

Minutes

PENSIONS COMMITTEE

9 December 2025



Meeting held at Committee Room 5 - Civic Centre

	<p>Committee Members Present: Councillors Reeta Chamdal (Chair), Stuart Mathers, Labina Basit and Peter Smallwood (left during agenda item 12)</p> <p>Also Present: Jenny Buck – LCIV Sian Kunert – LCIV Zahra Rumani – LCIV Tony Noakes – Pension Board Member Roger Hackett – Chair of Pensions Board Member Johnny Moore – ISIO Emily McGuire – ISIO Catherine Edgecombe - Hampshire County Council Marian George – Independent Advisor</p> <p>LBH Officers Present: Karl Periera – Trainee Pension Fund Accountant Pete Carpenter – Director, Pensions, Treasury & Statutory Accounts Anisha Teji – Senior Democratic Services Officer Tunde Adekoya – Finance Manager - Pensions & Governance</p>
143.	<p>APOLOGIES FOR ABSENCE (<i>Agenda Item 1</i>)</p> <p>Apologies for absence were received from Councillor Kaushik Banerjee.</p>
144.	<p>DECLARATIONS OF INTEREST IN MATTERS COMING BEFORE THIS MEETING (<i>Agenda Item 2</i>)</p> <p>None.</p>
145.	<p>MINUTES OF THE MEETING DATED 24 SEPTEMBER 2025 (<i>Agenda Item 3</i>)</p> <p>RESOLVED: It was agreed that the minutes of the meeting on 24 September 2025 be confirmed as an accurate record.</p>
146.	<p>TO CONFIRM THAT ITEMS MARKED PART I WILL BE CONSIDERED IN PUBLIC AND THOSE MARKED PART II WILL BE CONSIDERED IN PRIVATE (<i>Agenda Item 4</i>)</p> <p>It was confirmed that agenda items 5 – 10 would be heard in Part I and agenda items 11 – 13 would be heard in Part II.</p>

147. **PETITION ON LGPS DIVESTMENT** (*Agenda Item 5*)

With the Chair's permission, the Committee considered a petition by local residents and members of the Hillingdon Palestine Solidarity Campaign, requesting that Hillingdon Council's pension fund investments be divested from companies alleged to have been complicit in violations of Palestinian rights.

The lead petitioner addressed the Committee, noting over 40 years of residence and work in Hillingdon and membership in the pension scheme. It was reported that over 1000 residents had signed the petition, supported by local groups and trade unions. The petitioner requested a special meeting to review the legal notice, as the current agenda was considered insufficient and called for the Council to end investments in companies complicit in human rights abuses in Gaza. It was urged that influence be used within the London Collective Investment Vehicle to lobby for divestment and that policies be introduced to prevent future investments and terminate contracts with such companies.

The petitioner highlighted that over £6 million had been invested in these companies, with details publicly available and referenced a legal notice outlining obligations to divest. It was noted that 26 councils had already committed to ending ties with such companies. Strong moral and legal arguments were presented, stressing that continued investment rendered the Council complicit in breaches of international law and war crimes. The humanitarian impact, including civilian casualties and violations of the Geneva Convention was emphasised and a clear commitment for action was requested.

The Committee reiterated its fiduciary duty to meet liabilities while considering ESG factors, noting that the Investment Strategy Statement was being updated for approval by the Pensions Committee in March 2026. Members acknowledged numerous resident letters, stressed the importance of responsible investment and confirmed further discussion in Part 2, with decisions to be made public.

RESOLVED: That the Pensions Committee noted the petition and submissions made by the petition organiser.

148. **ADMINISTRATION REPORT** (*Agenda Item 6*)

The Pensions Administration & Performance report was introduced by the Director of Pensions, Treasury & Statutory Accounts. It was reported that membership had increased to 32,546 (+18.5% since onboarding on 27 September 2021), with Active members representing only 29%, reflecting that payments out had exceeded contributions. In October, 100% SLA compliance was achieved, with 242 cases processed within SLA and 502 cases outstanding, mainly awaiting third-party information. Member Portal registrations had reached 16,838 (55% of membership). There were 114 active employers, with one exit recorded in October and pending changes including two exits, ten admitted bodies and one academy conversion. The McCloud Remedy deadline was confirmed as extended to August 2026 and Civica onboarding for the Pensions Dashboard was completed.

