

Nottinghamshire Pension Fund Committee

Thursday, 15 November 2018 at 10:30

County Hall, West Bridgford, Nottingham, NG2 7QP

AGENDA

- | | | |
|---|--|---------|
| 1 | Minutes of the last meeting 13 Sept 2018 | 3 - 6 |
| 2 | Apologies for Absence | |
| 3 | Declarations of Interests by Members and Officers:- (see note below)
(a) Disclosable Pecuniary Interests
(b) Private Interests (pecuniary and non-pecuniary) | |
| 4 | LGPS Central Limited Update | 7 - 10 |
| 5 | LGC Investment Summit 2018 | 11 - 16 |
| 6 | LAPFF Business Meeting | 17 - 22 |
| 7 | Proxy Voting | 23 - 24 |
| 8 | Work Programme | 25 - 30 |

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 Peter Barker (Tel. 0115 977 4416) 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.
- (5) This agenda and its associated reports are available to view online via an online calendar - <http://www.nottinghamshire.gov.uk/dms/Meetings.aspx>

minutes

Meeting NOTTINGHAMSHIRE PENSIONS FUND COMMITTEE

Date Thursday 13 September 2018 at 10.30 am

membership

Persons absent are marked with 'A'

COUNCILLORS

Eric Kerry (Chairman)
Stephen Garner (Vice Chairman)

Reg Adair
Rachel Madden
Sheila Place
Mike Pringle

Francis Purdue-Horan
Parry Tsimbiridis
Steve Vickers

Nottingham City Council

Councillor Graham Chapman
Councillor Anne Peach
A Councillor Sam Webster

Nottinghamshire Local Authorities' Association

Councillor Richard Jackson – Broxtowe Borough Council
A Kate Allsop – Executive Mayor Mansfield District Council

Trades Unions

Mr A Woodward
Mr C King

Scheduled Bodies

A Mrs Sue Reader

Pensioners

Vacancy
Mr T Needham

Independent Adviser

William Bourne

Officers in Attendance

Pete Barker	(Chief Executive's Department)
Jon Clewes	(Chief Executive's Department)
Keith Palframan	(Chief Executive's Department)
Tamsin Rabbitts	(Chief Executive's Department)
Sarah Stevenson	(Chief Executive's Department)

1. MINUTES

The minutes of the last meeting held on 19 July 2018, having been circulated to all Members, were taken as read and were confirmed and signed by the Chair.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Webster and Mrs Reader. Councillor Vickers replaced Councillor Barnfather and Councillor Madden replaced Councillor Smith, both for this meeting only.

3. DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS

None.

4. WORK PROGRAMME

Mr Palframan introduced the report and on a motion by the Chairman, duly seconded it was:

RESOLVED 2018/038

That reports on LGPS Central, LGIM and Corporate Bonds be brought to future meetings of the Committee.

5. FUND VALUATION AND PERFORMANCE

Mrs Rabbitts introduced the report and on a motion by the Chairman, duly seconded it was:-

RESOLVED 2018/039

That no further actions are required as a direct result of the contents of the report.

6. EXCLUSION OF THE PUBLIC

RESOLVED: 2018/040

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 Schedule 12A of the Local Government Act 1972 and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

And that Mr William Bourne, the Independent Adviser, be permitted to stay in the meeting during the exempt items.

EXEMPT INFORMATION ITEMS

7. FUND VALUATION AND PERFORMANCE

Mrs Rabbitts introduced the report and on a motion by the chairman, duly seconded it was:

RESOLVED 2018/41

That no further actions are required as a direct result of the contents of the report.

8. REPORT OF THE INDEPENDENT ADVISER

Mr Bourne gave an update on issues that affect the pensions investments of Nottinghamshire. On a motion by the chairman, duly seconded it was:

RESOLVED: 2018/042

That another meeting of the Working Party be convened before Christmas.

9. FUND MANAGERS' REPORTS

On a motion by the chairman, duly seconded it was:

RESOLVED: 2018/043

That no further actions are required as a direct result of the contents of the fund managers' reports received from Kames Capital, Schroders Investment Management and Aberdeen Standard Investments.

