

## Minutes

### PENSIONS COMMITTEE

20 June 2012

Meeting held at Committee Room 3a - Civic Centre, High Street, Uxbridge UB8 1UW



HILLINGDON  
LONDON

	<p><b>Committee Members Present:</b> Councillors Philip Corthorne (Chairman), Josephine Barrett, George Cooper, Janet Duncan, Raymond Graham and Paul Harmsworth (Labour Lead)</p> <p><b>Advisory Members/Co-optee Members Present:</b> Andrew Scott</p> <p><b>LBH Officers Present:</b> Tunde Adekoya, Ken Chisholm, Nancy LeRoux and Paul Whaymand and Nikki O'Halloran</p> <p><b>Also Present:</b> Scott Jamieson</p>	
3.	<p><b>APOLOGIES FOR ABSENCE</b> (<i>Agenda Item 1</i>)</p> <p>Apologies for absence were received from Councillors Richard Lewis and David Simmonds. Councillors Josephine Barrett and George Cooper were present as substitutes.</p>	<b>Action by</b>
4.	<p><b>DECLARATIONS OF INTEREST IN MATTERS COMING BEFORE THIS MEETING</b> (<i>Agenda Item 2</i>)</p> <p>Councillors Barrett, G Cooper, Corthorne, Duncan and Harmsworth declared a personal interest in all agenda items, in that they were all members of the Local Government Pension Scheme, and remained in the room during the consideration thereof.</p>	<b>Action by</b>
5.	<p><b>MINUTES OF THE MEETING - 28 MARCH 2012</b> (<i>Agenda Item 3</i>)</p> <p><b>RESOLVED:</b> That the minutes of the meeting held on 28 March 2012 be agreed as a correct record.</p>	<b>Action by</b>
6.	<p><b>MINUTES OF THE MEETING - 10 MAY 2012</b> (<i>Agenda Item 4</i>)</p> <p><b>RESOLVED:</b> That the minutes of the meeting held on 10 May 2012 be agreed as a correct record.</p>	<b>Action by</b>
7.	<p><b>TO CONFIRM THAT ITEMS MARKED PART I WILL BE CONSIDERED IN PUBLIC AND THOSE MARKED PART II WILL BE CONSIDERED IN PRIVATE</b> (<i>Agenda Item 5</i>)</p> <p><b>RESOLVED:</b> The Agenda Items 6 to 10 be considered in public and Agenda Items 11 to 12 be considered in private for the</p>	<b>Action by</b>

	<p>reasons stated on the agenda. Members of the press and public would be excluded from the meeting during the consideration of these items.</p>	
8.	<p><b>REVIEW ON PERFORMANCE MEASUREMENT OF THE PENSION FUND</b> (<i>Agenda Item 6</i>)</p> <p>Consideration was given to the report on the review of the fund manager performance for the London Borough of Hillingdon Pension Fund for the period ending 31 March 2012. The total value of the fund's investments as at 31 March 2012 was £611.8m. Members were advised that the performance figures included within the report had been extracted from the Northern Trust Executive Report on page 17 of the agenda.</p> <p>Members noted that, in the current economic climate, the fund's investments had still made above normal stock market returns. Mr Scott Jamieson, Investment Advisor, stated that as the global economy was now more synchronised, the recent period of low economic growth had been more widespread than it would otherwise have been.</p> <p>The market malaise of 2010 had been repeated in recent weeks as economies around the world had faltered. It was noted that Germany was likely to shoulder the financial responsibility of preserving the Euro project, provided there was a behavioural change in those countries which had been profligate over the last few years.</p> <p>Mr Jamieson advised that the future of the global economy was uncertain, particularly as it was heavily influenced by the political environment.</p> <p>It was noted that Mr Mike Powers had recently announced his retirement from UBS. Mr Powers would be attending the Committee's next meeting on 19 September 2012 to provide Members with an update and to say farewell.</p> <p><b>RESOLVED: That the content of this report and the performance of the Fund Managers be noted.</b></p>	Action by
9.	<p><b>RETIREMENT PERFORMANCE STATISTICS &amp; COST OF EARLY RETIREMENTS MONITOR</b> (<i>Agenda Item 7</i>)</p> <p>Consideration was given to the report which summarised the number of Early Retirements in the year 2011/2012. The report also provided Members with an update on the current situation with regard to the cost to the fund of early retirements.</p> <p><b>RESOLVED: That the contents of the report be noted.</b></p>	Action by
10.	<p><b>PENSION FUND OUTTURN 2011 - 2012</b> (<i>Agenda Item 8</i>)</p> <p>Consideration was given to the report which gave Members an overview of the annual budget for the operation of the Pension Fund and enabled them to monitor income and expenditure. The report set</p>	Action by

