

Pensions Sub Committee - 16 October 2017

Non-confidential minutes of the meeting of the Pensions Sub Committee held at Committee Room 1, Town Hall, Upper Street, N1 2UD on 16 October 2017 at 2.30 pm.

Present: **Councillors:** Greening (Chair), Hull (Vice-Chair) and O'Sullivan
Also **Councillors:**
Present:

Councillor Richard Greening in the Chair

105 APOLOGIES FOR ABSENCE (Item A1)

None.

106 DECLARATION OF SUBSTITUTES (Item A2)

None.

107 DECLARATION OF INTERESTS (Item A3)

None.

108 MINUTES OF THE PREVIOUS MEETING (Item A4)

RESOLVED:

That the minutes of the meeting held on 5 September 2017 be confirmed as a correct record and the Chair be authorised to sign them.

109 PROTECTING THE RECOVERY PLAN - EQUITY PROTECTION (Item B1)

The Head of the Pension Fund and Treasury Management introduced her report, which had been produced at the request of Sub-Committee at the previous meeting. The report detailed aspects of the recovery plan agreed at the 2016 Actuarial Valuation and the current funding position of the Fund and recommended strategy options to capture some of the gains. The improvement in the funding level of the Pension Fund since March 2017 was due to the increase in equity markets. The funding level of the Fund was now at around 90%, compared to 78% at the 2016 actuarial valuation. Officers had been asked to submit options for the Sub-Committee's consideration to protect the equity accrued in the Fund, to reduce the likelihood that further deficit contributions would be required at the 2019 valuation of the Fund.

Members considered an exempt presentation from Mercer on options for this protection strategy.

RESOLVED:

- (a) That the confidential written and verbal presentation by Mercer be noted.
- (b) That an equity protection strategy be used to maintain some of the improved asset valuation in the Pension Fund.
- (c) That officers explore the impact on contributions and investment outcomes for different levels of equity protection
- (d) That Officers and Mercer explore the combination of a spread collar option to protect the Fund, with the Fund paying a premium and foregoing future benefits.

110 PROTECTING THE RECOVERY PLAN - EQUITY PROTECTION - EXEMPT APPENDIX (Item B2)

Noted.

The meeting ended at 3.50 pm

CHAIR