



CITY OF WESTMINSTER

MINUTES

Pension Board

MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Pension Board** Committee held on **Wednesday 13th March, 2024**, Room 18.06, 64 Victoria Street, London, SW1E 6QP.

Members Present: Mr Chris Smith (Chair and Scheme Member Representative), Councillor Barbara Arzymanow (Employer Representative), Terry Neville OBE (Scheme Member Representative) and Councillor Matt Noble (Vice-Chair and Employer Representative).

Officers Present: Patrick Rowe (Strategic Manager, Tri-Borough Treasury and Pensions), Billie Emery (FM Pensions), Sarah Hay (Senior Pensions and Payroll Officer), Diana McDonnell-Pascoe (Project Manager), and Sarah Craddock (Committee and Councillor Co-ordinator).

Apologies: Marie Holmes (Employer Representative).

1 MEMBERSHIP

- 1.1 There were no changes to the Membership, however, Councillor Noble, Vice Chair, chaired the Board meeting as Chris Smith was unwell.

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 November 2024 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 September 2023 to December 2023 and the compliments and complaints received by HPS. The Board heard that the KPIs data provided showed 100% compliance with the agreed KPI standards and how the process for 'cases on hold' had now changed so they were included in the outstanding SLA cases reported.
- 4.2 The Board noted that there had been an increase in members signing up to the Members Portal to 41.15% which included take-up across all areas of the membership. The Board discussed how they could encourage further take-up and whether the website was as user friendly as it could be. The Board noted that work would continue to encourage members to sign up to the portal which included research to ensure the website was as user friendly as possible.
- 4.3 The Board heard that the backlog project continued to make progress and how out of the 611 cases in scope, HPS had now completed 605, with 3 remaining as of the end of March 2024. The Board noted how the common and scheme specific data had improved due to the impact of the data work undertaken by the Fund and since moving to HPS in 2021 and discussed in depth the advantages and disadvantages of continuing to do this work. The Board advised that they would be interested to compare the average common data score of other Pension Funds.
- 4.4 The Board discussed the summary of the employer performance scores in 2022 and in 2023 and how there was still work to be done by the Employers to improve the situation. The Board noted that the proposed new Pension Administration Strategy (PAS) with increased potential charges for employers had gone out for consultation.
- 4.5 **ACTIONS:**
1. That the breakdown of the average common data score of other Pension Funds be provided at the next meeting.
 2. That a breakdown by age of people in the Pension Scheme and those registered for portal access be provided at the next meeting.
- 4.6 **RESOLVED:** That the report be noted.

5 LGPS PROJECTS AND GOVERNANCE 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 heard that the focus for 2024 and 2025 would be on reviewing and improving the administration governance (and compliance with the new TPR general code of practice) and drawing up a formal audit/contact framework that could be used to benchmark against and measure governance performance.
- 5.3 The Board discussed the Guaranteed Minimum Pension Project (GMP) and the decision of the Pension Committee to adopt Option 4 which was to correct the members' records without migration. The Board noted that other Pension Fund providers had also opted to take the same decision. Members considered the length of time the overpayments would take to be rectified and noted that careful and considered work by experts would take place to ensure everything was correct before any permanent corrections of data were made. The Board then briefly discussed the cost implications for the Pension Fund of the GMP and McCloud projects and requested regularly updates to the Board.
- 5.4 The Board heard how the new Pension Website would clearly sign post members to services as well as clarify and define the roles and responsibilities of each service by providing short videos and useful streamline tables. The Board noted that the aim was for the website to be a highly curative site that was user friendly and could facilitate all users to make decisions by following various pathways and using the templates provided on the site.
- 5.5 The Board noted that it had been a worthwhile experience for officers to attend the LGPS Governance Conference to network with other Funds and hear from experts in the pensions sphere and other pensions-adjacent topics.
- 5.6 **ACTIONS:**
1. To continue to provide regular updates regarding the Guaranteed Minimum Pension and McCloud projects.
 2. To organise training for members on the new Pensions Regulator (TPR) General Code of Practice 2024.
- 5.7 **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, that the significant price inflation was less than anticipated in the actuarial assumptions, the net fees, the continuation of the global economic stability following Russia invading Ukraine, the situation with Israel and Gaza and the implications of the proposed new regulations for Local Government Pension Scheme (LGPS) administration authorities in England and Wales to assess, manage and report on climate-related risks.

6.3 The Board noted that investments were diversified across all countries and markets and asked that more information be provided in future reports.

6.4 ACTIONS:

1. That in future reports include which asset classes are the key influences on the top five risks.

2. That a breakdown of equities by geography be provided in future reports.

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 December 2023, together with an update on the London Collective Investment Vehicle (LCIV). The Board discussed and noted that the Fund returned 6.5% net of fees over the quarter to 31 December 2023, outperforming the benchmark by 0.8%.

7.2 The Board discussed the effects of the global economic stability on interest rates and inflation and hence the investments made on behalf of the Pension Fund. The Board noted that the decision to diversify into renewable infrastructure and income generated assets had been beneficial for the Pension Fund.

7.3 **RESOLVED:** That the performance of the investments and the updated funding levels to 31 December 2023 be noted.

8 ANY OTHER BUSINESS

8.1 The Chair thanked Marie Holmes (Employer Representative) for all her hard work on the Pension Board over the years and wished her a happy and relaxing retirement.

8.2 **ACTION:** That an AGM be arranged in the near future.

9. TERMINATION OF MEETING

9.1 The meeting ended at 8.02pm.

The Meeting ended at 8.09 pm

CHAIRMAN: _____

DATE _____