

Minutes of the meeting of the **Pension Fund Committee** held on 23 March 2015 at 10.00 a.m. in the Elisabeth Room, Endeavour House, Ipswich.

Present: Councillors Michael Bond, Bert Poole, Len Jacklin, Bill Knowles (District Council Representative), Andrew Reid (Vice-Chairman (in the Chair)), Richard Smith, MVO, Steve Warner (trade Union Representative).

Also in attendance was Councillor Alan Murray

Supporting officers present: Geoff Dobson (Director of Resource Management), Paul Finbow (Corporate Finance Specialist), Ann McPherson (Committee Clerk), Sharon Tan (Specialist Accountant (Pensions) Lynn Wright (Strategic HR Payroll & Pensions Manager)

Advisers present: Mark Stevens (Independent Professional Advisor)
Matt Woodman (Hymans Robertson)
Peter Summers (Hymans Robertson)
Tina Meyer (External Auditor – Ernst & Young LLP)

Public Participation Session

Mr Bostock-Smith applied to address the committee at Agenda Item 4 Administration Policy: Abatement.

1. **Apologies for Absence and Substitutions**

Apologies for absence were received from Councillor Peter Byatt who was substituted by Councillor Len Jacklin, and from Councillor Peter Bellfield (Chairman). Councillor John Field and Councillor Derek Redhead were not present at the meeting.

2. **Declarations of Interests and Dispensations**

The following Committee Members declared a local non-pecuniary interest by virtue of the fact that each was a contributing member of the Local Government Pension Scheme:

Councillor Andrew Reid

Councillor Len Jacklin

Councillor Richard Smith

Steve Warner

3. **Minutes of the Previous Meeting**

The minutes of the meeting held on 26 February 2015 were amended as follows and subsequently confirmed as a correct record and signed by the Vice-Chairman (in the Chair)

Agenda Item 9 Tobacco Investment.

Alternative Options – added

That the effect of disinvestment should be discussed with investment managers urgently.

4. **Administration Policy: Abatement**

Lynn Wright, Strategic HR Payroll & Pensions Manager, addressed the Committee to provide the background to the item and clarify the options available to the Committee.

Mr Bostock-Smith addressed the Committee. As a member of the Suffolk Pension Fund, having reached pensionable age, he urged the Committee to reject the option to continue abating pensions. He pointed out that flexible retirement is not an absolute right so abatement does apply in some cases. He also said that it is the employer's decision if flexible retirement can be taken; the employee having no say in the decision. He presented to the Committee a Policy paper which, he stated, said that members should have more discretion in the decision of when to retire. Flexible retirement should be encouraged and abatement abolished. He also mentioned that Cambridgeshire County Council had investigated the matter and agreed that the majority of councils do not abate.

Decision: The Committee agreed, on a vote of five for, two against to cease the policy of abating pensions for all those currently reduced and not to abate for any further cases, except where mandatory as from 1st April 2015.

Reason for Decision: The Committee were of the opinion that Pension Fund Members had earned the right to take the pension earned through their working life without being penalised by a decision to return to employment.

Alternative options:

1. To continue to abate pensions currently reduced, but not to abate in any new cases arising, except where mandatory to do so.
2. To continue with the current practice of abating.

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

Dispensations: There were none reported.

5. **External Audit Plan**

The Committee received a report at Agenda Item 5 from Tina Meyer, Ernst & Young LLP, on the external audit plan for the Pension Fund accounts for 2014-2015.

Decision: The Committee agreed to note the report.

Reason for Decision: The report contained matters that were relevant to its Terms of Reference.

Alternative options: There were none were considered.

Declarations of interest: Declarations of Interest are recorded at Minute 2 of these minutes.

Dispensations: There were none reported.

6. **Business Plan for 2015/16 to 2017/18**

The Committee received a report at Agenda Item 6 reviewing the actions undertaken in 2014 and a proposed business plan for the forthcoming year to take into account the necessary changes in relation to the Pension Board.

Decision: The Committee agreed to note the progress against the actions set out in the Business Plan for 2014/15 and approved the draft Business Plan for 2015/16.

Reason for Decision: The report contained matters that were relevant to 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.

7. **Treasury Management Policy**

The Committee received a report at Agenda Item 7 setting out the proposed treasury management strategy for the management of pension fund cash in 2015/16.

Decision: The Committee agreed to approve the strategy for 2015/16.

Reason for Decision: The Pension Fund Committee is responsible for the determination of what activities may be undertaken for the purpose of managing the Pension Fund's cash balances and for establishing a framework to govern how these activities are undertaken.

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. **Training Plan 2015/17**

The Committee received a report at Agenda Item 8 on the proposed updated training plan for Committee Members and Officers engaged in the management of the Pension Fund.

Decision: The Committee agreed to approve the updated Pension Fund Training Plan.

Reason for Decision: The Committee agreed that the plan ensured best practice for governance and financial management of the Suffolk Pension Fund and complied with the requirements of the Public Service Pension Act 2013.

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.

9. **Information Bulletin: Administration expenses**

The Committee received an Information Bulletin at Agenda Item 9 setting out the estimated administration costs for the Suffolk Pension Fund for 2014-15 and 2015-16.

Decision: The Committee agreed to note the bulletin.

Reason for Decision: The bulletin contained matters that were relevant to 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. **Forward Work Programme**

The Committee received a copy of the Forward Work Programme at Agenda Item 10.

Decision: The Committee agreed that a review of the Statement of Investment Principles be added to the June meeting.

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 were none reported.

11. **Urgent Business**

There was none reported.

12. **Exclusion of the public**

The Committee agreed that the public (including the press) should be excluded from the discussions on Agenda Items 13 and 14

13. **Active Bond Mandate**

The Committee received presentations at Agenda Item 13 with reference to the active bond mandate

Decision: The Committee agreed that the Active Bond mandate was appropriate and that the two investment managers that presented should both be appointed with an initial mandate of £150m each.

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.

14. **Hymans Robertson Review**

The Committee received a presentation at Agenda Item 14 from Peter Summers and Matt Woodman of Hymans Robertson.

Decision: The Committee agreed not to extend Hymans Robertson's contract at this stage, but to go to tender, using the Framework and revisit the item at the July meeting.

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

Alternative options: To extend the contract with Hyman's Robertson as professional advisors to the Suffolk Pension Fund, for a further three years.

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

Dispensations: There was none reported

The meeting closed at 1.30 p.m.