

Minutes

PENSIONS COMMITTEE

10 December 2024

Meeting held at Committee Room 5 - Civic Centre



HILLINGDON
LONDON

	<p>Committee Members Present: Councillors Reeta Chamdal (Chair), Kaushik Banerjee (Vice-Chair), Philip Corthorne (present for agenda items 1 - 10), Stuart Mathers and Tony Burles</p> <p>LBH Officers Present: Tunde Adekoya, Finance Manager – Pensions & Governance Richard Ennis, Corporate Director of Finance and Section 151 Officer Anisha Teji, Senior Democratic Services Officer Karl Pereira, Trainee Pension Fund Accountant</p> <p>Also Present: Marian George, Independent Adviser Andy Lowe, Hampshire County Council Andrew Singh, Isio Sunny Jheeta, Isio Christophe Osborne – LCIV Silvia Knott-Martin - LCIV Rodger Hackett – Chair of Pensions Board</p>
85.	<p>APOLOGIES FOR ABSENCE (<i>Agenda Item 1</i>)</p> <p>Apologies for absence were received from Councillor Douglas Mills with Councillor Philip Corthorne substituting.</p>
86.	<p>DECLARATIONS OF INTEREST IN MATTERS COMING BEFORE THIS MEETING (<i>Agenda Item 2</i>)</p> <p>Councillor Philip Corthorne declared a non-pecuniary interest in all agenda items as a retired member of the Local Government Pension Scheme. Councillor Corthorne remained in the meeting during discussion of all items.</p>
87.	<p>MINUTES OF THE MEETING ON 25 SEPTEMBER 2024 - PART I (<i>Agenda Item 3</i>)</p> <p>RESOLVED: It was agreed that the minutes of the meeting on 25 September 2024 be confirmed as an accurate record.</p>
88.	<p>TO CONFIRM THAT ITEMS MARKED PART I WILL BE CONSIDERED IN PUBLIC AND THOSE MARKED PART II WILL BE CONSIDERED IN PRIVATE (<i>Agenda Item 4</i>)</p>
89.	<p>ADMINISTRATION REPORT (<i>Agenda Item 5</i>)</p> <p>The Finance Manager – Pensions & Governance introduced the Pensions Administration & Performance report.</p>

An update was provided on the administration activities and performance of the Hillingdon Pension Fund, which is managed in partnership with Hampshire County Council (HCC) through the Hampshire Pension Service (HPS).

It was reported that HCC had performed 100% against KPIs and portal sign up had increased to 46% from 31% at the appointment of HPS in September 2021. The backlog of cases had now reduced to 378, but there was a hold up due a lack of information from a particular payroll provider. The latest cyber security penetration test by HCC was conducted on 2 December 2024 and these results would be reported to the Committee at the March 2025 meeting.

The Committee noted that 99% of active benefit statements were sent out by 31 August 2024 deadline and any missing information was due to a lack of information or responses from one or two employers. Registration was now about 67%, including those who has elected to receive paper correspondence.

The Committee welcomed the report and the timely production of statements by HCC.

Members raised questions around the statutory duty and requirements for statement production and how employers could be encouraged to provide better data going forward. It was explained that employers had a duty to provide a statement for everyone, even if the information was outdated. In cases where information was unavailable, a stale statement from the previous period must be produced. It was confirmed that when the percentage of statements produced was close to 100%, it was generally not necessary to report the small number of statements that had not been produced. It was suggested that further work be done with employers to address the small cohort of statements that were still pending.

RESOLVED: That the Pensions Committee noted the administration update.

90. **INVESTMENT STRATEGY AND FUND MANAGER PERFORMANCE - PART I**
(Agenda Item 6)

The Finance Manager – Pensions & Governance introduced the Investments Strategy and Fund Manager Performance report and highlighted the dashboard produced collaboratively by officers. It was intended to make it easier to digest information.

It was reported that the funding level was at 120%, assets had increased to 1.4 billion and the performance was slightly behind the benchmark at 1.3%. However, the three and five-year returns were tracking well against the required annualised returns.

Members discussed the performance management during different market condition and how the CIF (Common Investment Fund) was managed and monitored performance during high and low pressured times. It was explained that there was comprehensive monitoring process in place for appointed managers, which included annual in-depth reviews and regular quarterly calls. Although performance was a crucial aspect of monitoring, it was not the sole factor considered. The monitoring process also evaluated the investment strategy and business execution. Members heard that the goal was to maintain a steady pace in monitoring and ensure managers adhere to their assigned roles, even as market dynamics change.

