

Minutes

Pensions Committee

25 March 2015

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



HILLINGDON
LONDON

	<p>Committee Members Present: Councillors Michael Markham (Vice-Chairman - In the Chair), Tony Eginton, Beulah East, Raymond Graham, John Morse, Richard Mills, Susan O'Brien and David Simmonds.</p> <p>Advisory Member: Andrew Scott.</p> <p>Apologies: Councillor Philip Corthorne (Councillor Susan O'Brien substituting), John Holroyd (Advisory Member) and Scott Jamieson (Advisor).</p> <p>Also Present: David O'Hara (Advisor).</p> <p>LBH Officers Present: Tunde Adekoya, Ken Chisholm, Sian Kunert, Nancy LeRoux, Paul Whaymand and Khalid Ahmed.</p>	
29.	<p>MINUTES OF THE MEETING OF 10 DECEMBER 2014</p> <p>Agreed as an accurate record.</p>	
30.	<p>TO CONFIRM THAT ITEMS MARKED PART I WILL BE CONSIDERED IN PUBLIC AND THOSE MARKED PART II WILL BE CONSIDERED IN PRIVATE</p> <p>That Agenda Items 10 and 11 be considered in private for the reasons stated on the agenda and the rest of the items be considered in public.</p>	
31.	<p>REVIEW ON PERFORMANCE MEASUREMENT OF THE PENSION FUND</p> <p>The report provided Members with a summary of the fund manager performance for the quarter ended 31 December 2014. The Committee was informed that the total value of the fund's investments was £764.8m.</p> <p>Reference was made to the table in the report (page 65) which provided a summary of percentage returns and Members noted that for the last 12 months as an average for total assets this was 8.1%. It was noted that these statistics were based on 44 funds with a total market value of £99,097m.</p> <p>The Committee was informed that the agreed investment strategy for</p>	<p>Action by</p>

	<p>the Hillingdon Pension Fund was a deliberate defensive strategy.</p> <p>RESOLVED:</p> <p>1. That the contents of the report be noted.</p>	
32.	<p>PENSIONS ADMINISTRATION PERFORMANCE</p> <p>Consideration was given to the report which provided an update on the Pensions Administration performance and early retirements in the third quarter of 2014/15.</p> <p>The Committee was provided with an update on the ongoing dialogue between the Council and Capita Employee Benefits and Members were informed that performance had significantly improved.</p> <p>Reference was made to the two areas which remained a significant concern through continuing poor levels of performance and Members were provided with measures which were being taken to improve performance.</p> <p>The report which was considered in Part II of the agenda provided Members with greater detail on the measures which were being taken by officers and the options which were available for the service.</p> <p>Members were informed that a further update report would be submitted to the June meeting of the Committee.</p> <p>RESOLVED:</p> <p>1. That the latest administration performance statistics and early retirement statistics be noted.</p>	Nancy Leroux
33.	<p>DELOITTE - 2014/15 ANNUAL AUDIT PLAN</p> <p>The report provided details of the initial plans for the audit of the Pension Fund Accounts 2014/15 by Deloitte. Details of the key audit risks were reported and Members were informed that the whole process would be completed by early September.</p> <p>The Committee was informed that the document had been approved by the Audit Committee at its meeting on 17 March 2015.</p> <p>RESOLVED:</p> <p>1. That the details contained in the 2014/15 Annual Audit Plan be noted.</p>	
34.	<p>GOVERNANCE UPDATE - LOCAL PENSION BOARD</p> <p>The Committee was provided with an update on progress on the introduction of a local Pension Board and the consequent recent constitution changes which would affect the Pensions Committee and Investment Strategy Sub-Committee.</p> <p>Members were informed that interviews for the Employee / Scheme</p>	

	<p>Member Representatives would be taking place on 30 March 2015 and the membership of both the Pensions Committee and Pensions Board would be in place by 1 April 2015.</p> <p>Details of the terms of Reference of both the Pensions Committee and Pensions Board were reported.</p> <p>RESOLVED:</p> <p>1. That the progress made in the establishment of the Hillingdon Pension Board be noted.</p>	<p>Action By</p>
<p>35.</p>	<p>FREEDOM AND CHOICE IN PENSIONS</p> <p>Members were reminded that at the last meeting of the Committee, officers were asked to provide a report which outlined the implications of the forthcoming changes, announced by the Chancellor of the Exchequer in the March Budget on "Freedom and Choice in Pensions".</p> <p>Discussion took place on the legal requirement for a member of the Local Government Pension Fund to take independent financial advice from an appropriate approved Financial Advisor before proceeding with any transfer of benefits out of the Scheme. Concern was expressed at the potential administration problem for the Fund as there would be no obligation on the individual to act on or accept advice given. However, the Scheme Administrator would have to be able to evidence that the member had sought appropriate advice to defend any potential future challenge or appeal.</p> <p>The Committee was informed that a report would be submitted to the next meeting of the Committee on what the Scheme Administrator would have in place in terms of this potential problem.</p> <p>RESOLVED:</p> <p>1. That the information contained in the report be noted.</p>	<p>Ken Chisholm</p>
<p>36.</p>	<p>REVIEW ON PERFORMANCE - PART II - FUND MANAGER REVIEW AND ACTIVISM</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 confidential report provided Members with performance updates on recent meetings with Fund Managers and an overview of engagement activities over the last quarter.</p> <p>RESOLVED:</p> <p>1. That the information contained in the report be noted.</p>	

<p>37.</p>	<p>INVESTMENT STRATEGY REPORT</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 confidential report provided Members with an overview of the current investment strategy of the London Borough of Hillingdon Pension Fund.</p> <p>The Committee's Fund Investment Consultant provided details on the views of KPMG on the short and medium term investment strategy and provided the reasoning for the specific recommendations to this Committee.</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That Ruffer be authorised to proceed with an allocation of their current Hillingdon holdings in a 'lite' version of their liquid fund; limited up to 5% of their mandate. 2. That approval be given to the moving of SSgA gilts holdings to long-dated and UBS TIPs to long-dated TIPs, with timings delegated to officers. 3. That the contents of the report be noted. 	
<p>38.</p>	<p>PENSIONS ADMINISTRATION CONTRACT</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>A confidential update was provided to Members on recent actions by officers in relation to the Pensions Administration Contract.</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That the ongoing officer action in relation to the Pensions Administration contract be noted. 	
<p>The meeting, which commenced at 7.00pm closed at 7.35pm</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.