

London Borough of Hammersmith & Fulham

# Pensions Sub- Committee Minutes

Wednesday 25 November 2015

## **PRESENT**

**Committee members:** Councillors Michael Adam, Iain Cassidy (Chair), PJ Murphy and Guy Vincent.

**Other members:** Councillor Rory Vaughan.

**Officers:** Ibrahim Ibrahim (Assistant Committee Coordinator), Neil Sellstrom (Interim Head for Pensions Shared Service) and Nicola Webb (Pension Fund Officer).

**External:** Alistair Sutherland (Deloitte).

## **29. MINUTES OF THE PREVIOUS MEETING**

### **RESOLVED –**

THAT, the minutes of the meeting held on 9 September 2015 were agreed as a correct record and signed by the Chair.

## **30. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

## **31. DECLARATIONS OF INTEREST**

There were no declarations of interest.

## **32. PENSION FUND QUARTERLY UPDATE PACK**

The Committee received an update on the Pension Fund for the quarter ending 30 September 2015.

### **Pension Fund Risk Register**

David Coates (Interim Payroll Manager) provided the Committee an update on the Council's transition from Capita to Surrey County Council (SCC), as

the Local Government Pension Administration Service provider. It was noted that there were no administration performance indicators available for this quarter, as SCC had been provided a three month 'settling in' period from 1 September 2015. Performance indicators would be available from January 2016.

Members were informed that the pension client team had identified a number of data deficiencies in the data inherited from Capita and that the Client Team were meeting with SCC on a regular basis to address these issues. In addition, shortfalls in the quality of data inherited data were being raised with Capita to determine the cause and identify what measures could be put in place to rectify these deficiencies. Members were additionally informed that as a result of the data deficiencies, the Client Team were taking considerably longer to calculate the data although no additional staffing resources had been required at this stage.

Members were concerned of the impact on scheme members and felt that it would be appropriate to write to scheme members outlining the issues identified. However, David Coates felt that this would cause unnecessary concern as the client team did not fully understand all of the issues at this time. It was noted that a plan had been put in place and it was expected that all data anomalies would be identified by December 2015. Members requested an update once the full extent of the problems were fully understood, prior to the next meeting of the Pensions Sub-Committee.

**ACTION: David Coates**

### **Pooling of Investments**

Neil Sellstrom (Interim Head of Pensions Shared Service) drew Members attention to page 60 – 73; appendix 7 of the report, which provided further information about the consultation on pooling of LGPS investments. It was noted that the consultation document had been issued earlier on 25 November 2015 and that this would be circulated to Members.

**ACTION: Neil Sellstrom**

### **Deloitte Quarterly Report**

Alistair Sutherland (Deloitte) provided the Committee an update on the investment performance as outlined on pages 13 – 37; appendix 2 of the report. It was reported that Ruffer (Absolute Return) had underperformed its target by 5.6% over the quarter, net of fees and that it was marginally behind its target over the one year period to 30 September 2015 by 0.1%, net of fees. Members requested an update on the performance of the fund for October 2015, as these figures were not currently available.

**ACTION: Nicola Webb**

Majedie (UK Equity) performed negatively over the quarter, underperforming the FTSE All Share by 1.0% although Majedie remains ahead of the benchmark and target over the three years to 30 September 2015 by 6.3%

p.a. and 4.3% p.a. respectively. It was additionally noted that Majedie were having ongoing discussions with the London CIV (Collective Investment Vehicle) regarding its products, specifically the UK Equity Strategy.

**RESOLVED –**

THAT, the report be noted.

**33. PENSIONS BOARD AND TRAINING UPDATE**

Nicola Webb drew Members attention to the training dates that had been arranged for November 2015. It was noted that once these sessions had been delivered, Members of both the Pensions Sub-Committee and Pensions Board would be asked to complete the knowledge and skills self-assessment form in the policy statement to enable further training needs.

**RESOLVED –**

THAT, the report be noted.

**34. PENSION FUND LONG TERM CASHFLOW**

Nicola Webb introduced the report, which was in addition to the quarterly update pack as outlined from pages 9 – 80, of the report. It was reported that the cash in the sterling liquidity fund was forecast to be sufficient to meet the cashflow needs, including drawdowns in the Fund's infrastructure investment, until March 2017. However, there would be an interim period between 2017 and 2021, which would require funding. It was agreed that a further report on the longer term position would be presented to the Sub-Committee by December 2016, to consider the forecast and propose a strategy for the period 2017 to 2021.

**RESOLVED –**

THAT, the report be noted.

**35. SCHEME ADVISORY BOARD KEY PERFORMANCE INDICATORS**

The Committee received a report on the Scheme Advisory Board, which had developed a number of key performance indicators that enable it to identify any LGPS Funds causing concern. Neil Sellstrom confirmed that the indicators had been completed in response to the Scheme Advisory Board and that a summary of responses from all 89 Funds would be published in early 2016.

**RESOLVED –**

THAT, the report be noted.

**36. DATE OF THE NEXT MEETING**

16 March 2016.

**37. EXCLUSION OF THE PUBLIC AND PRESS**

The Chair requested for any members of the public and press to leave the meeting room, as all the public reports had been heard and the Committee were then moving onto exempt items.

**RESOLVED –**

THAT, under section 100A (4) of the Local Government Act 1972, the public and press be excluded from the meeting during the consideration of the following items of business, on the grounds that they contain the likely disclosure of exempt information, as defined by paragraph 3 of Schedule 12A of the said Act and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

**38. EXEMPT MINUTES OF THE PREVIOUS MEETING**

**RESOLVED –**

THAT, the exempt minutes of the meeting held on 9 September 2015 were agreed as a correct record and signed by the Chair.

**39. PASSIVE EQUITY INVESTMENT**

**RESOLVED –**

THAT, the report be noted.

**40. INVESTMENT STRATEGY**

**RESOLVED –**

THAT, the report be noted.

Meeting started: 7:00pm  
Meeting ended: 9:00pm

Chair .....

Contact officer: Ibrahim Ibrahim  
Assistant Committee Co-ordinator  
Governance and Scrutiny  
☎: 020 8753 2075  
E-mail: [ibrahim.ibrahim@lbhf.gov.uk](mailto:ibrahim.ibrahim@lbhf.gov.uk)