

Pension Fund Committee

6 June 2011

Pension Fund Investments



Don McLure, Corporate Director Resources

Purpose of the Report

1. To inform the Committee of the overall value of the Pension Fund as at 31 March 2011 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 31 March 2011 was £1,751,570,000.

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 31 March 2011.
4. In determining the amount of cash to be allocated to Managers at the quarter ended 30 June 2011, 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. The rebalancing will reflect the figures shown in the "Rebalanced" column and will take place, as agreed previously on 7 July 2011.

Recommendation

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

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TABLE 1

	30.06.10		30.09.10		31.12.10		31.03.11		30.06.11
<i>Quarter Ended</i> (1)	Estimate (2)	Actual (3)	Estimate (4)	Actual (5)	Estimate (6)	Actual (7)	Estimate (8)	Actual (9)	Estimate (10)
	£	£	£	£	£	£	£		
Contributions - DCC	17,000,000	17,316,968	17,000,000	17,510,856	17,500,000	17,738,724	17,400,000	18,610,070	18,000,000
- Other	7,800,000	7,408,084	7,400,000	7,344,735	7,400,000	7,191,370	7,300,000	10,702,319	7,300,000
Pensions Increase	1,000,000	835,214	800,000	1,903,957	1,200,000	1,136,723	1,100,000	1,196,199	1,100,000
Transfer Values	1,500,000	1,719,376	1,800,000	2,819,490	2,000,000	1,854,135	2,000,000	3,651,384	2,700,000
Loans Repaid	0	0	0	0	0	0	0	0	0
Other Income	0	2,173,219	0	1,421,218	1,000,000	1,029,707	500,000	969,306	500,000
Gross Dividend & Interest	0	0	0	0	0	0	0	61,406	40,000
Total Income	27,300,000	29,452,801	27,000,000	31,300,256	29,100,000	28,950,659	28,300,000	35,190,684	29,640,000
Payroll Paysheets	18,000,000	17,316,968	17,000,000	17,510,856	17,500,000	17,728,137	18,000,000	17,824,676	18,000,000
Payables Paysheets (incl. Managers' fees)	10,000,000	11,593,086	10,000,000	9,964,085	10,000,000	8,100,045	8,500,000	12,775,665	11,000,000
Total Expenditure	28,000,000	28,910,054	27,000,000	27,474,941	27,500,000	25,828,182	26,500,000	30,600,341	29,000,000
Surplus / (Deficit)	(700,000)	542,807	0	3,525,315	1,600,000	3,122,477	1,800,000	4,590,343	640,000
Net Capital payments/(receipts)		0		996,160		3,670,489		0	
Balance at Bank (opening)		5,882,733		2,053,829		25,087,188		22,235,857	
Balance at Bank (closing)		2,053,829		25,087,188		22,235,857		26,176,601	
Money paid/(recovered) to/(from Manager)		0		20,000,000		0		0	