

# Pension fund is not Madoff investor

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The West Midlands Pension Fund today reassured members that it did not invest in any of the Madoff funds which are in the news at the moment.

Media coverage has been dominated by the growing list of investors and banks hit by an alleged \$50bn (£33bn) fraud by US trader Bernard Madoff. Leading Spanish, British and Japanese banks say they could be facing losses of billions of dollars.

The West Midlands Pension Fund's chief investment officer Judy Saunders today told City People: "I can confirm that the West Midlands Pension Fund did not invest in any of the Madoff funds."

Yesterday the Local Government Association also reassured the public that it did not expect council funds invested in Bernard Madoff schemes to have an impact on local services or council tax bills.

The LGA, which represents more than 400 councils in England and Wales, is trying to identify the extent of the problem. Only a handful of cases have so far come to light.

In a statement it said the only exposure identified so far has been through money invested by local authority pension funds. Potential losses currently identified are small, and relate to only a small percentage of overall investments. Pension fund investments are held separately from the rest of the council's money.

Chairman of the Local Government Association, Councillor Margaret Eaton, said: "We are still investigating the extent of councils' exposure to these investments, which seems likely to be limited to some councils' pension funds. Councils will be confident that this won't have an impact either on council tax or on local services.

"Prudent financial management means that councils put their money into a diverse range of investments to make sure that any risk is spread. We are not aware of any councils that are in serious problems and we are confident that vital frontline services will remain unaffected."