

**MINUTES OF THE PENSIONS COMMITTEE  
TUESDAY, 12 APRIL 2011**

Councillors Watson (Chair), Gibson, Stennett, Beacham, Jenks, Wilson,  
Howard Jones and Melling

Apologies Michael Jones and Brown

Also Present: Howard Jones and Roger Melling

<b>MINUTE NO.</b>	<b>SUBJECT/DECISION</b>	<b>ACTION BY</b>
<b>PRPP41.</b>	<p><b>APOLOGIES FOR ABSENCE</b></p> <p>Apologies for absence were received from Keith Brown, Michael Jones and Kevin Bartle.</p>	
<b>PRPP42.</b>	<p><b>URGENT BUSINESS</b></p> <p>There were no new items of urgent business.</p>	
<b>PRPP43.</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 Jenks declared a personal interest as a member of the Haringey Pension Scheme, and also as a volunteer with the Citizens Advice Bureau and as a Friend of Cooperscroft, owned by TLC, which were both scheduled and admitted bodies of the Fund.</p> <p>Cllr Wilson declared a personal interest as an employee of the National Association of Pension Funds.</p> <p>Roger Melling declared a personal interest as a pensioner member of the Haringey Pension Fund.</p>	
<b>PRPP44.</b>	<p><b>MINUTES</b></p> <p><b>RESOLVED</b></p> <p>That the unrestricted minutes of the meeting held on 22 February 2011 be approved and signed by the Chair.</p>	
<b>PRPP45.</b>	<p><b>EXTERNAL AUDIT PLAN 2010/11</b></p> <p>Subarna Banerjee from Grant Thornton gave a presentation on the external audit plan for 2010/11, outlining the audit approach and key audit issues. In respect of the way Pension Fund liabilities would be reflected in the accounts under the new International Financial Reporting</p>	

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	<p>Standards, it was confirmed that this would be in the form of an actuarial report within the statement of accounts.</p> <p><b>RESOLVED</b></p> <p>That the Audit Plan prepared by Grant Thornton be agreed.</p>	
<b>PRPP46.</b>	<p><b>PENSION FUND TREASURY MANAGEMENT STRATEGY</b></p> <p>Julie Parker, Director of Corporate Resources, presented this report, which proposed a treasury management strategy statement for the pension fund that mirrored the Council's. It was noted that this was considered the most efficient arrangement.</p> <p><b>RESOLVED</b></p> <p>That the proposed Treasury Management Strategy Statement for pension fund cash be approved.</p>	
<b>PRPP47.</b>	<p><b>BRIEFING ON THE FINAL REPORT OF THE INDEPENDENT PUBLIC SERVICE PENSIONS COMMISSION</b></p> <p>Nicola Webb, Head of Pensions and Treasury, presented the report on key issues arising from the final report of the Independent Public Service Pensions Commission, including recommendations to move to pensions based on career average salary, to raise the normal pension age, that the LGPS should remain funded and a number of governance recommendations. It had been announced that the recommendations of the report were to be accepted in full by the Government, and that specific proposals for consultation would be brought forward in the autumn Spending Review.</p> <p>In response to questions from the Committee on the recommendations regarding collaborative working, it was reported that the Hutton report had not set out any specific examples, but officers were discussing this issue with other London Boroughs. The Committee requested that an update report on collaborative working between pension funds be reported to the Corporate Committee early in the next municipal year. The Committee asked about possible employee contribution rates in the future, in response to which it was reported that this was an issue that the Government was currently looking at. No consultation had at present been undertaken with regards to a contribution rate rise, however it was noted it was possible for a rise to come into effect from April 2012.</p> <p><b>RESOLVED</b></p> <p>That the report be noted.</p>	
<b>PRPP48.</b>	<p><b>MYNERS PRINCIPLES COMPLIANCE - ASSESSMENT OF EFFECTIVENESS 2010/11</b></p> <p>Nicola Webb presented the report on the results of the formal assessment of effectiveness of the Committee, to comply fully with the</p>	

