

Minutes

PENSIONS COMMITTEE

3 June 2025



Meeting held at Committee Room 5 - Civic Centre

	<p>Committee Members Present: Councillors Reeta Chamdal (Chair), Kaushik Banerjee (Vice-Chair), Keith Burrows, Stuart Mathers and Tony Burles</p> <p>LBH Officers Present: Pete Carpenter - Director, Pensions, Treasury & Stat Accounts Anisha Teji, Senior Democratic Services Officer Karl Pereira, Trainee Pension Fund Accountant</p> <p>Also Present: Marian George, Independent Adviser Andrew Singh, Isio Sunny Jheeta, Isio Jenny Buck – LCIV Tim Mpofo – LCIV Rodger Hackett – Chair of Pensions Board Tony Noakes – Member of Pensions Board</p>
117.	<p>APOLOGIES FOR ABSENCE (<i>Agenda Item 1</i>)</p> <p>There were no apologies for absence.</p>
118.	<p>DECLARATIONS OF INTEREST IN MATTERS COMING BEFORE THIS MEETING (<i>Agenda Item 2</i>)</p> <p>None.</p>
119.	<p>MINUTES OF THE MEETING - 26 MARCH 2025 AND 8 MAY 2025 (<i>Agenda Item 3</i>)</p> <p>RESOLVED: It was agreed that the minutes of the meetings on 26 March 2025 and 8 May 2025 be confirmed as an accurate record.</p>
120.	<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> <p>It was confirmed that agenda items 5 – 9 would be considered in Part I and agenda items 10 – 12 would be considered in Part II.</p>
121.	<p>ADMINISTRATION REPORT (<i>Agenda Item 5</i>)</p> <p>The Director of Pensions, Treasury & Statutory Accounts introduced the Pensions Administration & Performance report.</p> <p>An update was provided on the administration activities and performance of the</p>

	<p>Hillingdon Pension Fund, which is managed in partnership with Hampshire County Council (HCC) through the Hampshire Pension Service (HPS). HCC sent apologies for the meeting.</p> <p>It was reported that HCC had achieved 100% delivery against performance targets, with data quality scores increasing from 89% in 2023 to 92% in 2024. 99.38% of active benefit statements and 100% of deferred benefit statements were produced and published within the statutory deadline. Additionally, 50.09% of all members were registered on the Portal and there was a low number of complaints compared to the total membership and casework processed. The historic leavers backlog had been significantly reduced from 4,158 to 275. Regular project meetings and weekly monitoring of progress were ongoing, along with the development of online services and significant efforts to monitor and improve cyber security.</p> <p>The Committee noted HCC's decision to stop charges for ongoing work and the challenge of getting only 50% of employees signed up on the portal. The importance of electronic communication to expedite the process and resolve related issues efficiently was emphasised.</p> <p>The Committee acknowledged the report and the excellent work being undertaken. In response to questions around the measures in place to address the reduction in members and the lack of people on the portal, it was explained that there had always been challenges with pension funds, especially in getting information from overseas members. The Committee was reassured about the robustness of cybersecurity measures especially in light of recent cybersecurity incidents involving high profile companies</p> <p>RESOLVED: That the Pensions Committee noted the administration update.</p>
122.	<p>INVESTMENT STRATEGY AND FUND MANAGER PERFORMANCE - PART I (Agenda Item 6)</p> <p>The Director of Pensions, Treasury & Statutory Accounts introduced the Investments Strategy and Fund Manager Performance report and highlighted the dashboard produced collaboratively by officers.</p> <p>It was reported that the funding level remained unchanged this quarter at 127%, with liabilities decreasing by £10 million to £1.08 billion. Pensions assets decreased in value by 1.36% in the quarter of £1.40 billion resulting in a quarterly return of -1.4%, slightly below the benchmark.</p> <p>RESOLVED: That the Pensions Committee noted the funding and performance update.</p>
123.	<p>RESPONSIBLE INVESTMENT (Agenda Item 7)</p> <p>The Director of Pensions, Treasury & Statutory Accounts introduced the item on the Responsible Investments Update.</p> <p>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.</p>