Members' queries were raised regarding the average time outstanding administrative cases remained unresolved, the expected completion date for the historic backlog of 243 cases and whether the original compliance deadline under the McCloud requirements had been met. It was confirmed that the remaining cases were complex

and could only be resolved upon individuals' retirement due to missing or inaccessible historic payroll data. Significant progress had been noted from an initial 4000 cases, and the remaining issues were being managed as part of risk assessment. Previous non-compliance was noted as resulting from national technical issues rather than local failures. Members suggested that consideration be given to whether continued reporting of these cases was necessary or whether they should be monitored through risk management processes.

RESOLVED: That the Pensions Committee noted the administration update.

149. **INVESTMENT STRATEGY AND FUND MANAGER PERFORMANCE - PART I**
(Agenda Item 7)

The Investments Strategy and Fund Manager Performance report was introduced by the Director of Pensions, Treasury & Statutory Accounts, and the dashboard produced collaboratively by officers was highlighted. The actuary's quarterly update was reported, confirming a Funding Level of 146%, up from 136% in Q2. Assets were stated as £1.54bn, an increase of £100m, while Liabilities had fallen by £20m, improving the surplus. Key assumptions were noted as a 6.9% discount rate and 2.1% pension increases. Investment performance, as outlined in the joint report with London CIV, was reported as a quarterly return of +5.7%, exceeding the benchmark by 0.3%. Year-to-date returns were +8.4%, with a three-year annualised rate of +9.6%. Top contributors were identified as LGIM Future World Fund (+2.33%), LGIM World Developed Equity (+2.16%) and LCIV Global Alpha Growth Paris Aligned (+0.43%), while underperformance was noted in Opportunistic Dislocation and certain Private Debt allocations.

A concern was raised by Members regarding how the fund would protect itself in the event of a significant downturn in equities, given their current position as the largest growth factor. It was confirmed that this matter would be addressed in detail during Part 2 of the meeting as part of the investment strategy discussion.

RESOLVED: That the Committee noted the funding and performance update.

150. **RESPONSIBLE INVESTMENT** (Agenda Item 8)

The Responsible Investments Update was introduced by the Finance Manager – Pensions & Governance. The report provided information on how managers entrusted with investing Pension Fund assets had implemented ESG policies and demonstrated commitment to integrating them into the investment process. A voting breakdown was summarised: LGIM was recorded as having opposed proposed management resolutions on 27% of occasions, supported approximately 72%, and abstained on 1.26%. The London CIV, through three equity portfolio managers and the absolute return manager Ruffer, was noted as having supported management resolutions on 88% of voting opportunities, opposed around 10%, with abstentions at 1.79%. As requested at the previous Committee meeting, detailed lower-level voting tables were included on pages 41–44. During the quarter, LAPFF was reported to have engaged with various companies worldwide on ESG issues, with three examples of engagement activities in Q2 2025 (Environmental, Social, and Executive Remuneration) provided.

The fund managers' engagement activities and compliance efforts, along with LAPFF engagement, were noted by the Committee. The importance of balancing governance-focused resolutions with social and environmental issues was highlighted, with

LAPFF's role in promoting ESG priorities stressed. It was observed that most shareholder resolutions related to remuneration and governance rather than environmental or social factors, reinforcing the need for continued engagement on these themes. Questions were raised about whether recent voting patterns indicated a significant behavioural shift or remained consistent with previous trends. Officers confirmed that resolutions were largely standard and shareholder-proposed, with some variation reflecting current issues. It was further noted that environmental resolutions appeared to have decreased, particularly among US-based companies, though this was not taken to imply reduced corporate focus. Cybersecurity was identified as an area with limited shareholder resolutions.

