

## Suffolk Pension Fund Committee

<b>Report Title:</b>	Business Plan 2017/18
<b>Meeting Date:</b>	22 March 2017
<b>Chairman:</b>	Councillor Andrew Reid
<b>Director:</b>	Geoff Dobson, Director of Resource Management Tel. 01473 264347
<b>Author:</b>	Paul Finbow, Senior Pension Specialist Tel. 01473 265288

### Brief summary of report

1. The Committee agreed a Business Plan for 2016/17 at its meeting on 24 February 2016. This report reviews the actions undertaken during 2016/17 and presents a proposed business plan for the forthcoming year. The draft Business Plan for 2017/18 is attached at **Appendix 1** for the Committee's consideration.

### Action recommended

2. The Committee is asked to approve the draft Business Plan for 2017/18 set out in **Appendix 1**.
3. The Committee is recommended to note the progress against the actions set out in the Business Plan for 2016/17.

### Reason for recommendation

3. The report sets out matters relevant to the Committee's responsibilities.

### Alternative options

4. There are no alternative options.

### Main body of report

5. The Pension Fund Committee is responsible for the investment strategy and for the administration arrangements for the Suffolk Pension Fund on behalf of Suffolk County Council as the Administering Authority for the Fund. The Pension Fund Business Plan provides the Committee with a mechanism to ensure that its responsibilities for the Fund are carried out effectively.
6. Attached at **Appendix 1** is the draft Business Plan for 2017/18. This outlines the Committees main priorities for the year.

### Review of Action Plan 2016/17

7. The Committee agreed the Business Plan for 2016/17 at its meeting on 24 February 2016. The key actions that were agreed and the progress that has been made against them are set out overleaf.

### **Asset allocation and investment strategy**

8. The Committee at its November meeting agreed to invest £110 million in three alternative M & G investments funds (Infrastructure, Illiquid Credit, and Debt).
9. The Committee undertook its Asset Allocation Review in March 2017, following the completion of the actuarial review.
10. The Committee approved the Suffolk Fund being involved in a joint procurement with other ACCESS funds to appoint a passive investment manager. This will be completed in the summer 2017.
11. The Committee agreed an Investment Strategy Statement for the Fund. This is a new requirement under the 2016 investment regulations and replaces the requirement to maintain a Statement of Investment Principles.

### **Monitoring of investment performance**

12. The Committee reviewed the investment performance of the Fund on a quarterly basis during 2016/17. This included reports from both the investment advisors (Hymans Robertson and Mark Stevens) and HSBC (covering performance).

### **Actuarial Valuation and Funding Strategy**

13. The Committee has received reports on the actuarial position of the Fund on a quarterly basis. The triennial actuarial valuation was completed during the year and showed as at March 2016 the fund level was at 91%. This was a 12% increase in the funding level compared to the triennial valuation completed in 2013.
14. The Committee commissioned the actuary to review the assumptions to be used in the valuation of the fund. These included the future pay growth, asset out performance and longevity.
15. The Committee approved employer contribution rates for all employers in the Fund for the next three years at its meeting in February.

### **Governance**

16. The Suffolk Pension Board met on four occasions during 2016/17. The Board has focussed on the communication and administrative performance of the Fund during the year. The Board has agreed its own risk register, linked to the Committee's risk register, but focussed on the Board's responsibilities.
17. Mark Stevens' role as Independent advisor to the Committee continued through 2016/17. His role was reviewed in July 2016 and was extended until the Fund's requirements for an independent advisor under pooling is fully understood.
18. The Committee agreed a training programme for the year which has delivered one full day training session in London, and four pre committee meeting sessions. These have been well attended by the Committee members.
19. The Committee has been kept fully up to date with the development of the ACCESS pool. Councillor Andrew Reid has attended the monthly Chairs

meeting (known as the Shadow Joint Governance Committee) to steer the work of the Pool. The Committee has considered the draft Inter Authority Agreement and has recommended to the full Council that it is adopted. This provides the governance arrangements for the ACCESS pool going forward along with some of the decisions that will be made by the Joint Committee.

20. The Committee has reviewed the governance policy, voting policy and the treasury management strategy.
21. The Committee has completed a full review of the risk register at its meeting on 22 March 2017.

### **Reporting and Communication**

22. The Committee reported to the Fund employers at the annual Pension Fund meeting in October 2016. The Pension Fund Annual Report and Accounts for 2015/16 was published on the Pension Fund's website in September 2016.
23. The Pension Fund issued five newsletters to employers during the year.
24. The Pension Fund has a dedicated website page for communication with scheme members and employers on issues affecting the scheme ([www.suffolkpensionfund.org](http://www.suffolkpensionfund.org)).
25. Annual benefit statements for active and deferred members were produced and sent out by the statutory deadline of 31 August.
26. The communication policy was reviewed at the June 2016 Pension Fund Committee meeting and has been published on the Fund's website.

### **Administration**

27. The Fund implemented a member self service module of the Heywood administration software. This went live in February following an extensive period of testing.
28. The Fund started the process of digitalising the microfiche records. This will be completed in 2017.
29. The Fund started the GMP reconciliation process (as required by HM Treasury), dedicating a team member to assist in this work on a full time basis. This will be completed by March 2018.
30. The Proxy Voting contract has been extended until April 2018 when a voting service will be established for the ACCESS pool.

#### **Sources of further information**

- a) 24 February 2016 Committee paper - Agenda Item 7 - Pension Fund Business Plan 2016/17

