

Minutes

Pensions Committee
Wednesday, 23 September 2009
Meeting held at Committee Room 3 - Civic Centre,
High Street, Uxbridge UB8 1UW



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Come into effect on: Immediately (or call-in date)

Members Present:

Councillors George Cooper
Philip Corthorne (Chairman)
Michael Cox
Michael Markham (Vice-Chairman)

Advisory Members / Co-optee Members present:

John Holroyd, Pensioner/Deferred Scheme Representative
Manthorpe, Active Scheme Representative

Apologies:

Cllr Paul Harmsworth and Thomas (UNISON)

Officers Present:

Nancy Leroux
Ken Chisholm
James Lake
Charles Francis

Also Present:

John Hastings
Valentine Furniss

13. APOLOGIES FOR ABSENCE

Cllr Paul Harmsworth (no substitute), John Thomas (UNISON)

14. DECLARATIONS OF INTEREST IN MATTERS COMING BEFORE THIS MEETING

Councillors' Corthorne, Cooper and Cox and Advisory Members Nicholas Manthorpe and John Holroyd declared an interest, as they are members of the Local Government Pension Scheme.

15. TO RECEIVE THE MINUTES OF THE MEETING HELD ON 24 JUNE 2009

Agreed as a correct record.

16. TO CONFIRM THAT THE ITEMS OF BUSINESS MARKED PART 1 WILL BE CONSIDERED IN PUBLIC AND THAT THE ITEMS MARKED PART 2 WILL BE CONSIDERED IN PRIVATE

It was agreed that items 12, 13 and 14 would be considered in private for the reason stated in the agenda. Members of the press and public were therefore excluded from the meeting during the consideration of these items.

17. UPDATE FROM VALENTINE FURNISS - ORAL

Valentine Furniss provided an oral update on the current financial climate for information and background purposes. There was no recommendation arising from this item.

18. REVIEW OF PERFORMANCE MEASUREMENT OF THE FUND

The Chairman introduced the report. This report reviewed the fund management performance for the London Borough of Hillingdon Pension Fund for the quarter to 30 June 2009. It was noted that the performance of the whole fund for the quarter to 30th June 2009 showed an out performance of 0.19% with a positive return of 7.2%, compared to the benchmark 7.02%. In addition, the since inception figures also showed an improvement but still remains just below the benchmark of 0.27% compared to 0.29% for Q1.

Resolved

- 1. That the contents of the report be noted.**
- 2. That the inclusion of information on the Fund Managers absolute returns be noted.**

19. REPORT ON THE UPDATE TO THE STATEMENT OF INVESTMENT PRINCIPLES

The Chairman introduced the report. This report explained the revisions made to the Statement of Investment Principles (SoIP) following the recommendation to amend the disclosure of fund manager and adviser fee structures. In addition, it was noted that the Alliance Bernstein emerging markets benchmark had been amended.

Resolved

- 1. To note that the Fee Structures have been inserted into the Investment Section marked (*) and Recommendation 10 now shows full compliance.**
- 2. That the revised Statement of Investment Principles be approved.**

20. PENSION FUND ANNUAL REPORT & ACCOUNTS AND AUDITOR'S OPINION

The Chairman introduced the report. This report summarised the findings of the External Auditor on the audit of the 2008/09 Annual Report and Pension Fund Accounts. It was noted that regulations require that the auditor's report is communicated to Audit Committee as the body charged with governance of the council's accounts. The report was provided to the Pensions Committee for information.

It was noted that the report was in draft pending the conclusion of the audit.

The auditor has indicated that it is expected that an unqualified opinion will be given on the Pension fund statements and will be issued by 30 September 2009.

Resolved

- 1. To note the auditor's findings and the actions recommended to improve the quality and accuracy of the information contained within the report and accounts and to address the matters raised within the report.**
- 2. To request that in future, the Pension Fund Annual Report and Accounts be reported to Committee in June and that the council's external auditor should attend the September Committee to present their report.**

21. RETIREMENT PERFORMANCE STATISTICS

The Chairman introduced the report. This report summarised the number of early Retirements in the last quarter. Officers explained that from 1 April 2008, employees retired on the grounds of permanent ill-health, have been subject to an assessment by the Occupational Health Practitioner under the revised scheme regulations. It is anticipated that the introduction of the new three tier system will increase the number of ill-health retirements but that overall, as third tier payments are subject to review and can be ceased the cost to the fund may decrease over the longer term.

Resolved

- 1. That the contents of the report be noted.**

22. COST OF EARLY RETIREMENTS

The Chairman introduced the report. The report has been reintroduced following the change in the method by which the council pays the capital cost of early retirements. An additional 1% contribution has been added to the Council's employers' rate, effective from 1 April 2008, and this report monitors the value of that additional 1% contribution against the actual capital costs. The report provided an update on the current situation on the cost to the fund of early retirements.

Resolved

- 1. That the contents of the report be noted.**

23. ELECTION OF SCHEME MEMBER REPRESENTATIVES

Officers introduced the report. The report explained the arrangements in place to hold the next election for the 2 non-trade union scheme representatives to the Pensions Committee. It was noted that both current non-trade union scheme member representatives would be free to stand for re-election.

Resolved

- 1. That the contents of the report be noted.**

24. CORPORATE GOVERNANCE & SOCIALLY RESPONSIBLE INVESTMENT

This item was discussed as a Part 2 item without the press or public present since the information under discussion contains confidential or exempt information as defined by law in the Local Government (Access to Information) Act 1985.

This is because it will discuss '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).

25. REVIEW OF INVESTMENT STRATEGY

This item was discussed as a Part 2 item without the press or public present since the information under discussion contains confidential or exempt information as defined by law in the Local Government (Access to Information) Act 1985.

This is because it will discuss '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).

26. INVESTMENT SUB COMMITTEE

This item was discussed as a Part 2 item without the press or public present since the information under discussion contains confidential or exempt information as defined by law in the Local Government (Access to Information) Act 1985.

This is because it will discuss '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).

Meeting Closed: 18:43 pm

Next Meeting: 14th October 2009, 13:00 pm in CR 3