

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE PENSIONS COMMITTEE

HELD AT 7.30 P.M. ON THURSDAY, 18 NOVEMBER 2010

**C1, 1ST FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE CRESCENT,
LONDON E14 2BG**

Members Present:

Councillor Anwar Khan (Chair)
Councillor Craig Aston
Councillor Shafiqul Haque

Others Present:

John Gray (Unison)
Frank West (GMB)

Officers Present:

Alan Finch – (Service Head, Corporate Finance, Resources)
Oladapo Shonola – (Chief Financial Strategy Officer, Resources)
Alan Ingram – (Democratic Services)

1. ELECTION OF VICE-CHAIR FOR THE MUNICIPAL YEAR 2010/2011

Councillor Shafiqul Haque **moved**, the Chair **seconded** and it was

RESOLVED

That Councillor Shafiqul Haque be elected Vice-Chair of the Pensions Committee for the remainder of the Municipal Year 2010-2011.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillor Mohammed Abdul Mukit MBE.

3. DECLARATIONS OF INTEREST

No declarations of interest were made.

4. UNRESTRICTED MINUTES

The Chair **Moved** and it was

RESOLVED

That the unrestricted minutes of the ordinary meeting of the Pensions Committee held on 5th August 2010 be approved and signed by the Chair as a correct record of the proceedings.

5. DEPUTATIONS & PETITIONS

Nil items.

6. UNRESTRICTED REPORTS FOR CONSIDERATION**6.1 LGPS (Management and Investment of Funds) Regulation 2009**

The Chief Financial Strategy Officer introduced the report. In response to queries he confirmed that proposals to co-mingle cash assets would ensure the best possible returns on investments.

RESOLVED

- (1) That the operation of a separate bank account be approved to hold monies held and received on behalf of the Pension Fund to ensure pension fund cash assets are clearly ring-fenced from other monies of the Council.
- (2) That pension fund cash assets continue to be co-mingled with Council Treasury assets to ensure efficient and effective treasury management.
- (3) That pension fund cash assets be invested on a co-mingled basis to ensure that pension fund cash enjoys the same economic rights and return as Council cash assets.

6.2 Absolute Return Manager Interviews

The Service Head, Corporate Finance, Resources introduced the item and clarified the process and reasons for the appointment of an absolute return manager for the Pension Fund.

RESOLVED

- (1) That Ruffer LLP and Baillie Gifford be appointed to manage absolute manager portfolios for the Fund and that £70m (£35m each) be transferred from cash held and existing equity holdings to fund the mandates.
- (2) That the contracts referred to in (1) above be completed to the satisfaction of the Assistant Chief Executive (Legal Services).

6.3 Investment Panel for Quarter Ending 30 September 2010

The Service Head, Corporate Finance, Resources presented the report and commented that references to the quarter ending 30 September should be replaced throughout the report by the quarter ending 30 June. The results of the quarter ending 30 September would be reported to the next meeting of the Committee.

He then commented on the performance of the Fund and, in response to queries, confirmed that volatility in the economies of Ireland and Portugal had the potential to have a knock-on effect on other economies which would not be a positive effect on markets. However, all efforts would be made to minimise losses in that scenario.

REOLVED

That the report be noted.

6.4 2009/10 Local Government Pension Fund Annual Report

The Chief Financial Strategy Officer introduced the Pension Fund Annual Report, which had been audited and contained minor amendments to the version presented to the Committee on 5th August 2010. The report would now be published before the due date of 1st December 2010.

RESOLVED

That the report be noted.

7. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT

7.1 LAPFF Annual Conference

The Chair stated that this conference would be held from 1st to 3rd December in Bournemouth and would be attended by the Chief Financial Strategy Officer. The Chair regretted that he would be unable to attend but pointed out that two further places were available for representatives of the Council.

Mr John Gray (Unison) indicated that he would be prepared to attend and agreed to provide an update at the next meeting of the Committee.

7.2 Awards Evening

The Chair indicated that he would provide an update of the event at the next meeting of the Committee.

The meeting ended at 8.00 p.m.

Chair, Councillor Anwar Khan
Pensions Committee