The meeting concluded at 12.42pm

CHAIRMAN

REPORT OF SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE & IMPROVEMENT**LGPS CENTRAL LIMITED UPDATE****Purpose of the Report**

1. To provide information on the latest position in respect of LGPS Central Ltd.

Background

2. A number of reports have previously been presented setting out progress on the pooling arrangements required to meet the criteria set out by the government. In particular a detailed report to Full Council on 12 January 2017 set out the approach being taken by the constituent pension funds of LGPS Central. The report also set out the proposed governance arrangements required to ensure this Committee continues have the oversight required to be responsible for monitoring the overall management, performance and administration of the fund, and for setting investment strategy, including the overall allocation of assets, which is the critical factor in determining investment performance.

Information

3. The Company successfully launched a number of sub-funds as at 1 April 2018 and has recently announced the results of the tendering process for a Global Active Equity Multi Manager Fund. The Fund is expected to attract over £2bn investment when it launches later this year. The three managers selected are Natixis Investment Managers' affiliate, Harris Associates LLP and Schroders and Union Investment. 150 fund managers from across the globe expressed an initial interest in tendering for the mandate.
4. The Shareholder Forum and Company AGM were held on 10 September 2018. The AGM adopted the accounts for 2017/18, reappointed Deloitte LLP as the Company Auditors and reappointed the existing Board Members. It also received reports from the Chair of the Board and the Non-executive Board Members around the corporate structure of LGPS Central and feedback from the Nominations and Remuneration Committees.
5. It was reported at the AGM that the Company Chief Executive, Andrew Warwick-Thompson, has announced he will be stepping down from spring 2019. The process will now begin to select his successor.
6. The Company website is now up and running and available here

<https://www.lgpscentral.co.uk/>

The website will be used to provide information about the company and its activities and in particular will provide a great deal of information around the Responsible Investment activities it undertakes on behalf of Partner Funds.

This information will be regularly updated and can be found here

<https://www.lgpscentral.co.uk/responsible-investment/>

Other Options Considered

7. None.

Statutory and Policy Implications

8. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

9. There are no direct financial implications arising from the report.

RECOMMENDATION/S

- 1) It is recommended that Members consider the report and comment on the information presented.

Report Author:

Keith Palframan, Group Manager – Financial Strategy & Compliance

For any enquiries about this report please contact: Keith Palframan

Constitutional Comments (SLB 19/10/2018)

10. Nottinghamshire Pension Fund Committee is the appropriate body to consider the content of this report.

Financial Comments (KRP 01/10/2018)

11. The financial implications are as set out in the report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- LGPS Central Asset Pooling - Report to Full Council, 12 January 2017.

Electoral Division(s) and Member(s) Affected

- All

REPORT OF SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE & IMPROVEMENT**LGC INVESTMENT SUMMIT 2018****Purpose of the Report**

1. To report on the LGC Investment Summit 2018.

Information and Advice

2. The 30th LGC Investment Summit was held on 6 to 7 September 2018 in Newport. In accordance with prior approval and as part of the Fund's commitment to ensuring those charged with decision-making and financial management have effective knowledge and skills, the conference was attended by Councillor Parry Tsimbiridis and Tamsin Rabbitts (Senior Accountant Pensions and Treasury Management). Details of the main sessions are set out below.

Day One - Chaired by Denise Le Gal, Chair, Brunel Pension Partnership

3. ***UK and global perspective on the economy (John Roe, Head of Multi-Asset Funds, Legal & General Investment Management)***
An interesting talk on the outlook for investments. LGIM feel that equities still have a way to go and are not significantly overvalued. They recommended around 50% overseas exposure as a hedge for Brexit, increased alternatives, and a proportional decrease in UK equities as it was felt they are at higher risk of tech disruption and more traditional industries. He pointed out that in a diverse portfolio it should be expected that there is usually something performing badly.
4. ***Keynote Interview: The future of Pooling, what's next on the horizon (Michael O'Higgins, Chairman, Local Pensions Partnership)***
There was some discussion about LPP's experience and potential future developments. The big consideration as more funds approach the position of being fully funded is whether to de-risk, or continue with a higher risk approach to drive returns to try and reduce future contributions. Michael's suggestion was to "Manage risk, don't avoid risk".
5. ***Pod sessions – a choice of four briefing sessions on the exhibition floor***
Fixing our broken housing market (John German, Senior Director – Residential Investments, Invesco Real Estate)
Incorporating ESG in Fixed Income Investment Analysis (Lior Jassur, Director of Fixed Income Research – Europe, MFS Investment Management)

