

**Pension COMMITTEE**  
**Monday, 12 December 2016**

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**Monday, 12 December 2016 at 7.00 pm**

**MEMBERS:** Councillor Sunita Gordon (Chair), Councillor Richard Broadbent, Councillor Edward Joyce and Councillor Nick Matthey

**(Absent)** Councillor Hamish Pollock (Vice-Chair) and Councillor Neil Garratt

**25 APOLOGIES FOR ABSENCE**

No apologies for absence were received.

**26 DECLARATIONS OF INTEREST**

No declarations of interest were made.

**27 MINUTES OF THE PREVIOUS MEETING**

**RESOLVED:** That the minutes of the meeting held on 5 September 2016 are agreed as an accurate record.

**28 MEMBER TRAINING**

The Chair announced that no member training would take place.

**29 CIPFA KNOWLEDGE AND SKILLS FRAMEWORK**

Lyndsey Gamble, Head of Financial Strategy and Planning presented the report.

Councillor Nick Matthey requested whether a regular training bulletin could be sent to Members. The Chair pointed to the self-assessment form attached as Appendix D which would result in a comprehensive training plan for Members. With regards to this form, Councillor Richard Broadbent questioned which information was referred to throughout and the Head of Financial Strategy and Planning explained that this was outlined under Appendix C.

**RESOLVED:** that

1. The Knowledge and Skills Policy Statement contained within the CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills (2013), as attached at Appendix A, be approved.
2. The 2010 CIPFA Pensions Knowledge and Skills Framework for Elected Members, including the two additional areas of knowledge and skills for local pension board

members as set out in the July 2015 CIPFA guidance 'Local Pension Boards A Technical Knowledge and Skills Framework,' as attached at Appendix C, be adopted.

### **30 REVIEW OF RISK REGISTER**

Lyndsey Gamble, Head of Financial Strategy and Planning presented the report.

Councillor Richard Broadbent sought clarity as to whether there were any new risks beyond those updated. The Head of Financial Strategy and Planning explained the information contained in Appendix A and how it had been updated. The Councillor also suggested that dates could be added to the risk control mitigation column.

Finally, Councillor Richard Broadbent asked whether there were any comments from the Pension Board to which the Head of Financial Strategy and Planning responded that these were only in relation to Risk 3.1 and amendments had been integrated accordingly.

**RESOLVED:** that

1. The updated Sutton pension fund risk register was reviewed, with any suggestions for amendment made, and that the updated document be approved.

### **31 QUARTERLY INVESTMENT PERFORMANCE REPORT**

Lyndsey Gamble, Head of Financial Strategy and Planning presented the report.

Councillor Nick Matthey questioned the impact of currency value upon fund performance which was explained by David Walker, Senior Investment Consultant, Hymans Robertson.

Further discussion ensued among Members with regards to Paragraph 9.2 and property performance in the long-term.

Councillor Richard Broadbent pointed to Bond performance under section 7, in particular that of Alpha Opportunities Fund. The Senior Investment Consultant explained the figures contained within the report and the percentage variance against the benchmark.

**RESOLVED:** that

1. The performance of the Pension Fund Investment Managers be noted.

### **32 PRESENTATION BY BLACKROCK AND AVIVA: INVESTMENT PERFORMANCE**

Paul Tebbit, Portfolio Manager, UK Property Fund and Peter Hunt, Relationship Director, presented the London Borough of Sutton Superannuation Fund - BlackRock UK Property Fund (BUKPF).

Sarah Emberson, Client Relationship Director and Catriona Allen, Fund Manager UK, presented Aviva UK's Real Estate Investment Fund.

**33 FINAL TRIENNIAL ACTUARIAL VALUATION OF THE PENSION FUND AT 31 MARCH 2016**

Alison Hamilton, Partner, Barnett Waddingham LLP presented the 2016 actuarial valuation initial results and assumptions advice. The presentation focussed on what are valuations, assumptions advice and initial results of the 2016 valuation.

Members welcomed the actuarial valuation and noted the recommended funding level of 80% as well as the next steps involved.

**RESOLVED:** that

1. The initial results of the final triennial actuarial valuation be approved, the assumptions agreed and the presentation noted.

**34 GOVERNANCE COMPLIANCE STATEMENT**

Lyndsey Gamble, Head of Financial Strategy and Planning presented the report.

Councillor Richard Broadbent questioned whether Paragraphs 2.2, 3.1, 4.1 and 6.3 of Appendix A were up-to-date. As a consequence, Councillor Richard Broadbent raised a motion to defer, as seconded by Councillor Nick Matthey.

**RESOLVED:** that

1. The approval of the Governance Compliance Statement, as attached at Appendix A, be deferred to the next meeting of the Pension Committee.

**35 PENSION ADMINISTRATION UPDATE**

Andy Banham, Head of Pensions, presented the report.

**RESOLVED:** that

1. The Pension administration update report was considered and noted.

**36 PROGRESS REPORT: GOVERNANCE ACTION PLAN**

Lyndsey Gamble, Head of Financial Strategy and Planning presented the report.

Councillor Richard Broadbent referred to point 7, training plan, of Appendix A. The Head of Financial Strategy and Planning referred to discussions held elsewhere on the agenda. With regards to point 8, medium term business plan, Councillor Richard Broadbent sought clarification on the content. The Head responded that it would be a development of the current programme with the additions as mentioned.

**RESOLVED:** that

1. The governance action plan, as set out in Appendix A, was reviewed.
2. The changes to investment regulations were noted.

**37 REVIEW OF WORK PROGRAMME**

Members reviewed the work programme.

**38 ANY URGENT ITEM BROUGHT FORWARD AT THE DIRECTION OF THE CHAIR**

No urgent business was raised.

**39 DATE OF NEXT MEETING**

The next meeting will be held on 22 March 2017 at the Civic Offices.

The meeting ended at 9.59 pm

Chair .....

Date .....