

28 January 2013

Agenda Item:6

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

### **REFERRALS FROM PENSIONS SUB-COMMITTEE**

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

1. To seek the approval of the Nottinghamshire Pension Fund Committee to the recommendations from the Pensions Sub-Committee on:
  - a) Benchmarks
  - b) Nottingham & Nottinghamshire Investment Fund
  - c) Pension Fund Risk Register.

#### **Information and Advice**

2. At its meeting on 13 December 2012, the Pensions Sub-Committee considered reports on:
  - a) Benchmarks
  - b) Nottingham & Nottinghamshire Investment Fund
  - c) Pension Fund Risk Register.
3. These reports are attached as annexes. The Risk Register has been amended slightly to take account of members' comments at the Sub-Committee meeting.

#### **Statutory and Policy Implications**

4. 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/S**

- 1) Benchmarks:
  - a) A liability-based benchmark is set for the Fund.
  - b) A strategic benchmark is set for the Fund based on the mid-point of the strategic asset allocation ranges.

- c) Discussions are held with each manager regarding changes to their benchmarks within a wider review of strategic asset allocation as part of the triennial valuation process.
  - d) Changes are made to quarterly performance reporting in conjunction with managers to focus more on longer time frames in order to more clearly link to the Fund's long term objectives.
- 2) That the Fund commits £10m to the ECF to be managed by the Foresight Group once approved by CfEL.
  - 3) That the revised Risk Register is approved and the additional actions outlined in the revised risk register are considered for implementation.

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**Title of Report Author: Team Manager - Investments**

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**Constitutional Comments (KK 18/01/13)**

The proposals in this report are within the remit of the Nottinghamshire Pension Fund Committee.

**Financial Comments (SRC 15/01/13)**

There are no direct financial implications arising from the report.

**Background Papers**

None