

**MINUTES OF THE PENSIONS COMMITTEE
THURSDAY, 18 SEPTEMBER 2014**

Councillors Berryman, Bevan (Vice-Chair), Brown, Diakides (Chair), Doron, and Ross

Also present: Keith Brown and Roger Melling (Non-voting members)

Apologies: Michael Jones (Non-voting member)

LC13. APOLOGIES FOR ABSENCE (IF ANY)

Apologies for absence were received from Michael Jones (non-voting advisory member).

LC14. URGENT BUSINESS

There were no items of urgent business.

LC15. DECLARATIONS OF INTEREST

Councillor Viv Ross informed the Committee that he had money deposited in an equitable life scheme with whom Scheme members had invested AVCs, but he was advised that this fact did not require him to declare an interest.

LC16. MINUTES

RESOLVED:

That the minutes of the meeting held on Thursday 23 June 2014 be approved as a correct record, subject to the name Roger Melling being included in the list of those who had submitted apologies for absence.

MATTERS ARISING

The Chair referred to minute number 8, and the proposal referred to therein to have regular training sessions for members of the Committee.

AGREED:

1. That training sessions be held for members of the Pensions Committee prior to each meeting of the Committee commencing at 6.00pm and lasting for one hour.
2. That in addition to the training sessions referred to in 1 above, the Head of Finance – Treasury and pensions, be requested to identify two or three dates in the 2014/15 municipal year for further training.
3. That it be noted that on-line training materials were available on the internet, but that members of the Committee were at liberty to contact John Raisin (Independent Advisor), George Bruce (Head of Finance – Treasury and Pensions) or Kevin Bartle (Assistant Director – Finance) if they had any queries relating to pensions issues.

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LC17. PENSION FUND ANNUAL REPORT AND ACCOUNTS 2013/14 AND AUDIT REPORT

The Committee considered a report on the audited Pension Fund Annual Report and Accounts for 2013/14 and the Annual Governance Report of the external auditors, Grant Thornton, which reported on their annual audit of the Pension Fund accounts. The report was presented by Emily Hill and Paul Jacklin of Grant Thornton.

The Committee noted that a revised version of pages 56 and 57 contained in Appendix 1 to the report had been circulated subsequent to publication of the agenda.

Emily Hill drew attention to the Executive Summary contained within the Audit Findings Report on page 131 of the agenda. She highlighted the fact that the key points arising from the audit of the Fund's financial statements were:

- a) The quality of the financial statements and supporting working papers were of a very good standard;
- b) Responses to audit queries were received in time for Grant Thornton to complete its fieldwork to its timetable;
- c) That Grant Thornton had identified a few minor presentational issues.

Emily Hill emphasised that the papers provided to Grant Thornton for audit purposes were of a very high standard and that Council officers had been helpful in the conducting of the process.

RESOLVED:

1. That the Pension Fund Annual Report and Accounts for 2013/14, together with the associated Letter of Representation, attached as Appendix 3 to the report, be approved.
2. That the Committee's satisfaction with the positive assessment by the Auditors be recorded, and that its thanks and congratulations be passed on to the Council officers involved in carrying out the annual audit process.
3. That the Head of Finance – Treasury and Pensions write to members of the Committee to inform them what the term 'Experience items' contained on page 31 of the report referred to.
4. That the Committee place on record its thanks to Grant Thornton for their help and support to Council officers in carrying out the annual audit of the Pension Fund and accounts.

LC18. LOCAL GOVERNMENT PENSION SCHEME IT SYSTEM: CONTRACT RENEWAL

The Committee noted that an updated version of the report, which contained revised legal implications, had been circulated subsequent to publication of the agenda.

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The Committee were informed that at its meeting on 26 November 2013, the Council's Corporate Committee had approved the award of a contract for an IT system to enable the Council to administer the Local Government Pension Scheme for its members and employers. The Committee were further informed that following the decision of the Corporate Committee negotiations with the supplier identified that the contract price was to be £14,288 higher than the original estimate.

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 13.

RESOLVED:

That the Committee note the amendment to the value of the Heywood Contract which had increased by £14,288 to £244,046 for a period of three years, with the option to extend for a further two years, for the provision of a managed service, including support, maintenance, and required upgrade.

