



City of Westminster

Committee Report

Decision Maker:	SUPERANNUATION COMMITTEE
Date:	8 September 2014
Classification:	Public
Title:	Performance of the Council's Pension Fund; Approval of the Annual Report
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 June 2014, together with an estimated valuation position.
- 1.2 This report also presents the 2013/14 draft Annual Report of the Pension Fund for approval.

2. Recommendation

- 2.1 The Committee note the contents of this paper and the performance report from Deloitte.
- 2.2 The Committee approves the 2013/14 draft Annual Report (subject to approval from the auditors). Final approval of the Annual Report to be delegated to the Director of Corporate Finance and Investment, in consultation with the Chairman of the Superannuation Committee.
- 2.3 The Committee notes the future work planned by officers which will be reported at the next meeting in November 2014. In the interim, the

decision to draw down funds to meet the Pension Fund's cash flow requirements to be delegated to the Director of Corporate Finance and Investment, in consultation with the Chairman of the Superannuation Committee.

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 June 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 81% at 30 June 2014.

Pension Fund Annual Report

- 3.3 Under the Local Government Pension Scheme Regulations 2013, local authorities are required to prepare and make available an annual report of the pension fund for which they have responsibility by 1 December following the previous 31 March year end.
- 3.4 The draft annual report for the City of Westminster Superannuation Fund is attached as Appendix 3. The content of the report has to meet certain requirements as set out in the Regulations and it is the view of officers that the draft Annual Report meets these requirements.
- 3.5 This report still requires final sign-off from the auditors but officers do not expect there to be any material changes before that signature.

4. Conclusion and Future Programme of Work

- 4.1 The Committee is invited to comment on the performance of the fund and the draft Annual Report.
- 4.2 The Statement of Investment Principles (SIP) sets out the principles which govern the decision making on and management of the investment of the Fund's assets. It is good practice to review the SIP on a regular basis and Regulations state this should occur at least every three years. The SIP for Westminster's pension fund was last updated in 2012. Officers propose to use the services of Investment Advisors (Deloitte) to assist in the process of its review. The updated SIP will be presented to the Committee for approval at the next meeting in November 2014.

- 4.3 Officers have been monitoring the Pension Fund's bank account and forecast that there may soon be insufficient cash available in the Pension Fund bank account to meet the Fund's obligations. Officers will undertake a full cash flow review and forecasting exercise, the results of which will be presented to the Committee at the next meeting in November 2014.

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