

## Minutes

### PENSIONS COMMITTEE

22 June 2011

Meeting held at Committee Room 4 - Civic Centre,  
High Street, Uxbridge UB8 1UW



HILLINGDON  
LONDON

	<p><b>Committee Members Present:</b> Councillors Corthorne (Chairman), Duncan, Harmsworth, Lewis and Simmonds.</p> <p><b>Advisory Members Present:</b> John Holroyd and Andrew Scott</p> <p><b>LBH Officers Present:</b> Paul Whaymand - Deputy Finance Director Nancy LeRoux – Senior Finance Manager Ken Chisholm – Corporate Pensions Manager James Lake – Investment Manager Natasha Dogra – Democratic Services Officer</p> <p><b>Others Present:</b> Scott Jamieson -Independent Advisor John Hastings – Investment Consultant, Hymans Robertson</p>	
7.	<p><b>APOLOGIES FOR ABSENCE</b> (<i>Agenda Item 1</i>)</p> <p>Apologies had been received from Cllr Michael Markham.</p>	<b>Action by</b>
8.	<p><b>DECLARATIONS OF INTEREST IN MATTERS COMING BEFORE THE COMMITTEE</b> (<i>Agenda Item 2</i>)</p> <p>Councillors Corthorne, Harmsworth, Duncan, Lewis and Simmons and Advisory Members John Holroyd and Andrew Scott declared a personal interest in all agenda items as they were members of the Local Government Pension Scheme, and remained in the room for the meeting.</p>	<b>Action by</b>
9.	<p><b>TO AGREE THE MINUTES OF THE PREVIOUS MEETING</b> (<i>Agenda Item 3</i>)</p> <p>The minutes of the meeting held on 23 May 2011 were agreed as an accurate record.</p>	<b>Action by</b>
10.	<p><b>TO CONFIRM THAT ALL ITEMS MARKED PART 1 WILL BE CONSIDERED IN PUBLIC AND ALL ITEMS MARKED PART 2 WILL BE CONSIDERED IN PRIVATE</b> (<i>Agenda Item 4</i>)</p> <p>Resolved that:</p> <ol style="list-style-type: none"><li>1. Agenda items marked 5 to 10 would be considered in public, and;</li><li>2. Agenda items marked 11 to 13 would be considered in private.</li></ol>	<b>Action by</b>

11.	<p><b>REVIEW OF PERFORMANCE MEASUREMENT OF THE FUND</b> <i>(Agenda Item 5)</i></p> <p>The Chairman introduced the report which reviewed the fund management performance of the London Borough of Hillingdon for the period ending 31 March 2011. Members noted that the last quarter showed an underperformance of 0.54% with a positive return of 0.81% compared to the benchmark of 1.35%.</p> <p>Members discussed the performance of the fund managers in the last quarter. Officers stated that the Investment Strategy was continually reviewed and kept in line with the London Borough of Hillingdon's funding level. Officers informed the Committee that the London Borough of Hillingdon's funding level was above the London average.</p> <p>Members asked if a profile of the workforce could be reviewed alongside the next strategy review.</p> <p>Members noted that for the quarter ending on 31 March 2011, Hillingdon returned 0.81% underperforming against the WM average by 0.49%. The one year figure shows an underperformance on 3.16%, returning 5.04% against the average return of 8.20%.</p> <p><b>Resolved: The Committee noted the content of the report.</b></p>	<p><b>Action by</b></p> <p><i>Nancy LeRoux, Senior Finance Manager</i></p>
12.	<p><b>FUND MANAGER INTERNAL CONTROLS</b> <i>(Agenda Item 6)</i></p> <p>The Chairman introduced the report which provided an update on the London Borough of Hillingdon Pension Fund's fund manager and custodian control reviews. These were recommended under the Statement on Accounting Standards and the Audit and Assurance Faculty of the Institute of Chartered Accountants in England and Wales. The review gave an overview of the third party audit opinion of those controls.</p> <p>Members asked Officers whether it was necessary to provide a detailed report where no action was needed by the Committee. Officers said that they were required to review the controls and report on them to Committee. Members requested that the next report include trend data.</p> <p><b>Resolved: The Committee noted the contents of the report regarding the internal controls in place with the fund managers and custodian.</b></p>	<p><b>Action by</b></p> <p><i>Nancy LeRoux, Senior Finance Manager</i></p>
13.	<p><b>BUDGET MONITOR</b> <i>(Agenda Item 7)</i></p> <p>Members discussed the Pension Fund Budget Report as the Committee had responsibility of overseeing the setting of the annual budget for the operation of the Pension Fund and to monitor income and expenditure against that budget.</p>	<p><b>Action by</b></p>

	<p>Total Member income was £1,295k more than the forecast and a further improvement on the position from month 9. Member's expenditure was £919k higher than the budget – an increase of 3% on the previous year.</p> <p><b>Resolved: The Committee noted the budget outturn position for the 2010/11 financial year.</b></p>	<p>Nancy LeRoux, Senior Finance Manager</p>
14.	<p><b>EARLY RETIREMENT MONITOR</b> (<i>Agenda Item 8</i>)</p> <p><b>Resolved: The Committee noted the report</b></p>	<p><b>Action by</b></p>
15.	<p><b>ADMINISTRATION PERFORMANCE REPORT</b> (<i>Agenda Item 9</i>)</p> <p>Members discussed the Pensions Administration Performance report. Members noted the dip in performance on the calculation of actual retirements. Officers explained that they were working closely with HR to prioritise the workload of the section.</p> <p><b>Resolved: The Committee noted the office action to address the fall in specific aspects of the pensions administration performance.</b></p>	<p><b>Action by</b></p> <p>Nancy LeRoux, Senior Finance Manager</p>
16.	<p><b>GOVERNANCE ISSUES</b> (<i>Agenda Item 10</i>)</p> <p><b>Resolved: The Committee agreed to defer this item until their next meeting to ensure Members who had expressed an interest in the item were present to take part in the discussion.</b></p>	<p><b>Action by</b></p> <p>Nancy LeRoux, Senior Finance Manager</p>
17.	<p><b>REPORT FROM INVESTMENT SUB COMMITTEE</b> (<i>Agenda Item 11</i>)</p> <p><i>This item was discussed as a Part 2 item without the press of 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><b>Action by</b></p>
18.	<p><b>RISK MANAGEMENT REPORT</b> (<i>Agenda Item 12</i>)</p> <p><i>This item was discussed as a Part 2 item without the press of 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><b>Action by</b></p>
19.	<p><b>CORPORATE GOVERNANCE &amp; SOCIALLY RESPONSIBLE INVESTMENT</b> (<i>Agenda Item 13</i>)</p> <p><i>This item was discussed as a Part 2 item without the press of public present as the information under discussion contained confidential or</i></p>	<p><b>Action by</b></p>

	<p><i>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>The meeting, which commenced at 5.30 pm, closed at 7.00 pm.</p>		

These are the minutes of the above meeting. For more information on any of the resolutions please contact Natasha Dogra on 01895 277488. Circulation of these minutes is to Councillors, Officers, the Press and Members of the Public.