

Minutes

Pensions Committee

5 October 2015

Meeting held at Committee Room 4 - Civic Centre,
High Street, Uxbridge UB8 1UW



HILLINGDON
LONDON

	<p>Committee Members Present: Councillors Michael Markham (Vice-Chairman - In the Chair), Beulah East, Tony Eginton, Peter Davis and Susan O'Brien.</p> <p>Apologies: Councillor Philip Corthorne (Councillor Susan O'Brien substituting) and Scott Jamieson (Advisor).</p> <p>Also Present: David O' Hara (Advisor) and Andrew Scott (Employee Representative of Pensions Board).</p> <p>LBH Officers Present: Tunde Adekoya, Ken Chisholm, Sian Kunert, Nancy Le Roux, Paul Whaymand and Khalid Ahmed.</p>	
15.	<p>DECLARATIONS OF INTEREST IN MATTERS COMING BEFORE THIS MEETING</p> <p>Councillor Susan O'Brien declared a Non-Pecuniary Interest in all agenda items as she was a "deferred" member of the Local Government Pension Scheme. She remained in the room during discussion on the item.</p> <p>Councillor Tony Eginton declared a Non-Pecuniary Interest in all agenda items as he was a retired member of the Local Government Pension Scheme. He remained in the room during discussion on the item.</p>	
16.	<p>MINUTES OF THE MEETING OF 23 SEPTEMBER 2015</p> <p>Agreed as an accurate record subject to the inclusion of the following:</p> <p>[Under External Auditor Report on the Pension Fund Annual Report and Accounts to include the following:</p> <p>"Accuracy of Benefit Calculations- Discussion took place on problems that Capita had with the issuing of annual statements and that their performance had been poor. The Corporate Pensions Manager reported that a lot of work was being carried out in terms of identifying every individual staff member from schools and academies to enable records to be updated, but it was acknowledged that the overall performance of Capita had been poor in this respect."</p> <p>In relation to risk management and internal control systems and the</p>	

	<p>comment relating to the identification of a number of differences between the valuations provided by the investment managers and that provided by Northern Trust, the following was added:</p> <p>"The Committee was informed that controls were being put in place to move this forward."</p> <p>An additional comment was also included as follows: "The Committee noted that the External Auditor's report on the audit of the Pension Fund Accounts was positive and indicated that the Council had achieved a satisfactory conclusion on the key audit risks. It was noted that the satisfactory conclusion was interpreted as a good performance by the Council."]</p>	
17.	<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>Items 5, 6, 7 and 8 and were considered in private.</p>	
18.	<p>MINUTES OF INVESTMENT STRATEGY SUB-COMMITTEE - 3 FEBRUARY</p> <p><i>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).</i></p> <p>Agreed as an accurate record, subject to noting that Councillor Tony Eginton had declared a Non-Pecuniary interest in all agenda items as he was a retired member of the Local Government Pension Scheme.</p>	
19.	<p>RISK AND INVESTMENT STRATEGY - TRAINING</p> <p><i>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).</i></p> <p>David O'Hara from KPMG provided the Committee with a presentation on the London Borough of Hillingdon Pension Fund Investment Strategy and Risk.</p> <p>RESOLVED:</p> <p>(1) That the information provided be noted.</p>	
20.	<p>INVESTMENT STRATEGY AND FUND MANAGER PERFORMANCE</p>	<p>Action By:</p>

	<p><i>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).</i></p> <p>The Committee had a discussion about proposed changes for the investment strategy of the London Borough of Hillingdon Pension Fund.</p> <p>RESOLVED:</p> <p>(1) That the Committee considered the proposed strategy changes and agreed the course of action discussed, particularly the proposed increase in exposure to direct lending and return target for the JP Morgan mandate.</p> <p>(2) That approval be given to the delegation of the implementation of decisions to the Officer and Advisor - Investment Strategy Group.</p> <p>(3) That the actions to be taken as discussed in respect of existing manager mandates be noted.</p>	<p>Nancy Le Roux</p> <p>Nancy Le Roux</p> <p>Nancy Le Roux</p>
<p>21.</p>	<p>PENSIONS ADMINISTRATION REPORT</p> <p><i>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).</i></p> <p>The Committee was provided with a report which provided an update on recent actions taken by officers in respect of the Capita Employee benefits contract, the latest pension administration performance and also details on early retirements for the first quarter of 2015/16.</p> <p>RESOLVED:</p> <p>(1) That the recent actions taken by officers in the management of the Capita Employee Benefits contract be noted.</p> <p>(2) That the latest administration performance statistics, including information on Annual Benefit Statements and Transfers be noted.</p> <p>(3) That the latest information in respect of early retirements be noted.</p> <p>(4) That officers be asked to develop a 'Plan B' in relation to</p>	<p>Action By:</p> <p>Nancy Le</p>

	<p align="center">the future of the Pensions Administration contract to present to Pensions Committee at the December meeting</p>	<p align="center">Roux</p>
<p>22.</p>	<p>GOVERNANCE REPORT</p> <p><i>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).</i></p> <p>Consideration was given to a report which provided an update on governance issues for the London Borough of Hillingdon Pension Fund. Included in the report was a draft policy for reporting breaches of the law, an update on the first meeting of the local Pension Board, changes on the Statement of Investment Principles and current consultations on the LGPS.</p> <p>The Committee was informed that with the assistance of AON Hewitt, who had been appointed to develop governance arrangements for the Fund, a draft procedure for reporting breaches of the law had been developed.</p> <p>Members noted that breaches could occur in relation to the administration function of the scheme such as record keeping, internal controls, the calculating of benefits and making investment decisions.</p> <p>Recent changes to the governance of the Fund required that the Statement of Investment principles be updated and members were asked to agree those changes.</p> <p>RESOLVED:</p> <p>(1) That approval be given to the Reporting of Breaches Policy.</p> <p>(2) That the report on the first meeting of the local Pension Board be noted.</p> <p>(3) That approval be given to the changes to the Statement of Investment Principles.</p> <p>(4) That the work on potential changes to scheme governance be noted.</p>	
	<p>The meeting, which commenced at 7.00pm closed at 8.25pm</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.