

## **Pensions Investment Sub-Committee**

**Thursday, 03 December 2015 at 10:30**

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

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### **AGENDA**

- 1 Minutes of the last meeting held on 3 September 2015 3 - 4
- 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 5 - 8
- 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 3 September 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 3 September 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

Ken Rigby  
Parry Tsimbirdis  
John Wilkinson

**Nottingham City Council**

         Councillor Alan Clark  
A      Councillor Nick McDonald  
         Councillor Anne Peach

**Nottinghamshire Local Authorities' Association**

2 Vacancies

**Trades Unions**

A      Mr A Woodward  
A      Mr C King

**Scheduled Bodies**

Mr N Timms

**Officers in Attendance**

Simon Cunnington (Resources)  
Dave Forster (Resources)  
Neil Robinson (Resources)  
Ciaran Guilfoyle (Resources)  
Nigel Stevenson (Service Director)

## **MINUTES**

The minutes of the last meeting of the Sub-Committee held on 4 June 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 N McDonald (City Council Member) Chris King and Alan Woodward (Union Reps)

## **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 June 2015.

### **RESOLVED: 2015/007**

That the report be noted.

## **EXCLUSION OF THE PUBLIC**

### **RESOLVED: 2015/008**

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 3 September 2015

Managers Reports as to:

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

The meeting closed at 12.30pm.

**CHAIRMAN**

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**3 December 2015**
**Agenda Item:**

## 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 September 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 appendices.
3. The table below shows a summary of the total value of the investment assets of the Fund as at 30 September 2015, together with the comparative position 3 and 12 months previously.

Quarter ended:	Latest Quarter		Previous Quarter		Previous Year	
	30 Sep 2015		30 Jun 2015		30 Sep 2014	
	£m	%	£m	%	£m	%
UK Fixed Interest	389	10%	368	9%	365	9%
Overseas Fixed Interest	12	1%	14	0%	14	0%
Inflation-Linked	110	3%	114	3%	105	3%
UK Equities	1,261	33%	1,342	34%	1,286	34%
Overseas Equities	1,305	34%	1,406	36%	1,372	36%
Private Equity	78	2%	72	2%	73	2%
Infrastructure	38	1%	15	0%	0	0%
UK Property	416	11%	416	10%	354	9%
Overseas Property	83	2%	81	2%	78	2%
Cash	115	3%	138	4%	185	5%
<b>TOTAL</b>	<b>3,807</b>	<b>100%</b>	<b>3,965</b>	<b>100%</b>	<b>3,831</b>	<b>100%</b>

4. The Fund has decreased in value by £158 million (4.0%) since the previous quarter and is £24 million (0.6%) lower 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.

<b>Summary Fund Account</b>	<b>To Qtr End 2015/16 £000</b>	<b>Full Year 2014/15 £000</b>
Employer contributions	(65,795)	(130,112)
Member contributions	(21,635)	(42,714)
Transfers in from other pension funds	(1,560)	(6,124)
Pensions	70,426	137,495
Commutation of pensions and lump sums	14,059	25,991
Lump sum death benefits	2,109	3,324
Payments to and on account of leavers	3,640	87,072
Administration expenses	11	1,764
<b>Net (additions)/withdrawals from dealings with members</b>	<b>1,255</b>	<b>76,696</b>
<b>Oversight &amp; governance expenses</b>	<b>73</b>	<b>572</b>
Investment income	(32,025)	(110,790)
Profits & losses on disposals & changes in value	301,032	(316,474)
Taxes on income	497	703
Investment management expenses	1,142	3,838
<b>Net Returns on Investments</b>	<b>270,646</b>	<b>(422,723)</b>
<b>Net (increase)/decrease in net assets</b>	<b>271,974</b>	<b>(345,455)</b>

5. The provisional fund account for 2015/16 to the end of September 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.

