

**MINUTES OF THE PENSIONS COMMITTEE
MONDAY, 15 DECEMBER 2014**

Councillors Diakides (Chair), Doron, Ross, Brown (Non-voting), Jones (Non-voting), Melling (Non-voting) and Peacock

Also Present Keith Brown, Michael Jones and Roger Melling (Non-voting members)

Apologies Councillor Bevan, Berryman and Marshall

LC28. APOLOGIES FOR ABSENCE (IF ANY)

Apologies for absence were received from Councillor Bevan, for whom Councillor Peacock was substituting, and Councillors Berryman and Marshall.

LC29. URGENT BUSINESS

There were no items of urgent business.

LC30. DECLARATIONS OF INTEREST

None declared.

LC31. MINUTES

31.1 Minutes of the Meeting held on 18 September 2014

RESOLVED:

That the minutes of the meeting held on 18 September 2014 be approved as a correct record of the proceedings, and the Chair be authorised to sign them.

31.2 Minutes of the Special Meeting held on 20 November 2014

RESOLVED:

That the minutes of the special meeting held on 20 November 2014 be approved as a correct record of the proceedings, and the Chair be authorised to sign them.

LC32. ACTUARIAL VALUATIONS: 'LIKE-FOR-LIKE' RESULTS

The Committee considered a report which detailed a comparison of the results of the 2013 actuarial valuation with those reported by other local government pension schemes, and what this implied for the credibility of Haringey Council's pension plan to achieve full funding of liabilities.

The report was introduced by Douglas Green of Hymans Robertson, who drew attention to the fact that Haringey's pension fund was in a good position in relation to other pension funds included in the 'like for like' study which had been carried out.

In making its decision the Committee gave consideration to the information contained in the exempt appendix to the report which was included in the agenda under item 17.

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RESOLVED:

That the contents of the report and the accompanying exempt appendix be noted.

LC33. CURRENT AND FUTURE INVESTMENT POLICY

The Committee received a report from Mercer, the Committee's investment consultant, which outlined the current and future investment policy for the pension fund.

The report was introduced by Steve Turner and Mark Devereux from Mercer who highlighted key points contained within it, including the proposal that the Committee should use improvements in funding levels to further diversify away from equities and to increase the levels of interest rate and inflation protection.

When considering this matter the Committee took into consideration the information contained in the exempt appendices to the report which were included in the agenda under item 18.

RESOLVED:

1. That the contents of the report and the accompanying exempt appendices be noted.
2. That members of the Committee receive training on leveraged index linked gilts prior to discussing their use to increase the level of inflation protection, and that this training take place at 7.00pm, immediately prior to the commencement of the next meeting of the Committee at 7.45pm on 26 March 2015.

LC34. REVIEW OF PASSIVE INVESTMENT MANAGER STRUCTURE

The Committee considered a report which set out a proposal that management of equity and index linked investments be combined, resulting in fee and operational benefits, and which proposed that the Council approach the existing managers for fee quotations. The report was introduced by Steve Turner from Mercer.

In making its decision the Committee gave consideration to the information contained in the exempt appendix to the report which was included in the agenda under item 19.

RESOLVED:

That BlackRock and Legal and General be invited to quote for a combined equity and index linked index tracking portfolio, including the option of using leveraged index linked gilt funds.

LC35. TRANSFERS OUT AND THE IMPLICATIONS OF THE NEW PENSION FREEDOMS

The Committee considered a report regarding transfers of benefits out of the Haringey Local Government Pension Scheme and the impact of the new pension freedoms effective from 1 April 2015.

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The report was introduced by Janet Richards, Pensions Manager, who, in response to a question, stated that the advantages provided by the Haringey LGPS were explained to any member who was considering withdrawing from the scheme.

RESOLVED:

1. That the report be noted.
2. That the information given out to members at the time they were considering transferring their benefits to other pension arrangements, be reviewed, to ensure that they were made aware of all the benefits of belonging to the LGPS.

LC36. 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 contractors, Absolutely Catering Limited and Caterlink be admitted to the Haringey Pension Fund as Transferee Admission Bodies.
2. That in regard to resolution 1 above, the admission agreements are entered into and that the arrangements are closed agreements such that no new members can be admitted.

LC37. LOCAL GOVERNMENT PENSION SCHEME - DESIGNATED PERSON FOR THE INTERNAL DISPUTES RESOLUTION PROCEDURE

The Committee considered a report, introduced by Janet Richards, Pensions Manager, relating to Local Government Pension Scheme (LGPS) Regulations which require the Administering Authority (the Council) to appoint a Designated Person to adjudicate Stage 2 Appeals under the Internal Disputes Resolution Procedure (IDRP).

The Committee was of the opinion that only the designation of the officer appointed as the Designated Person, and not a particular named individual, as was indicated in the report, be stated in association with the appointment.

