

Minutes of the Suffolk Pension Fund Committee Meeting held on 22 September 2016 at 10:30 am in the Rose Room, Endeavour House, Ipswich.

Present: Councillors Andrew Reid (Chairman), Jenny Antill (Vice Chairman), John Field, Michael Gower, Colin Kreidewolf (District Council Representative), Bert Poole, Chris Punt (District Council Representative), Steve Warner (Union Representative).

Also present: Tina Meyer – Ernst & Young for Agenda Item 5  
Peter Summers for Agenda Item 13

Supporting officers present: Paul Finbow (Corporate Finance Specialist), Ann McPherson (Democratic Services Officer) and Sharon Tan (Specialist Accountant).

Advisers present: Mark Stevens – Independent Professional Advisor  
Matt Woodman – Hymans Robertson

#### **1. Public Participation Session**

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

#### **2. Apologies for Absence and Substitutions**

Apologies for absence were received from Councillors Michael Bond and Peter Byatt.

#### **3. Declarations of Interest and Dispensations**

The following 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

Steve Warner (Union Representative)

Councillor Michael Gower declared a local pecuniary interest by virtue of the fact that he is in receipt of a pension from the Local Government Pension Scheme.

The Chairman welcomed Councillors Colin Kreidewolf and Chris Punt to the Committee.

#### **4. Minutes of the Previous Meeting**

The minutes of the previous meeting held on 11 July 2016 were confirmed as a correct record and signed by the Chairman.

## **5. Audit of Pension Fund Accounts 2015-16**

The Committee received a report at Agenda Item 5, from Tina Meyer, Ernst & Young, covering the Audit Results for the year ended 31 March 2016.

The Committee were told that the audit was now complete and there was nothing further to report.

The Committee congratulated Sharon Tan for her role in the preparation of the accounts.

**Decision:** The Committee considered the report.

**Reason for decision:** The Audit report summarises the findings of the 2015-16 audit of the Pension Fund Annual Report and Accounts and is a responsibility of the Committee under its Terms of Reference.

**Alternative options:** None

**Declarations of interest:** Declarations of Interest are recorded at Minute No: 3 of these minutes.

**Dispensations:** There were none reported.

## **6. Pension Fund Annual Report and Accounts 2015-16**

The Committee received a report at Agenda Item 6 presenting the Pension Fund's Annual Report and accounts for 2015-16. The Pension Fund Accounts form part of the Statement of Accounts for Suffolk County Council, for which the external audit has now been completed. The audited accounts will be presented to the Audit Committee for approval on 28 September 2016.

The Committee were also asked to consider and approve the content of the Letter of Representation which would be signed by Councillor Michael Bond as Chairman of the Audit Committee.

**Decision:** The Committee approved the Annual Report and Accounts and approved the content of the Letter of Representation.

**Reason for decision:** The Pension Fund Annual Report is an important channel of communication to report on the stewardship of the Pension Fund to employers, scheme members and stakeholders and is a responsibility of the Committee under its Terms of Reference.

**Alternative options:** None

**Declarations of interest:** Declarations of Interest are recorded at Minute No: 3 of these minutes.

**Dispensations:** There were none reported.

## **7. Investment Performance Report**

The Committee received a report at Agenda Item 7 from Matt Woodman providing a summary of the assets of the Suffolk Pension Fund and their current allocation against the Fund's long term investment strategy and detailing the investment performance for the quarter ended 30 June 2016.

The Committee also received a review of each investment manager and their individual performance, as well as a summary of the most recent meeting with some of the managers from Mark Stevens.

The Committee heard that the total size of the Fund at 30 June 2016 was £2.310bn an increase of £100m from the valuation at 31 March 2016.

**Decision:** The Committee agreed to consider the contents of the report and to review the Fund's performance in the quarter to 30 June 2016.

**Reason for decision:** The Committee is required to review the overall investment performance of the Fund and that of its individual Fund Managers on a quarterly basis.

**Alternative options:** None

**Declarations of interest:** Declarations of Interest are recorded at Minute No: 3 of these minutes.

**Dispensations:** There were none reported.

#### **8. Information Bulletin: Investment Update**

The Committee received an Information Bulletin at Agenda Item 8 covering Voting Activity, Bluecrest Disinvestment update and Performance Measurement Service.

**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:** None

**Declarations of interest:** Declarations of Interest are recorded at Minute No: 3 of these minutes.

**Dispensations:** There were none reported.

#### **9. Currency Hedging**

The Committee received a report at Agenda Item 9 providing information about the currency risks of the Fund and how they are managed. They heard that the report was information in preparation for a decision later in the year as part of a wider structure review.

**Decision:** The Committee agreed to consider the information.

**Reason for decision:** The Committee will be reviewing its financial strategy in line with the results of the triennial valuation and will need to consider whether to employ a currency hedging policy.

**Alternative options:** None

**Declarations of interest:** Declarations of Interest are recorded at Minute No: 3 of these minutes.

**Dispensations:** There were none reported.

#### **10. ACCESS Pooling Update**

The Committee received a report at Agenda Item 10 providing an update on the work of the ACCESS Group.

The Committee heard that the ACCESS group chairmen had unanimously agreed to recommend that the ACCESS group initially rent, rather than build its own investment company, with an option to build and own its own FCA at a later date.

**Decision:** The Committee agreed to accept the recommendation to initially rent an operator for the ACCESS pool.

**Reason for decision:** The Pension Fund Committee has delegated responsibility for the investment of the Fund's assets, so any change must be approved by the Committee.

**Alternative options:** None

**Declarations of interest:** Declarations of Interest are recorded at Minute No: 3 of these minutes.

**Dispensations:** There were none declared.

#### **11. Forward Work Programme**

The Committee received a copy of the Forward Work Programme at Agenda Item 11.

**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:** None

**Declarations of interest:** Declarations of Interest are recorded at Minute No: 3 of these minutes.

**Dispensations:** There were none declared.

#### **12. Exclusion of the Press and Public**

**Decision:** The Committee agreed that the public (including the press) should be excluded from the meeting during the consideration of Agenda Items 13 and 14 on the grounds:

- a) that it involves the likely disclosure of exempt information as referred to under Parts 1 to 3 of Schedule 12A (as amended) of the Local Government Act 1972 (as amended); and
- b) that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

#### **13. Triennial Actuarial Valuation Results**

The Committee received a presentation at Agenda Item 13 from Peter Summers, Hymans Robertson, on the preliminary actuarial valuation results of the Fund at 31 March 2016.

**Decision:** The Committee agreed to note the presentation.

**Reason for decision:** The presentation contained matters relevant to the Committee under its Terms of Reference.

**Alternative options:** None

**Declarations of interest:** Declarations of Interest are recorded at Minute No: 3 of these minutes.

**Dispensations:** There were none reported.

#### **14. Funding Strategy Statement**

The Committee received a report at Agenda Item 14 setting out the draft Funding Strategy Statement

**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:** None

**Declarations of interest:** Declarations of Interest are recorded at Minute No: 3 of these minutes.

**Dispensations:** There were none reported.

#### **15. Urgent Business**

The Committee discussed the proposal to send a further letter to DCLG detailing their reservations about the benefits of the Pooling project.

It was agreed that the Chairman should have further discussions with the Leader of the Council before a final decision is made.

*The meeting closed at 12:37.*

Chairman