Infrastructure for Pension Funds: Edinburgh Airport as a Case Study (Andrew Gillespie-Smith, Partner, Global Infrastructure Partners)

Hermes Infrastructure: Asset class Overview (Peter Hofbauer, Head of Infrastructure, Hermes Investment Management)

6. **What actually matters when managing liabilities and risks to your fund (Catherine McFadyen, Partner and Actuary and David Walker, Partner and Head of LGPS Investments, Hymans Robertson)**

An excellent session looking at the key variables for valuations and identifying the notional nature of liability valuation. Of particular mention were risks arising from inaccurate data, with an example given of a fund who substantially improved their data and generated a 5% reduction in their liabilities. A look at the 2014 CARE scheme impact revealed that because of below inflation pay rises, the benefits accrued under the 2014 scheme are actually higher than those which would have been accrued under the previous scheme, which will increase liabilities, and hence primary rates. However reflecting recent asset growth, reductions in secondary rates were predicted.

7. **Focus Session 1**

The Risks of de-risking (David Buckle, Head of Investment Solutions Design, Fidelity International)

A very mathematical and interesting session illustrating the shortcomings of various de-risking strategies. The average LGPS discount rate is 4.5% (Nottinghamshire has a rate of 5.4%). David felt this will be increasingly difficult to deliver given long term growth rates.

De-risking strategies discussed included:-

- Increasing duration using gilts. This is a good diversifier, but is delivering very low returns
- Alternatives. These are fairly good diversifiers, but much less liquid
- Diversified Growth Funds. Better risk adjusted returns than equities, but still lower returns absolutely
- Options. A very high cost strategy which significantly offsets the benefits of holding equities

David expects deficits to increase and feels the current discount rates are not achievable long term. He expects future returns to decrease, largely because of ageing populations.

8. **Focus Session 2**

Foundations of ESG investing (Guido Giese, Executive Director, Equity Research Team, MSCI)

A presentation on research insights explaining why ESG has an impact on risk and return in the long run.

9. **Focus Session 3**

The Robots are coming. Are you ready? (Richard Carlyle, Equity Investment Director, Capital Group)

A session looking at the potential impact of artificial intelligence on different industries.

10. **Focus Session 4**

Integrating ESG delivers alpha (Abbie Llewellyn-Waters, Fund Manager, Jupiter Asset Management)

A presentation on the relationship between strategic ESG considerations and alpha, explaining how these insights can be embedded as an investment tool in order to identify the highest quality companies who are managing their businesses for the long term in economic environmental and social terms.

11. *Infrastructure, urban regeneration and real estate (Tony Brown, Head of Real Estate, M&G Real Estate, and Claire Smith, Investment Director, Schroders, and Duncan Symonds, Director of Asset Management (Europe), IFM Investors)*

Tony, Claire and Duncan provided examples of a number of regeneration infrastructure investments and discussed associated issues including the current need for social housing.

12. *Governance and Stewardship (Jennifer Sisson, Investor Engagement, Financial Reporting Council, Amanda Latham, Policy Lead, The Pensions Regulator)*

This session provided an update of issues for the FRC and TPR. The Stewardship code is currently being reviewed to reflect changing political and social expectation, and to include expansion to better cover other asset classes beyond equities and increased ESG issues. The consultation on the revised code is intended to be out by Christmas

Day Two - Chaired by Nicola Mark, Norfolk Pension Fund.

13. *Building Successful Partnerships: recommendations and pitfalls (Rachel Elwell, Chief executive, Border to Coast Pensions Partnership)*

This was an entertaining talk on the challenges and successes in the early months for Border to Coast as they have developed the crucial partnerships within the pool, engaging with other pools, other asset owners, managers, staff, funds, their advisers and independent advisers. The session covered many issues the audience could relate to.

