

**UNRESTRICTED MINUTES OF THE SPECIAL PENSIONS COMMITTEE
THURSDAY, 30 APRIL 2009**

Councillors Rahman Khan (Chair), Beacham and Thompson

Apologies Councillors Adje, Basu, Butcher, Melling, David Fishman and Earl Ramharacksingh

In attendance Howard Jones

MINUTE NO.	SUBJECT/DECISION	ACTION BY
PRPP82.	<p>APOLOGIES FOR ABSENCE</p> <p>Apologies for absence were received from Cllr Adje, Cllr Basu and Cllr Butcher and from David Fishman, Roger Melling and Earl Ramharacksingh.</p> <p>NOTED</p>	
PRPP83.	<p>URGENT BUSINESS</p> <p>There were no items of urgent business.</p>	
PRPP84.	<p>DECLARATIONS OF INTEREST</p> <p>Cllr Rahman Khan declared a personal interest as a contributing member of the Haringey Pension Fund and also for attending various training events, conferences, seminars, etc, from time to time, at which some of the Fund Managers, the Custodian, investment adviser or actuary may have contributed directly or indirectly.</p> <p>Cllr Thompson declared a personal interest in respect of his membership of the Haringey Pension Scheme. He also declared a personal interest in respect of his attendance at training events and conferences, to which some of the Fund Managers may have directly contributed.</p> <p>NOTED</p> <p>As this was the last meeting of the Committee for the municipal year, the Chair thanked all the Members, Howard, Hewitts and officers for their assistance and significant contribution to the Committee during the past year.</p>	
PRPP85.	<p>ASSET ALLOCATION REVIEW</p> <p>The Chief Financial Officer introduced a report on the review of decision making on asset allocation, which had been produced in response to a request for further information by the Committee following a presentation by Hewitts on proposals for an asset rebalancing strategy at the meeting of the Committee on 29 January 2009.</p>	

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David Crum, Hewitts, reported that, while setting the investment strategy was the most significant investment decision for the Committee, it was important to monitor movements in the portfolio across asset classes in the meantime, and for the Committee to have the opportunity to make any adjustments felt appropriate. It was felt that this approach would benefit the Trust in the long term and would add value. David Lynch, Hewitts, outlined how the modelling in the report was carried out.

The Committee asked how the proposed system would operate in practice. Mr Crum reported that, for each asset class, bands such as 10% above or below benchmark would be agreed in advance with the Committee, to provide limits for any proposed changes. Hewitts would present and discuss their advice with the Committee at its quarterly meetings, and the Committee would then decide whether or not it wished to act on the advice provided. If the Committee agreed to act on the recommendations, Hewitts would work with the Chief Financial Officer to make the agreed changes. In response to a query from the Committee, it was clarified that if the Committee did not agree to act on the advice of Hewitts, no follow up action would be carried out. If an urgent change was necessary that could not wait until the next Committee meeting, authority would be delegated to the Chief Financial Officer to act in consultation with the Chair, but it was emphasised that this provision was for emergency situations only.

In response to a question on the advice taken into consideration as part of the modelling exercise, Mr Lynch responded that advice relating to specific types of hedge fund and commodities had not been included in the exercise, as it was unlikely that this would be relevant to the Pension Fund. Howard Jones, the Fund's Independent Advisor, stated that it would be beneficial for the Fund to have increased flexibility in relation to the selection of asset classes and to have the capability to react to market movement. The Committee would have the opportunity to review whether they wished to make any changes on a quarterly basis, but would be under no obligation to make changes if they decided not to. At this point, the Chair mentioned that investment in Hedge Funds was out of the question at the present moment and was outside the remit of this report.

The Chair emphasised that while Hewitts provided the Committee with advice, the Pension Fund was the responsibility of the Trustees. The Chair noted that he had raised concerns regarding the fee to be paid for the proposed service, as he felt that the contract with Hewitts should have been comprehensive, but accepted the advice of the Chief Financial Officer that the proposed work fell outside the scope of the contract. The Chair also added that he did not wish any delay in making a decision on the asset allocation proposal to have an adverse impact on the Fund. Taking into account the comments and direction of the Head of Legal Services that the Committee should give full consideration of the financial advice received, the Chair highlighted the professional opinion of the Chief Financial Officer as set out in the report. Considering the comments of the Head of Legal Services and the Chief Financial

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	<p>Officer, the Chair gave the view that he agreed with the recommendations of the report.</p> <p>RESOLVED</p> <ul style="list-style-type: none"> i) That an active asset allocation rebalancing strategy be introduced on a quarterly basis as set out in the report. ii) That the asset allocation review service be provided by Hewitt and that the budget be amended to reflect this. iii) That decisions be delegated to the Chief Financial Officer in consultation with the Chair of the Pensions Committee, if any asset allocation changes need revising urgently in between quarterly meetings of the Pensions Committee. iv) That the outcome of the procurement process for a passive Fund manager be noted. 	
<p>PRPP86.</p>	<p>EXCLUSION OF PRESS AND PUBLIC</p> <p>RESOLVED</p> <p>That the press and public be excluded from the meeting for consideration of item 7 as it contains exempt information as defined in Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); namely information relating to the business or financial affairs of any particular person (including the authority holding that information).</p>	
<p>PRPP87.</p>	<p>REVIEWING THE POSITION OF A FUND MANAGER</p> <p>The Committee considered the report of the Chief Financial Officer.</p> <p>The meeting closed at 20:35hrs.</p>	

COUNCILLOR GMMH RAHMAN KHAN

Chair