

**MINUTES OF THE PENSIONS COMMITTEE  
THURSDAY, 16 SEPTEMBER 2010**

Councillors Watson (Chair), Adje (Vice-Chair), Gibson, Stennett, Beacham and Wilson

Apologies Roger Melling (Employee Representative)

Also Present: Howard Jones (Investment Advisor) and Michael Jones (Pensioner Representative)

<b>MINUTE NO.</b>	<b>SUBJECT/DECISION</b>	<b>ACTION BY</b>
<b>PRPP24.</b>	<p><b>APOLOGIES FOR ABSENCE</b></p> <p>Apologies for absence were received from Cllr Jenks, for whom Cllr Winskill was acting as substitute. Apologies for absence were also received from Roger Melling.</p> <p>The Chair welcomed Michael Jones to the meeting, who had been appointed as the Pensioner Representative on the Committee at the AGM. The Chair also reported that, since the last meeting, a new Scheduled and Admitted Bodies Representative, Keith Brown, had been appointed. The Chair advised that both new members would bring a wealth of experience to the Committee.</p> <p>The Committee expressed their thanks formally to David Corran, the outgoing Pensioner Representative, and Earl Ramharacksingh, the outgoing Scheduled and Admitted Bodies Representative, for their contributions to the work of the Committee.</p>	
<b>PRPP25.</b>	<p><b>URGENT BUSINESS</b></p> <p>There were no items of urgent business.</p>	
<b>PRPP26.</b>	<p><b>DECLARATIONS OF INTEREST</b></p> <p>Cllr Watson declared a personal interest as a deferred member of the Haringey Pension Scheme.</p> <p>Cllr Winskill and Michael Jones both declared a personal interest as current members of the Haringey Pension Scheme.</p> <p>Cllr Wilson declared a personal interest as an employee of the National Association of Pension Funds.</p> <p>Cllr Adje declared a personal interest as a member of the Haringey Pension Scheme and as branch secretary for the GMB union.</p>	

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<p><b>PRPP27.</b></p>	<p><b>MINUTES</b></p> <p><b>RESOLVED</b></p> <p>That, subject to an amendment to the declaration of interests such that Cllr Wilson’s read “...declared a personal interest as an employee of the National Association of Pension Funds.” the unrestricted minutes of the meeting of the Pensions Committee held on 21 June 2010 be approved, to be signed by the Chair once amended.</p>	
<p><b>PRPP28.</b></p>	<p><b>ANNUAL GOVERNANCE REPORT 2009/10 - GRANT THORNTON</b></p> <p>Subarna Banerjee and Matthew Cass from Grant Thornton attended the meeting to present this report on the statutory Annual Governance Report on the annual audit of the Pension Fund statutory accounts. It was reported that the audit was now complete and Grant Thornton stated that in their audit conclusion, they were satisfied that the pensions department was operating efficiently and with all appropriate controls in place. Mr Banerjee and Mr Cass outlined the findings of the audit, as set out in the report and answered questions from the Committee.</p> <p>The Committee thanked Grant Thornton for their report and expressed thanks to the Finance team for their work in ensuring that no significant issues had been identified in the audit process.</p> <p><b>RESOLVED</b></p> <ul style="list-style-type: none"> <li>i) That the Pension Fund Annual Report be approved.</li> <li>ii) That the Pensions Fund Accounts be recommended to the General Purposes Committee for approval.</li> </ul>	
<p><b>PRPP29.</b></p>	<p><b>ATTENDANCE BY FUND MANAGERS</b></p> <p>The Committee received a presentation from the Fund Managers Capital and Fidelity, as follows:</p> <p><b>CAPITAL</b></p> <p>Performance for the equities mandate was 1.42% below the benchmark and 3.42% below the target in annualised terms in the 39-month period to the end of June 2010.</p> <p>Performance for the fixed income mandate was 0.66% below the benchmark and 1.65% below the target in annualised terms in the 39-month period to the end of June 2010.</p> <p>Capital explained the reasons for current performance and answered questions from Trustees. The Committee requested that Capital deliver a brief presentation on the specific actions they were taking and the reasons for their confidence that performance would improve when they next attended a meeting of the Committee.</p>	

