



CITY OF WESTMINSTER

MINUTES

Pension Board

MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Pension Board** held on **Thursday 18th November, 2021 at 6.30pm**, Rooms 18.01 & 18.03, 18th Floor, 64 Victoria Street, London, SW1E 6QP.

Members Present: Terry Neville OBE (Chairman and Scheme Member Representative), Marie Holmes (Employer Representative), Christopher Smith (Scheme Member Representative) and Chris Walker (Scheme Member Representative).

Officers Present: Phil Triggs (Tri-Borough Director of Treasury and Pensions), Mathew Dawson (Senior Finance Manager, Tri-Borough Treasury and Pensions), Sarah Hay (Senior Pensions and Payroll Officer), Diana McDonnell-Pascoe, (Pensions Project Manager), Billie Emery (FM Pensions), Kevin Humpherson (Deloitte) and Sarah Craddock (Committee and Councillor Co-ordinator).

Apologies for Absence: Councillor Guthrie McKie (Vice-Chairman and Employer Representative) and Councillor Tim Mitchell (Employer Representative),

1 MEMBERSHIP

1.1 There were no changes to the Membership.

2 DECLARATIONS OF INTEREST

2.1 There were no declarations of interest, other than the standing declarations already made by Members.

3. MINUTES

3.1 The Board advised that they had not received a briefing note on the security of the new Pension Portal. The Board further advised that in due course they would like further details on the management fees to ensure the transparency of the operation and management of the fund.

3.2 **ACTIONS:** The Board requested that they be sent briefing notes on the security of the new Pension Portal and details on the management fees.

3.3 **RESOLVED:**

1. That the following dates for the forthcoming Pension Board meetings: 18 January 2022, 30 March 2022, 7 July 2022, 3 November 2022, 18 January 2023 and 23 March 2023 be agreed.
2. That the minutes of the meeting held on the 21 July 2021 be approved as an accurate record of proceedings.

4. **PENSION ADMINISTRATION UPDATE (Agenda Item 4 on the Agenda Pack)**

- 4.1 The Board received an update on the pension administration issues the fund has had with Surrey since the last update in July 2021.
- 4.2 The Board heard that the Key Performance Indicators had been very disappointing, and that August had been particularly poor with annual leave impacting on performance. The Board noted that the transfer from East Sussex back to Surrey in April and then the setup of hub 5 to manage the work of exiting boroughs by Surrey had not helped as new teams had to familiarize themselves with WCC work. The Board noted that this confirms the decision that the fund took to exit the current arrangements with Surrey was in the best interest of the fund.
- 4.3 The Board noted that on Monday 8 November Westminster's move to its new pension administration service at Hampshire (HPS) was completed and that going forward the KPIs with HSP would be different to those reported by Surrey such as most urgent cases would have a 15 working day maximum turn around rather than 5 working days. The Board noted that officers were expecting HPS to meet their KPI targets 100% of the time.
- 4.4 The Board was pleased that address tracing remained positive with member details being updated and noted that the new Member's Pension portal encouraged members to set up their account using their personal email address. This would ensure that the Pension Fund did not lose contact with Members once they retired and/or left their employment. The Board was concerned regarding the possible issues with unprocessed leavers, the identified overpayments in child's pensions and one particularly large overpayment which officers were currently discussing with Surrey.
- 4.5 **RESOLVED:** That the Board noted that the move to Hampshire had been completed and looked forward to a successful working relationship with Hampshire Pension Service.

