

Pensions Investment Sub-Committee

Date: Thursday, 08 November 2012
Time: 10:00
Venue: County Hall
Address: County Hall, West Bridgford, Nottingham NG2 7QP

AGENDA

- | | | |
|----------|--|---------------|
| 1 | <u>Minutes 4Sept2012</u>
Details | 5 - 8 |
| 2 | <u>Apologies for Absence</u>
Details | 1-2 |
| 3 | <u>Declarations of Interests by Members and Officers:- (see note below)</u>
(a) Disclosable Pecuniary Interests
(b) Private Interests (pecuniary and non-pecuniary) | 1-2 |
| 4 | <u>R fund valuation & performance</u>
Details | 9 - 10 |
| 5 | <u>Exclusion of the Public</u> | 1-2 |

The 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 | <u>Fund Valuation and Performance</u>
Details | 1-2 |
|----------|---|------------|

7	<u>Exempt Minutes of the last meeting held on 4th September 2012</u>	1-2
	Details	
8	<u>Manager's reports as to:-</u>	1-2
	(a) Aberdeen Property Investors	
	(b) Schroders Investment Management	
	(c) Kames Capital	

NOTES

1. 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 Service Centre 08449 80 80 80

2. Members are reminded that Committee and Sub-Committee papers, with the exception of those which contain exempt or confidential information, may be recycled. Appropriate containers for this purpose are located in the respective Secretariats.

3. (a) Persons making a declaration of interest should have regard to the

Code of Conduct and the Council's Procedure Rules.

(b) Members or Officers requiring clarification on whether to make a

declaration of interest are invited to contact Chris Holmes or a colleague in Democratic Services prior to the meeting.

4. Information in respect of this meeting is available in a wide range of languages which can be provided on request and can also be provided in large print, Braille and audio. Please contact the number referred to above.

minutes

Meeting PENSIONS INVESTMENT SUB-COMMITTEE

Date Tuesday 4th September 2012 (commencing at 10:00 am)

membership

Persons absent are marked with 'A'

COUNCILLORS

Michael J Cox (Chair)
S Smedley MBE (Vice-Chair)

	Reg Adair	Ken Rigby
	Mrs Kay Cutts	David Taylor
A	Carol Pepper	
	Sheila Place	

Nottingham City Council

	Councillor Alan Clark
A	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

A	Mr N Timms
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Officers in Attendance

Simon Cunnington (Environment & Resources)
Chris Holmes (Policy, Planning and Corporate Services)

Also in Attendance

Mr E Lambert (Independent Advisor)

CHAIRMAN AND VICE CHAIRMAN

RESOLVED 2012/021

That the appointment by the County Council at its Annual Meeting of Councillor Michael J Cox as Chairman and Councillor S Smedley MBE as Vice Chairman of the Sub-Committee was noted.

COUNCILLOR LES WARD

Members stood in silence in memory of Councillor Les Ward who had been a member of the Pensions Investment Sub-Committee.

MINUTES

The minutes of the last meeting of the Sub-Committee held on 10th May 2012, having been previously circulated, were confirmed and signed by the Chairman.

APOLOGIES FOR ABSENCE

Apologies for absence were received from:

Councillor Carol Pepper (Personal)
Executive Mayor Tony Egginton
Mr J Hall
Mr N Timms

DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS

None

MEMBERSHIP AND TERMS OF REFERENCE

Consideration was given to a report which set out the membership and terms of reference of the Sub-Committee for 2012/13.

It was noted that a meeting of the Working Party would be held on 30th October when amongst other issues benchmarking would be discussed.

RESOLVED: 2012/022

That the report be noted.

FUND VALUATION AND PERFORMANCE

Consideration was given to a report which summarised the total value of the Pension Fund as at 30th June 2012.

RESOLVED: 2012/023

That the report be noted.

EXCLUSION OF THE PUBLIC

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 2012/024

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 10th May 2012

Managers Reports as to:

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

The meeting closed at 12:50pm.

CHAIRMAN

M_4Sept2012

8 November 2012
Agenda Item:4

REPORT OF THE SERVICE DIRECTOR (FINANCE)

FUND VALUATION AND PERFORMANCE

Purpose of the Report

1. To report on the total value of the Pension Fund and performance over the period to 30 September 2012.

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. A summary of the total value of the Fund as at 30 September 2012, together with the previous two quarters, is included in the table below.

	30 Sept 2012		30 June 2012		31 March 2012	
	£m	%	£m	%	£m	%
UK Fixed Interest	315	11%	319	11%	313	10%
Overseas Fixed Interest	73	2%	70	2%	55	2%
Inflation-Linked	57	2%	59	2%	58	2%
UK Equities	1,058	34%	1,030	34%	1,047	34%
Overseas Equities	1,005	32%	948	32%	1,000	33%
Private Equity	71	2%	71	2%	67	2%
UK Property	308	10%	296	10%	297	10%
Overseas Property	84	3%	85	3%	89	3%
Cash	119	4%	118	4%	132	4%
TOTAL	3,090	100%	2,996	100%	3,057	100%

4. During the quarter the Fund increased overall by £94 million (3%). Net contributions to the Fund added £2.7 million with the remaining increase coming from investment income and net profits on investments (both realised and unrealised). All developed equity markets (with the exception of Japan) rose during the quarter. European markets performed strongly following early comments and later action by the President of the ECB although significant concerns still surround peripheral countries, in particular Greece and Spain. Yields on UK, US and German government bonds reduced marginally over the quarter.
5. A Pensions Working Party was held on 30 October 2012 to review the Fund's use of benchmarks. It was agreed to recommend that a strategic fund benchmark be set and that quarterly reporting be amended to focus more on longer term performance against this benchmark. Further information will be brought to a future Sub-Committee on these proposed changes.

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: Team Manager – Investments

For any enquiries about this report please contact: Simon Cunnington

Background Papers

None.