

**MINUTES OF THE PENSIONS COMMITTEE
MONDAY, 12 OCTOBER 2009**

Councillors C. Harris (Chair), Thompson (Vice-Chair), Beacham, Mallett, Wilson and Winskill

Also Present: Howard Jones and Earl Ramharacksingh

MINUTE NO.	SUBJECT/DECISION	ACTION BY
PRPP120.	<p>APOLOGIES FOR ABSENCE</p> <p>Apologies for absence were received from David Corran and Roger Melling.</p>	
PRPP121.	<p>URGENT BUSINESS</p> <p>There were no items of urgent business.</p>	
PRPP122.	<p>DECLARATIONS OF INTEREST</p> <p>Cllr Harris declared a personal interest as a contributing member of the Haringey Pension Scheme and as having attended meetings at which Fund Managers had been present.</p> <p>Cllr Mallett declared a personal interest as a contributing member of the Haringey Pension Scheme.</p> <p>Cllr Winskill declared a personal interest as a contributing member of the Haringey Pension Scheme.</p> <p>Cllr Wilson declared a personal interest as an employee of the National Association of Pensions Funds.</p> <p>Cllr Thompson declared a personal interest as a contributing member of the Haringey Pension Scheme and as having attended training events at which he had received hospitality from some of the Fund Managers.</p>	
PRPP123.	<p>ATTENDANCE BY FUND MANAGERS</p> <p>The Committee received presentations from two Fund Mangers as follows:</p> <p>ING</p> <p>Fund performance was 0.72% below the benchmark and 1.72% below the target in annualised terms in the 27 month period to the end of June 2009.</p> <p>ING explained the reasons for current performance and answered questions from Trustees. In response to a question from the Committee</p>	

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	<p>regarding increasing the fund's levels of investment in property, ING reported that it was important to wait for suitable stock to become available and to ensure that this was being obtained at the appropriate price. The Committee requested that advice be sought from Hewitt and that a report be presented at the next meeting of the Committee on the best use of the £9m currently held in cash pending suitable property investment opportunities.</p> <p>LEGAL AND GENERAL</p> <p>Fund performance was in line with the benchmark since inception.</p> <p>Legal and General answered questions from Trustees regarding stock lending. It was clarified that the custodian used in relation to stock lending transactions by Legal and General indemnified against any losses, as a result of which the risk to the fund was very low.</p> <p>RESOLVED</p> <p>That the presentations and answers to questions given by the Fund Managers be noted.</p>	
<p>PRPP124.</p>	<p>GOVERNANCE OPTIONS REGARDING MONITORING OF FUND MANAGERS</p> <p>The Chief Financial Officer reported that, further to the report on governance considered by the Committee the previous year, it had been agreed that the frequency of attendance by Fund Managers at Committee meetings would be reviewed. It was reported that this was underway, and that a full report providing recommendations to the Committee on a reduction in the frequency of attendance by Fund Managers and an increase in the amount of time available for the Committee to consider issues such as the review of the investment strategy and the fund valuation would be presented at a future meeting.</p> <p>The Committee welcomed any proposal that would enable the Committee to act flexibly and to allow more time for consideration of significant issues such as the investment strategy. The Chief Financial Officer reported that the Council was planning to ensure that the Committee had the time available to fully consider all the necessary issues, and that proposals would be brought to the Committee for consideration.</p> <p>RESOLVED</p> <p>That the verbal update be noted.</p>	
<p>PRPP125.</p>	<p>BUSINESS PLAN 2009/10</p> <p>The Chief Financial Officer presented a report on the business plan 2009/10. It was reported that there were no significant changes to the business plan for the previous year, but that all the information within the plan had been updated. Further to consultation with Terry Crossley,</p>	

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	<p>Communities and Local Government, it was reported that all areas of the compliance statement that had previously been recorded as partly compliant could now be updated to fully compliant .</p> <p>The Committee asked for an explanation of the increase in fund management costs per scheme member since 2005/06. It was reported that some of this cost was accounted for by a one-off payment made to move the mandate following the dismissal of one fund manager, but that the appointment of a passive manager meant that any such transactions in future would cost significantly less. The Committee welcomed the low administration costs. In response to a request for information on the fund management costs excluding the one-off payment for moving a mandate, it was reported that additional sources of information were being sought to enable a more meaningful comparison to be made.</p> <p>In response to a question from the Committee regarding the current funding level, it was reported that the target was for 100% funding. The Committee commented on the recent CLG consultation, and suggested that additional information on financing would be welcome in future business plans. The Chief Financial Officer reported that the Committee would be provided with updates on any proposals for a London-wide pension scheme.</p> <p>The Committee suggested that the business plan should be provided to new pension fund trustees on appointment, as it provided a very useful summary.</p> <p>In response to a question from the Committee on the negotiation of prices with fund managers, it was reported that this could be looked into. The Committee suggested that higher rates of interest could be sought for the funds currently held as cash. The Chief Financial Officer reported that it was necessary to adhere to Treasury Management guidance, but that he would speak with Earl Ramharacksingh outside the meeting regarding the interest rates available.</p> <p>RESOLVED</p> <ul style="list-style-type: none">i) That the 2009/10 Business Plan be approved.ii) That the revised Statement of Investment Principles be approved.	
<p>PRPP126.</p>	<p>CESSATION OF ADMISSION AGREEMENT WITH MITTIE SECURITY</p> <p>The Chief Financial Officer presented a report on the funding position attributable to Mittie Security Ltd on their cessation as an admitted body to the Haringey Pension Fund at 6th April 2009.</p> <p>RESOLVED</p> <p>That the settlement of the £202,000 deficit attributed to Mittie Security Ltd on the cessation of the admission agreement be noted.</p>	

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PRPP127.	NEW ITEMS OF URGENT BUSINESS There were no new items of urgent business. The meeting closed at 21:00hrs.	

COUNCILLOR CATHERINE HARRIS

Chair