

Minutes of the meeting of the **Pension Fund Committee** held on 29 September 2014 at 10.30am in the Rose Room, Endeavour House, Ipswich.

Present: Councillors Peter Bellfield (Chairman) Andrew Reid (Vice Chairman), Michael Bond, John Field, Derek Hackett, Len Jacklin, Richard Smith MVO, Bill Knowles (District Council Representative), Derek Redhead (District Council Representative), Steve Warner (Unison Representative)

Supporting officers present: Paul Finbow (Corporate Finance Specialist), Sharon Tan (Specialist Accountant (Pensions)) Lynn Wright (Strategic Payroll and Pensions Manager) and Ann McPherson (Democratic Services Officer).

Advisers Present: Mark Stevens (Independent Professional Adviser)
Matt Woodman (Hymans Robertson)

Public Participation Session

There were no applications to speak in the Public Participation Session.

1. **Apologies for Absence and Substitutions**

Apologies were received from Councillor Peter Byatt who was substituted by Councillor Len Jacklin and Councillor Bert Poole who was substituted by Councillor Derek Hackett. The Chairman passed on his good wishes for a speedy recovery for Councillor Byatt.

2. **Declarations of Interest and Dispensations**

Councillor Andrew Reid, Councillor Richard Smith MVO, Councillor Len Jacklin, Councillor Derek Hackett and Steve Warner declared a non-pecuniary interest in all of the items on the Agenda by virtue of the fact that they are contributing members to the Suffolk Pension Fund.

3. **Minutes of the Previous Meeting**

The minutes were confirmed as a correct record and signed by the Chairman.

4. **Audit of Pension Fund Accounts 2013-14**

The Committee received a report at Agenda Item 4 from Tina Meyer, Senior Manager, Ernst & Young on the audit of the accounts which had been carried out. The Committee were told that there were no changes to the planned audit fee and that issues arising from the audit were minor. The officers who were involved in the preparation of the financial information for the audit were congratulated by the auditors and the Committee on the high standard of the reports.

Decision: The Committee agreed to note the report

Reason for Decision: The report contained matters relevant to the Committee under its Terms of Reference.

Alternative options: There were none considered.

Declarations of interest: Declarations of Interest are recorded at Minute No.2 of these minutes.

Dispensations: There were none reported.

5. **Pension Fund Annual Report and Accounts 2013-14**

The Committee received a report at Agenda Item 5 on the Pension Fund Annual report and accounts for 2013-14.

Decision: Proposed by Councillor Richard Smith MVO and seconded by Councillor Len Jacklin, the committee agreed unanimously to approve the audited Pension Fund Annual Report and Accounts for 2013-14. The Chairman, Councillor Peter Bellfield and the Director of Resource Management, Geoff Dobson agreed to sign the letter of declaration after the meeting.

Reason for Decision: The report contained matters relevant to the Committee under its Terms of Reference. The Annual Report is an important channel of communication to report on the Committee's stewardship of the Pension Fund to employers, scheme members and other stakeholders.

Alternative options: The Committee may decide not to receive the Pension Fund Annual Report and Accounts for 2013-14.

Declarations of interest: Declarations of Interest are recorded at Minute No.2 of these minutes.

Dispensations: There were none reported

6. **Performance analysis advisor's report**

The Committee received a report at Agenda Item 6 reviewing the investment performance of the fund and its investment managers for 2013-14 delivered by Susanne Stewart of State Street Investment Analytics. The Committee heard that it had been a good year for equity markets and bonds had produced a consistently strong performance.

Decision: The Committee agreed to note the report.

Reason for Decision: The report contained matters relevant to the Committee under its Terms of Reference.

Alternative options: There was none considered.

Declarations of interest: Declarations of Interest are recorded at Minute No.2 of these minutes.

Dispensations: There were none reported.

7. **Investment Advisor's Report**

The committee received a report at Agenda Item 7 from Hymans Robertson on the investment performance of the Pension Fund for the quarter to June 2014.

Decision: The Committee agreed to note the report.

Reason for Decision: The report contained matters relevant to the Committee under its Terms of Reference.

Alternative options: There were none considered.

Declarations of interest: Declarations of Interest are recorded at Minute No.2 of these minutes.

Dispensations: There were none reported

8. **Information Bulletin: Investment Performance**

The Committee received an Information Bulletin at Agenda Item 8 covering a summary of the investment performance of the Pension Fund for the quarter to June 2014

Decision: The Committee agreed to note the Bulletin.