LC19. LOCAL GOVERNMENT PENSION SCHEME - ADMISSION OF NEW EMPLOYERS AS TRANSFEREE ADMISSION BODY

The Committee considered a report which set out details relating to the admission of new eligible admission body employers into the Local Government Pension Scheme.

RESOLVED:

1. That catering contractors, Lunchtime UK Limited, Caterlink Limited, ABM Catering Limited, ISS Mediclean Limited and cleaning contractor Superclean Services Limited be admitted to the Haringey Pension Fund as Transferee Admission Bodies.
2. That each of the admission agreements is entered into and that the agreement is a closed agreement such that no new members can be admitted.
3. That the Pension Committee using The Scheme of Delegation, delegate the authority to admit employers to the Local Government Pension Scheme to the Section 151 Officer.

LC20. ESTABLISHMENT OF PENSION BOARD

The Committee considered a report detailing draft regulations issued by the Department for Communities and Local Government (DCLG) that require each local government pension scheme to establish a pension board.

The Head of Finance – Treasury and Pensions emphasised that once established, the Pension Board would not take the place of the Pensions Committee, or take away any of its powers, but that it would effectively be a form of scrutiny panel relating to pensions and would scrutinise the processes used by the Committee and not its decisions.

The Committee were informed that the Board would operate separately from the Committee and have a different membership unless the Council specifically requested the Secretary of State to establish a dual function body.

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The Committee raised concerns regarding the establishment of a Pension Board, including its necessity, the fact that it may be unwieldy, and also in regard to its membership

RESOLVED:

1. To note the information provided in this report, and specifically that no final decisions are requested at this stage.
2. That a special briefing session for the Committee be arranged, prior to the next Committee meeting where decisions will be made, in order to explore the issues of establishing a Pension Board in more detail.
3. That prior to the briefing session referred to in 2 above, the Head of Finance – Treasury and Pensions be requested to obtain feedback on the matter from the Pension Fund's advisors and also appropriate trade unions, and for his findings to be reported at the briefing session.

LC21. PENSION FUND QUARTERLY UPDATE

The Committee were informed that since the quarter end on 30th June 2014 two new Fund Managers had been appointed, these being Allianz, who specialised in infrastructure debt and CQS who specialised in multi-sector credit.

RESOLVED:

1. That the information provided in respect of the activity in the three months to 30th June 2014 be noted.
2. That it be noted that the format of responsible investment reporting will be changed to face-to-face meetings with all the Fund Managers on an annual basis, to replace the existing current quarterly commentary.

LC22. PENSION FUND - WORK PLAN 2014-15

The Committee gave consideration to topics that would come to the attention of the Committee over the forthcoming months and noted arrangements for Member training, as had been discussed earlier in the meeting, referred to under paragraph 13 of the report. It was suggested that the Committee should give regular attention to its investment policy strategy and although it was noted that an investment update was included in the Pension Fund Quarterly Update report, it was proposed that this be a standing item on future agendas.

RESOLVED:

That a standing item under the heading 'Investment Strategy Update' be placed on the agenda of future meetings of the Pensions Committee, and that it be accompanied by a summary table setting out investments, as included in paragraph 13.1 of agenda item 9.

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LC23. ANY OTHER BUSINESS OF AN URGENT NATURE

There were no items of an urgent nature.

LC24. EXCLUSION OF THE PUBLIC AND PRESS

It was not necessary to pass a resolution to exclude the public and press when consideration was given by the Committee to agenda item 13, as none were present at the meeting.

LC25. LOCAL GOVERNMENT PENSION SCHEME IT SYSTEM: CONTRACT RENEWAL - APPENDIX A

Consideration of this appendix was dealt with under agenda item 6 (minute 18 above refers).

LC26. ANY ITEMS OF EXEMPT URGENT BUSINESS

There were no exempt items of an urgent nature.

LC27. DATE OF NEXT MEETING

The Committee noted that its next meeting was scheduled for Monday 15th December 2014 at 7.00pm.

The meeting ended at 9.14pm.

Councillor Isidoros Diakides

Chair