

Pensions Investment Sub-Committee

Thursday, 03 September 2015 at 10:30

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

AGENDA

- | | | |
|---|--|--------|
| 1 | Minutes of the last meeting held on 4 June 2015 | 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 - 10 |
| 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

- 6 Fund Valuation and Performance
- 7 Exempt Minutes of the last meeting held on 4 June 2015
- 8 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 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>



Meeting PENSIONS INVESTMENT SUB-COMMITTEE

Date Thursday 4 June 2015(commencing at 10.30 am)

membership

Persons absent are marked with 'A'

COUNCILLORS

Reg Adair (Chairman)

Mike Pringle (Vice Chairman)

A Chris Barnfather
Ian Campbell
Mrs Kay Cutts
Sheila Place

A Ken Rigby
Parry Tsimbiridis
John Wilkinson

Nottingham City Council

Councillor Alan Clark
A Councillor Nick McDonald
Councillor Anne Peach

Nottinghamshire Local Authorities' Association

2 Vacancies

Trades Unions

Mr A Woodward
A Mr C King

Scheduled Bodies

A Mr N Timms

Officers in Attendance

Simon Cunnington (Environment & Resources)
Dave Forster (Policy, Planning and Corporate Services)
Neil Robinson (Environment and Resources)

APPOINTMENT OF CHAIRMAN AND VICE-CHAIRMAN

Note the appointment of Councillor Reg Adair as Chairman and Councillor Mike Pringle as Vice-Chairman by the County Council on 14 May 2015.

MEMBERSHIP AND TERMS OF REFERENCE

RESOLVED 2015/003

That the membership and terms of reference be noted

MINUTES

The minutes of the last meeting of the Sub-Committee held on 5 March 2015, having been previously circulated, were confirmed and signed by the Chairman.

APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors C Barnfather and P Tsimbiridis (County Members) N McDonald (City Council Members) and Chris king (Union Rep)

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 2015.

RESOLVED: 2015/004

That the report be noted.

EXCLUSION OF THE PUBLIC

RESOLVED: 2015/005

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.

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 appendix

Exempt Minutes of the last meeting held on 27 November 2014

Managers Reports as to:

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

The meeting closed at 12.30pm.

CHAIRMAN

3 September 2015
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 30 June 2015.

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 2015, together with the comparative position 3 and 12 months previously.

Quarter ended:	Latest Quarter		Previous Quarter		Previous Year	
	30 Jun 2015		31 Mar 2015		30 Jun 2014	
	£m	%	£m	%	£m	%
UK Fixed Interest	368	9%	396	10%	350	9%
Overseas Fixed Interest	14	0%	17	0%	15	0%
Inflation-Linked	114	3%	116	3%	104	3%
UK Equities	1,342	34%	1,337	33%	1,325	35%
Overseas Equities	1,406	36%	1,527	38%	1,356	36%
Private Equity	72	2%	72	2%	72	2%
Infrastructure	15	0%				
UK Property	416	10%	369	9%	342	9%
Overseas Property	81	2%	84	2%	78	2%
Cash	138	4%	132	3%	155	4%
TOTAL	3,965	100%	4,050	100%	3,797	100%

4. The Fund has decreased by £85 million (2.1%) since the previous quarter but is £168 million (4.4%) higher than the same period last year. The table below shows the provisional Fund Account for 2015/16 along with the full year figures for 2014/15.

Summary Fund Account	To Qtr End 2015/16 £000	Full Year 2014/15 £000
Employer contributions	(31,419)	(130,112)
Member contributions	(10,263)	(42,714)
Transfers in from other pension funds	(678)	(6,124)
Pensions	35,554	137,495
Commutation of pensions and lump sums	7,647	25,991
Lump sum death benefits	901	3,324
Payments to and on account of leavers	2,467	87,072
Administration expenses	16	1,764
Net (additions)/withdrawals from dealings with members	4,225	76,696
Oversight & governance expenses	20	572
Investment income	(10,201)	(110,790)
Profits & losses on disposals & changes in value	119,198	(316,474)
Taxes on income	355	703
Investment management expenses	138	3,838
Net Returns on Investments	109,490	(422,723)
 Net (increase)/decrease in net assets	 113,735	 (345,455)

5. The provisional fund account for 2015/16 to the end of June includes adjustments made only for contributions owing to the Fund. No other adjustments have been made for amounts owing (debtors and creditors). The fund account for 2014/15 includes adjustments made for all material amounts owing to/from the Fund at the year end. The 'Payments to and on account of leavers' in 2014/15 includes £76 million paid to the Greater Manchester Pension Fund in respect of the transfer of liabilities relating to the Probation Service.

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

Constitutional Comments

7. Because this report is for noting only, no Constitutional Comments are required.

Financial Comments (SRC 19/08/15)

8. There are no direct financial implications arising from this report.