Reason for Decision: The Bulletin contained matters relevant to the Committee under its Terms of Reference.

Alternative options: There were none considered.

Declarations of interest: Declarations of Interest are recorded at Minute No.2 of these minutes.

Dispensations: There was none reported.

9. **Investment Advisor's Report**

The Committee received a report at Agenda Item 9 from Mark Stevens, reviewing the investment markets in relation to the Pension Fund Investments for the quarter ended 30 June 2014. After discussion the Committee asked that Brookfield be invited to attend a future meeting of the Committee.

Decision: The Committee agreed to note the report.

Reason for Decision: The report contained matters relevant to the Committee under its Terms of Reference.

Alternative options: There were none considered.

Declarations of interest: Declarations of Interest are recorded at Minute No.2 of these minutes.

Dispensations: There were none reported

10. **Information Bulletin: Pension Fund Actuarial Monitoring**

The Committee received an Information Bulletin at Agenda Item 10 reviewing the actuarial position of the fund at June 2014.

Decision: The Committee agreed to note the Bulletin.

Reason for Decision: The Bulletin contained matters relevant to the Committee under its Terms of Reference.

Alternative options: There were none considered.

Declarations of interest: Declarations of Interest are recorded at Minute No.2 of these minutes.

Dispensations: There was none reported.

11. **Tobacco Investment**

The Committee received a report at Agenda Item 11 to consider the proposals from Suffolk County Council regarding the Fund's holdings in tobacco shares. The Committee were asked to decide whether to explore the options of disinvesting from tobacco companies in line with the County Council's request following the motion passed at County Council on 17 July 2014.

Decision: Proposed by Councillor Len Jacklin and seconded by Councillor Michael Bond, the Committee agreed to explore the options and proceed with considerations a and b, contained within the report, before moving to the next stage. The Committee voted 6 For and 3 Against the proposal. The Chairman abstained at this stage.

Reason for Decision: The report contained matters relevant to the Committee under its Terms of Reference. The Pension Fund has a fiduciary duty to invest in assets in the best interests of the members and beneficiaries, exercised in a manner to ensure the profitability of the portfolio as a whole.

Alternative options: The Committee could decide not to proceed with exploration of the options.

Declarations of interest: Declarations of Interest are recorded at Minute No.2 of these minutes.

Dispensations: There was none reported.

12. Operation of Administering Authority Discretions

The Committee received a report at Agenda Item 12, from Lynn Wright, setting out the proposals relating to the administering authority's discretion in respect of the pension scheme.

Decision: The Committee agreed unanimously to approve the proposals as set out in Appendix 1 of the report.

Reason for Decision: The report contained matters relevant to the Committee under its Terms of Reference.

Alternative options: There were none considered.

Declarations of interest: Declarations of Interest are recorded at Minute No.2 of these minutes.

Dispensations: There were none reported

13. **Forward Work Programme**

The Committee received a copy of the Forward Work Programme at Agenda Item 13.

It was agreed that the findings of the initial investigation of the option to disinvest from tobacco be added to the Forward Work Programme.

An invitation for the Strategic Payroll and Pensions Manager to attend a future meeting to discuss questions arising from Agenda Item 12 was also added to the Forward Work Programme.

Decision: The Committee agreed to note the Forward Work Programme.

Reason for Decision: The Forward Work Programme is a responsibility of the Committee under its Terms of Reference.

Alternative options: There were none considered.

Declarations of interest: Declarations of Interest are recorded at Minute No.2 of these minutes.

Dispensations: There was none reported.

14. **Urgent Business**

The Committee agreed that the question of an alternative investment advisor be discussed at a future meeting and added to the Forward Work Programme.

15. The Committee agreed that Agenda Item 16 should be taken without the public (including the press) present.

16. **Review of Equity Mandates**

The Committee received a report at Agenda Item 16 from Hyman Robertson on the performance of Equity Mandates.

Decision: The Committee agreed that this should be included as part of the November structure review and discussed at the next meeting.

Reason for Decision: The report contained matters relevant to the Committee under its Terms of Reference.

Alternative options: There were none considered.

Declarations of interest: Declarations of Interest are recorded at Minute No.2 of these minutes.

Dispensations: There was none reported.

The meeting closed at 13.20pm.