14. *Protecting your equity portfolio (Jeremy Rosten, senior vice-president Quantitative Research Analysis, PIMCO, David Schofield, President, International Division, Intech)*

Covering some similar themes to Fidelity's de-risking session, Jeremy looked at the costs and performance impact of using options to reduce downside risk. The conclusion confirmed Nottinghamshire's approach that taking a long term view gives the best long term returns. David illustrated a possible alternative strategy which involved transferring to investment in gilts during periods of high volatility.

**15. *Pod sessions – a choice of four briefing sessions on the exhibition floor*
*How can Core Infrastructure be defensive? (Robert Hardy, Managing Director, JP Morgan Asset Management)***

What's next – Looking beyond manager fee savings (Sasha Mandich, Director, Head of Relationship Management, Russell Investments)

Is 'sustainable investing' just a romantic notion that leads to the sacrifice of financial returns? (Raj Shant, Portfolio manager, Global Equity team, Newton Investment Management)

Investing through the 4th Industrial Revolution (Luke Barrs, Head of the Fundamental Equity Client Portfolio Management Team EMEA, Goldman Sachs Asset Management)

16. *Review of the Pools (Bob Holloway, Pensions Secretary, Local Government Association, Chris Bilsland, Non-Executive Director, London CIV)*

Chris Bilsland spoke about his experience at London CIV. Bob Holloway mentioned the Infrastructure Day being held for Pensions Committee Chairs and recognised the need for a

clear response to those questioning ESG policies and is working on providing committees with clarification and support to ensure we have a robust policy and narrative to justify our position. He also talked on the ongoing separation project and the benefits (for some funds) of legally separating administering authorities from local authorities. He also brought to our attention the Treasury report published on 6th September looking at the cost cap breach.

17. *Devolution and Regionalisation (Dawn Turner, Chief Executive, Brunel Pension Partnership, Paddy Dowdall, Assistant Executive Director, Greater Manchester Pension Fund)*

Dawn talked about some of the things she would like to consider in investing to deliver 'a world worth living in' using Bristol's strategic city plan as an example. Paddy talked about some of the local projects developed by GLIL in association with GMPF.

Statutory and Policy Implications

18. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, 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/S

- 1) That Pension Fund Committee members continue to attend appropriate conferences to enable members to be kept up to date with the main national topics relating to investments.
- 2) That Members consider if there are any actions they require in relation to the issues contained within the report.

Report author:

Tamsin Rabbitts

Senior Accountant – Pensions and Treasury Management

For any enquiries about this report please contact: Tamsin Rabbitts

Constitutional Comments (SLB 19/10/2018)

19. The Pension Fund Committee is the appropriate body to consider the content of this report. If the Committee resolves that any actions are required it must be satisfied that such actions are within the Committee's terms of reference.

Financial Comments (TMR 10/10/18)

20. There are no financial implications arising from this report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None.

REPORT OF SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE & IMPROVEMENT**LOCAL AUTHORITY PENSION FUND FORUM BUSINESS MEETING****Purpose of the Report**

1. To report on the Local Authority Pension Fund Forum (LAPFF) business meetings held in London on 19 July and 10 October 2018.

Information and Advice

2. The Local Authority Pension Fund Forum was formed in 1990 to provide an opportunity for the UK's local authority pension funds to discuss investment and shareholder engagement issues. In 2018 membership was also extended to cover pension fund pools. LAPFF membership currently stands at 79 funds and 5 pools (shown at Appendix A) with combined assets of over £230 billion. It is consequently able to exert significant influence over companies in which funds are invested.
3. LAPFF exists 'to assist Administering Authorities discharge their statutory responsibilities and promote the long-term investment interests of UK local authority pension funds. In particular, it seeks to maximise their influence as investors to promote corporate social responsibility and high standards of corporate governance amongst the companies in which they hold an interest, commensurate with statutory regulations'. It also:
 - a. provides a forum for information exchange and discussion about investment issues.
 - b. facilitates the commissioning of research and policy analysis of issues in a more effective manner than individual Forum members could achieve.
 - c. provides a forum for consultation on shareholder initiatives.
 - d. provides a forum to consider issues of common interest to all pension fund boards, committees and their supporting administrative staff, as well as to other interested parties from national, local and regional governments.
4. The business meetings were attended on behalf of Nottinghamshire Pension Fund by an officer representative.