	<p>RESOLVED: That the Pensions Committee noted the funding and performance update.</p>
<p>91.</p>	<p>RESPONSIBLE INVESTMENT (<i>Agenda Item 7</i>)</p> <p>The Finance Manager – Pensions and Governance introduced the item on the Responsible Investments Update. The report provided information on how managers entrusted with the investing Pension Fund assets were implementing their Environmental, Social and Governance (ESG) policies and demonstrated their commitment to ensuring it was a cogent part of their investment process. Additional information on engagement activities was provided, and Members were directed to the shared drive for further details.</p> <p>It was noted that a Member had attended the LAPFF (Local Authority Pension Fund Forum) conference and provided the Committee with an overview of the conference. The conference focused on ESG movements, stewardship of local government pension funds, and sustainable fuels, especially relevant to the aviation industry near Heathrow. There was also a discussion on greater diversity among boards and other governance issues.</p> <p>The Committee was reassured about Baillie Gifford’s responsible investment capabilities and their efforts in driving sustainability.</p> <p>RESOLVED: That that the Pensions Committee:</p> <ol style="list-style-type: none"> 1. Noted the fund managers’ ESG activities and compliance efforts. 2. Noted LCIV & LAPFF activities.
<p>92.</p>	<p>RISK REGISTER REPORT (<i>Agenda Item 8</i>)</p> <p>The Finance Manager – Pensions and Governance introduced the item on the Pension Fund Risk Register. It was reported that the Council’s new risk management software, JCAD, had classified all 14 risks into two categories: open and closed risks. The software allowed risks managed as day-to-day business to be retired but maintained in the background for easy reintroduction if needed.</p> <p>Following Member request two of the retired risks (Pen 9 and 10) had been reactivated and were being actively monitored.</p> <p>The committee agreed on the risk register’s approach and the revised format of the retired risks.</p> <p>RESOLVED: That the Pensions Committee:</p> <ol style="list-style-type: none"> 1. Considered and agreed the Risk Register in terms of the approach, the specific risks identified, and the measures being taken to mitigate those current risks. 2. Noted the revised format and agreed the retired risks and those which remained open.
<p>93.</p>	<p>GOVERNANCE (<i>Agenda Item 9</i>)</p> <p>The Committee considered the Governance report which included the work plan and</p>

	<p>governance updates. The workplan outlined future discussion items.</p> <p>The Committee heard updates on Member training and progress, and it was noted that Councillor Chamdal had completed 33 hours of training. The committee discussed the importance of training and compliance, with a focus on ensuring all members complete their training by the statutory deadline of September 2025.</p> <p>There was also a discussion about the General Code of Practice compliance, highlighting areas of non-compliance and the steps being taken to address them.</p> <p>RESOLVED: That the Committee:</p> <ol style="list-style-type: none"> 1. Noted the dates for Pensions Committee meetings. 2. Made suggestions for future agenda items, working practices and / or reviews. 3. Noted Committee’s Continuous Professional Development update 4. Noted GCoP Update
94.	<p>PF ANNUAL REPORT AND DRAFT ACCOUNTS (<i>Agenda Item 10</i>)</p> <p>The Finance Manager – Pensions and Governance introduced the draft Pensions Fund Annual Report for 2023/24. The Committee heard that the Pension Fund was required to produce an Annual Report and publish it by 1 December each year. The annual report included the Pension Fund annual accounts, which were reviewed by the Pensions Committee and formally approved at the Audit Committee.</p> <p>The Committee was informed that the report included the external auditors' audit plan for 2023-2024, focusing on the pension fund accounts and associated reports. The auditors mainly assessed risks such as misstatement due to fraud or error and the evaluation of Level 3 assets, which were complex to value due to their private nature.</p> <p>RESOLVED: That the Pensions Committee:</p> <ol style="list-style-type: none"> 1. Approved the 2023/24 Draft Fund Annual Report 2. Noted the EY External Audit Plan
95.	<p>APPROVE THE RESTRICTED MINUTES FROM THE MEETING ON 25 SEPTEMBER 2024 (<i>Agenda Item 11</i>)</p> <p>RESOLVED: That the Committee agreed the Part II minutes from the meeting on 25 September 2024 as an accurate record.</p>
96.	<p>INVESTMENT PART II - STRATEGY REVIEW AND MANAGER UPDATES (<i>Agenda Item 12</i>)</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>RESOLVED: That the Pensions Committee agreed the recommendation listed in</p>

	<p>the Part II minutes.</p>
97.	<p>GUARANTEED MINIMUM PENSION (GMP) (<i>Agenda Item 13</i>)</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>RESOLVED: That the Pensions Committee agreed the recommendation listed in the Part II minutes.</p>
98.	<p>BUDGET UPDATE (<i>Agenda Item 14</i>)</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>RESOLVED: That the Pensions Committee agreed the recommendation listed in the Part II minutes.</p>
	<p>The meeting, which commenced at 5.00 pm, closed at 8.39 pm.</p> <p>These are the minutes of the above meeting. For more information on any of the resolutions please contact Anisha Teji on ateji@hillingdon.gov.uk. Circulation of these minutes is to Councillors, Officers, the Press and Members of the Public.</p>