

## Minutes

### PENSIONS COMMITTEE

19 June 2013

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



HILLINGDON  
LONDON

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|    | <p><b>Committee Members Present:</b><br/>Councillors Philip Corthorne (Chairman), Janet Duncan, Raymond Graham, Paul Harmsworth and David Simmonds.</p> <p><b>Advisory Members/Co-optee Members Present:</b><br/>John Holroyd and Andrew Scott.</p> <p><b>LBH Officers Present:</b><br/>Tunde Adekoya, Ken Chisholm, Nancy LeRoux, Paul Whaymand and Khalid Ahmed.</p> <p><b>Also Present:</b><br/>John Hastings, Scott Jamieson and Linda Selman (Advisors).</p> |           |
| 1. | <p><b>DECLARATIONS OF INTEREST IN MATTERS COMING BEFORE THIS MEETING</b></p> <p>Councillors Corthorne, Duncan, Harmsworth and Lewis, 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 |
| 2. | <p><b>MINUTES OF THE MEETINGS OF 27 MARCH AND 9 MAY 2013</b></p> <p>Agreed as an accurate record subject to the inclusion of Andrew Scott's apologies for the meeting of 27 March 2013.</p>   |           |
| 3. | <p><b>TO CONFIRM THAT ITEMS MARKED PART I WILL BE CONSIDERED IN PUBLIC AND THOSE MARKED PART II WILL BE CONSIDERED IN PRIVATE</b></p> <p>That Agenda Items Items 11, 12, 13 and 14 be considered in private for the reasons stated on the agenda and the rest of the items be considered in public.</p>   | Action by |
| 4. | <p><b>REVIEW ON PERFORMANCE MEASUREMENT OF THE PENSION FUND</b></p> <p>Consideration was given to the report on the review of the fund manager performance for the London Borough of Hillingdon Pension Fund for the period ending 31 March 2013. The total value of the fund's investments was £683m.</p> <p>Reference was made to the performance of the Fund for the quarter showing an outperformance of 1.01% with a return of 7.84% compared</p>            | Action by |

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|    | <p>to the benchmark of 6.82%. The Committee was informed that four of the eight monitored portfolios outperformed their benchmarks with the rest showing their prescribed benchmarks during the quarter.</p> <p><b>RESOLVED:</b></p> <ol style="list-style-type: none"> <li><b>1. That the report and the performance of the Fund Managers be noted.</b></li> <li><b>2. That the Committee noted that the Statement of Investment Principles had been updated to reflect the inclusion of Bearings Asset Management as a Fund Manager.</b></li> </ol>  |  |
| 5. | <p><b>RETIREMENT PERFORMANCE STATISTICS AND COST OF EARLY RETIREMENTS MONITOR</b></p> <p>Consideration was given to the report which summarised the number of early retirements in the year 2012/2013. The report also provided Members with an update on the current situation on the cost to the fund of early retirements.</p> <p>Members were informed that figures continued to be low and within the parameters.</p> <p><b>RESOLVED:</b></p> <ol style="list-style-type: none"> <li><b>1. That the contents of the report be noted.</b></li> </ol>   |  |
| 6. | <p><b>PENSIONS ADMINISTRATION PERFORMANCE</b></p> <p>Consideration was given to the report which summarised the pension administration performance across key areas of work for the period 1 January 2013 to 31 March 2013. It was noted that performance targets were agreed as part of the service level agreement with Capita and conformed to national targets set for England and Wales.</p> <p>The Committee was informed that the previous full year performance data was included in the Annual Report for the Fund which showed a significant improvement.</p> <p>The 4th quarter performance reports indicated an overall average performance of 99.01% per month over the quarter which was an improvement on the previous quarter.</p> <p>Members noted that since Pensions Administration had been outsourced to Capita Employee Benefits as part of the pan London Framework Agreement, there had been savings in administration costs of 27% to the pension fund.</p> <p><b>RESOLVED:</b></p> <ol style="list-style-type: none"> <li><b>1. That the contents of the report be noted.</b></li> </ol> |  |
| 7. | <p><b>CONSULTATION ON TAXPAYER FUNDED PENSIONS FOR COUNCILLORS AND OTHER ELECTED LOCAL OFFICE HOLDERS</b></p> <p>Consideration was given to a draft response to the consultation on</p>  |  |

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|                     | <p>Councillors continued access to the Local Government Pensions Scheme.</p> <p>Members were informed that the draft response prepared on behalf of the Committee stated that the London Borough of Hillingdon firmly supported no change to the current access rights of elected Councillors to the Local Government Pension Scheme and therefore supported option 3.</p> <p>The Committee was also informed that the Local Government Association would also be submitted a response to this consultation.</p> <p><b>RESOLVED:</b></p> <ol style="list-style-type: none"> <li><b>1. That approval be given to the proposed response to the consultation on ‘Taxpayer-funded pensions for councillors and other elected local office holders’.</b></li> </ol>   |                  |
| <p>8.</p> <p>9.</p> | <p><b>DRAFT PENSION FUND ANNUAL REPORT</b></p> <p>The Committee was informed that the Annual Report for the Pension Fund accounts would be formally released to Deloitte, the Council’s external auditors, for audit at the end of June. A draft copy of the report was submitted to the Committee for Member’s comments.</p> <p>Members were informed that the formal report would be brought back to this Committee, together with a presentation on the accounts.</p> <p><b>RESOLVED:</b></p> <ol style="list-style-type: none"> <li><b>1. That the draft Pension Fund Annual Report &amp; Accounts be noted.</b></li> </ol> <p><b>ANNUAL REVIEW OF FUND MANAGER &amp; CUSTODAIN COMPLIANCE WITH STATEMENTS OF INTERNAL CONTROL</b></p> <p>Members were informed that as a good practice measure, an annual review was undertaken by officers of the Statements of Internal Control for all Fund Managers and for the Custodian of the Pension Fund.</p> <p>The Committee was informed that this review had been completed and issues which required further investigation were reported.</p> <p><b>RESOLVED:</b></p> <ol style="list-style-type: none"> <li><b>1. That the outcome of the review of the internal controls in place with the fund managers and custodian be noted.</b></li> <li><b>2. That approval be given for follow up requirements being discussed and managed through the Investment Sub-Committee who will agree actions as part of their work for the coming year.</b></li> </ol> | <p>Action by</p> |
| <p>10.</p>          | <p><b>REPORT FROM INVESTMENT SUB-COMMITTEE AND REVIEW</b></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</p>   |                  |

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|  | <p>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><b>11. CORPORATE GOVERNANCE &amp; SOCIALLY RESPONSIBLE INVESTMENT</b></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><b>12. MEMBERSHIP OF LOCAL AUTHORITY PENSION FUND FORUM</b></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><b>13. INVESTMENT ADVICE CONTRACT</b></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>The meeting, which commenced at 5.30 pm, closed at 6.10 pm.</p> |  |  |

These are the minutes of the above meeting. For more information on any of the resolutions please contact Khalid Ahmed on 01895 250833. Circulation of these minutes is to Councillors, Officers, the Press and Members of the Public.