



City of Westminster

Committee Report

Decision Maker:	PENSION FUND COMMITTEE
Date:	17 November 2014
Classification:	Public
Title:	Performance of the Council's Pension Fund
Wards Affected:	All
Policy Context:	Effective control over Council Activities
Financial Summary:	There are no immediate financial implications arising from this report, although investment performance has an impact on the Council's employer contribution to the Pension Fund and this is a charge to the General Fund.
Report of:	Jonathan Hunt <i>Director of Corporate Finance and Investments</i> jonathanhunt@westminster.gov.uk 020 7641 1804

1. Executive Summary

- 1.1 This report presents a summary of the Pension Fund's performance to 30 September 2014, together with an estimated valuation position.

2. Recommendation

- 2.1 The Committee note the contents of this paper and the performance report from Deloitte.
- 2.2 The Committee notes that the Director of Corporate Finance and Investment approved the 2013/14 draft Annual Report, following approval from the auditors, under authority delegated at the last committee meeting unchanged from the version then agreed.

3. Background

Performance of the Fund

- 3.1 This report presents a summary of the Superannuation Fund's performance and estimated funding level to 30 September 2014. The

investment report (Appendix 1) has been prepared by Deloitte, the Fund's investment adviser, who will be attending the meeting to present the key points and answer question.

- 3.2 The Funding update (Appendix 2) has been provided by the Fund Actuary, Barnett Waddingham. This indicates that the funding level has improved from 74% at the last triennial valuation at 31 March 2013, to 79% at 30 September 2014. The slight decline from the June 2014 indicative funding level is driven by the reduction in the discount rate from 6.1% to 6.0%.

4. Future Programme of Work

- 4.1 At the last meeting, Officers indicated that a revised Statement of Investment Principles would be brought to this November Committee. However, given the changes that may be occurring to the fund manager structure, it would be appropriate to update when this is better known. Deloitte will be closely involved in its drafting.
- 4.2 The Committee will also be aware that the Fund has recently changed custodian from BNY Mellon to Northern Trust. The handover process has gone smoothly and Northern Trust are completing their reports for the first month (October) that the assets have been under their responsibility. Officers have also been working on periodic accounting closing of the accounts, as a matter of good practice and in preparation for the Council's accounts to be closed in mid-April. As a result of both these things, while work has started for the cashflow analysis, it is not yet in a form that is appropriate to discuss with the Committee, but will come to the February meeting.

If you have any questions about this report, or wish to inspect one of the background papers, please contact:

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BACKGROUND PAPERS: None