5. At the July meeting an update was provided on LAPFF's work in relation to the Financial Reporting Council (FRC). LAPFF has drafted a submission to the independent review of the FRC (the Kingman Review) claiming that the FRC is not fit for purpose and that it needs to be replaced by a purely public sector entity wholly answerable to government.
6. At the October meeting a further update was provided on the issue of financial reporting, and the decision made that in future LAPFF will engage with the big four audit firms in addition to the companies in which its members invest. This is to help ensure that the sets of accounts that shareholders read genuinely do present a 'true and fair view'.
7. A presentation by RE100 concluded the October meeting. RE100 is an initiative which encourages companies to source 100% of their power from renewable energy sources. Its website can be found here:

<http://there100.org/>

8. At both meetings an update on LAPFF's engagement work was provided. Copies of these engagement reports are available as background papers. For information, all LAPFF engagement reports can be found here:

<http://www.lapfforum.org/publications/qrtly-engagement-reports/>

Statutory and Policy Implications

9. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, 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/S

1. That Pension Fund Committee members consider whether there are any actions they require in relation to the issues contained within the report.

Report Author:
Ciaran Guilfoyle
Investments Officer

For any enquiries about this report please contact: Ciaran Guilfoyle

Constitutional Comments (KK 18/10/2018)

10. This is an updating information report and Pension Fund Committee is the correct body for considering that information and any further action which members may wish to take in light of that information.

Financial Comments (TMR 16/10/2018)

11. There are no direct financial implications arising from this report.

Background Papers

- LAPFF constitution
- LAPFF Quarterly Engagement Report April to June 2018
- LAPFF Quarterly Engagement Report July to September 2018 (pending)

Membership of LAPFF as at October 2018

Funds

- 1) Avon Pension Fund
- 2) Barking and Dagenham LB
- 3) Barnet LB
- 4) Bedfordshire Pension Fund
- 5) Cambridgeshire Pension Fund
- 6) Camden LB
- 7) Cardiff and Vale of Glamorgan Pension Fund
- 8) Cheshire Pension Fund
- 9) City of London Corporation
- 10) Clwyd Pension Fund
- 11) Cornwall Pension Fund
- 12) Croydon LB
- 13) Cumbria Pension Scheme
- 14) Derbyshire CC
- 15) Devon CC
- 16) Dorset County Pension Fund
- 17) Dyfed Pension Fund
- 18) Ealing LB
- 19) East Riding of Yorkshire Council
- 20) East Sussex Pension Fund
- 21) Enfield LB
- 22) Falkirk Council
- 23) Gloucestershire Pension Fund
- 24) Greater Gwent Fund
- 25) Greater Manchester Pension Fund
- 26) Greenwich Pension Fund RB
- 27) Gwynedd Pension Fund
- 28) Hackney LB
- 29) Hammersmith & Fulham LB
- 30) Haringey LB
- 31) Harrow LB
- 32) Hertfordshire County Council Pension Fund
- 33) Hounslow LB
- 34) Islington LB
- 35) Lambeth LB
- 36) Lancashire County Pension Fund
- 37) Leicestershire CC
- 38) Lewisham LB
- 39) Lincolnshire CC
- 40) London Pension Fund Authority
- 41) Lothian Pension Fund
- 42) Merseyside Pension Fund
- 43) Merton LB
- 44) Newham LB
- 45) Norfolk Pension Fund
- 46) North East Scotland Pension Fund
- 47) North Yorkshire CC Pension Fund
- 48) Northamptonshire CC

- 49) Northern Ireland Local Government Officers Superannuation Committee
- 50) Northumberland Pension Fund
- 51) **Nottinghamshire CC**
- 52) Oxfordshire CC
- 53) Powys County Council Pension Fund
- 54) Redbridge LB
- 55) Rhondda Cynon Taf
- 56) Sheffield City Region Combined Authority
- 57) Shropshire County Council
- 58) Somerset CC
- 59) South Yorkshire Pensions Authority
- 60) Southwark LB
- 61) Staffordshire Pension Fund
- 62) Strathclyde Pension Fund
- 63) Suffolk County Council Pension Fund
- 64) Surrey CC
- 65) Sutton LB
- 66) Teesside Pension Fund
- 67) The City and County of Swansea Pension Fund
- 68) The Environment Agency Pension Fund
- 69) Tower Hamlets LB
- 70) Tyne and Wear Pension Fund
- 71) Waltham Forest LB
- 72) Wandsworth LB
- 73) Warwickshire Pension Fund
- 74) West Midlands ITA Pension Fund
- 75) West Midlands Pension Fund
- 76) West Yorkshire Pension Fund
- 77) Westminster City Council
- 78) Wiltshire CC
- 79) Worcestershire CC

