

**MINUTES OF THE PENSIONS COMMITTEE
THURSDAY, 18 SEPTEMBER 2008**

Councillors Rahman Khan (Chair), Adje, Basu, Butcher, Thompson and Wilson

Apologies Roger Melling

Also Present: David Fishman, Howard Jones and Earl Ramharacksingh

MINUTE NO.	SUBJECT/DECISION	ACTION BY
PRPP28.	<p>APOLOGIES FOR ABSENCE</p> <p>Apologies for absence were received from Roger Melling.</p> <p>The Chair welcomed Emily McGuire and David Hager, representing the Pension Fund's new investment adviser Hewitt Associates Ltd, to their first meeting of the Committee. The Chair also welcomed David Fishman, new pensioner representative, and Earl Ramharacksingh, new representative of admitted and scheduled bodies, to their first meeting and congratulated them on their appointments.</p>	
PRPP29.	<p>URGENT BUSINESS</p> <p>There was no urgent business.</p>	
PRPP30.	<p>DECLARATIONS OF INTEREST</p> <p>Councillor Butcher declared a personal interest in respect of his membership of the Haringey Pension Scheme.</p> <p>Councillor Wilson declared a personal interest in respect of his employment by the Association of British Insurers.</p> <p>Councillor Basu declared a personal interest in respect of his membership of the Haringey Pension Scheme.</p> <p>Councillor Rahman Khan declared a personal interest in respect of his membership of the Haringey Pension Scheme. He also declared a personal interest in respect of his attendance at training events and conferences, to which some of the Fund Managers may have directly contributed.</p> <p>Councillor Thompson declared a personal interest in respect of his membership of the Haringey Pension Scheme. He also declared a personal interest in respect of his attendance at training events and conferences, to which some of the Fund Managers may have directly contributed.</p>	

**MINUTES OF THE PENSIONS COMMITTEE
THURSDAY, 18 SEPTEMBER 2008**

PRPP31.	MINUTES The unrestricted minutes of the meeting held on 23 June were agreed and signed by the Chair.	
PRPP32.	FUND PERFORMANCE UPDATE By way of introduction, the Chair expressed his view that the current turmoil in world financial markets had been brought about by all those involved in the financial system acting with reckless greed. He added that he was very concerned for the position of the Pension Fund in the current market, and that it was his opinion that the Fund Managers should not be embarking on any transactions that would jeopardise the basic balance of the Fund in the present financial circumstances. John Hardy, Corporate Finance, presented the Fund Performance Update report, and tabled revised figures relating to paragraph 8.2 of the report and appendix 2, and an updated appendix 3. Mr Hardy reported on the performance of the combined Haringey fund compared to benchmark and target: for the three months to the end of June 2008 the fund underperformed the benchmark by 2.41% and underperformed the target by 2.82%. For the 15 month period to the end of June 2008 on an annualised basis, the fund underperformed the benchmark by 3.63%, underperformed the target by 5.27% and decreased in absolute terms by 6.85%. Following the Committee's request that officers monitor the Fund Managers' approach to the Responsible Investment Policy, Mr Hardy reported that appendix 3 to the report compared information on responsible investment issues provided by the Fund's three core Fund Managers and the Local Authorities Pension Fund Forum (LAPFF) over the last quarter. The Chair enquired about the current position of invested cash. Mr Hardy would provide an update outside the meeting, and would include this information in the next Fund Performance Update report. The Chair also requested that the next report on responsible investment information include details relating to the top 10 holdings of the fund. On a motion by the Chair it was: RESOLVED i) That the Fund performance position as at end of June 2008 be noted. ii) That responsible investments information be noted. iii) That the budget monitoring position to the end of July 2008 (period 4) be noted. iv) That the business continuity procedure in the event of any of our Fund Managers ceasing to trade be reviewed.	

**MINUTES OF THE PENSIONS COMMITTEE
THURSDAY, 18 SEPTEMBER 2008**

PRPP33. ATTENDANCE BY NEW INVESTMENT ADVISERS (HEWITT), 3 FUND MANAGERS AND CUSTODIAN (NORTHERN TRUST)

The Committee received presentations from the new investment advisers (Hewitt), three Fund Managers and the custodian (Northern Trust) as follows:

HEWITT

Hewitt presented their initial views on the Fund's investment strategy, in a presentation which also covered the Fund's objectives, present position, current strategy, risk breakdown, asset allocation and current Fund Managers' individual ratings. Hewitt then answered questions from trustees on their presentation.

