



CITY OF WESTMINSTER

MINUTES

Pension Board

MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Pension Board** held on **Thursday 28 July at 6.30pm**, Rooms 18.01 & 18.03, 18th Floor, 64 Victoria Street, London, SW1E 6QP.

Members Present: Councillor Matt Noble (Chair and Employer Representative), Terry Neville OBE (Scheme Member Representative), Councillor Barbara Arzymianow (Employer Representative), Marie Holmes (Employer Representative) and Christopher Smith (Vice-Chair and Scheme Member Representative).

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

1 ELECTION OF CHAIR AND VICE- CHAIR/MEMBERSHIP

- 1.1 There were no changes to the Membership.
- 1.2 **Resolved:** That Councillor Matt Noble and Christopher Smith be appointed as Chair and Vice-Chair respectively for the 2022-2023 municipal year.

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 **RESOLVED:** That the minutes of the meeting held on 30 March 2022 be approved as an accurate record of proceedings.

4 PENSION ADMINISTRATION UPDATE

- 4.1 The Board received an update on the Key Performance Indicator (KPI) data from Hampshire Pension Services (HPS) from March 2022 to June 2022.

- 4.2 The Board considered the KPI data provided to Westminster in the March, April and June period and noted that the partnership reports by HPS showed a 100% KPI completion record. It was expected that overall cases processed by HPS would continue to be approximately 100 per month which would maintain a healthy position with no backlogs. Details of two complaints submitted in May and June by members were provided in addition to the compliments received.
- 4.3 An update was provided on the additional resource provided by HPS to complete approximately 446 cases of unprocessed leavers and the new tracing project with Target which would improve data quality and the data scores that the Fund must report annually to the pension regulator. Members noted that 23.66% of the membership had already registered for the new member portal which was a steady increase from 19.43% at the last Pension Board and that all Funds' employers had submitted their annual returns to Hampshire Pension Services (HPS) on time.
- 4.4 Members discussed how the auto enrolment date on the 1 August would affect numbers of the Pension Fund, the administration of leavers data and the successful recovery of satisfactory costs from Survey. The Board were pleased that the relationship with HPS remained positive.
- 4.5 **RESOLVED:** That the Board noted the report.

5 COWPF LGPS PROJECTS UPDATE

- 5.1 The Board received an update on the various projects and governance activities being undertaken by the Pension and Payroll Team to improve the administration of the COWPF LGPS.
- 5.2 The Board were informed that further evaluation work on the viability of the website would continue and that opportunities to promote the good things that the Pension Fund did such as green investment would be explored. Members were pleased to note that the rectification phase of the Guaranteed Minimum Pension (GMP) project had been reached and the deadline for completion of this work would be by the end of February 2023.
- 5.3 In response to questions from the Board regarding the McCloud Project, it was recognised that the data request was complex as many employers had a range of systems dating back to 2012 and therefore the retrieval of data was being problematic. The Board noted that the data would need to be future proofed. Members requested that the Board be provided with details of the external costs of all the different payroll systems.
- 5.4 **ACTION:** That details of the external costs of all the different payroll systems be submitted to the next meeting.
- 5.5 **RESOLVED:** That the report be noted.

6 FUND FINANCIAL MANAGEMENT

- 6.1 The Board discussed the report which outlined the top five risks for the governance and pension administration fund which were set out in the report.
- 6.2 The Board had detailed discussions over the identified risks, the significant global economic uncertainty following Russia invading Ukraine, gas/fuel prices, the UK price inflation now being significantly more than anticipated in the current actuarial assumptions, the possibility of global recession next year and the underperforming of the Baillie Gifford global equities mandate. The Board noted the increased scrutiny on environmental, social and governance issues and recognised that going forward there would be much further work required.
- 6.3 The Board was interested to note the anticipated future cash flow. Further detailed discussions followed on the three-year cashflow forecast and the impact of inflation rate rises on the pension fund.
- 6.4 **ACTION:** That the Pension Fund Committee Agenda Pack be sent to the members of the Pension Board.
- 6.5 **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

- 7.1 The Board received a report setting out the performance of the Pension Fund's investments to 31 May 2022, together with an update of the funding position at 31 March 2022. The Board discussed and noted that the Fund had underperformed the benchmark net of fees by -1.71% over the quarter to 31 March 2022 and that the estimated funding level was 103.0% as of 31 March 2022.
- 7.2 It was noted that there was currently a high level of volatility and uncertainty in markets following events in Ukraine. The Board discussed the performance of the Baillie Gifford Global Alpha mandate and were pleased to note that BG had been invited to attend the recent Pension Fund Committee meeting to discuss their recent performance.
- 7.3 The Board were pleased to note that the Pension Fund target asset allocation was diversified with 60% of assets within equities, 19% in fixed income, 6% in renewable energy infrastructure, 5% within infrastructure, 5% within property and 5% to affordable and social supported housing.

7.4 **RESOLVED:** That the performance of the investments and the funding position be noted.

8 TERMINATION OF MEETING

8.1 The meeting ended at 8.15pm.

CHAIRMAN: _____

DATE _____