (15%) higher than the same period last year. The table below shows the provisional Fund Account for 2013/14 to the end of September along with the full year figures for 2012/13.

Summary Fund Account	2013/14 To 30/09/13 £000	2012/13 Full year £000
Employer contributions	(63,132)	(127,132)
Member contributions	(21,124)	(42,829)
Transfers in from other pension funds	(4,071)	(11,535)
Pensions	66,429	127,078
Commutation of pensions and lump sums	12,935	28,187
Lump sum death benefits	2,517	3,714
Payments to and on account of leavers	6,684	16,048
Administration Expenses	764	1,409
Net additions from dealings with members	1,002	(5,060)
Investment Income	(45,519)	(88,307)
Profits & losses on disposals & changes in value	(27,779)	(334,869)
Taxes on income	485	580
Investment management expenses	2,054	3,506
Net Returns on Investments	(70,759)	(419,090)
 Net (increase)/decrease in net assets	 (69,757)	 (424,150)

5. Contributions from employers and employees total £84 million with £82 million paid out in pensions and lump sum payments. Net transfers out to other funds of just under £3 million mean the Fund has a small net cash outflow from members in the first half year. Net returns on investments total £71 million with investment income making up nearly £46 million. The cash flow position will be closely monitored throughout the rest of the year.

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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