RESOLVED:

That approval be given to the appointment of the Principal Lawyer of the Employment, Education and Corporate Team as the Designated Person for the Stage 2 Internal Disputes Resolution Procedure.

LC38. LOCAL GOVERNMENT PENSION SCHEME - UPDATED COMMUNICATION POLICY

The Committee considered a report, introduced by Janet Richards, Pensions Manager, which presented an updated version of the Communication Policy

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Statement, which had been prepared in accordance with the Local Government Pension Scheme regulations and had been updated to reflect current practice.

RESOLVED:

That the updated version of the Pension Fund Communication Policy Statement be approved.

LC39. ESTABLISHMENT OF A PENSION BOARD

The Committee considered a report, introduced by George Bruce, Head of Finance – Treasury and Pensions, detailing draft regulations issued by the Department for Communities and Local Government (DCLG) which require each local government pension scheme to establish a pension board under the Public Sector Pensions Act 2013.

The Committee were informed that the establishment of the Board, including its composition, had been discussed recently with the trade unions, but that certain issues had yet to be resolved. It was consequently suggested that the matter be referred to the next meeting of the Council and Employees Joint Consultative Committee with a view to seeking resolution of the outstanding issues.

RESOLVED:

1. That the draft letter to the Secretary of State, attached as Appendix 1 to the report, be approved, subject to amendments requested by the Committee relating to:
 - a) The fact that Islington Council were keen to set up a joint Board with Haringey Council.
 - b) That it made clearer what Haringey's first and second choices were in regard to the establishment of a Board.
2. That authority be delegated to the Chair to amend the draft letter to the Secretary of State, in light of the final regulations and to sign the letter on behalf of the Committee.
3. That the Board's terms of reference be recommended to Full Council for approval, if authority for a combined Board and Committee was not received from the Secretary of State.
4. That an item be placed on the agenda for the next meeting of the Council and Employees Joint Consultative Committee (CEJCC), scheduled for 22nd January 2015, in order to seek agreement on the outstanding issues regarding the establishment of a Pension Board.

LC40. PENSION FUND - WORK PLAN 2014-15

The Committee considered a report which identified topics that will come to the attention of the Committee during the next nine months.

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RESOLVED:

1. That the forthcoming work plan for the Committee, as detailed in the report, be noted.
2. That it be noted that if necessary, and with the agreement of the Chair, a special meeting of the Committee would be held in February 2015 in order to receive an update on the establishment of a Pension Board and to consider the Board's terms of reference.
3. That in regard to 2 above, it be noted that if necessary a training session for members of the Committee could be held on issues relating to the Pension Board, immediately prior to the commencement of the special meeting.

LC41. PENSION FUND QUARTERLY UPDATE

The Committee considered a report which reviewed investment performance activity in the three months to 30 September 2014.

RESOLVED:

That the information provided in respect of the activity in the three months to 30 September 2014 be noted.

LC42. ANY OTHER BUSINESS OF AN URGENT NATURE

There were no new items of urgent business.

LC43. 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; paragraphs 1 and 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).

LC44. ACTUARIAL VALUATIONS: 'LIKE-FOR-LIKE' RESULTS - APPENDIX 1

Consideration of this appendix was dealt with under agenda item 5 (minute number 32 refers).

LC45. CURRENT AND FUTURE INVESTMENT POLICY - APPENDICES 1 AND 2

Consideration of these appendices was dealt with under agenda item 6 (minute number 33 refers).

LC46. REVIEW OF PASSIVE INVESTMENT MANAGER STRUCTURE - APPENDIX 1

Consideration of this appendix was dealt with under agenda item 7 (minute number 34 refers).

LC47. REVIEW OF PRIVATE EQUITY ALLOCATION

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The Committee considered a report, introduced by Mark Devereux from Mercer, which detailed a review of private equity allocation and proposed a transfer of funds to two Pantheon funds to achieve the target allocation.

RESOLVED:

1. That the Committee commit £30m to the Pantheon Select 2014 fund and £20m to the Pantheon Global Secondary Fund V.
2. That authority be delegated to the Chief Finance Officer and/or Assistant Director of Corporate Governance to complete all required documentation.
3. That the private equity benchmark is amended to 3.5% p.a. above the MSCI World Index.

LC48. ANY EXEMPT ITEMS OF URGENT BUSINESS

There were no exempt items of an urgent nature.

LC49. DATE OF NEXT MEETING

The Committee noted that its next meeting was scheduled for Thursday 26 March 2015 at 7.45pm, and that the later than usual start time was to accommodate a training session for members of the Committee at 7.00pm immediately prior to the commencement of the meeting.

The meeting ended at 9.04pm.

Councillor Isidoros Diakides

Chair