

**MINUTES OF THE PENSIONS COMMITTEE
MONDAY, 10 SEPTEMBER 2007**

Councillors Rahman Khan (Chair) *, Mallett (Vice-Chair) *, Adje*, Beacham*, Basu*, Butcher*, Wilson, Aitken*

* denotes Member present at meeting.

Also Present: Howard Jones, Roger Melling, and Ian Benson

MINUTE NO.	SUBJECT/DECISION	ACTION BY
PRPP01.	<p>APOLOGIES FOR ABSENCE</p> <p>Apologies for absence were received from Councillor Wilson.</p>	
PRPP02.	<p>URGENT BUSINESS</p> <p>The Chair agreed to the late tabling of the following two items:</p> <ul style="list-style-type: none"> (i) In respect of Agenda Item 3, an amended version of the Declarations of Interests as reworded by the Council's Monitoring Officer. (ii) In respect of Agenda Item 12, a letter from the Unions in relation to the pension fund and the response from the Chair of the Pensions Committee. 	
PRPP03.	<p>DECLARATIONS OF INTERESTS</p> <p>The Chair informed the Committee of the revised Declaration of Interest rules and read out the following statement:</p> <p><i>A member with a personal interest in a matter who attends a meeting of the authority at which the matter is considered must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.</i></p> <p><i>A member with a personal interest in a matter also has a prejudicial interest in that matter if the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the member's judgment of the public interest and if this interest affects their financial position or the financial position of a person or body as described in paragraph 8 of the Code of Conduct and/or if it relates to the determining of any approval, consent, license, permission or registration in relation to them or any person or body described in paragraph 8 of the Code of Conduct.</i></p> <p>The following interests were declared:</p> <p>Councillor Rahman Khan – personal interest in respect of his attendance at the LGC Conference where Capital International and Fidelity & Alliance were sponsors from time to time and they been the managers of</p>	

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	<p>the Council's Pension Fund. Cllr Rahman Khan also declared an interest in of his membership to the Haringey Council Pensions Fund.</p> <p>Councillors Butcher, Mallett and Aitken – personal interests in respect of their membership of the Haringey Council Pension Scheme.</p> <p>Councillor Adje – personal interest in respect of his membership of local government pension scheme, not Haringey Council's.</p> <p>The Chair noted a personal interest on behalf Councillor Basu (because Cllr Basu had informed that he would be present at the meeting after this agenda item had been taken) in respect of Councillor Basu's membership to the Haringey Council Pension Scheme. The Committee Clerk advised the Chair that a member had to be present at the meeting in order to formally declare their interests.</p>	
<p>PRPP04. MINUTES</p>	<p>RESOLVED</p> <p>(i) That the minutes of the meeting of the Pensions Committee held on 11 June 2007 be agreed and signed by the Chair subject to the following amendments:</p> <p>In attendance: to add Roger Melling</p> <p>Item 3. Declarations of Interest: to read:</p> <p><i>Councillor Khan declared a personal interest in respect of his membership to the Haringey Council Pension Scheme...</i></p> <p>(ii) That the minutes of the meeting of the Pensions Committee held on 25 June 2007 be agreed and signed by the Chair subject to the following amendments:</p> <p>PRPP09. Declarations of Interest: to read:</p> <p><i>Councillor Wilson declared a personal interest by nature of being an employee of the Association of British Insurers.</i></p>	
<p>PRPP05.</p>	<p>EXCLUSION OF THE PUBLIC AND PRESS</p> <p>RESOLVED</p> <p>That the public and press be excluded from the proceedings in accordance with the provisions set out under Schedule 12A, Section 3 of the Local Government Act 2000, namely that there would be information relating to the business and financial affairs of a particular person (including the Authority holding that information).</p>	

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PRPP06.	REVIEW OF INVESTMENT STRATEGY	
PRPP07.	<p>ANY EXEMPT ITEMS OF URGENT BUSINESS</p> <p>There were no exempt items of urgent business.</p>	
PRPP08.	<p>RE-INCLUSION OF THE PUBLIC AND PRESS</p> <p>RESOLVED</p> <p>That public and press be readmitted for the remainder of the meeting.</p>	
PRPP09.	<p>ACTUARIAL FUNDING UPDATE</p> <p>Fund Managers from Fidelity, Bernstein, and Capital addressed the Committee, being given ten minutes for presentations and taking questions from Members.</p> <p>FIDELITY</p> <p>Fund performance for the equities mandate was 1.04 below the benchmark and 1.47 below target in the quarter to 30 June 2007.</p> <p>Fund performance for the fixed income mandate was 0.02 above target in the quarter to 30 June 2007.</p> <p>Fidelity explained reasons for current performance and answered questions from trustees.</p> <p>BERNSTEIN</p> <p>Fund performance for the global equities mandate was 2.42 above the target in the quarter to 30 June 2007. For the UK equities mandate, performance was 0.13 above target in the quarter to 30 June 2007.</p> <p>Bernstein explained reasons for current performance and answered questions from trustees.</p> <p>CAPITAL</p> <p>Fund performance for the equities mandate was 0.13 below target in the quarter to 30 June 2007. For the Fixed Income mandate, performance was 0.02 below target in the quarter to 30 June 2007.</p> <p>Capital explained reasons for current performance and answered questions from trustees.</p> <p>RESOLVED</p> <p>(i) That it be noted that all the fund managers, in their deliberations gave assurances in exercising their best professional care and expertise in managing the Haringey</p>	

