

Pensions Committee

14 June 2017

Meeting held at Committee Room 5- Civic Centre,
High Street, Uxbridge UB8 1UW



	<p>Committee Members Present: Councillors Michael Markham (Vice-Chairman - In the Chair), Peter Davis, Beulah East, Tony Eginton and Susan O'Brien.</p> <p>Apology: Councillor Philip Corthorne (Councillor Susan O'Brien substituting).</p> <p>Also Present: David O'Hara (Advisor).</p> <p>Pensions Board Members: Councillor John Morse.</p> <p>LBH Officers Present: Tunde Adekoya, Sian Kunert, Nancy Le Roux and Khalid Ahmed.</p>	
3.	<p>DECLARATIONS OF INTEREST IN MATTERS COMING BEFORE THIS MEETING</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>	
4.	<p>MINUTES OF THE MEETINGS HELD ON 22 MARCH AND 11 MAY 2017</p> <p>Agreed as accurate records.</p>	
5.	<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>It was agreed that Agenda Items 7 and 8 would be considered in private.</p>	
6.	<p>INVESTMENT STRATEGY AND FUND MANAGER PERFORMANCE</p> <p>Consideration was given to a report which provided Members with an overview of fund performance as at 31 March 2017, an update on recent investment decisions and progress on the London CIV.</p> <p>The Committee was informed that the total size of the fund was £956m at 31 March 2017 which was an increase from £931m at the end of the last quarter. This represented an overall investment return over the quarter of 2.88% which was a relative underperformance of the benchmark by 0.26%.</p>	

Discussion took place on the Fund performance and Members were informed that the most notable attributer to the underperformance on investments had been Newton and Private Equity with a positive swing from GMO shortly before these funds had been disinvested.

Outperformance over a one year rolling programme had been 1.55% ahead of the benchmark, with the largest contributions from UBS UK Equity and Ruffer Funds. The GMO mandate had been terminated and transferred into a passive portfolio. Members were reminded that that excess cash had been invested into the JP Morgan bond portfolio which had been agreed by this Committee at its meeting in March.

In Part II of the agenda, discussion took place on possible options for future investment strategies as well as the performance of individual Fund Managers.

Discussion took place on the uncertainties in the market and the overall financial climate and Members agreed not to make any decisions in relation to the investment strategy at this stage.

An update was also provided on the progress of the London CIV.

RESOLVED:

- (1) That the Committee discussed and noted the performance update and asked that officers submit a further report to the next meeting on options which were available in respect of future investments in view of the current financial climate.**
- (2) That the follow up activity to previous decisions and progress in the development of the London CIV be noted and a further report be submitted to the next meeting of the Committee.**

7. PENSIONS ADMINISTRATION REPORT

The Committee was provided with an update on the administration of the London Borough of Hillingdon Fund of the Local Government Pension Scheme, both in relation to Surrey, and internally at Hillingdon.

In addition, consideration was given to a draft Communications Strategy for the Pension Fund.

Members were informed that Surrey was struggling to cope with the volume of issues which had been transferred from Surrey. Steps were being taken to increase staffing to clear the backlog of data and outstanding workloads which had been inherited from Capita.

The Committee was informed that Uxbridge College would be merging with Harrow College from 1 August 2017 with increased contributors into the Hillingdon Pension Fund. Discussions were still ongoing.

Discussion took place on the Communications Strategy and suggested

	<p>amendments were made which included in the Mission Statement replacing the term "customer focused" in the first bullet point, to "stakeholder focused".</p> <p>In addition, in relation to the Communication Aims and Objectives, the final bulleting should read "Annually evaluate the effectiveness of communications and shape future communications appropriately".</p> <p>RESOLVED:</p> <p>(1) That, subject to the amendments outlined above, approval be given to the Communications Strategy for the London Borough of Hillingdon Pension Fund.</p>	
8.	<p>INVESTMENT STRATEGY AND FUND MANAGER PERFORMANCE</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, prepared by KMPG, on investments held by the fund.</p> <p>RESOLVED:</p> <p>(1) That the information be noted, together with the performance of Fund Managers.</p>	
9	<p>PENSION FUND RISK REGISTER</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 report provided details of the main risks to the Pension Fund which enabled the Committee to monitor and review.</p> <p>RESOLVED:</p> <p>(1) That the Committee considered the Risk Register and noted the measures which were being taken to mitigate the indentified risks.</p>	
<p>The meeting, which commenced at 7.00pm closed at 7.45pm</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.

