

**MINUTES OF THE PENSIONS COMMITTEE
MONDAY, 1 NOVEMBER 2010**

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

Also Present: Howard Jones, Roger Melling, Michael Jones and Keith Brown

MINUTE NO.	SUBJECT/DECISION	ACTION BY
PRPP01.	<p>APOLOGIES FOR ABSENCE</p> <p>There were no apologies for absence.</p>	
PRPP02.	<p>URGENT BUSINESS</p> <p>There were no items of urgent business.</p>	
PRPP03.	<p>DECLARATIONS OF INTEREST</p> <p>Cllr Watson declared a personal interest as a deferred member of the Haringey Pension Scheme.</p> <p>Michael Jones declared a personal interest as a current member 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>	
PRPP04.	<p>MINUTES</p> <p>RESOLVED</p> <p>That the unrestricted minutes of the meeting held on 16 September 2010 be approved and signed by the Chair.</p> <p>It was agreed that Kevin Bartle, Lead Finance Officer, would circulate a copy of the letter being sent to schools who had made late payments of contributions to the Fund on more than one occasion during the previous year.</p>	
PRPP05.	<p>ATTENDANCE BY FUND MANAGER</p> <p>The Committee received a presentation from ING on the nature of the fund's investments, current performance, and the economic situation and forecast. Performance was 0.2% below the benchmark in annualised terms since inception to the end of September 2010.</p>	

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	<p>ING explained the reasons for current performance and answered questions from Trustees. The Committee suggested that more detailed information on attribution would be helpful in enabling them to analyse the information provided in future.</p> <p>RESOLVED</p> <p>That the presentation and answers to questions provided by ING be noted.</p>	
<p>PRPP06.</p>	<p>PENSION FUND TREASURY MANAGEMENT STRATEGY STATEMENT</p> <p>Nicola Webb, Head of Pensions and Treasury, presented the report to consider a proposed revision to the pension fund treasury management strategy statement in order to reflect the Council treasury management strategy statement, which had been amended by Full Council on 18th October 2010. The proposed revision was an extension to the use of Money Market Funds to increase the individual limit for each money market fund to £20m and to increase the group limit to £100m.</p> <p>In response to a question from the Committee regarding the safeguards in place, it was reported that money market funds were AAA rated, with instant access and that only money market funds recommended by the treasury management advisers would be used.</p> <p>RESOLVED</p> <p>That the extension to the use of Money Market Funds as part of the Treasury Management Strategy Statement for pension fund cash be approved.</p>	
<p>PRPP07.</p>	<p>BRIEFING ON THE INTERIM REPORT OF THE INDEPENDENT PUBLIC SERVICE PENSIONS COMMISSION</p> <p>Nicola Webb, Head of Pensions and Treasury, advised the Committee on the interim report of the Independent Public Service Pensions Committee, and the key issues arising from this. It was reported that the review recommended the continuation of defined benefits schemes, but that final salary pension schemes were no longer felt to be appropriate, and alternative options were under consideration. An increase in retirement age was also recommended, along with an increase in employee contributions, which was likely to come into force from April 2012. It had been recommended that the LGPS remain funded, but the number of different LGPS funds had been highlighted as an issue likely to be reviewed going forward.</p> <p>The Committee agreed that information on the changes should be provided to scheme members as soon as details were confirmed, and Ian Benson outlined the different means of communication available to scheme members. It was noted that negotiations were ongoing with the trade unions at a national level regarding these issues.</p> <p>NOTED</p>	

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PRPP08.	<p>ROLE OF REPRESENTATIVE MEMBERS OF THE PENSIONS COMMITTEE</p> <p>The Committee considered a report on a proposal to change the role of the representative members of the Pensions Committee to enable representative members to have access to exempt documentation and to attend Part 2 sessions of Committee meetings, subject to signing up to the members Code of Conduct. In accordance with advice from legal services, the recommendation to change the role of the representative members would require approval by Full Council, and it was reported that this would be taken forward to the 22 November Full Council meeting, if the Committee were to agree the proposal.</p> <p>Roger Melling noted that the Employee representative was nominated by the Employeeside, which consisted of a number of different unions, and not UNISON alone as stated in the report. It was agreed that this was an important distinction, and the report would be amended to reflect this.</p> <p>RESOLVED</p> <ul style="list-style-type: none">i) That Pensions Committee recommend to Full Council that the representative members of the Pensions Committee have full access to all information including exempt information upon signing an undertaking to observe the Members Code of Conduct.ii) That Pensions Committee recommended to the stakeholder groups represented on the Committee that representatives are elected for a period equivalent to an elected member.	
PRPP09.	<p>INVESTMENT STRATEGY REVIEW</p> <p>Further to the session held on the 4th October 2010, it was suggested that Hewitts be asked to provide a list of options for asset allocation for circulation to the Committee for comment, and that a further session to consider the options circulated be arranged for Wednesday, 24th November 2010. The Committee emphasised that the quality of the report setting out the various options was critical if Members were to be asked to form opinions on the basis of this, and officers and the Fund's Investment Advisor were to work closely with Hewitts to ensure that the information supplied was of the appropriate quality.</p> <p>In discussion, the Committee requested clear information on the issue of diversification of asset classes, and stated that it would be useful to be provided with some background information setting out its purpose at a strategic level. The Committee also asked that benchmarking information with other London authorities be included in the information provided. It was suggested that although the actuarial valuation would not be presented to the Committee until the meeting on 20th December 2010, indicative figures should be available for Committee members in considering the investment strategy at the session on 24th November.</p>	

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	<p>RESOLVED</p> <p>That the model of comparing the risk / return characteristics of different asset allocation strategies be agreed as the most appropriate way forward and that Hewitts be commissioned on this basis.</p>	
PRPP10.	<p>ANY NEW ITEMS OF URGENT BUSINESS</p> <p>There were no new items of urgent business.</p>	
PRPP11.	<p>EXCLUSION OF PRESS AND PUBLIC</p> <p>RESOLVED</p> <p>That the press and public be excluded for the remainder of the meeting.</p>	
PRPP12.	<p>EXEMPT MINUTES</p> <p>RESOLVED</p> <p>That the exempt minutes of the meeting held on 16 September 2010 be approved and signed by the Chair.</p>	
PRPP13.	<p>UPDATE ON EMPLOYER ISSUE</p> <p>The Committee received a verbal update from Kevin Bartle, Lead Finance Officer.</p> <p>NOTED</p>	
PRPP14.	<p>ANY OTHER EXEMPT ITEMS OF URGENT BUSINESS</p> <p>There were no exempt items of urgent business.</p> <p>The meeting closed at 20:00hrs.</p>	

COUNCILLOR RICHARD WATSON

Chair