

**MINUTES OF THE PENSIONS COMMITTEE
TUESDAY, 24 MARCH 2015**

Councillors Diakides (Chair), Bevan (Vice-Chair) and Berryman

Also Present Roger Melling (Non-voting member)

Apologies Councillors Doron, Marshall and Ross, and Keith Brown and Michael Jones (Non-voting members)

LC50. APOLOGIES (IF ANY)

Apologies for absence were received from Councillors Doran, Marshall and Ross and from non-voting members Michael Jones and Roger Melling.

LC51. URGENT BUSINESS

There were no items of urgent business.

LC52. DECLARATIONS OF INTEREST

There were no declarations of interest.

LC53. MINUTES OF THE PREVIOUS MEETING

RESOLVED:

That the minutes of the meeting held on Monday 15 December 2014 be agreed as a correct record of the proceedings and the Chair be authorised to sign them.

MATTERS ARISING

Transfers Out and the Implications of the New Pensions Freedoms (Min. No. LC35)

The Committee re-iterated comments made, and concern expressed, at the previous meeting regarding Pension Fund members transferring their benefits to other pension arrangements when new regulations came into effect on 1 April 2015. The Committee wanted to be assured that the Council were providing as much information as possible to members of the Pension Fund to tell them of the benefits they will lose, and of the possible negative financial implications, if they transferred out of the LGPS.

Janet Richards, Pensions Manager, informed the Committee that considerable efforts were being made to inform scheme members of the benefits of the LGPS, and she went on to say that when providing any transfer quote requested, the Council enclosed a copy of a leaflet issued by the Pension Regulator which highlighted pension scams.

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LC54. PENSION FUND EXTERNAL AUDIT PLAN 2014/ 15

Paul Jacklin, of Grant Thornton, introduced the report and referred to the significant risk issues which had been identified, and the associated substantive audit procedures used to deal with them.

It was noted that officers would provide Grant Thornton with all necessary information during the audit which would take place during July and August 2015, and that Grant Thornton would then report back to the Committee in September on their findings and any associated recommendations.

RESOLVED:

That the 2014/15 Audit Plan prepared by the external auditors, Grant Thornton, be approved.

LC55. ESTABLISHMENT OF A PENSION BOARD

George Bruce, Head of Finance – Treasury and Pensions, introduced the report. He informed the Committee that Full Council had, the day before, approved the establishment of a Local Pension Board from 1 April 2015, agreed the Board's Terms of Reference, and agreed the appointment of the Council's employer representative on the Board.

Members of the Committee were very concerned and dismayed that the Secretary of State had not responded to the letter sent to him in December 2014, by the Chair, seeking approval to combine the functions of the Board with the existing Pensions Committee, in accordance with section 106(2) of the Regulations. Members of the Committee suggested that officers write directly to the Minister of State for Pensions seeking a response to the Council's proposal.

RESOLVED:

1. That it be noted that on 23 March 2014 Full Council had approved the establishment, and Terms of Reference, of a stand-alone Pension Board, as the Secretary of State had not yet confirmed approval to operate a combined Committee and Board.
2. That officers write to the Rt Hon Steve Webb, Minister of State for Pensions, and ask for an urgent response to the Council's proposal to operate a combined Board and Committee.

LC56. PENSION FUND QUARTERLY PERFORMANCE UPDATE - QUARTER 3

The Committee considered a report which reviewed investment performance activity in the three months to 31 December 2014. George Bruce, Head of Finance – Treasury and Pensions, drew attention to the fact that the total assets of the Haringey Pension Fund now totalled over £1bn, and that both the percentage return for the whole Fund and its performance against the WM LA average were good.

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RESOLVED:

That the information provided in respect of the activity in the three months to 31 December 2014 be noted.

LC57. LOCAL GOVERNMENT PENSION SCHEME - ADMISSION OF NEW EMPLOYERS AS TRANSFEREE ADMISSION BODY

The Committee considered a report, introduced by Janet Richards, Pensions Manager, relating to the admission of new eligible admission body employers into the Local Government Pension Scheme (LGPS).

RESOLVED:

1. That catering contractor Lunchtime UK Limited be admitted to the Haringey Pension Fund as Transferee Admission Body because it is entering into a service contract with the Governing Body of the Seven Sisters Primary School, subject to Lunchtime UK Limited entering into an admission agreement.
2. That cleaning contractor KGB Cleaning South West Limited be admitted to the Haringey Pension Fund as Transferee Admission Body because it is entering into a service contract with the Governing Body of the Seven Sisters Primary School, subject to KGB Cleaning South West Limited entering into an admission agreement.
3. That in regard to resolutions 1 and 2 above, the admission agreements are entered into and that the arrangements are closed agreements such that no new members can be admitted.

LC58. LOCAL GOVERNMENT PENSION SCHEME - GUARANTEED MINIMUM PENSION RECONCILIATION

The report was introduced by Janet Richards, Pensions Manager.

RESOLVED:

1. That the Pension Administration Team reconcile the Guaranteed Minimum Pensions (GMP) which are held by HM Revenue and Customs (HMRC).
2. That it be noted that in regard to 1 above, the first stage of the exercise for the reconciliation of GMP would be to identify where there were differences between the Council's scheme records and HMRC records, and that it be further noted that this stage of the exercise would be completed by the Council's pension system provider, Heywoods at a cost of £7,600.00.
3. That following the first stage of the reconciliation exercise referred to in 2 above, the Pension Administration Team assess the potential resources required to reconcile the identified differences and complete the GMP reconciliation.

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4. That it be noted that the process referred to in 3 above may include the need to hire additional staff, although until stage one was completed this would not be confirmed, and that should additional staffing resources be required, a further report would be presented to the Committee.

LC59. PENSION FUND - WORK PLAN 2015/ 16

The Committee considered a report, introduced by George Bruce, Head of Finance – Treasury and Pensions, which identified topics that would be reported to the Committee during the next twelve months.

It was noted that information on the progress of establishing the London Collective Investment Vehicle (CIV) may be available for reporting to the July 2015 meeting of the Committee. The Chair commented that it may also be necessary for a report to be submitted to the July meeting on the establishment of a Pension Board, dependant on what, if any, response was received from the Secretary of State to the Council's proposal to have a combined Board and Committee.

Members of the Committee expressed the desire, that if possible, in view of the national shortage of council housing, a proportion of money from the Pension Fund be used by the Council to provide the necessary funding to enable it to build housing in the borough.

RESOLVED:

1. That the forthcoming work plan for the Committee, as detailed in the report, be noted.
2. That officers be requested to prepare, at an early opportunity, a briefing note on the implications and feasibility of money from the Pension Fund being used to finance the building by the Council of housing in Haringey, and that the note be circulated to members of the Committee prior to the next meeting.

LC60. ANY OTHER BUSINESS OF AN URGENT NATURE

There were no any other business items of an urgent nature.

LC61. EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED:

That the press and public be excluded from the meeting for the following items as they contain exempt information as detailed in Section 100a of the Local Government Act 1972, paragraph 3; information relating to any individual and information relating to the business or financial affairs of any particular person (including the Authority holding that information).

The meeting ended at 9.28pm.

Signed.....

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Date.....