Trustees expressed concern that their ability to fulfil their duties and adequately scrutinise the activities relating to the Fund might be impaired if, in diversifying the asset allocation, the Fund were to be invested in more complex systems that they were not fully familiar with. Hewitt agreed to take these concerns into account, to ensure that the trustees' ability to fulfil their responsibilities in relation to the Fund was not impaired.

It was suggested that, as Hewitt had recently been appointed as investment adviser, it would be an opportune time to review the frequency that Fund Managers reported to meetings of the Pensions Committee. It was agreed that this issue would be discussed with Hewitt in greater detail at the next scheduled meeting of the Pensions Committee.

The Chair thanked Hewitt for their presentation, and expressed his view that the Pensions Committee was now in a stronger position by having the support of both Hewitt as investment advisers and Hymans Robertson as actuarial advisers.

FIDELITY

Fund performance for the equities mandate was 0.74% below the target in annualised terms for the 15-month period to the end of June 2008.

Fund performance for the fixed income mandate was 1.23% below the target in annualised terms for the 15-month period to the end of June 2008.

Fidelity explained reasons for the current performance and answered questions from trustees.

CAPITAL

Fund performance for the equities mandate was 5.99% below the target to in annualised terms for the 15-month period to the end of June 2008.

Fund performance for the fixed income mandate was 4.50% below the

**MINUTES OF THE PENSIONS COMMITTEE
THURSDAY, 18 SEPTEMBER 2008**

	<p>target in annualised terms for the 15-month period to the end of June 2008.</p> <p>Capital explained reasons for current performance and answered questions from trustees.</p> <p>BERNSTEIN</p> <p>Fund performance for the global equities mandate was 8.47% below the target in annualised terms in the 15-month period to the end of June 2008.</p> <p>For the UK equities mandate, performance was 9.47% below the target in annualised terms in the 15-month period to the end of June 2008.</p> <p>Bernstein explained reasons for current performance and answered questions from trustees.</p> <p>In the course of the Fund Managers' presentations, the Committee noted the position of Haringey Pension Fund's remaining negligible investments in Fannie Mae, Freddie Mac, Lehman Brothers and AIG.</p> <p>On conclusion of the presentations of each of the three Fund Managers, they were reminded that on the basis of their expertise, the responsibility for investing funds for the Haringey Pension Fund had been delegated to them on the basis of their respective guarantees of skill, care and expertise. The trustees requested that Fund Managers do not embark on any transactions that would jeopardise the basic balance of the Fund, given the current volatility of the financial markets. Fund Managers were asked to take account of the concerns expressed by trustees.</p> <p>NORTHERN TRUST</p> <p>Northern Trust explained their role as custodian, and presented an overview of their activities over the past year. Trustees were advised of forthcoming training events being organised by Northern Trust, and were also informed of other ways in which the custodian was able to offer support to the work of the trustees and officers. Details of the 2008 fee review were also presented, and the way in which proposed fees have been calculated.</p> <p>The Chair thanked Northern Trust for their presentation.</p>	
PRPP34.	<p>FUND ADMINISTRATION UPDATE</p> <p>Ian Benson, Pensions Manager, presented the Fund Administration update, which outlined the regulatory changes affecting the administration of the Local Government Pension Scheme together with relevant issues covered in circulars issued by the Local Government Pensions Committee and Communities and Local Government. Mr Benson updated members on the draft statutory guidance on ill health retirement, issued for consultation by DCLG, and the position regarding</p>	

