

Minutes

PENSIONS COMMITTEE

18 June 2014

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



HILLINGDON
LONDON

| | | |
|----|---|------------------|
| | <p>Committee Members Present: Councillors Philip Corthorne (Chairman) Beulah East Tony Eginton (Labour Lead) Raymond Graham John Morse Richard Mills Susan O'Brien David Simmonds</p> <p>Advisory Members John Holroyd and Andrew Scott</p> <p>LBH Officers Present: Paul Whaymand Nancy le Roux Ken Chisolm Charles Francis</p> | |
| 3. | <p>APOLOGIES FOR ABSENCE (<i>Agenda Item 1</i>)</p> <p>Apologies for absence were received from Cllr Markham. Cllr O'Brien acted as substitute.</p> | Action by |
| 4. | <p>DECLARATIONS OF INTEREST IN MATTERS COMING BEFORE THIS MEETING (<i>Agenda Item 2</i>)</p> <p>Councillors Corthorne, Simmonds, O'Brien, Mills and Eginton and advisory member John Holroyd declared pecuniary interests in all Agenda Items, in that they were all members of the Local Government Pension Scheme, and remained in the room.</p> | Action by |
| 5. | <p>MINUTES OF THE MEETINGS - 26 MARCH 2014 AND 5 JUNE 2014 (<i>Agenda Item 3</i>)</p> <p>Were agreed as an accurate record subject to the following amendments: Cllr Harmsworth did attend 26 March 2014 meeting and £719 mentioned within '<i>Review of Performance Measurement of the Pension Fund</i>' be changed to read £719 m.</p> | Action by |
| 6. | <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> | Action by |

| | | |
|----|--|--|
| | That Agenda Items 8, 9 and 10 be considered in private for the reasons stated on the agenda and the rest of the items be considered in public. | |
| 7. | <p>REVIEW ON PERFORMANCE MEASUREMENT OF THE PENSION FUND (<i>Agenda Item 5</i>)</p> <p>Consideration was given to the report which provided a summary of fund manager performance for the London Borough of Hillingdon Pension Fund for the quarter ending 31 March 2014. It was noted that the total value of the fund's investments as at 31 March 2014 was £724m.</p> <p>Reference was made to the performance of the Fund for the quarter ending 31 March 2014, showing an outperformance of 0.17%, with a return of 0.97% compared to the benchmark of 0.80%. One year figures showed returns of 6.78%, which were 0.32% relatively better than the benchmark.</p> <p>Reference was made to Kempen and Macquire and their poor performance against the benchmark. Officers explained they were monitoring the situation closely but proposed the reasons for this would need to be explored by the Investment sub-Committee.</p> <p>In relation to the composition of Hillingdon's Pension Fund, it was noted that the investment strategy had a deliberate defensive bias through the strong allocation to multi-asset programmes and equity programmes that focused on providing sustainable dividend yields. With regards to the private equity proportion of the Pension Fund, Officers explained that they were considering a divestment strategy.</p> <p>Noting the quarterly reporting cycle and gap between 31 March and the mid June Committee date, Members requested that future reports incorporate comments about subsequent activities.</p> <p>RESOLVED -</p> <p>That the report be noted.</p> | <p>Action by</p> <p>Tunde Adekoya</p> |
| 8. | <p>ADMINISTRATION REPORT (<i>Agenda Item 6</i>)</p> <p>Consideration was given to the report which provided an update on the outsourced Pensions Administration contract, the latest pension administration performance data and early retirements in the last quarter of 2013/14.</p> <p>It was noted that a contract review meeting was held on 10 April 2014 with the Capita managers responsible for the contract to emphasise Hillingdon's concerns. Capita were informed that the quality of the Hillingdon data had deteriorated and confidence had fallen in its ability to maintain Hillingdon's data. As a result, a Capita Employee Benefits (CEB) recovery plan was initiated to remedy the situation. Unfortunately, early signs suggest the recovery plan has not been as</p> | <p>Action by</p> |

| | | |
|--|---|------------------|
| | <p>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> <p>RESOLVED -</p> <p>1. That the contents of the report be noted.</p> | |
| 11. | <p>CORPORATE GOVERNANCE & SOCIALLY RESPONSIBLE INVESTMENT (<i>Agenda Item 9</i>)</p> <p>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).</p> <p>RESOLVED -</p> <p>1. That the contents of the report be noted.</p> | Action by |
| 12. | <p>APPOINTMENT OF FUND ACTUARY AND STRATEGIC INVESTMENT CONSULTANT (<i>Agenda Item 10</i>)</p> <p>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).</p> <p>RESOLVED -</p> <p>1. That the contents of the report be noted.</p> | Action by |
| <p>The meeting, which commenced at 7.00 pm, closed at 7.37 pm.</p> | | |

These are the minutes of the above meeting. For more information on any of the resolutions please contact Charles Francis on 01895 556454. Circulation of these minutes is to Councillors, Officers, the Press and Members of the Public.