5. PENSION ADMINISTRATION SERVICE TRANSFER PROJECT (Agenda Item 7 on the Agenda Pack)

- 5.1 The Board received an update on the progress of the project to transfer the pension administration service from Surrey County Council (SCC) to Hampshire County Council's Pension Service (HPS). The Board noted that the five main workstreams of the project: (Governance, Data Migration, Member Engagement and Communication, Employer Engagement and Communication and Finance) were all on track.
- 5.2 The Board heard that the final date of full-service delivery from Surrey had been 20 October and that all data had been encrypted and transferred to Hampshire. The Board noted that WCC Pension data would remain on Surrey servers in a read only state on Altair until the end of January 2022 when it would be deleted in line with GDPR.
- 5.3 The Board welcomed the positive collaboration that had taken place during the transition period which had ensured the smooth transition of the service. The Board discussed the welcome pack that had been sent out via email and the letter to members and pensioners welcoming them to the new administration service. The Board noted that there was a digital opt out option. The Board was pleased to hear about the formal monthly meetings with Hampshire to ensure that the KPIs were being achieved.
- 5.4 The Board discussed the slight increase in the exit costs of around £5000 due to Surrey underestimating the IT costs and was pleased that currently the project was still on budget. The Board also discussed the importance of all members having a good digital experience and looked forward to receiving a report on suitable options for the implementation of a user-friendly system/website. The Board noted the comprehensive transition Communication and engagement plan that had been compiled for all categories of members, employers and WCC officers.
- 5.5 The Board congratulated and thanked officers for all their hard work on the transfer of the pension service to Hampshire Pension Services.
- 5.6 **ACTION:** That arrangements be made for the Board to meet the officers managing the Pension Service at Hampshire Pension Services
- 5.7 **RESOLVED:** That officers from Hampshire Pension Services be invited to meet the Board, and that the report be noted.

6. FUND FINANCIAL MANAGEMENT (Agenda Item 8 on the Agenda Pack)

- 6.1 The Board discussed the report which outlined the top five risks for the governance and pension administration fund. (The five risks were set out in a table at paragraph 3.2, page 34 of the report). The Board further discussed the cashflow forecast for the next three years. The Board noted that the bank position continued to be stable.

6.2 RESOLVED:

1. That the top five risks for the Pension Fund be noted.
2. That the cashflow position for the pension fund bank account and cash held at custody, the rolling twelve-month forecast and the three-year forecast be noted.

**7. PERFORMANCE OF THE COUNCIL'S PENSION FUND
(Agenda Item 9 on the Agenda Pack)**

- 7.1 The Board received a report setting out that the Fund outperformed the benchmark net of fees by 0.68% over the quarter to 30 September 2021 and that the estimated funding level was 101.8% as of 30 June 2021.
- 7.2 **RESOLVED:** That the performance of the investments and the funding position be noted.

8. EXEMPT REPORTS UNDER THE LOCAL GOVERNMENT ACT 1972

- 8.1 **RESOLVED:** That under Section 100 (A)(4) and Part 1 of Schedule 12A to the Local Government Act 1972 (as amended), the public and press be excluded from the meeting for the following items of business because they involve the likely disclosure of exempt information on the grounds shown below and it is considered that, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

**9. VALUE FOR MONEY ANALYSIS
(Agenda Item 10 on the Agenda Pack)**

- 8.1 The Board received a report which demonstrated the extent to which the Fund was achieving value for money within its annual investment management costs. The Board noted the Fund's annual investment charges had increased noticeably over the years and that the increase could be attributed to the Cost Transparency Initiative (CTI) and an increase in market value of Fund's assets.
- 8.2 The Board welcomed Kevin Humpherson (Deloitte) to the meeting who discussed with the Board how the costs attributed to the Fund's investments over the previous three years have changed, and where the Fund was achieving good value relative to the fees charged by its investment managers.
- 8.3 **RESOLVED:** That the value for money analysis, as prepared by Deloitte, at Appendix 1 of the report be noted.

**10. GMP PROJECT
(Agenda Item 5 on the Agenda Pack)**

10.1 The Board discussed the update received on the GMP project and noted the work that had been carried out to complete the project. The Board concluded that it supported the approach to completing the work and requested to be informed of the outcome(s) of the project.

10.2 **RESOLVED:** That the report be noted.

**11. PENSION ADMINISTRATION STRATEGY (PAS)
(Agenda Item 6 on the Agenda Pack)**

11.1 The Board received and discussed details of the new Pension Administration Strategy (PAS) that the Pension Committee had approved. The Board advised that it supported the new strategy and asked to be kept informed of any new updates and/or changes made to it.

11.2 **RESOLVED:** That the report be noted.

12. TERMINATION OF MEETING

12.1 The meeting ended at 20.55.