

Pensions Investment Sub-Committee

Monday, 02 September 2013 at 10:30

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

AGENDA

- 1 Minutes of the last meeting held on Thursday 13 June 2013 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 Fund Valuation and Performance 7 - 8
- 5 EXCLUSION OF THE PUBLIC

The Sub-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 Fund Valuation and Performance
- 7 Exempt Minutes of the last meeting held on 13th June 2013
- 8 Managers' reports as to:-
 - (a) Schroders Investment Management
 - (b) Kames Capital
 - (c) Aberdeen Property Investors

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.

Meeting PENSIONS INVESTMENT SUB-COMMITTEE

Date Thursday 13th June 2013 (commencing at 10:30 am)

membership

Persons absent are marked with `A`

COUNCILLORS

S Smedley MBE JP (Chairman)
Ken Rigby (Vice Chairman)

A	Reg Adair	Glynn Gilfoyle
	Chris Barnfather	Sheila Place
	John Clarke	Parry Tsimbiridis
	Mrs Kay Cutts	

Nottingham City Council

Councillor Alan Clark
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

One Vacancy

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)

APPOINTMENT OF CHAIRMAN AND VICE CHAIRMAN

RESOLVED 2013/008

That the appointment by the County Council at its annual meeting of Councillor Stella Smedley MBE JP as Chairman and Councillor Ken Rigby as Vice Chairman of the Sub-Committee be noted.

MINUTES

The minutes of the last meeting of the Sub-Committee held on 7th February 2013, having been previously circulated, were confirmed and signed by the Chairman.

APOLOGIES FOR ABSENCE

Apologies for absence were received from:

Councillor Chris Barnfather – other reasons
Councillor Jackie Morris - other Council business
Executive Mayor Tony Egginton – other Council business
Councillor Milan Radulovic MBE – medical/illness

DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS

None

MEMBERSHIP AND TERMS OF REFERENCE OF THE SUB-COMMITTEE

RESOLVED: 2013/090

That the terms of reference of the Sub-Committee and the membership for 2013/14 be noted.

FUND VALUATION AND PERFORMANCE

Consideration was given to a report which summarised the total value of the Pension Fund as at 31st March 2013.

RESOLVED: 2013/010

That the report be noted.

EXCLUSION OF THE PUBLIC

RESOLVED: 2013/011

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 2013/012

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 7th February 2013

Managers Reports as to:

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

The meeting closed at 12:45pm.

CHAIRMAN

M_13Jun2013

2 September 2013
Agenda Item:4

REPORT OF THE SERVICE DIRECTOR (FINANCE & PROCUREMENT)

FUND VALUATION AND PERFORMANCE

Purpose of the Report

1. To report on the total value and performance of the Pension Fund to 30 June 2013.

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. The table below shows a summary of the total value of the Fund as at 30 June 2013, together with the comparative position 3 and 12 months previously.

	Latest Quarter		Previous Quarter		Previous Year	
Quarter ended:	30 Jun 2013		31 Mar 2013		30 Jun 2012	
	£m	%	£m	%	£m	%
UK Fixed Interest	279	8%	319	9%	319	11%
Overseas Fixed Interest	93	3%	86	3%	70	2%
Inflation-Linked	59	2%	63	2%	59	2%
UK Equities	1,207	35%	1,212	35%	1,030	34%
Overseas Equities	1,202	35%	1,232	35%	948	32%
Private Equity	82	2%	75	2%	71	2%
UK Property	318	9%	323	9%	296	10%
Overseas Property	87	3%	87	3%	85	3%
Cash	119	3%	81	2%	118	4%
TOTAL	3,444	100%	3,477	100%	2,996	100%

4. The Fund has decreased by £33 million (0.9%) since the previous quarter but is £448 million (15%) higher than the same period last year. The table below shows the provisional Fund Account for 2013/14 to the end of June along with the full year figures for 2012/13.

Summary Fund Account	2013/14 To 30/06/13 £000	2012/13 Full year £000
Employer contributions	(35,658)	(127,132)
Member contributions	(11,262)	(42,829)
Transfers in from other pension funds	(2,064)	(11,535)
Pensions	33,187	127,078
Commutation of pensions and lump sums	8,084	28,187
Lump sum death benefits	1,639	3,714
Payments to and on account of leavers	4,828	16,048
Administration Expenses	353	1,409
Net additions from dealings with members	(894)	(5,060)
Investment Income	(28,045)	(88,307)
Profits & losses on disposals & changes in value	60,112	(334,869)
Taxes on income	349	580
Investment management expenses	1,344	3,506
Net Returns on Investments	33,759	(419,090)
 Net (increase)/decrease in net assets	 32,866	 (424,150)

5. The Fund has a small net cash inflow from members in the first quarter although this is affected by net transfers out to other funds of £2.8 million. Investment income remains healthy despite overall investment returns being flat or slightly negative over the quarter.

Statutory and Policy Implications

6. 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: Senior Accountant – Pensions & Treasury Management

For any enquiries about this report please contact: Simon Cunnington