

Pensions Investment Sub-Committee

Thursday, 13 June 2013 at 10:30

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

AGENDA

- 1 To note 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
- 2 Minutes of the last meeting held on 7 February 2013 5 - 8
- 3 Apologies for Absence
- 4 Declarations of Interests by Members and Officers:- (see note below)
(a) Disclosable Pecuniary Interests
(b) Private Interests (pecuniary and non-pecuniary)
- 5 Membership and Terms of Reference of the Sub-Committee 9 - 10
- 6 Fund Valuation and Performance 11 - 14

Exclusion of the public

- 7 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

- 8 Fund Valuation and Performance
- 9 Exempt Minutes of the last meeting held on 7th February 2013
- 10 Managers' reports as to:-
 - a Aberdeen Property Investors
 - b Schroders Investment Management
 - c Kames Capital

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.

minutes

Meeting PENSIONS INVESTMENT SUB-COMMITTEE

Date Thursday 7th February 2013 (commencing at 10:00 am)

membership

Persons absent are marked with 'A'

COUNCILLORS

Michael J Cox (Chairman)

A S Smedley MBE (Vice-Chairman)

Reg Adair

Mrs Kay Cutts

Carol Pepper

Sheila Place

A

Ken Rigby

David Taylor

A

Gail Turner

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

Mr N Timms

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)

MINUTES

The minutes of the last meeting of the Sub-Committee held on 8th November 2012, having been previously circulated, were confirmed and signed by the Chairman.

APOLOGIES FOR ABSENCE

Apologies for absence were received from:

Councillor S Smedley MBE – Medical / Illness
Councillor David Taylor - Other
Councillor Gail Turner - Other Council business
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

FUND VALUATION AND PERFORMANCE

Consideration was given to a report which summarised the total value of the Pension Fund as at 31st December 2012.

RESOLVED: 2013/001

That the report be noted.

EXCLUSION OF THE PUBLIC

RESOLVED: 2013/002

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 2013/003

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 8th November 2012

Managers Reports as to:

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

The meeting closed at 12:45pm.

CHAIRMAN

M_7Feb2013

13th June 2013**Agenda Item:5****REPORT OF THE CHIEF EXECUTIVE****MEMBERSHIP AND TERMS OF REFERENCE OF THE PENSIONS
INVESTMENT SUB-COMMITTEE****Purpose of the Report**

1. To report the membership and terms of reference of the Sub-Committee for 2013/14

Information and Advice

2. The Sub-Committee is asked to note that the following Members have been appointed to the Pensions Investment Sub-Committee:-

County Councillors

Councillor Reg Adair
Councillor Chris Barnfather
Councillor John Clarke
Councillor Mrs Kay Cutts
Councillor Glynn Gilfoyle
Councillor Sheila Place
Councillor Ken Rigby
Councillor Stella Smedley
Councillor Parry Tsimbiridis

Nottingham City Council

Councillor Alan Clarke
Councillor Thulani Molife
Councillor Jackie Morris

Nottinghamshire Local Authorities' Association

Executive Mayor Tony Egginton
Councillor Milan Radulovic MBE

Trade Unions

Mr J Hall
Mr C King

Scheduled Bodies

1 Vacancy – an election is currently being held for this position.

3. The terms of reference of the Sub-Committee are as follows:-

“This is a sub-committee of the Nottinghamshire Pension Fund Committee

1.1. The exercise of the powers and functions set out below are delegated:

1.1.1 Responsibility for investment performance management of the Fund Managers and making appropriate recommendations to the Nottinghamshire Pension Fund Committee.”

RECOMMENDED

4. That the report be noted

MICK BURROWS
CHIEF EXECUTIVE

Statutory and Policy Implications

5. 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 have been described in the text of the report.

Background Papers Available for Inspection

None

Electoral Divisions Affected

6. All.

13 June 2013

Agenda Item:6

REPORT OF THE SERVICE DIRECTOR (FINANCE & PROCUREMENT)

FUND VALUATION AND PERFORMANCE

Purpose of the Report

1. To report on the total value of the Pension Fund at, and performance over the period to, 31 March 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 31 March 2013, together with the comparative position 3 and 12 months previously.

	Latest Quarter		Previous Quarter		Previous Year	
Quarter ended:	31 Mar 2013		31 Dec 2012		31 Mar 2012	
	£m	%	£m	%	£m	%
UK Fixed Interest	319	9%	297	9%	313	10%
Overseas Fixed Interest	86	3%	89	3%	55	2%
Inflation-Linked	63	2%	58	2%	58	2%
UK Equities	1,212	35%	1,104	34%	1,047	34%
Overseas Equities	1,232	35%	1,087	34%	1,000	33%
Private Equity	75	2%	73	2%	67	2%
UK Property	323	9%	308	10%	297	10%
Overseas Property	87	3%	84	3%	89	3%
Cash	81	2%	86	3%	132	4%
TOTAL	3,477	100%	3,186	100%	3,057	100%

4. The Fund has increased by £291 million (9%) since the previous quarter and £420 million (14%) since the previous year. The table below shows the summary Fund Account for 2012/13 with comparative figures for 2011/12.

	2011/12	2012/13
Summary Fund Account	£000	£000
Employer contributions	(134,907)	(127,132)
Member contributions	(42,242)	(42,829)
Transfers in from other pension funds	(10,197)	(11,535)
Pensions	117,060	127,078
Commutation of pensions and lump sums	37,467	28,187
Lump sum death benefits	3,588	3,714
Payments to and on account of leavers	10,738	16,048
Administration Expenses	1,301	1,409
Net additions from dealings with members	(17,192)	(5,060)
Investment Income	(84,830)	(88,307)
Profits & losses on disposals & changes in value	32,988	(334,869)
Taxes on income	674	580
Investment management expenses	3,871	3,506
Net Returns on Investments	(47,297)	(419,090)
 Net (increase)/decrease in net assets	 (64,489)	 (424,150)

5. Net additions from members has reduced further in 2012/13 but still shows a net cash inflow to the Fund. Part of the reduction is a result of net transfers out to other funds of £4.5 million (compared to only £0.5 million in 2011/12). Investment income continues to increase.

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

