

Pension Fund Committee

13 September 2010

Pension Fund Investments



Barry Scarr, Interim Corporate Director Resources

Purpose of the Report

1. To inform the Committee of the overall value of the Pension Fund as at 30 June, 2010 of the additional sums available to the Managers for further investment and of the result of the latest Fund Rebalancing.

Value of the Fund

2. Reports from the six appointed Managers AllianceBernstein, Barings, BlackRock, CBRE, Edinburgh Partners and Royal London have been sent out with the papers but for information the Value of the Fund as at 30 June 2010 was £1,562,793,700.

Allocation of New Money

3. Table 1 details the cash position of the Fund, cash flow for the last four quarters, and an estimated cash flow for the quarter ending 30 June 2010.
4. In determining the amount of cash to be allocated to Managers at the quarter ended 30 September 2010, the un-invested cash balance at the end of the previous quarter, together with interest received in that quarter, is considered. The amount allocated to each Manager is subject to the need to retain money to meet the Fund's net cash outflow. After taking these issues into account it was decided that no money be added to the sums to be allocated to the Managers for investment in the quarter.

Fund Rebalancing

5. Table 2 showing the Cash Rebalancing matrix will be circulated at the meeting. It is expected that rebalancing will take place as soon as practicable and will reflect figures shown in the "Rebalanced" column.

Recommendation

6. Members are asked to note the information contained in this report.

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TABLE 1

<i>Quarter Ended</i> (1)	30.09.09		31.12.09		31.03.10		30.06.10		30.09.10
	Estimate (2)	Actual (3)	Estimate (4)	Actual (5)	Estimate (6)	Actual (7)	Estimate (8)	Actual (9)	Estimate (10)
	£	£	£	£	£	£	£	£	£
Contributions - DCC	10,600,000	16,788,468	16,000,000	17,190,572	17,100,000	17,035,039	17,000,000	17,316,968	17,000,000
- Other	12,200,000	8,316,423	8,000,000	7,802,876	7,800,000	7,778,191	7,800,000	7,408,084	7,400,000
Pensions Increase	1,000,000	1,679,891	1,500,000	876,964	1,500,000	1,642,355	1,000,000	835,214	800,000
Transfer Values	1,000,000	2,882,686	1,500,000	3,124,586	2,500,000	2,483,105	1,500,000	1,719,376	1,800,000
Loans Repaid	0	0	0	0	0	0	0	0	0
Other Income	0	0	0	0	0	0	0	2,173,219	0
Gross Dividend & Interest	600,000	513,093	334,000	334,061	300,000	0	0	0	0
Total Income	25,400,000	30,180,561	27,334,000	29,329,057	29,200,000	28,938,690	27,300,000	29,452,801	27,000,000
Payroll Paysheets	16,000,000	16,788,468	17,000,000	17,782,817	18,000,000	27,994,283	18,000,000	17,316,968	17,000,000
Payables Paysheets (incl. Managers' fees)	8,000,000	8,125,032	8,000,000	13,031,308	9,000,000	10,110,870	10,000,000	11,593,086	10,000,00
Total Expenditure	24,000,000	24,913,500	25,000,000	30,814,125	27,000,000	38,105,153	28,000,000	28,910,054	27,000,000
Surplus / (Deficit)	1,400,000	5,267,061	2,334,000	(1,485,068)	2,200,000	(9,166,463)	(700,000)	542,807	0
Net Capital payments/(receipts)		7,082,516		0		644,336		0	
Balance at Bank (opening)		95,385,172		20,668,782		19,915,225		5,882,733	
Balance at Bank (closing)		20,668,782		19,915,225		5,882,733		2,053,829	
Money paid/(recovered) to/(from Manager)		79,700,000		0		0		0	