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	<p>Myners Principles, and thanked Members of the Committee for their responses. The assessment had resulted in an average score of “good”, with areas identified for improvement including training, a review of the quarterly data provided and business plan setting.</p> <p>In response to feedback from Members regarding a wish for training on different asset classes, such as hedge funds, it was reported that the Investment Strategy being reported on later in the agenda left it open for the fund to move into diversifying asset classes and that appropriate training would be undertaken before any such development was made. It was also agreed that a general glossary of terms relevant to the management of the pension fund would be circulated to Committee Members.</p> <p><b>RESOLVED</b></p> <p>That the proposed wording of the disclosure for the Pension Fund Annual Report regarding the assessment of effectiveness set out in paragraph 15.3 be approved.</p>	
<p><b>PRPP49.</b></p>	<p><b>ACADEMIES – DEFICIT RECOVERY PERIODS</b></p> <p>This item was withdrawn from the agenda.</p>	
<p><b>PRPP50.</b></p>	<p><b>DRAFT WORK PLAN</b></p> <p>Nicola Webb presented the report on the draft work plan for the 2011-12 municipal year, which set out the key strategic activities for the next 12 months. It was reported that, following changes to the accounting rules, the draft accounts would no longer be reported up to Committee, only the final accounts.</p> <p><b>RESOLVED</b></p> <p>That the draft work plan for the 2011-12 municipal year be approved.</p>	
<p><b>PRPP51.</b></p>	<p><b>ADMISSION AGREEMENT FOR VEOLIA</b></p> <p>Ian Benson, Pensions Manager, presented the report on the admission agreement for Veolia ES UK Ltd to the Haringey Pension Fund. The Committee were advised that the report circulated should be amended at paragraph 4.3 to reflect that the value of the bond should in fact read £1.271m, the name of the organisation at paragraph 5.1 should read Veolia ES UK Ltd, and at paragraph 7.3 the contribution rate ought to read 22.1%.</p> <p>In response to a question from the Committee regarding how an excessive salary increase would be defined, Mr Benson advised that this was not clearly defined, although salary increases would be looked at if they were in excess of the actuarial assumptions.</p> <p><b>RESOLVED</b></p>	

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	<ul style="list-style-type: none"> <li>i) That the admission of Veolia ES UK Ltd as a transferee admitted body to the Fund from 17<sup>th</sup> April 2011 be agreed.</li> <li>ii) That the agreement be a closed agreement such that no new members other than those listed in the admission agreement can be admitted.</li> <li>iii) That the contractor be required to provide a Bond to the value of £1.271m to be reviewed by the Fund actuary on an annual basis.</li> <li>iv) That final approval to the terms of this Admission Agreement be delegated to the Chief Financial Officer.</li> </ul>	
<p><b>PRPP52.</b></p>	<p><b>ADMISSION AGREEMENT FOR EUROPA SUPPORT SERVICES LTD</b></p> <p>Ian Benson, Pensions Manager, presented the report on the admission of Europa Support Services Ltd (ESSL) as a transferee admitted body participating in the Haringey Council Pension Fund from 1<sup>st</sup> November 2010. The Committee was advised that the contribution rate at paragraph 13.1 of the report ought to read 28%. It was noted that this agreement related to a single employee.</p> <p><b>RESOLVED</b></p> <ul style="list-style-type: none"> <li>i) That the admission of Europa Support Services Ltd as a transferee admitted body to the Fund from 1<sup>st</sup> November 2010 be agreed.</li> <li>ii) That the agreement be a closed agreement such that such that no new members can be admitted.</li> <li>iii) That the contractor be required to provide a Bond valued by the Fund actuary to cover its potential pensions liabilities should the contractor fail commercially and that the Bond value is reviewed annually.</li> <li>iv) That final approval to the terms of this Admission Agreement be delegated to the Chief Financial Officer.</li> </ul>	
<p><b>PRPP53.</b></p>	<p><b>CESSATION AGREEMENT FOR EUROPA WORKFORCE SYSTEMS</b></p> <p>Ian Benson, Pensions Manager, presented the report on the funding position attributable to Europa Workspace Ltd on their cessation as an admitted body to the Haringey Pension Fund at 30<sup>th</sup> October 2010.</p> <p><b>RESOLVED</b></p> <p>That the settlement of the £64.9k surplus attributed to Europa Workspace Ltd on the cessation of the admission agreement be noted.</p>	

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<b>PRPP54.</b>	<b>NEW ITEMS OF UNRESTRICTED URGENT BUSINESS</b>  There were no new items of unrestricted urgent business.	
<b>PRPP55.</b>	<b>EXCLUSION OF PRESS AND PUBLIC</b>  <b>RESOLVED</b>  That the press and public be exclude for the following items.	
<b>PRPP56.</b>	<b>EXEMPT MINUTES</b>  <b>RESOLVED</b>  That the exempt minutes of the Pensions Committee held on 22 February 2011 be approved and signed by the Chair.	
<b>PRPP57.</b>	<b>INVESTMENT STRATEGY</b>  David Crum, Aon Hewitt, introduced the report on the proposals for the implementation of the investment strategy decisions made at the previous meeting of the Pensions Committee.  <b>RESOLVED</b>  That the recommendations of the report be agreed.	
<b>PRPP58.</b>	<b>NEW ITEMS OF EXEMPT URGENT BUSINESS</b>  There were no new items of exempt urgent business.  The Chair thanked everyone for their work on the Pensions Committee during the previous municipal year, particularly those who had participated in the Investment Strategy Working Group.  The meeting closed at 20:00hrs.	

COUNCILLOR RICHARD WATSON

Chair