Pools

- 1) Border to Coast Pension Partnership
- 2) LGPS Central
- 3) London CIV
- 4) Northern Pool
- 5) Wales Pension Partnership

**REPORT OF SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE &
IMPROVEMENT****PROXY VOTING****Purpose of the Report**

1. The Fund is committed to supporting best practice in corporate governance and has adopted the *UK Stewardship Code* as recommended by the CIPFA *Principles for investment decision making and disclosure*. This report is to inform members of the voting of equity holdings in the second and third quarters of 2018 (calendar year) as part of this ongoing commitment.

Information

2. The *UK Stewardship Code*, issued in September 2012 by the Financial Reporting Council, highlights the responsibilities that institutional investors have with regard to the 'long-term success of companies in such a way that the ultimate providers of capital [in this case, the Nottinghamshire Pension Fund] also prosper'. These responsibilities include, among other things, having a clear policy on voting and on the disclosure of voting activity. The *Code* states that investors "should not automatically support the board".
3. Alongside this the CIPFA *Principles for investment decision making and disclosure* require administering authorities to include a statement of their policy on responsible investment in the Statement of Investment Principles and report periodically on the discharge of such responsibilities. The Fund's statement on responsible investment states that 'the Fund continues to exercise its ownership rights by adopting a policy of actively voting stock it holds'.
4. The Fund retains responsibility for voting directly held shares (rather than delegating to its investment managers) and votes the majority of its equity holdings in the UK, Europe, US and Japan. Voting is implemented by Pensions Investment Research Consultants (PIRC). PIRC issue Shareholder Voting Guidelines each year and these are the basis of the voting implemented on behalf of the Fund.
5. As part of its pooling commitment, in July 2018 the Fund rolled its in-house portfolio into a passive equities fund managed by Legal & General (LGIM). Consequently the Fund's passive equities allocation will be voted according to the LGIM policy. However LGIM operates a responsible investment policy very similar to PIRC. A £20m investment in LGPS Central pool's passive equities funds was made at the same time, and so this stock will be covered by the pool's voting policy.
6. An overview of the voting activity and analysis of the key issues during the quarters will be published on the Fund website:

<http://www.nottspf.org.uk/about-the-fund/investments>

and with the meeting papers on the Council Diary:

<http://www.nottinghamshire.gov.uk/dms/Meetings.aspx>.

Statutory and Policy Implications

7. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, 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/S

- 1) That Pension Fund Committee members consider whether there are any actions they require in relation to the issues contained within the report.

Report Author:
Ciaran Guilfoyle
Investments Officer

For any enquiries about this report please contact: Ciaran Guilfoyle

Constitutional Comments (KK 18/10/2018)

8. This is an updating information report and Pension Committee is the correct body for considering that information and any further action which members may wish to take in light of that information.

Financial Comments (TMR 2/10/2018)

9. There are no direct financial implications arising from this report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- PIRC – Nottinghamshire CC Pension Fund, Proxy Voting Review, 1 July 2018 to 30 September 2018
- PIRC – Nottinghamshire CC Pension Fund, Proxy Voting Review, 1 April 2018 to 30 June 2018
- Financial Reporting Council, *The UK Stewardship Code*, September 2012

**REPORT OF THE SERVICE DIRECTOR – CUSTOMERS, GOVERNANCE
AND EMPLOYEES****WORK PROGRAMME****Purpose of the Report**

1. To consider the Committee's work programme for 2018-19.

Information

2. The County Council requires each committee to maintain a work programme. The work programme will assist the management of the committee's agenda, the scheduling of the committee's business and forward planning. The work programme will be updated and reviewed at each pre-agenda meeting and committee meeting. Any member of the committee is able to suggest items for possible inclusion.
3. The attached work programme has been drafted in consultation with the Chair and Vice-Chairs, and includes items which can be anticipated at the present time. Other items will be added to the programme as they are identified.
4. As part of the transparency introduced by the revised committee arrangements from 2012, committees are expected to review day to day operational decisions made by officers using their delegated powers. It is anticipated that the committee will wish to commission periodic reports on such decisions. The committee is therefore requested to identify activities on which it would like to receive reports for inclusion in the work programme.

