



HILLINGDON  
LONDON



# Pensions Committee

**Date:** TUESDAY, 23 SEPTEMBER  
2014

**Time:** 7.00 PM

**Venue:** COMMITTEE ROOM 2 -  
CIVIC CENTRE, HIGH  
STREET, UXBRIDGE UB8  
1UW

**Meeting  
Details:** Members of the Public and  
Press are welcome to attend  
this meeting

## Councillors on the Committee

Philip Corthorne (Chairman)  
Michael Markham (Vice-Chairman)  
Beulah East  
Tony Eginton (Labour Lead)  
Raymond Graham  
John Morse  
Richard Mills  
David Simmonds

## Advisory Members

John Holroyd  
Andrew Scott

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**Contact:** Khalid Ahmed  
Tel: 01895 250833  
Fax: 01895 277373  
Email: [kahmed@hillington.gov.uk](mailto:kahmed@hillington.gov.uk)

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***Putting our residents first***

Lloyd White  
Head of Democratic Services  
London Borough of Hillingdon,  
3E/05, Civic Centre, High Street, Uxbridge, UB8 1UW  
[www.hillingdon.gov.uk](http://www.hillingdon.gov.uk)

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## **This Committee**

To discharge the functions of the Pensions Committee aimed at improving market governance across the Pension Fund and the operational effectiveness of Investment Strategy.

## **Terms of Reference**

The Constitution defines the terms of reference of the Pensions Committee as:

1. To maintain a business plan for its activity and evaluates progress against this plan.
2. To monitor financial risks, including all investment risks relative to liabilities, within the Pension Committee's risk framework, and reports any issues or breaches to the Pension Committee.
3. To keep asset allocation under review within range guidelines set by the Pension Committee. Within these range guidelines, the Sub-Committee has delegated authority to:
  - Increase or decrease the allocation to equities, bonds or property
  - Increase or decrease the amounts / proportions of assets in manager mandates
  - Increase or decrease the level of currency hedging in place
  - Select investments for, or dispose of existing investments in, the "opportunity fund" (5% of assets), using the feeder fund.
4. To consider the framework for the allocation of new money among managers. Similarly, in the event that assets need to be realised, the Sub-Committee also considers this matter.
5. To formally review annually the mandates of the managers, and their adherence to their expected investment process and style. This ensures that the explicit written mandate of each of the Fund's managers is consistent with the Fund's overall objective and is appropriately defined in terms of performance target, risk parameters and timescale.
6. To consider the need for any changes to the investment managers' mandates (e.g. in relation to continuing appropriateness of benchmarks and operating guidelines).
7. To consider the need for any changes to the Fund's investment manager arrangements (e.g. replacement, addition, termination) and makes recommendations to the Pension Committee.
8. In the event of a proposed change of managers, to evaluate the credentials of potential managers. To make recommendations to the Pension Committee in respect of any change of managers.

9. To monitor the investment advice from their investment consultant and investment adviser at least annually. To also review their own decision making process at the same time.
10. To be responsible for maintenance of the Fund's Statement of investment Principles (SIP).
11. To carry out any additional tasks delegated to it by the Pension Committee.

# Agenda

## **CHAIRMAN'S ANNOUNCEMENTS**

- 1 Apologies for Absence
- 2 Declarations of Interest in matters coming before this meeting
- 3 Minutes of the meeting -18 June 2014 1 - 4
- 4 To confirm that items marked Part I will be considered in public and those marked Part II will be considered in private

## **PART I - Members, Public and Press**

- 5 External Auditor Report on the Pension Fund Annual Report and Accounts 5 - 74
- 6 Review on Performance Measurement of the Pension Fund 75 - 132
- 7 Pensions Administration Performance 133 - 138
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## **PART II - Members Only**

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- 10 Report on Strategic Investment Activity, Incorporating Reports from Investment Sub-Committee and Fund Manager Activism 147 - 178