

Pensions Investment Sub-Committee

Thursday, 02 March 2017 at 10:30

Schroders 100 Wood Street London EC2V 7ER, [Venue Address]

AGENDA

- | | | |
|---|--|--------|
| 1 | Minutes of the last meeting held on 1 December 2016 | 5 - 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 1 December 2016

8 Managers' reports as to:-

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

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 David Forster (Tel. 0115 977 3552) 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 1 December 2016 (commencing at 10.30 am)

membership

Persons absent are marked with 'A'

COUNCILLORS

Reg Adair (Chairman)
Mike Pringle (Vice Chairman)

	Chris Barnfather	Ken Rigby
A	Ian Campbell	Parry Tsimbiridis
	Mrs Kay Cutts	John Wilkinson
	Sheila Place	

Nottingham City Council

Councillor Alan Clark
A Councillor Nick McDonald
Councillor Anne Peach

Nottinghamshire Local Authorities' Association

Councillor Richard Jackson – Broxtowe Borough Council
A Kate Allsop – Executive Mayor Mansfield District Council

Trades Unions

Mr A Woodward
Mr C King

Scheduled Bodies

Mrs Sue Reader

Independent Advisor

William Bourne

Officers in Attendance

Simon Cunnington (Resources)
Dave Forster (Resources)
Nigel Stevenson Service Director (Resources)
Keith Palframan (Resources)

MINUTES

The minutes of the last meeting of the Sub-Committee held on 29 September 2016, having been previously circulated, were confirmed and signed by the Chairman.

APOLOGIES FOR ABSENCE

Apologies for absence were received from County Councillors Ian Campbell and City Councillor Nick McDonald.

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 30 September 2016.

RESOLVED: 2016/022

That the report be noted.

EXCLUSION OF THE PUBLIC

RESOLVED: 2016/023

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 (including a report of the Independent Advisor)

Exempt Minutes of the last meeting held on 29 September 2016

Managers Reports as to:

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

The meeting closed at 12.32pm.

CHAIRMAN

2 March 2017

Agenda Item:

REPORT OF THE SERVICE DIRECTOR – FINANCE, PROCUREMENT & IMPROVMENT

FUND VALUATION AND PERFORMANCE

Purpose of the Report

1. To report on the total value and performance of the Pension Fund to 31 December 2016.

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 appendices.
3. The table below shows a summary of the total value of the investment assets of the Fund as at 31 December 2017, together with the comparative position 3 and 12 months previously.

Quarter ended:	Latest Quarter		Previous Quarter		Previous Year	
	31 Dec 2016		30 Sep 2016		31 Dec 2015	
	£m	%	£m	%	£m	%
UK Fixed Interest	416	9%	447	10%	384	10%
Overseas Fixed Interest	13	0%	14	0%	11	0%
Inflation-Linked	118	2%	118	3%	112	3%
UK Equities	1,405	30%	1,397	31%	1,280	32%
Overseas Equities	1,812	38%	1,688	37%	1,400	36%
Private Equity	80	2%	80	2%	80	2%
Infrastructure	110	2%	98	2%	37	1%
UK Property	449	10%	424	9%	415	11%
Overseas Property	76	2%	84	2%	86	2%
Cash	237	5%	198	4%	117	3%
TOTAL	4,713	100%	4,547	100%	3,920	100%

4. The Fund has increased in value by £166 million (3.7%) since the previous quarter and by £793 million (20.2%) over the last 12 months. The table below shows the provisional Fund Account for 2016/17 along with the full year figures for 2015/16.

Summary Fund Account	To Qtr End 2016/17 £000	Full Year 2015/16 £000
Employer contributions	(93,975)	(131,873)
Member contributions	(29,809)	(43,243)
Transfers in from other pension funds	(3,078)	(4,940)
Pensions	109,094	141,963
Commutation of pensions and lump sums	24,494	26,567
Lump sum death benefits	3,659	3,860
Payments to and on account of leavers	8,994	6,519
Administration Expenses	44	1,221
Net (additions)/withdrawals from dealings with members	19,423	74
Oversight & governance expenses	215	584
Investment Income	(72,484)	(112,363)
Profits & losses on disposals & changes in value	(595,943)	119,007
Taxes on income	461	638
Investment management expenses	2,061	3,990
Net Returns on Investments	(665,905)	11,272
Net (increase)/decrease in net assets	(646,267)	11,930

5. The fund value marginally decreased over 2015/16 as market movements offset the investment income. This has been recovered during 2016/17, with the combined effect of net profits on disposals and changes in market value adding £596 million.

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: Tamsin Rabbitts

Title of Report Author: Senior Accountant – Pensions & Treasury Management

For any enquiries about this report please contact: Tamsin Rabbitts

Constitutional Comments

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

Financial Comments (TMR 15/02/2017)

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

