

NOTES OF THE PENSION FUND ANNUAL EMPLOYERS AND TRADE UNIONS MEETING HELD AT COUNTY HALL, WEST BRIDGFORD ON MONDAY 1st OCTOBER 2012 AT 14:00pm.

Present

Members of the County Council's Pensions Committee

Councillor Mike Cox (Chairman)
Councillor Sheila Place
Councillor Carol Pepper
Councillor Ken Rigby
Councillor Reg Adair

Members of the Pensions Investment and Administration Sub-Committees

Mr. C. King - Trade Union Representative

Mr. K. Stedman - Pensioner Representative

Executive Mayor T Egginton – Mansfield District Council

Representatives of Employers and Trade Unions

M. Hope - Ashfield Homes Ltd

D. Straw - Nottingham & Notts Futures

M. Stevenson - Mansfield District Council

C. Radford - Nottinghamshire Police Authority

R. Drayton - Brunts Academy

M. Calvert - Brunts Academy

S. Thackary - Trent Valley IDB

E. Lambert - IIA

V. Turton - National Church of England Academy

N. Pickavance - Newark & Sherwood District Council

K. Braithwaite - NORSACA

R. Moore - Nottinghamshire Probation Trust

R. Tingle - Nottinghamshire Probation Trust

Representatives of the Corporate Director (Environment and Resources)

Mr. S. Brooks
Mr. S. Cunningham
Mr. N. Stevenson
Mr. N. Robinson
Ms. M. Toward
Ms S. Thurlby
Mr J. Fairbanks

Advisor to the Fund

Mr E Lambert

Clerk to the Panel

Mr. C. Holmes - Policy Planning and Corporate Services Department

NOTE:-

The list of those present was taken from attendance sheets signed on the day of the meeting. Apologies are however given if all the names are not entirely accurate or representatives did not have a chance to sign these sheets and are, therefore, not shown above.

1. WELCOME AND OPENING REMARKS

Councillor Mike Cox, Chairman of the Nottinghamshire Pensions Fund Committee, opened the meeting and welcomed representatives to the Annual Meeting.

He reported that apologies for absence had been received from:-

Councillor Thulani Molife
Councillor Jackie Morris
Councillor Milan Radulovic MBE
Councillor Stella Smedley MBE JP
Councillor David Taylor
Councillor Gail Turner
Mr T. Neeham

2. NOTES OF THE ANNUAL MEETING HELD ON 3rd OCTOBER 2011

The Notes of the 2011 meeting, circulated with the papers for the meeting were noted.

3. MANAGEMENT AND FINANCIAL PERFORMANCE

Mr Stevenson, Group Manager (Financial Strategy and Compliance) gave a presentation to the meeting on the overview of the Management and Financial

Performance of the Fund for 2011/12. He indicated that the accounts showed the Fund remained above £3 billion at the year end. Investments had reduced due to the volatility of the market. He added that there had been a downward trend of net additions but that the benefits paid out were increasing. Employee contributions had reduced by 6% whereas benefits had increased by 38% which clearly indicated a change in the membership. He pointed out however that the Fund still received more in contributions than it paid in benefits and that further changes were unlikely to impact the Fund to the same extent. He added that the Fund received substantial investment income. He commented that there was continuing pressure on Public Sector Funding and the investment market continued to be volatile. The next triennial valuation was due on the 31st March 2013 but he stated that whilst pressures and risks still existed the Fund was still in reasonable shape heading to the next triennial valuation.

4. INVESTMENT PERFORMANCE 2011/12

Mr Cunningham, Team Manager Investments, presented the 2011/12 investment performance. He explained that long term expected investment returns were built in to the valuation through the discount rate. The discount rate at the 2010 valuation was 6.8%, the investment returns for the total Fund over the last 2 years were 9.4% in 2010/11 and 1.6% in 2011/12. The 10 year annualised returns were 5.7%. During that period the value of the Fund had increased from £1.5billion to £3.1billion. Long term returns from equities and property were still expected to be higher than bonds. The strategy continued to favour growth assets. He concluded by stating that investment returns were important to help keep contributions stable. Performance since the last valuation had been mixed. Long term returns had been reasonable but a good performance in 2012/13 would help at the next valuation.

5. AUTOMATIC ENROLMENT

John Fairbanks, Acting Pensions Manager gave a presentation on Auto Enrolment. He explained that Auto Enrolment had been introduced to help more people save for their retirement by compelling employers to provide some pension provision for certain categories of their employees. Eligible job holders must be auto enrolled into a qualifying scheme that the employer contributes to. The Local Government Pension Scheme was a qualifying scheme. Employers were given a staging date based on their payroll size – the biggest first. The County Council's staging date was 1st November 2012. He explained that all small employers which paid staff through the County Council Pay Roll would be part of the County Council's starting date.

Under the Local Government Pension Scheme rules, most scheme employers must automatically enter new employees into the Local Government Pension Scheme if they have a contract of three months or more. To comply with auto enrolment rules, those employees will no longer be allowed to opt out of joining the Local Government Pension Scheme prior to the commencement of employment.

The meeting closed at 14:50pm.

CHAIRMAN

Notes of AGM – 3 Oct 11