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	<p><b>FIDELITY</b></p> <p>Performance for the equities mandate was 0.1% above the benchmark and 1.6% below the target in annualised terms in the 39-month period to the end of June 2010.</p> <p>Performance for the bond mandate was 1.4% above the benchmark and 0.8% above the target in annualised terms in the 39-month period to the end of June 2010.</p> <p>Fidelity explained the reasons for current performance and answered questions from Trustees.</p> <p><b>RESOLVED</b></p> <p>That the presentations and answers to questions given by the Fund Managers be noted.</p>	
<p><b>PRPP30.</b></p>	<p><b>FUND PERFORMANCE UPDATE</b></p> <p>Nicola Webb, Head of Pensions and Treasury, presented the Fund Performance update and advised that the previous quarter had been negative overall for the Fund, which had decreased by 7%, 0.03% below benchmark and 0.44% below the target. The report also set out information on engagement activity in relation to the Fund.</p> <p>In response to questions from the Committee regarding the amount of the Fund held in cash, it was agreed that this would be considered as part of the Investment Strategy review, and Hewitts could advise on this issue at the Strategy Review session on 4<sup>th</sup> October.</p> <p><b>RESOLVED</b></p> <ul style="list-style-type: none"> <li>i) That the Fund performance position as at end of June 2010 be noted.</li> <li>ii) That the responsible investments information provided be noted.</li> <li>iii) That the pension fund budget monitoring position be noted.</li> </ul>	
<p><b>PRPP31.</b></p>	<p><b>VERBAL ITEM ON INVESTMENT STRATEGY</b></p> <p>The Committee was reminded to attend the training and discussion session on the Investment Strategy, scheduled to start at 4.30pm on Monday, 4 October. A draft agenda was circulated to all Members of the Committee and any comments or suggested changes to the agenda were to be forwarded to Nicola Webb or the Chair.</p> <p><b>NOTED</b></p>	
<p><b>PRPP32.</b></p>	<p><b>LATE PAYMENT OF CONTRIBUTIONS</b></p>	

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	<p>Nicola Webb, Head of Pensions and Treasury, presented the report on the extent of late payment of contributions to the Fund, and options for improvement. It was reported that the situation had improved in 2010/11 and that there were only two bodies who had been late with payments; the Pensions Team were following this issue up with both of these bodies.</p> <p>Following discussion and questions from the Committee, it was agreed that Kevin Bartle, Lead Finance Officer, would circulate a copy of the letter being sent to those schools who had paid late on more than one occasion during the previous year.</p> <p><b>RESOLVED</b></p> <ul style="list-style-type: none"> <li>i) That a clear statement of employers' responsibilities in respect of contributions be included in the Pensions Administration Strategy Statement (PASS) which will be prepared for the Committee meeting on 1<sup>st</sup> November 2010.</li> <li>ii) That the timing of the payment of contributions be reported to the Pensions Committee on a quarterly basis.</li> </ul>	
<p><b>PRPP33.</b></p>	<p><b>PENSION FUND TREASURY MANAGEMENT STRATEGY STATEMENT</b></p> <p>The Committee considered a report on the proposed treasury management strategy statement for the investment of pension fund cash. It was reported that it was considered best practice and would be compliant with the CIPFA code of practice to have a separate strategy statement, with the introduction of a separate bank account for the Pension Fund.</p> <p><b>RESOLVED</b></p> <p>That the proposed Treasury Management Strategy Statement for pension fund cash be approved.</p>	
<p><b>PRPP34.</b></p>	<p><b>NEW ITEMS OF UNRESTRICTED URGENT BUSINESS</b></p> <p>There were no new items of unrestricted urgent business.</p>	
<p><b>PRPP35.</b></p>	<p><b>EXCLUSION OF PRESS AND PUBLIC</b></p> <p><b>RESOLVED</b></p> <p>That the press and public be excluded from the meeting for consideration of the following items.</p>	
<p><b>PRPP36.</b></p>	<p><b>FOLLOW UP REPORT ON PENSION FUND EMPLOYER ISSUE</b></p> <p>Ian Benson, Pensions Manager, presented the report on a Pension Fund Employer Issue. The Committee considered the report and asked</p>	

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	questions, and it was:  <b>RESOLVED</b>  That the recommendations of the report be agreed.	
<b>PRPP37.</b>	<b>EXEMPT MINUTES</b>  <b>RESOLVED</b>  That the exempt minutes of the meeting of the Pensions Committee held on 21 June 2010 be approved and signed by the Chair.	
<b>PRPP38.</b>	<b>NEW ITEMS OF EXEMPT URGENT BUSINESS</b>  There were no new items of exempt urgent business.  The meeting closed at 21:25hrs.	

COUNCILLOR RICHARD WATSON  
Chair