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	Council Pension Fund; and	
PRPP10.	PERFORMANCE UPDATES FROM OUR FUND MANAGERS	
PRPP11.	<p>FUND PERFORMANCE UPDATE</p> <p>The Committee received a verbal update from the Head of Finance-Budgeting, Projects & Treasury who briefly outlined the latest investment performance data for the Pension Fund, as presented under the previous item, as well as the need to determine further training requirements for the trustees/Committee members. Fund performance for the combined fund was 0.28 below target in the quarter to 30 June 2007.</p> <p>The Committee discussed the options available for training trustees and the importance of this in terms of managing the Pension Fund within a climate of market volatility. The Committee noted that refresher training (half a day) would suffice given the training given during the past year. The possibility of this being facilitated by the Pension Fund's advisor was discussed.</p> <p>RESOLVED</p> <ul style="list-style-type: none"> (i) That the Fund performance position as at end of June 2007 be noted; (ii) That the budget monitoring position to end of June 2007 (period 3) be noted; and (iii) That trustees training requirements be determined by the Acting Director of Finance in consultation with Trustees. (iv) That the make-up of overhead charges to the fund be reported to the Committee. 	
PRPP12.	<p>BUSINESS PLAN FOR 2007/8</p> <p>The Committee was given an update on the Business Plan for 2007/08. There were discussions about the Plan. The Committee also discussed the content of the revised Statement of Investment Principles, and the revised Governance Statement. Unit costs for 2006/07 for our fund were requested to be reported. The Chair mentioned the need to have one officer to co-ordinate pension's work, to consider widening our SRI policy to cover non-UK equities/ overall Fund investments, and the need to scrutinise the contracts, with all the Fund Managers to ensure that voting & the Haringey Councils' Statement of Investment Principles was adequately covered at the respective contracts.</p> <p>RESOLVED</p> <ul style="list-style-type: none"> (i) That the 2007/08 Business Plan be approved; (ii) That the revised Statement of Investment Principles be approved; and (iii) That the revised governance statement be approved. 	

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	<ul style="list-style-type: none"> (iv) That those unit costs for 2006/07 for our fund are reported to the Committee. (v) That consideration is given to widening our SRI policy to include non-UK equities. (vi) That officers ensure that voting & LBH Statement of Investment principles are adequately covered in contracts before approval. In case of existing contracts, action to be taken, (if any) wherever is necessary. (vii) That there be one integrated Senior Officer level co-ordination of administration of all the bodies (in relation to pensions) and investments to be streamlined. 	
<p>PRPP13.</p>	<p>FUND ADMINISTRATION UPDATE</p> <p>The Committee considered the regulatory changes affecting the administration of the Local Government Pension Scheme together with issues covered in recent letters covering the topic between the Unions and the Committee's Chairman. The Committee was also informed of the Communities and Local Government (CLG) consultation on extending the 85 Year Rule to which the Council was asked to respond to with its opinions. There were some concerns amongst some Committee members at the costs of extending the Rule and the affect of this upon Council funds and/or Government spending. The Chair agreed to submit to the consultation outlining the Council's opinions on the Rule, namely not to support any reduction in the current benefit package or any further increase in employee contributions.</p> <p>RESOLVED</p> <ul style="list-style-type: none"> (i) That the administration update be noted; and (ii) That the draft response to the CLG Consultation on extending the 85 Year Rule Protection be approved. 	
<p>PRPP14.</p>	<p>ADMISSION OF FORTISMERE SCHOOL TO THE HARINGEY PENSION FUND</p> <p>The Committee considered a report in respect of Fortismere School, having been granted Foundation School status, being admitted as a resolution body participating in the Haringey Council Pension Fund. The Committee was informed that the initial employer contribution rate of 16.6% had been established on the basis of negligible risk to the Fund of the School's admission, and that the School's Governing Body had consented to the admission to the Fund.</p> <p>RESOLVED</p> <ul style="list-style-type: none"> (i) That the Council agree to pass a statutory resolution admitting eligible non-teaching staff employed by Fortismere School to participate in the Local Government Pension Scheme; and (ii) That on the basis that the risk to the Fund is negligible and that the Authority is effectively a Guarantor for the Fund, the 	

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	initial employer contribution rate be set at 16.6%.	
PRPP15.	CESSATION REPORT CAPITA BUSINESS SERVICES LTD The Committee considered a report on the funding position attributable to Capital Business Services Ltd on their cessation as an admitted body to the Haringey Council Pension Fund at 31 March 2006. RESOLVED (i) That the cessation of Capita Business Services Ltd as an admitted body in the Haringey Council Pension Fund be noted; and (ii) That cessation identified a surplus in the Fund of £34,000 be noted.	
PRPP16.	ANY UNRESTRICTED ITEMS OF URGENT BUSINESS None. The meeting ended at 22:00	

Councillor GMMH RAHMAN KHAN
Chair, Pensions Committee 2007/8

Date: