



City of Westminster

# Committee Report

<b>Decision Maker:</b>	<b>PENSION FUND COMMITTEE</b>
<b>Date:</b>	<b>22 March 2016</b>
<b>Classification:</b>	<b>General Release</b>
<b>Title:</b>	<b>Fund Financial Management</b>
<b>Wards Affected:</b>	<b>All</b>
<b>Policy Context:</b>	<b>Effective control over Council Activities</b>
<b>Financial Summary:</b>	<b>There are no immediate financial implications arising from this report.</b>
<b>Report of:</b>	<b>Steven Mair</b> <i>City Treasurer</i> <a href="mailto:smair@westminster.gov.uk">smair@westminster.gov.uk</a> <b>020 7641 2904</b>

## 1. Executive Summary

- 1.1 This report presents a variety of information that will assist the Pension Fund Committee in monitoring key areas to ensure effective control of the Fund's operations and help inform strategic decisions.

## 2. Recommendations

- 2.1 The Committee is asked approve the updated risk register for the Pension Fund.
- 2.2 The Committee is asked to note the Fund's compliance with the limits specified in Schedule 1 of the LGPS (Management and Investment of Funds) Regulations 2009.
- 2.3 The Committee is asked to note the Class Actions update.
- 2.4 The Committee is asked to note the cashflow position of the Fund and agree the proposed deferment of monthly cash transfers from the Fund Managers until May 2016.

### **3. Risk Register Monitoring**

- 3.1 The risk register has been reviewed by officers and is attached as Appendix 1 for information. The rationale for the changes is set out on the first page of the Appendix.

### **4. Investment Regulations Limits Review**

- 4.1 As at 31 December 2015, the Fund complied with the LGPS (Management and Investment of Funds) Regulations 2009 as documented in the Statement of Investment Principles.
- 4.2 In particular, the Fund had no self-investments (regulatory maximum of 5%), it had no single segregated holding great than 10% and its largest investment in a single vehicle was 23.05% with Majedie against the limit of 35%. The LGIM holding is split between two vehicles.

### **5. Class Actions Update**

- 5.1 The report from SRKW provided by IPS on recent class action matters is attached as Appendix 2. This report highlights all new and on-going investor class actions and specifically identifies those relevant to the City of Westminster Pension Fund. There are no new actions recommended for consideration.

### **6. Consultations / Legislation Changes**

#### Pooling of Investments

- 6.1 See item 5 on the agenda.

### **7. Cashflow Monitoring**

- 7.1 At the November 2016 meeting, Committee members were presented with the Fund's actual cashflow position from the start of the financial year to October 2015 and the forecast to March 2020.
- 7.2 The cashflow forecast has been updated to reflect actuals to the end of February 2016 and is included at Appendix 3.
- 7.3 Currently the forecast cash balance for 31 March 2016 is £6.2m. This is an improvement of £1.1m on the forecast reported in November 2015. In view of the improved cash forecast, it is proposed that the monthly programme of cash transfers from the Fund Managers be deferred until May 2016.

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

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**BACKGROUND PAPERS:**           None

**APPENDICES:**

Appendix 1 – Pension Fund Risk Register

Appendix 2 – SRKW Report 1 October to 31 December 2015

Appendix 3 – Cash Flow Monitoring