

## **Pensions Investment Sub-Committee**

**Thursday, 07 February 2013 at 10:00**

**County Hall, County Hall, West Bridgford, Nottingham NG2 7QP**

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### **AGENDA**

- |   |  |       |
|---|--|-------|
| 1 | Minutes of the last meeting held on 8th November 2012  | 3 - 6 |
| 2 | Apologies for Absence  |       |
| 3 | Declarations of Interests by Members and Officers:- (see note below)<br>(a) Disclosable Pecuniary Interests<br>(b) Private Interests (pecuniary and non-pecuniary) |       |
| 4 | Fund Valuation and Performance   | 7 - 8 |
| 5 | Exclusion of the Public  |       |

The Committee will be invited to resolve:-

“That the public be excluded for the remainder of the meeting on the grounds that the discussions are likely to involve disclosure of exempt information described in paragraph 3 of the Local Government (Access to Information) (Variation) Order 2006 and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.”

#### **Note**

If this is agreed, the public will have to leave the meeting during consideration of the following items.

#### **EXEMPT INFORMATION ITEMS**

- 6 Exempt Appendix to Fund Valuation and Performance
- 7 Exempt Minutes of the last meeting held on 8th November 2012
- 8 Manager's reports as to:-
  - (a) Aberdeen Property Investors
  - (b) Schroders Investment Management
  - (c) Kames Capital

### **Notes**

- (1) Councillors are advised to contact their Research Officer for details of any Group Meetings which are planned for this meeting.
- (2) Members of the public wishing to inspect "Background Papers" referred to in the reports on the agenda or Schedule 12A of the Local Government Act should contact:-

Customer Services Centre 0300 500 80 80

- (3) Persons making a declaration of interest should have regard to the Code of Conduct and the Council's Procedure Rules. Those declaring must indicate the nature of their interest and the reasons for the declaration.

Councillors or Officers requiring clarification on whether to make a declaration of interest are invited to contact Chris Holmes (Tel. 0115 977 3714) or a colleague in Democratic Services prior to the meeting.

- (4) Councillors are reminded that Committee and Sub-Committee papers, with the exception of those which contain Exempt or Confidential Information, may be recycled.

## minutes

Meeting PENSIONS INVESTMENT SUB-COMMITTEE

Date Thursday 8th November 2012 (commencing at 10:00 am)

### **membership**

Persons absent are marked with 'A'

### **COUNCILLORS**

Michael J Cox (Chair)  
S Smedley MBE (Vice-Chair)

	Reg Adair		Ken Rigby
	Mrs Kay Cutts		David Taylor
A	Carol Pepper	A	Gail Turner
	Sheila Place		

### **Nottingham City Council**

A Councillor Alan Clark  
A Councillor Thulani Molife  
A Councillor Jackie Morris

### **Nottinghamshire Local Authorities' Association**

A Executive Mayor Tony Egginton  
A Councillor Milan Radulovic MBE

### **Trades Unions**

A Mr J Hall  
Mr C King

### **Scheduled Bodies**

Mr N Timms

### **Officers in Attendance**

Simon Cunnington (Environment & Resources)  
Chris Holmes (Policy, Planning and Corporate Services)  
Nigel Stevenson (Environment & Resources)

### **Also in Attendance**

Mr E Lambert (Independent Advisor)

## **MINUTES**

The minutes of the last meeting of the Sub-Committee held on 4<sup>th</sup> September 2012, having been previously circulated, were confirmed and signed by the Chairman.

## **APOLOGIES FOR ABSENCE**

Apologies for absence were received from:

Councillor Carol Pepper (on other County Council business)  
Councillor Gail Turner (other reasons)  
Councillor Alan Clark (on other City Council business)  
Councillor Thulani Molife (on other City Council business)  
Councillor Jackie Morris (on other City Council business)  
Councillor Milan Radulovic MBE (medical/illness)  
Mr J Hall

## **DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS**

None

## **FUND VALUATION AND PERFORMANCE**

Consideration was given to a report which summarised the total value of the Pension Fund as at 30<sup>th</sup> September 2012.

### **RESOLVED: 2012/029**

That the report be noted.

## **EXCLUSION OF THE PUBLIC**

### **RESOLVED: 2012/030**

That the public be excluded for the remainder of the meeting on the grounds that the discussions are likely to involve the disclosure of exempt information as described in paragraph 3 of the Local Government (Access to Information) (Variation) Order 2006 and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

With regard to the position of those persons in attendance at the meeting it was further:-

### **RESOLVED 2012/031**

That arising from the above Mr E. Lambert be authorised to remain in the meeting.

## **EXEMPT INFORMATION ITEMS**

The decisions in relation to the following exempt information items are set out in the exempt minutes:-

Fund Valuation and Performance

Exempt Minutes of the last meeting held on 4<sup>th</sup> September 2012

Managers Reports as to:

- a) Aberdeen Property Investors
- b) Schroders Investment Management
- c) Kames Capital.

The meeting closed at 12:35pm.

**CHAIRMAN**

M\_8Nov2012



**7 February 2013**
**Agenda Item:4**

## **REPORT OF THE SERVICE DIRECTOR (FINANCE)**

### **FUND VALUATION AND PERFORMANCE**

#### **Purpose of the Report**

1. To report on the total value of the Pension Fund at, and performance over the period to, 31 December 2012.

#### **Information and Advice**

2. This report is to inform the Sub-Committee of the value of the Pension Fund at the end of the latest quarter and give information on the performance of the Fund over that quarter and the previous year. Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972. Having regard to the circumstances, on balance the public interest in disclosing the information does not outweigh the reason for exemption because divulging the information would significantly damage the Council's commercial position in relation to the Pension Fund. The exempt information is set out in the exempt appendix.
3. A summary of the total value of the Fund as at 31 December 2012, together with the previous two quarters, is included in the table below.

	<b>31 Dec 2012</b>		<b>30 Sept 2012</b>		<b>30 June 2012</b>	
	£m	%	£m	%	£m	%
UK Fixed Interest	297	9%	315	11%	319	11%
Overseas Fixed Interest	89	3%	73	2%	70	2%
Inflation-Linked	58	2%	57	2%	59	2%
UK Equities	1,104	34%	1,058	34%	1,030	34%
Overseas Equities	1,087	34%	1,005	32%	948	32%
Private Equity	73	2%	71	2%	71	2%
UK Property	308	10%	308	10%	296	10%
Overseas Property	84	3%	84	3%	85	3%
Cash	86	3%	119	4%	118	4%
<b>TOTAL</b>	<b>3,186</b>	<b>100%</b>	<b>3,090</b>	<b>100%</b>	<b>2,996</b>	<b>100%</b>

4. During the quarter the Fund increased overall by £96 million (3%). Since the start of 2012/13, the Fund has increased by £129 million (4%). The accounts for 2012/13 to the end of December show contributions to the Fund of £135 million with benefits paid and transfers to other funds of £131 million. The remaining increase comes from investment income and net profits on investments (both realised and unrealised).

## **Statutory and Policy Implications**

5. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **RECOMMENDATION**

- 1) That the report be noted.

**Name of Report Author: Simon Cunnington**

**Title of Report Author: Team Manager – Investments**

**For any enquiries about this report please contact: Simon Cunnington**

## **Background Papers**

None.