

**MINUTES OF THE PENSIONS COMMITTEE
MONDAY, 21 JUNE 2010**

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

Apologies Earl Ramharacksingh

Also Present: Howard Jones (Independent Advisor), Roger Melling (Employee Representative), Steve Davies (Head of Human Resources), Ian Benson (Pensions Manager), Kevin Bartle (Head of Corporate Finance), Nicola Webb (Head of Pensions & Treasury) and Natalie Cole (Clerk)

MINUTE NO.	SUBJECT/DECISION	ACTION BY
PRPP01.	APOLOGIES FOR ABSENCE An apology for absence was received from Earl Ramharacksingh.	
PRPP02.	URGENT BUSINESS There were no items of urgent business.	
PRPP03.	DECLARATIONS OF INTEREST Councillor Jenks declared a personal interest as he was Chair of a care home run by TLC, one of the Pension Fund Employers. Councillor Wilson declared a personal interest as a contributing member of the Haringey Pension Scheme. Councillor Watson declared a personal interest as a deferred member of the Haringey Pension Scheme. Councillor Adje declared a personal interest as he was a contributing member of the Haringey Pension Scheme and worked for the London Fire Brigade as a GMB officer. Roger Melling declared a personal interest as a member receiving a Haringey pension.	
PRPP04.	MINUTES RESOLVED that the unrestricted minutes of the meeting held on 15 th April 2010 be approved and signed by the Chair.	
PRPP05.	AUDIT PLAN 2010/11 The Committee received the audit plan introduced by the external auditors from Grant Thornton; Subarna Banerjee and Matthew Cass. In response to paragraph 2.3 of the report which provided an update on the findings from the previous period, the Head of Corporate Finance informed the Committee that the Council was working towards a	

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	<p>separate designated bank account being set-up before the statutory April 2011 deadline to be used for surplus monies from the pension fund.</p> <p>In response to the Committee's questions Mr Cass stated that late contributions from bodies within the Council and receipt of contributions not being monitored as they should be, were risks associated with local authority pension funds.</p> <p>Further to its questions the Committee noted that whilst the auditors had not seen local authorities charge for late contributions before, there was a clause in the Pensions Regulations stating that the local authority could charge the base rate for contributions that were more than one month late.</p> <p>The Head of Pensions & Treasury was asked to liaise with the Pensions Manager about his work consulting on the possibility of the Council imposing charges for late contributions.</p> <p style="text-align: center;">Action: Head of Pensions & Treasury / Pensions Manager</p> <p>Committee members asked if auditors investigated the bodies paying into the pension fund and were informed that it was possible to compare yearly and monthly figures and, where there were significant differences the body would be challenged.</p> <p>The Committee agreed that auditors should examine the contribution activity and records of one admitted body of the pension fund each year as part of the audit.</p> <p style="text-align: center;">Action: Head of Corporate Finance/Grant Thornton Representatives</p> <p>RESOLVED</p> <ol style="list-style-type: none"> i. That the Audit Plan prepared by Grant Thornton be agreed; ii. That the possibility of the Council imposing charges for late contributions be investigated; iii. That the contribution activity and records of one admitted body of the pension fund be examined each year as part of the audit. 	
<p>PRPP06.</p>	<p>PENSION FUND ANNUAL REPORT AND ACCOUNTS 2009/10</p> <p>The Committee received the draft Annual Report and Accounts for 2009/10 which would be submitted to external audit and agreed by the General Purposes Committee as part of the Council's general accounts document. A revised draft of the Annual Report and Accounts had been circulated and published on the Council's website prior to the meeting due to some minor additions to the document.</p> <p>The Committee noted that the number of deferred members of the pension fund had increased substantially as had the administration expenses, which included the auditor's fees.</p>	

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	<p>The Committee requested a breakdown of the investment management expenses, section 9 on Page 67 of the report pack.</p> <p style="text-align: center;">Action: Head of Pensions & Treasury</p> <p>RESOLVED</p> <p>i. That the draft Annual Report be approved subject to the review by external audit;</p> <p>ii. That General Purposes Committee are recommended to approve the draft Pension Fund accounts for 2009/10 subject to external audit.</p>	
<p>PRPP07.</p>	<p>STATEMENT OF INVESTMENT PRINCIPLES</p> <p>The Committee received the Statement of Investment Principles report presented by Nicola Webb, Head of Pensions & Treasury. The revised draft of the Pension Fund Statement of Investment Principles had been amended to incorporate the Myners Principles on investment and to comply with the Local Government Pension Scheme Regulations.</p> <p>The Head of Pensions Treasury was asked by the Committee to research the best toolkit to use for the self-assessment recommended by principle 4 of the Myners Principles on Performance Assessment.</p> <p style="text-align: center;">Action: Head of Pensions & Treasury</p> <p>The Committee agreed that the briefing sessions prior to Pensions Committee meetings would include refresher training for Members.</p> <p style="text-align: center;">Action: Independent Advisor/Committee Members</p> <p>RESOLVED</p> <p>That the revised Statement of Investment Principles be approved.</p>	
<p>PRPP08.</p>	<p>BUSINESS PLAN INCORPORATING BUDGET 2010/11</p> <p>The Committee received the report on the Business Plan for pension fund activities for 2010-11 and noted the amendment to the Investment Management Expenses figure for the 2010/11 Budget on Page 136 of the agenda pack. This figure should read £3,300 million rather than £3,800 million.</p> <p>The Committee agreed that a different pension fund manager be invited to attend each meeting in future to report to the Committee on performance.</p> <p style="text-align: right;">Action: Nicola Webb</p> <p>RESOLVED</p> <p>That the proposed Pension Fund Business Plan for 2010-11 be approved subject to the amendment of the Management Expenses figure for the 2010/11 Budget which should read £3,300 million.</p>	

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<p>PRPP09.</p>	<p>FUND PERFORMANCE REPORT</p> <p>The Committee received the fund performance update and noted that the investment return achieved in the quarter to March 2010 was 6.56%, 0.42% behind the benchmark and 0.83% behind the target.</p> <p>The Committee was informed that BP was the largest equity holding in the Fund at the end of March 2010 and despite the current oil spillage situation BP was still a large percentage of the FTSE All Share, although it had reduced from around 7% to around 4%. Fidelity are underweight the benchmark and Capital have recently purchased a BP bond</p> <p>The Committee highlighted the importance of being kept informed and expressed concern that BP might be forced to suspend this year's dividend further to the oil leak, and that this would affect the Council's investment. It was noted that the loss from such a dividend suspension would be in the region of half a million pounds and that fund managers were asked to report regularly to the Council on unusual activity in the companies they invest in.</p> <p>The Committee noted Capital's performance.</p> <p>RESOLVED</p> <p>That the report be noted.</p>	
<p>PRPP10.</p>	<p>NEW ITEMS OF UNRESTRICTED URGENT BUSINESS</p> <p>There were no new items of unrestricted urgent business.</p>	
<p>PRPP11.</p>	<p>EXCLUSION OF PRESS AND PUBLIC</p> <p>RESOLVED</p> <p>That the press and public be excluded.</p>	
<p>PRPP12.</p>	<p>EXEMPT MINUTES</p> <p>RESOLVED that the restricted minutes of the meeting held on 15th April 2010 be approved and signed by the Chair.</p>	
<p>PRPP13.</p>	<p>NEW ITEMS OF EXEMPT URGENT BUSINESS</p> <p>There were no new items of exempt urgent business.</p>	

The meeting ended at 20:30 hrs

COUNCILLOR RICHARD WATSON
Chair