RESOLVED: That the Pensions Committee:

- 1. Noted the fund managers' ESG activities and compliance efforts**
- 2. Noted LCIV & LAPFF activities**

151. **RISK REGISTER REPORT** (*Agenda Item 9*)

The Risk Register Report was introduced by the Finance Manager – Pensions & Governance and key risks were outlined along with mitigation measures. Risks were categorised as either tolerated, managed as business as usual, or open, actively monitored and addressed. Members were advised that forthcoming "Fit for Future" legislation would require a full review of the register and risk management approach. It was noted that new rules had recently been issued, creating tight timescales for compliance ahead of the 1 April 2026 go-live date, with consultation still to be completed.

Queries were raised regarding liquidity for member dealings and whether late publication of national guidance should be considered a risk. It was confirmed that liquidity had been well managed, with strong cash balances and no need to sell assets for pensions in the past 20–30 years. Private equity and debt investments were reported as currently providing cash flow and strategies such as redirecting investment income were available to address future gaps. A review of cash flow risks was scheduled to follow the valuation results, and a graph illustrating asset maturity and cash flow trajectory was requested. These considerations were noted as forming part of the investment strategy discussion in Part II.

Further questions confirmed that the risk register included non-investment risks such as cyber security, tax, compliance, and administrative errors. Members highlighted the importance of ensuring risk 11 (failure of the pool) reflected the significant work required to meet "Fit for Future" requirements by March. Given tight timescales and new rules, it was agreed that additional touch-base meetings before March would be necessary to monitor progress and mitigate risks.

RESOLVED: That the Pensions Committee:

- 1. Considered and agreed the Risk Register in terms of the approach, the specific risks identified, and the measures being taken to mitigate those current risks.**
- 2. Noted the revised format and agreed the retired risks and those which remained open.**

152. **GOVERNANCE** (*Agenda Item 10*)

	<p>The Committee reviewed the work plan and noted that some policies, including the Conflicts of Interest, Training Policy and Responsible Investment Policy, will be deferred to March 2026 to align with the annual valuation. Continuous professional development was highlighted, with a training log provided for members. The Committee noted progress towards compliance with the General Code of Practice, with two policies scheduled for approval in Part 2 to achieve full compliance. The draft Funding Strategy Statement was presented and approved for consultation, aiming to maintain stable employer contribution rates and ensure long-term solvency. Revised Internal Dispute Resolution Procedure guidance was agreed, clarifying Stage 1 responsibilities for academies and updates to the Administration Strategy Statement were approved to reflect pensions dashboard requirements. Members discussed governance standards compared to other London funds, welcomed ongoing training and requested a review of any outstanding internal audit recommendations.</p> <p>RESOLVED:</p> <p>That the Committee:</p> <ol style="list-style-type: none"> 1. Noted the dates for Pensions Committee meetings. 2. Noted Committee Work Plan. 3. Noted Committee’s Continuous Professional Development update. 4. Noted GCoP Update. 5. Noted and Approved Draft Funding Strategy Statement for Consultation. 6. Noted and Approved Revised Internal Dispute Resolution Procedure Guide. 7. Noted and Approved Revised Pensions Administration Strategy Statement.
153.	<p>APPROVE RESTRICTED MINUTES FROM MEETING ON 24 SEPTEMBER 2025 <i>(Agenda Item 11)</i></p> <p>RESOLVED: That the Committee approved the restricted minutes from the meeting on 24 September 2025.</p>
154.	<p>GOVERNANCE PART II <i>(Agenda Item 12)</i></p> <p><i>This item was discussed as a Part II 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).</i></p> <p>RESOLVED: That the Committee noted the recommendation as detailed in the confidential report.</p>
155.	<p>INVESTMENT PART II - STRATEGY REVIEW AND FIT FOR THE FUTURE UPDATE <i>(Agenda Item 13)</i></p> <p><i>This item was discussed as a Part II 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</i></p>

	<i>to the Act).</i> RESOLVED: That the Committee noted the recommendation as detailed in the confidential report.
	The meeting, which commenced at 5pm, closed at 8.32 pm.

These are the minutes of the above meeting. For more information on any of the resolutions please contact Anisha Teji on ateji@hillingdon.gov.uk. Circulation of these minutes is to Councillors, Officers, the Press and Members of the Public.