Other Options Considered

5. None.

Reason/s for Recommendation/s

6. To assist the committee in preparing its work programme.

Statutory and Policy Implications

7. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required

RECOMMENDATION/S

- 1) That the Committee considers whether any amendments are required to the Work Programme.

Marjorie Toward
Customers, Governance and Employees

For any enquiries about this report please contact: Pete Barker, x74416

Constitutional Comments (HD)

8. The Committee has authority to consider the matters set out in this report by virtue of its terms of reference.

Financial Comments (NS)

9. There are no direct financial implications arising from the contents of this report. Any future reports to Committee on operational activities and officer working groups, will contain relevant financial information and comments.

Background Papers

None.

Electoral Division(s) and Member(s) Affected

All

PENSION FUND COMMITTEE – WORK PROGRAMME

Report Title	Brief summary of agenda item	Report Author
10 January 2019		
Fund Valuation & Performance – Qtr 2	Summary of quarterly performance	Tamsin Rabbitts
Conferences & Training	To seek approval for attendance	Keith Palframan
Working Party	Details of meeting	Keith Palframan
Fund Valuation & Performance	Details review of quarterly performance (exempt)	Tamsin Rabbitts
Independent Adviser's Report	Independent Adviser's review of performance and managers reports (exempt)	William Bourne
Managers Reports	Quarterly reports from Kames, Schroders and ASI (exempt)	Relevant fund managers
Admission Body Status Update	Details of organisation who satisfy the criteria to be admitted to the LGPS (as required)	Andy Durrant
7 March 2019		
Fund Valuation & Performance – Qtr 3	Summary of quarterly performance	Tamsin Rabbitts
Fund Valuation & Performance	Details review of quarterly performance (exempt)	Tamsin Rabbitts
Independent Adviser's Report	Independent Adviser's review of performance and managers reports (exempt)	William Bourne
Managers Reports	Quarterly reports from Kames, Schroders and ASI (exempt)	Relevant fund managers

25 April 2019		
LGPS Central Ltd	Update Report	Tamsin Rabbitts
Proxy Voting	Summary of voting activity during quarters 3 & 4 of 2018	Ciaran Guilfoyle
LAPFF Business Meeting	Report from LAPFF Business Meeting	Ciaran Guilfoyle
LAPFF Conference	Report from the LAPFF conference	Tamsin Rabbitts
<i>LGPS Scheme Advisory Board Update</i>	<i>6 monthly report updating members on the work of the SAB if anything of note</i>	<i>Jon Clewes/Ciaran Guilfoyle</i>
Admission Body Status Update	Details of organisation who satisfy the criteria to be admitted to the LGPS (as required)	Andy Durrant
6 June 2019		
Fund Valuation & Performance – Qtr 4	Summary of quarterly performance	Tamsin Rabbitts
Fund Valuation & Performance	Details review of quarterly performance (exempt)	Tamsin Rabbitts
Independent Adviser's Report	Independent Adviser's review of performance and managers reports (exempt)	William Bourne
Managers Reports	Quarterly reports from Kames, Schroders and ASI (exempt)	Relevant fund managers
Pension Administration Annual Performance & Strategy Review	Report detailing the Administering Authority and Scheme Employers performance against the Admin Strategy including any challenges	Jon Clewes

18 July 2019		
Proxy Voting	Summary of voting activity during quarter 1 of 2016	Ciaran Guilfoyle
LAPFF Business Meeting	Report from LAPFF Business Meeting	Ciaran Guilfoyle
<i>Update on LGPS Asset Pooling</i>	<i>(If required)</i>	<i>Keith Palframan</i>
PLSA conference	Report from PLSA conference	Nigel Stevenson

