



City of Westminster

Minutes

Meeting:

Superannuation Committee

3/2012

Date of meeting:

Wednesday 11 September 2012 at 7.00pm

Attendees:

Councillors:

Suhail Rahuja (Chairman)

Edward Baxter

Patricia McAllister

Dr Cyril Nemeth

Officers:

Barbara Moorhouse (Chief Operating Officer)

Jonathan Hunt (Director of Corporate Finance & Investment)

Carolyn Beech (Acting Director of Human Resources)

Michael Nicolaou (Pension Manager)

Jonathan Deacon (Committee & Scrutiny Officer)

Also in attendance:

Alistair Sutherland (Deloitte Investment Consultants)

Apologies:

Councillor Antonia Cox and Councillor Ian Rowley.

Contact:

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1. MEMBERSHIP OF THE COMMITTEE

1.1 There were no membership changes. It was noted that Councillor Antonia Cox and Councillor Ian Rowley had given their apologies.

2. DECLARATIONS OF INTEREST

2.1 The Chairman made the following declaration:
'I am employed by fund managers who have amongst their clients Hermes. I am not involved in any element of the work which relates to the Westminster Fund and accordingly do not regard this as a prejudicial interest'.

3. MINUTES

3.1 The minutes of the Superannuation Committee meeting held on 24 May 2012 which did not include exempt information were agreed as a correct record and were signed by the Chairman.

5. ANY URGENT BUSINESS

5.1 There were no items of urgent business.

6. EXEMPT REPORT UNDER THE LOCAL GOVERNMENT ACT 1972

6.1 The Committee decided to prioritise the items on the agenda in the absence of the public and press at the meeting. The order of items considered was changed so that agenda items 7, 10, 8 and 9 were considered prior to item 4.

6.2 **RESOLVED:** That under Section 100 (A)(4) and Part 1 of Schedule 12A to the Local Government Act 1972 (as amended), the public and press be excluded from the meeting for the following items of business because they involve the likely disclosure of exempt information on the grounds shown below and it is considered that, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information:

<u>Item Nos.</u>	<u>Grounds</u>	<u>Para. of Part 1 of Schedule 12A of the Act</u>
7 to 10	Information relating to financial or business affairs of any particular person (including the authority holding that information).	3

7. MINUTES

7.1 The minutes of the Superannuation Committee meeting held on 24 May 2012 which included exempt information were agreed as a correct record and were signed by the Chairman.

10. PENSION FUND ADMINISTRATION

10.1 At the previous meeting of the Committee in May 2012, Members had asked for further detail on the Pension Fund's costs. The current report provided information on professional fees (including actuary fees) and central costs charged against the Fund for 2011/12.

10.2 RESOLVED:

1. That a report featuring a budget of the expected charges within central costs be provided to the Committee on an annual basis.
2. That the report be noted.

8. PENSION FUND MANAGER PROCUREMENT

8.1 Mr Hunt introduced the report. The draft paper included related to the asset allocation, the fund manager arrangements and the appropriate structure going forward.

8.2 **RESOLVED:** That further details of the property strategy be outlined in a report for the November 2012 Superannuation Committee meeting.

9. REPORT ON THE PERFORMANCE AND MANAGEMENT OF THE COUNCIL'S PENSION FUND

9.1 The Committee received a report which presented a summary of the Fund's performance to 30 June 2012 and a paper with a suggested approach in respect of investment manager arrangements.

9.2 RESOLVED:

1. That specific changes in respect of the investment manager arrangements be agreed.
2. That the report be noted.

4. ANNUAL REPORT AND ACCOUNTS

4.1 Mr Hunt introduced the report. He stated that the Council was required to produce a Pension Fund Annual Report by 1 December 2012. The Annual Report had been published at the present time to take into account the Audit Commission's mandate as auditor concluding at the end of September. The Committee was asked to approve the Annual Report subject to the Audit & Performance Committee approving the Council's Statement of Accounts which includes the Pension Fund's Statement of Accounts. This matter would be considered by the Audit & Performance Committee on 25 September 2012.

4.2 The Chairman suggested a couple of corrections to pages 27 and 33 of the report (Schroders had been listed with the Hermes asset allocation in the Fund and vice versa and the actuarial value of the promised retirement

benefits related to the figure in 2010). Mr Hunt stated that the final version of the report would be published on the Council's website. The Chairman asked for further details in respect of the substantial figure for 'other current assets' included in the Net Asset Statement as at 31 March 2012. Mr Hunt responded that as part of its review of Quangos, the Government had taken the decision to abolish the Tenant Services Authority ('TSA') and move some of its operations to the Homes and Communities Agency. The Department for Communities and Local Government had agreed to hold the Fund harmless to any detrimental impact this would have on the Fund and would reaffirm a legal undertaking given by the Secretary of State for DCLG when the TSA was set up in 2008. The Government had subsequently decided to pay £65m of the TSA's deficit to the Council at the year end on 30th March 2012 which had entered the Council's account on 2nd April. It had therefore been included in the 'other current assets' column. Mr Hunt added that officers were currently in discussions with DCLG regarding having a similar legal undertaking in relation to The Independent Housing Ombudsman. A letter had previously been received from DCLG which whilst not making a commitment which was legally binding, gave greater comfort regarding the support it was likely to provide. There was a guarantee in place from the Government in relation to the Homes & Communities Agency.

- 4.3 **RESOLVED:** That the Annual Report be approved, subject to the amendments being made to it as suggested by the Chairman and also the Audit & Performance Committee approving the Council's Statement of Accounts.

11. CLOSE OF MEETING

- 11.1 The meeting closed at 8.37pm.

CHAIRMAN:

DATE: