

**25 March 2014**

**Agenda Item: 6**

## **REPORT OF SERVICE DIRECTOR – FINANCE & PROCUREMENT**

### **PENSIONS INVESTMENT SUB-COMMITTEE MEETINGS**

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

1. To review the arrangements for holding Pensions Investment Sub-Committee meetings at the offices of the Fund's main investment managers and to seek approval to continue with these arrangements.

#### **Information and Advice**

2. The Pensions Investment Sub-Committee meets four times a year and is responsible for monitoring the investment performance of the Fund Managers. This is a key element of the fiduciary duty of members of the Sub-Committee. Prior to 2009, three of the four quarterly meetings each year were held at the offices of the Fund's main investment managers. From 2009 to 2013, the majority of meetings were held at County Hall.
3. At its meeting in June 2013, the Nottinghamshire Pension Fund Committee gave approval to holding two of the quarterly meetings each year at the offices of the Fund's main investment managers although it was agreed that this should be subject to review after a year.
4. Since that approval, meetings have been held at Schroder Investment Management (December 2013 in London) and Kames Capital (March 2014 in Edinburgh). These meetings were attended by members of the Sub-Committee as follows:

<b>December 2013 – London</b>	<b>March 2014 – Edinburgh</b>
Cllr Smedley MBE	Cllr Rigby
Cllr Rigby	Cllr Barnfather
Cllr Adair	Cllr Mrs Cutts MBE
Cllr Barnfather	Cllr Pulk
Cllr Place	Cllr Tsimbiridis
Cllr Tsimbiridis	Cllr Wilkinson
Cllr Wilkinson	Cllr Molife
Cllr Clark	Cllr Morris
Cllr Molife	Chris King
Exec. Mayor Egginton	Neil Timms

5. Training was held prior to these two meetings (on asset allocation and corporate bonds respectively) and this is seen as one of the main benefits of holding meetings at managers' offices. Other potential benefits include:
  - Allows members to focus specifically on pensions matters
  - Allows working relationships to develop between members and with officers
  - Gives access to a wider range of personnel at the managers
  - Enables members to assess the quality of and changes in managers' operations
6. The costs involved in the two meetings specified at paragraph 4 were £2,174 (London) and £2,345 (Edinburgh). This is seen as the main drawback with the current arrangements. Other potential drawbacks include:
  - Being away for two days (with possible impact on other commitments)
  - Possibly missing other committee meetings
  - Problems and delays with travel arrangements
7. After discussions with the Chair and Vice-chair of the Committee, it is proposed to continue with the current arrangement of holding two of the four meetings per year at the offices of the Fund's main investment managers.

## **Statutory and Policy Implications**

8. 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 approval be given to continue holding two Pensions Investment Sub-Committee meetings per year at the offices of the Fund's main investment managers.

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**Constitutional Comments (KK 17/03/14)**

1. The proposal in this report is within the remit of the Nottinghamshire Pension Fund Committee.

**Financial Comments (SRC 17/03/14)**

2. The financial implications to the Fund are specified in the report. These are a legitimate charge to the Fund in accordance with Regulations.

**Background Papers**

None