

# Pensions Sub-Committee Minutes

Wednesday 16 March 2016

## PRESENT

**Committee members:** Councillors Iain Cassidy (Chair) and PJ Murphy

**Officers:** George Bruce (Director of Treasury and Pensions), Ibrahim Ibrahim (Assistant Committee Coordinator) and Nicola Webb (Pension Fund Officer).

**External:** Kevin Humpherson (Deloitte) and Alistair Sutherland (Deloitte).

### 41. MINUTES OF THE PREVIOUS MEETING

Consideration of the minutes was deferred to the next meeting.

### 42. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Michael Adam, Councillor Nicholas Botterill and Councillor Guy Vincent.

The Chair acknowledged that the meeting was not quorate, but the meeting would proceed as a briefing with any decisions being deferred until the next meeting.

### 43. DECLARATIONS OF INTEREST

There were no declarations of interest.

### 44. PENSIONS QUARTERLY UPDATE

The committee received an update on the Pension Fund for the quarter ending on 31 December 2015.

#### **Pension Fund Risk Register**

Nicola Webb (Pension Fund Officer) drew the committees attention to the Pension Fund Risk Register as set out on pages 44 – 55; appendix 5 of the report and commented that there had been no changes to Pension Fund Risk Register since the previous quarter (ending 30 September 2015). In light of

this, Councillors requested an update on the Council's transition to Surrey County Council from Capita.

**ACTION: Ibrahim Ibrahim and David Coates**

**Deloitte Quarterly Report**

Kevin Humpherson (Deloitte) attended the meeting to provide the committee an update on the Pension Fund investment performance as outlined on pages 12 – 36; appendix 2 of the report. It was reported that Majedie (UK Equity Fund) underperformed the FTSE All Share by 2.6% as it had had suffered from stock specific calls in the supermarket and banking sectors. Majedie attributed its short-term underperformance to market timing and Deloitte continue to rate Majedie positively for its UK equity capabilities. It was additionally reported that Oak Hill Advisors (Diversified Credit Strategies Fund) had underperformed its target by 3.7% although its negative performance was attributed down to market moves and Deloitte expected Oak Hill to regain its positions if its portfolios were held to maturity.

**RESOLVED –**

THAT, the report was discussed by the Councillors present.

**45. REVIEW OF KNOWLEDGE AND SKILLS POLICY**

Nicola Webb encouraged the committee to complete the self-assessment forms to help identify any training needs

**RESOLVED –**

THAT, the report was discussed by the Councillors present.

**46. ASSET POOLING AND LONDON CIV**

Nicola Webb introduced the report, which proposed the transfer of assets managed by Ruffer to the London Collective Investment Vehicle (CIV), which would result in annual savings of approximately £31,000. The committee was satisfied with the report in principle but as the meeting was not quorate, the committee was unable to formally approve the recommendations contained within the report.

The chair of the committee agreed that the report was urgent and agreed that an extra meeting was warranted to approve the recommendations contained within the report.

**RESOLVED –**

THAT, the report was discussed by the Councillors present.

**47. REVIEW OF TRANSITION FROM MFS TO LGIM**

Nicola Webb updated the committee on the transfer from MFS to LGIM that occurred in November 2015. It was reported that the cost of transition was £52,900, which was significantly lower than LGIM's initial estimate of £178,000 due to in-specie transfers and the crossing of stocks, which avoided transaction costs.

**RESOLVED –**

THAT, the report was discussed by the Councillors present.

**48. DATE OF THE NEXT MEETING**

22 June 2016.

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

**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.

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

Consideration of the exempt minutes were deferred to the next meeting of the Pensions Sub-Committee.

**51. ASSET POOLING AND LONDON CIV**

This item was discussed as part of agenda item 6.

**52. REVIEW OF TRANSITION FROM MFS TO LGIM**

This item was discussed as part of agenda item 7.

**53. PENSION FUND INVESTMENT STRATEGY**

This item was deferred until the next meeting on 22 June 2016.

**RESOLVED –**

THAT, the report was discussed by the Councillors present.

Meeting started: 7:15pm  
Meeting ended: 8:15pm

Chair .....

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