	<p>out the outturn position for the 2011/12 budget.</p> <p>They were advised that member expenditure had exceeded member income in the last year and that a cash-flow review needed to be undertaken. Members noted that work was underway to look at the Council's impending retirements and the associated financial implications.</p> <p><b>RESOLVED: That the Committee note the budget outturn position for the 2011/12 financial year.</b></p>	
11.	<p><b>PENSIONS ADMINISTRATION PERFORMANCE</b> (<i>Agenda Item 9</i>)</p> <p>Consideration was given to the report which summarised the key work areas of the pension's administration section for each month during the period 1 January 2012 to 31 March 2012. Although performance had previously been reported quarterly, to improve transparency and to review trends, this information had been reported monthly for this report.</p> <p>It was noted that this was the last report that would be provided internally and that the next report would be provided by CAPITA Hartshead. The next report will continue to include information that had previously been reported so that performance could be benchmarked.</p> <p><b>RESOLVED: That the content of the report be noted.</b></p>	Action by
12.	<p><b>GOVERNANCE ISSUES</b> (<i>Agenda Item 10</i>)</p> <p>Consideration was given to the report which provided an update on Pension Fund Governance issues. The report covered the transfer of pensions' administration to CAPITA Hartshead from 1 April 2012, and an update on the current position regarding the proposed new LGPS from 1 April 2014. It was noted that the appointment of CAPITA Hartshead was likely to provide a 27% cost saving over the five year contract.</p> <p>Although there had been some minor initial teething problems, these had been quickly resolved. Performance over the first month had been very positive.</p> <p>With regard to changes to the scheme, Members noted that the move to a career average scheme was a big change. It was also noted that, within the proposed provisions, it was likely that there would be a sharp increase in contributions.</p> <p><b>RESOLVED: That the content of the report be noted.</b></p>	Action by
13.	<p><b>REPORT FROM INVESTMENT SUB COMMITTEE &amp; UPDATE ON INVESTMENT STRATEGY</b> (<i>Agenda Item 11</i>)</p> <p>This item was discussed as a Part 2 item without the press or public present as the information under discussion contained confidential or</p>	Action by

	exempt information as defined by law in the Local Government (Access to Information) Act 1985. This was because it discussed 'information relating to the financial or business affairs of any particular person (including the authority holding that information)' (paragraph 3 of the schedule to the Act).	
14.	<p><b>CORPORATE GOVERNANCE AND SOCIAL RESPONSIBLE INVESTMENT</b> (<i>Agenda Item 12</i>)</p> <p>This item was discussed as a Part 2 item without the press or public present as the information under discussion contained confidential or exempt information as defined by law in the Local Government (Access to Information) Act 1985. This was because it discussed 'information relating to the financial or business affairs of any particular person (including the authority holding that information)' (paragraph 3 of the schedule to the Act).</p>	<b>Action by</b>
	The meeting, which commenced at 5.30 pm, closed at 6.04 pm.	

These are the minutes of the above meeting. For more information on any of the resolutions please contact Nikki O'Halloran on 01895 250472. Circulation of these minutes is to Councillors, Officers, the Press and Members of the Public.