	<p>The Committee heard about the active challenges faced by pension funds and the importance of fund managers implementing ESG policies as part of their investment processes was emphasised. Members also heard about the progress on the UK stewardship code project, policy updates and proxy voting statistics, noting that LGIM voted against management resolutions 23% of the time. Examples of proactive engagement by fund managers included actions taken by LGIM on Rio Tinto and LAPF on companies like Persimmon, Burberry and the London Stock Exchange Group.</p> <p>Members reflected on the progress made by mining companies like Rio Tinto in improving safety, environmental standards and workers' human rights, highlighting the pivotal role of pension funds in this advancement over the past three years. Concerns were expressed regarding voting not always aligning with their values. Further information was requested summarising the types of issues voted against, to better understand whether they were environmental, governance-related or other matters.</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.
124.	<p>RISK REGISTER REPORT (<i>Agenda Item 8</i>)</p> <p>The Director of Pensions, Treasury & Statutory Accounts introduced the item on the Pension Fund Risk Register. The Council's new risk management software, JCAD, had classified all 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>It was reported that there were 7 closed risks and 7 open risks and it was proposed that risk of liquidity on member dealings (PEN 10) be closed as it had been managed effectively without needing to sell investments to meet pension liabilities for the past ten years.</p> <p>Members queried the liquidity of assets, particularly in property, and the potential hurdles in changing strategies due to liquidity issues. The infancy of the changes was discussed, particularly regarding the rundown and transformation of properties. It was explained that the focus was on future meetings to decide on overall strategy and funding allocations, which might require significantly more money. It was noted that the funds' performance would differ from the past four to six years, necessitating decisions to move things forward. A plan outlining the current situation and future projections as part of the decision-making process was emphasised.</p> <p>It was noted by the Committee that the next Pensions Board meeting would discuss cybersecurity, following a major exercise two years ago to assess partners' cybersecurity measures. Consideration of updating the risk register and addressing specific risks, including the fund's ability to settle member payments was noted.</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.

	<p>2. Noted the revised format and agreed the retired risks and those which remained open.</p> <p>3. Approved closure of PEN 10 - Liquidity on members dealings - risk that the fund is unable to settle member payments.</p>
125.	<p>GOVERNANCE (<i>Agenda Item 9</i>)</p> <p>The Committee considered the Governance report which included the work plan and governance updates. The workplan outlined future discussion items and included an updated appendix and rescheduled policy review dates.</p> <p>The need for Members to understand their LGPS fiduciary role and comply with upcoming legislation requiring training was highlighted. A revised discretion policy for approval, noting a change in responsible officer titles was also noted. Despite delays in compliance with the general code of practice, there was a revised action plan aimed for compliance by March 2026. Officers highlighted the significant workload expected over the next nine months, including policy updates and transfers, and emphasised the importance of the Committee's work plan and governance updates.</p> <p>It was confirmed that new information would be sent to new Members of the Pensions Committee.</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
126.	<p>APPROVE RESTRICTED MINUTES FROM MEETING ON 26 MARCH 2025 (<i>Agenda Item 10</i>)</p> <p>RESOLVED: That the Committee agreed the Part II minutes from the meeting on 26 March 2025 as an accurate record.</p>
127.	<p>INVESTMENT PART II - STRATEGY REVIEW AND MANAGER UPDATES (<i>Agenda Item 11</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 Committee noted the recommendation as detailed in the confidential report</p>
128.	<p>BUSINESS PLAN AND BUDGET 25/26 & BUDGET UPDATE 24/25 (<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</i></p>

	<p><i>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 Committee noted the recommendation as detailed in the confidential report</p>
	<p>The meeting, which commenced at 5.00 pm, closed at 7.04 pm.</p>