

Pensions Investment Sub-Committee

Thursday, 04 September 2014 at 10:00

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

AGENDA

1 Minutes of the last meeting held on Thursday 5th June 2014 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 5th June 2014

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 Sara Allmond (Tel. 0115 977 3794) 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 PENSIONS INVESTMENT SUB-COMMITTEE

Date Thursday 5th June 2014 (commencing at 10:00 am)

membership

Persons absent are marked with `A`

COUNCILLORS

S Smedley MBE JP (Chairman)

Ken Rigby (Vice Chairman)

Reg Adair
Chris Barnfather
Mrs Kay Cutts
Sheila Place

A Darrell Pulk
Parry Tsimbiridis
John Wilkinson

Nottingham City Council

A Councillor Alan Clark
Councillor Thulani Molife
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

Sara Allmond (Policy, Planning and Corporate Services)
Simon Cunnington (Environment & Resources)
Nigel Stevenson (Environment and Resources)

Also in Attendance

Mr E Lambert (Independent Advisor)

MINUTES

The minutes of the last meeting of the Sub-Committee held on 13th March 2014, having been previously circulated, were confirmed and signed by the Chairman.

APOLOGIES FOR ABSENCE

Apologies for absence were received from:

Councillor Alan Clark – (medical/illness)
Councillor Parry Tsimbiridis (other reasons)

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 31 March 2014.

RESOLVED: 2014/008

That the report be noted.

EXCLUSION OF THE PUBLIC

RESOLVED: 2014/009

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 2014/010

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:-

Exempt Minutes of the last meeting held on 13th March 2014

Managers Reports as to:

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

The meeting closed at 12:14 noon.

CHAIRMAN

M_5th June2014

4 September 2014
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 31 March 2014.

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. 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 investment assets of the Fund as at 30 June 2014, together with the comparative position 3 and 12 months previously.

Quarter ended:	Latest Quarter		Previous Quarter		Previous Year	
	30 Jun 2014		31 Mar 2014		30 Jun 2013	
	£m	%	£m	%	£m	%
UK Fixed Interest	350	9%	323	9%	279	8%
Overseas Fixed Interest	15	0%	38	1%	93	3%
Inflation-Linked	104	3%	103	3%	59	2%
UK Equities	1,324	35%	1,287	35%	1,207	35%
Overseas Equities	1,356	36%	1,325	35%	1,202	35%
Private Equity	72	2%	76	2%	82	2%
UK Property	342	9%	328	9%	318	9%
Overseas Property	78	2%	79	2%	87	3%
Cash	155	4%	154	4%	119	3%
TOTAL	3,797	100%	3,712	100%	3,444	100%

4. The Fund has increased by £85 million (2.3%) since the previous quarter and is £353 million (10%) higher than the same period last year. The table below shows the provisional Fund Account for 2014/15 to the end of June along with the full year figures for 2013/14.

Summary Fund Account	2014/15 to date Provisional £000	2013/14 Full year £000
Employer contributions	(26,440)	(123,905)
Member contributions	(8,277)	(41,018)
Transfers in from other pension funds	(3,055)	(6,638)
Pensions	34,808	132,832
Commutation of pensions and lump sums	8,730	23,115
Lump sum death benefits	859	3,793
Payments to and on account of leavers	3,278	15,326
Administration expenses	22	1,442
Net additions from dealings with members	9,925	4,947
Investment income	(12,794)	(105,388)
Profits & losses on disposals & changes in value	(61,416)	(141,271)
Taxes on income	355	644
Investment management expenses	136	4,369
Net Returns on Investments	(73,719)	(241,646)
 Net (increase)/decrease in net assets	 (63,794)	 (236,699)

5. It is important to note that the provisional fund account for 2014/15 to the end of June has had no adjustments made for amounts owing to or from the Fund (debtors and creditors). The cash flow position of the Fund will continue to be closely monitored throughout 2014/15 and in particular, employer contributions will be reviewed to ensure they comply with the revised schedule of rates and contributions certified by the actuary.

Statutory and Policy Implications

6. 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

- 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