

Pensions Investment Sub-Committee

Thursday, 03 March 2016 at 10:30

Kames Capital, Leaden Hall Building London, [Venue Address]

AGENDA

- 1 Minutes of the last meeting held on 3 December 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 December 2015

- 8 Managers' reports as to:-
- a. Schroders Investment Management
 - b. Aberdeen Property Investors
 - 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 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 3 December 2015 (commencing at 10.30 am)

membership

Persons absent are marked with `A`

COUNCILLORS

Reg Adair (Chairman)
Mike Pringle (Vice Chairman)

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

Nottingham City Council

Councillor Alan Clark
Councillor Nick McDonald
Councillor Anne Peach

Nottinghamshire Local Authorities' Association

2 Vacancies

Trades Unions

Mr A Woodward
Mr C King

Scheduled Bodies

Vacancy

Independent Advisor

William Bourne

Officers in Attendance

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

MINUTES

The minutes of the last meeting of the Sub-Committee held on 3 September 2015, having been previously circulated, were confirmed and signed by the Chairman.

APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Chris Barnfather, Ian Campbell and Ken Rigby

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 2015.

RESOLVED: 2015/012

That the report be noted.

EXCLUSION OF THE PUBLIC

RESOLVED: 2015/013

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 3 September 2015

Managers Reports as to:

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

The meeting closed at 12.30pm.

3 March 2016

Agenda Item:4

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

Quarter ended:	Latest Quarter		Previous Quarter		Previous Year	
	31 Dec 2015		30 Sep 2015		31 Dec 2014	
	£m	%	£m	%	£m	%
UK Fixed Interest	384	10%	389	10%	388	10%
Overseas Fixed Interest	11	0%	12	1%	13	0%
Inflation-Linked	112	3%	110	3%	110	3%
UK Equities	1,280	32%	1,261	33%	1,287	33%
Overseas Equities	1,400	36%	1,305	34%	1,415	36%
Private Equity	80	2%	78	2%	72	2%
Infrastructure	37	1%	38	1%	0	0%
UK Property	415	11%	416	11%	368	9%
Overseas Property	86	2%	83	2%	92	2%
Cash	117	3%	115	3%	191	5%
TOTAL	3,920	100%	3,807	100%	3,935	100%

4. The Fund has increased in value by £113 million (3.0%) since the previous quarter but is £15 million (0.4%) 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.

Summary Fund Account	To Qtr End	Full Year
	2015/16	2014/15
	£000	£000
Employer contributions	(101,355)	(130,112)
Member contributions	(32,303)	(42,714)
Transfers in from other pension funds	(2,795)	(6,124)
Pensions	106,114	137,495
Commutation of pensions and lump sums	20,170	25,991
Lump sum death benefits	2,850	3,324
Payments to and on account of leavers	4,924	87,072
Administration expenses	64	1,764
Net (additions)/withdrawals from dealings with members	(2,331)	76,696
Oversight & governance expenses	56	572
Investment income	(72,069)	(110,790)
Profits & losses on disposals & changes in value	185,998	(316,474)
Taxes on income	533	703
Investment management expenses	2,146	3,838
Net Returns on Investments	116,608	(422,723)
Net (increase)/decrease in net assets	114,333	(345,455)

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

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