**MINUTES OF THE PENSIONS COMMITTEE
THURSDAY, 18 SEPTEMBER 2008**

	<p>the Parliamentary Ombudsman ruling on Equitable Life; the Parliamentary Ombudsman had published its report in July 2008, and a Government response to the report and its recommendations was anticipated within four months. Mr Benson also updated members on those Employing Bodies that had published their Policy Statements since the last Committee meeting, and those from whom Policy Statements were still awaited. The report also detailed instances of early retirements approved by the Chief Financial Officer for the Council and by the Employing Bodies and appeals in the last quarter.</p> <p>The Committee asked to be updated when the Government response to the Parliamentary Ombudsman's report was published. The Chair welcomed those Policy Statements that had been published, and also welcomed the statement on compliance.</p> <p>On a motion by the Chair it was:</p> <p>RESOLVED</p> <p>That the administration report be noted.</p>	
<p>PRPP35.</p>	<p>REPORT ON DISCRETION TO DISREGARD A BREAK IN FULL-TIME EDUCATION OR TRAINING FOR A CHILD'S PENSION</p> <p>Ian Benson, Pensions Manager, presented this report to formalise the Council's policy on whether or not to disregard a break in a child's full-time education or training so that payment of a child's pension can continue and whether or not to suspend payments during any such break. The report recommended that exercise of discretion in relation to such cases be delegated to the Chief Financial Officer, and a framework for the exercise of discretion was proposed.</p> <p>Trustees expressed a view that by exercising discretion in disregarding breaks in full-time education for child pensioners, the Council would be fulfilling its responsibilities.</p> <p>On a motion by the Chair it was:</p> <p>RESOLVED</p> <p>To delegate the exercise of the Authority's discretion concerning the effect of a break in a child's full-time education on their receipt of a child's pension within the following framework:-</p> <ul style="list-style-type: none">i) Where there is a break in full-time education or training, the Chief Financial Officer will decide whether such a break can be ignored on the child's return to full-time education or training.ii) The Chief Financial Officer will have regard to the circumstances of each case within the guideline that the break should not generally extend beyond 12 months from the beginning of one academic year to the end of	

**MINUTES OF THE PENSIONS COMMITTEE
THURSDAY, 18 SEPTEMBER 2008**

	<p>one academic year, or include periods of full-time employment of more than three months.</p> <p>iii) Where the gap extends beyond the 12 month limit as described above, the child must be able to clearly demonstrate a clear intention to return to full-time education or training and has not undertaken paid employment as an alternative career option to returning to full-time education or training.</p> <p>iv) Where the Chief Financial Officer deems it appropriate to ignore a break in full-time education or training, the child's pension will be reinstated from the re-commencement of full-time education or training or such earlier date as the Chief Financial Officer deems appropriate based on the individual circumstance of the case.</p> <p>v) The exercise of this discretion will be reported to the Pensions Committee periodically.</p>	
<p>PRPP36.</p>	<p>ADMISSION AGREEMENT FOR RM EDUCATION PLC</p> <p>Ian Benson, Pensions Manager, presented this report which recommended that RM Education PLC be admitted as a transferee admitted body participating in the Haringey Council Pension Fund from 1st September 2008, as a result of the TUPE transfer of non-teaching lab / technical staff employed by individual schools to RM Education PLC.</p> <p>On a motion by the Chair it was:</p> <p>RESOLVED</p> <p>i) That RM Education PLC be admitted as a transferee admitted body to the Fund from 1st September 2008.</p> <p>ii) That this agreement be a closed agreement such that no new members can be admitted unless they are included in the TUPE transfer on 1st September 2008.</p> <p>iii) That the contractor be required to provide a Bond to the value of £56,000 to be reviewed by the Fund actuary on an annual basis.</p> <p>iv) That final approval to the terms of this Admission Agreement be delegated to the Chief Financial Officer in consultation with the Chair of the Pensions Committee.</p>	
<p>PRPP37.</p>	<p>ANY UNRESTRICTED ITEMS OF URGENT BUSINESS</p> <p>There were no unrestricted items of urgent business.</p>	

**MINUTES OF THE PENSIONS COMMITTEE
THURSDAY, 18 SEPTEMBER 2008**

PRPP38.	EXCLUSION OF PUBLIC AND PRESS RESOLVED That the press and public be excluded from the meeting for consideration of item 12 as it contains exempt information as defined in Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); namely information relating to the business or financial affairs of any particular person (including the authority holding that information).	
PRPP39.	EXEMPT MINUTES The exempt minutes of the special meeting held on 9 June 2008 were agreed and signed by the Chair.	
PRPP40.	ANY EXEMPT ITEMS OF URGENT BUSINESS There were no exempt items of urgent business. The meeting closed at 21:50 hrs.	

COUNCILLOR GMMH RAHMAN KHAN

Chair