



Committee Report

Decision Maker:	PENSION FUND COMMITTEE
Date:	14 March 2019
Classification:	General Release
Title:	Fund Financial Management
Wards Affected:	All
Policy Context:	Effective control over council activities
Financial Summary:	There are no immediate financial implications arising from this report.
Report of:	Phil Triggs <i>Tri-Borough Director of Treasury and Pensions</i> pdriggs@westminster.gov.uk 020 7641 4136

1. Executive Summary

- 1.1 The risk register has been revised and is now divided into two sections: governance (investment and funding) and pensions administration.
- 1.2 The cash flow forecast has been updated for the next three years with actuals to 31 January 2019, the bank position continues to be stable.
- 1.3 The updated forward plan to 31 March 2019 is attached, with a draft forward plan for the upcoming year 2019/20.

2. Recommendations

- 2.1 The Committee is asked to note the risk register for the Pension Fund.
- 2.2 The Committee is asked to note the cash flow position and three-year forecast.
- 2.3 The Committee is asked to note the forward plan.

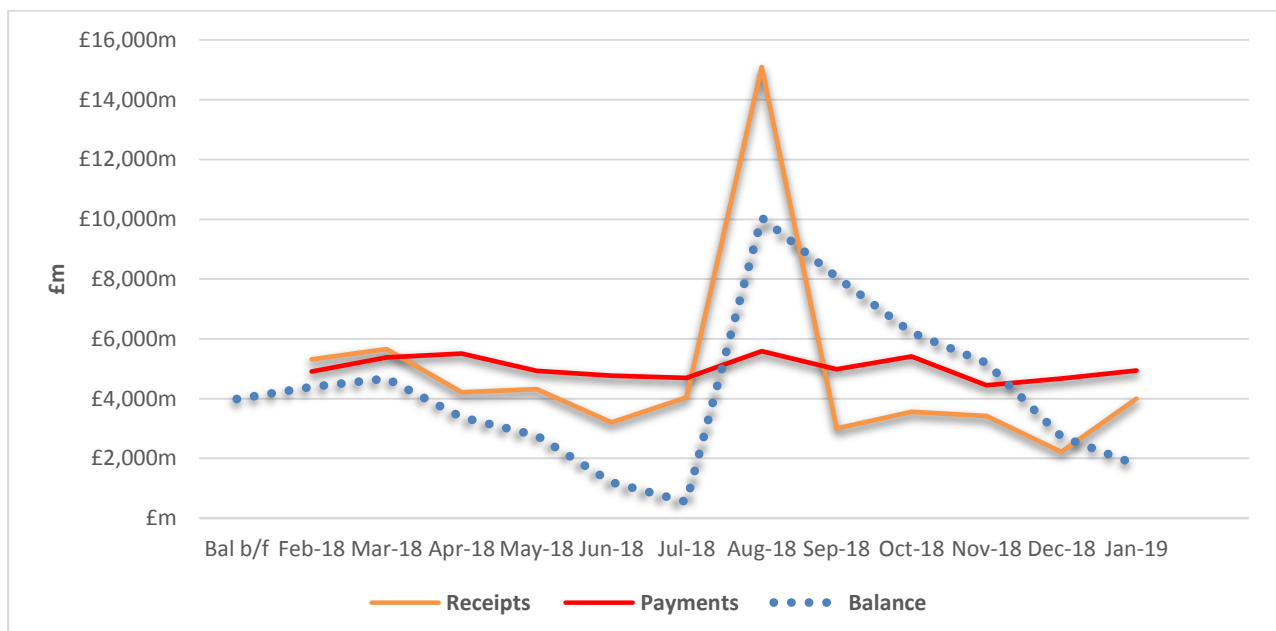
3. Risk Register Monitoring

3.1 The risk register has been updated so that it is now divided into governance (investment and funding) and pensions administration. New risks are marked with an asterisk and the revised format shows the gross score attributable to the risk and the net score after mitigation actions to reduce the impact have been introduced.

4. Cashflow Monitoring

4.1 The balance on the pension fund bank account as at 31 January 2019 was £1.793m. Payments from the bank account continue to exceed receipts on a monthly basis although, thanks to improved levels of deficit recovery contributions, cash inflow is expected to exceed cash outflow on an annual basis going forward.

4.2 The table below shows changes in the bank balance from 1 February 2018 to 31 January 2019.



4.3 The peak in receipts during August 2018 include a £10m deficit recovery payment, as per the Council's approved deficit recovery plans. The next deficit recovery payment is expected during March 2019. Officers will continue to keep the cash balance under review and take appropriate action where necessary.

4.4 Appendix 3 plots forecasted cash flows against actuals for the six months to January 2019. Forecasted cash flows are calculated as an average of previous years cash flows divided equally over the 12 months of the year. There may be monthly variances between the actual and forecasted amounts due to timing differences, e.g., transfer values in and out, payment of lump sums, retirement benefits and death grants.

5. Forward Plans

- 5.1 The draft Rolling Forward Plan for the Pension Fund Committee has been attached for 2019/20.

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 – Tri-Borough Risk Management Scoring Matrix
- Appendix 2 – Pension Fund Risk Register Review at November 2018
- Appendix 3 – Cash Flow Monitoring at January 2019
- Appendix 4 – Pension Fund Forward Plan: April 2018 to March 2019
- Appendix 5 – Pension Fund Committee Draft Forward Plan: 2019/20