

PENSION FUND INVESTMENTS PANEL MINUTES

24 MAY 2011

- Chairman:** * Councillor Mano Dharmarajah
- Councillors:** * Tony Ferrari * Richard Romain
* Thaya Idaikkadar
- Co-optee
(Non-voting):** * Howard Bluston
- In attendance:
(Councillors)** Ajay Maru

[Note: Other Attendance: (1) Robert Thomas and T Thornton attended in an observer role, as the representative of Harrow UNISON;

* Denotes Member present

89. Attendance by Reserve Members

RESOLVED: To note that there were no Reserve Members in attendance at this meeting.

90. Appointment of Vice-Chairman

RESOLVED: To appoint Councillor Thaya Idaikkadar as Vice-Chairman of the Pension Fund Investment Panel for the 2011/2012 Municipal Year.

91. Appointment of Non-Voting Co-optee

RESOLVED: To note the appointment of Howard Bluston as a non-voting co-optee to the Pension Fund Investment Panel for the Municipal Year 2011/12 at the Licensing and General Purposes Committee on 12 May 2011.

92. Declarations of Interest

RESOLVED: To note that the following interests were declared:

Agenda Item 11 – Tender for Investment Consulting Services

Mr Howard Bluston declared a personal interest in that he had worked closely with the Aon Hewitt team based in St. Albans and as a Member of the North London Local Authority Pension Fund Committee.

93. Minutes

RESOLVED: That the minutes of the meeting held on 5 April 2011 and the special meeting on 3 May 2011, be taken as read and signed as correct records.

94. Public Questions, Petitions and Deputations

RESOLVED: To note that no public questions were put, or petitions or deputations received at this meeting.

95. Exclusion of the Press & Public

RESOLVED: That the press and public be excluded from the meeting for the following item for the reasons set out below:

<u>Item</u>	<u>Title</u>	<u>Reason</u>
11.	Tender for Investment Consulting Services	Information under paragraph 3 (contains information relating to the financial or business affairs of any particular person (including the authority holding that information)).

RESOLVED ITEMS

96. Tender for Investment Consulting Services

The Panel received a report of the Interim Director Finance that set out the process the appointment of an investment adviser that had taken place.

The Panel had discussed the suitability of appointing Aon Hewitt as an Investment Advisor at the PFIP meetings on 5 April and 3 May. At the 3 May 2011 meeting, the Panel agreed to submit questions for the proposed lead

consultant in advance of the meeting and meet with representatives of Aon Hewitt to have an informal discussion.

An officer advised that the Panel had the option to appoint one of the two consultants from Aon Hewitt who were in attendance at the meeting. It was agreed that Aon Hewitt would be advised of the consultant chosen subsequent to the meeting.

The representatives from Aon Hewitt answered questions raised by the Panel to which they responded to as follows:

- Aon Hewitt appointed experienced staff from a broad range of consulting and investing backgrounds. This provided the opportunity for clients to receive robust investment advice;
- the number of clients managed by investment consultants at Aon Hewitt varied according to the complexity of the client investment portfolio. Lead consultants had an average total of ten to twelve clients;
- officers were the main point of contact for investment consultants. Key issues relating to investment decisions would be presented and discussed with the Panel;
- a good client/consultant relationship existed where both parties had agreed a defined set of objectives and the client considered the advice provided by the investment consultant that would maximise the performance potential of individual pension fund portfolios.

RESOLVED: That

- (1) Aon Hewitt be appointed as Investment Adviser to the Panel;
- (2) the Panel's preferred lead consultant was John Harrison;
- (3) the s151 or deputy s151 officer be authorised to sign any documentation necessary or desirable to formalise the appointment.

(Note: The meeting, having commenced at 6.39 pm, closed at 8.52 pm).

(Signed) COUNCILLOR MANO DHARMARAJAH
Chairman