

17 December 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) Changes to the bond portfolio.
 - b) Attendance at LAPFF business meetings.

Information and Advice

2. At its meeting on 7 November 2013, the Pensions Sub-Committee considered reports on:
 - a) Changes to the bond portfolio following recommendations from the Working Party.
 - b) The Local Authority Pension Fund Forum (LAPFF).
3. These reports are attached as annexes.

Statutory and Policy Implications

4. 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/S

- 1) That the following changes be made to the bond portfolio:
 - a. Change the portfolio benchmark to:
 - i. reduce the weighting to gilts
 - ii. increase the weighting to corporate bonds
 - iii. remove overseas government bonds entirely
 - b. Give flexibility to the manager to invest up to 10% in 'high-yield' bonds
 - c. Transfer the index-linked bonds to the Inflation Linked Fund
- 2) That approval is given for members of the Pensions Sub-Committee to attend LAPFF business meetings.

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Constitutional Comments (KK)

5.

Financial Comments (SRC 09/12/13)

6. Any costs associated with the recommendations are a legitimate charge to the pension fund under governing regulations.

Background Papers and Published Documents

None