



CITY OF WESTMINSTER

MINUTES

Pension Board

MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Pension Board** held on **Thursday 18 July 2024 at 6.30pm in Room 18.01 -18.03, 18th Floor, 64 Victoria Street, SW1E 6QP and via Microsoft Teams**

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

1. MEMBERSHIP

1.1 There were no changes to the membership.

1.2 **RESOLVED:** That Councillor Matt Noble and Mr Christopher Smith be appointed as Chair and Vice-Chair respectively for the 2024-2025 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 13 March 2024 be approved as an accurate record of proceedings with the following additional wording to be added to the end of paragraph 7.2 'and that the fund will be continually reviewed.'

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

4.1 The Board received an update on the Key Performance Indicator (KPI) data from Hampshire Pension Services (HPS) from January 2024 to May 2024 and the two complaints received by HPS. The Board heard that the KPIs data provided showed 100% compliance with the agreed KPI standards and how process on some of the older cases that had been on hold for 31 days or more had started to be pushed to resolution.

4.2 The Board noted that there had been an increase in members signing up to the Members Portal to 44.09% which included take-up across all areas of the membership. The Board discussed the promotion of the portal to some of the outsourced schools and other smaller providers to increase the access particularly to active members, as it was important to encourage members to engage with their pension throughout their working life to plan for their future.

4.3 The Board was pleased to hear that all the data work had been completed and that good progress was being made regarding this year's annual returns. The Board discussed the difficulties that one of the school's payroll providers, Strictly Education (SE), was having with their annual returns and that fines had been sent to the schools that used them as their payroll provider. The Board noted the measures being taken to alleviate these issues and that the Pension Administration Strategy (PAS) had allowed the Fund to apply charges for failure to provide data in a timely manner. This had resulted in the majority of employers changing their behaviour towards the Fund.

4.4 ACTIONS:

1. That a table outlining each school's payroll provider 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.

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

5. LGPS PROJECTS AND GOVERNANCE UPDATE Projects (Agenda Item 5 on the Agenda Pack)

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 discussed the Guaranteed Minimum Pension Project (GMP) and how the letter informing members of the correction to their pensions would be sent out in late July (to coincide with the payroll) and then implemented in the October payroll. This would give people three months' notice to prepare for the decrease in their pensions. The Board heard that the letter would clearly state that no overpayment was expected to be repaid and would also include
- (a) a table setting out how much they had been overpaid.
 - (b) a table detailing their new and correct pension entitlement.
 - (c) contact details for HPS and how to make a formal complaint which would come directly to Westminster.
 - (d) A fact sheet setting out the details of the GMP Project.
- 5.3 The Board was pleased that the manual cases would now start to be rectified by Intellica (via HPS) and that because of their considerable experience in this area it was hoped that the bulk of these manual cases could now be processed through their automated system. The Board considered that this work was expensive, however, it was aware that the Fund was obligated to pay its members their correct pensions.
- 5.4 The Board discussed that a full content review of the Pension Website would be carried out during the summer and production would start in September. The Board considered how this 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 there would be monthly project board meetings held over the summer and that the website would be completed by November 2024.
- 5.5 **ACTION:** To continue to provide regular updates regarding the Guaranteed Minimum Pension and McCloud projects.
- 5.6 **RESOLVED:** That the report be noted.

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

- 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 heard how the risks had remained the same as there was still significant volatility and negative sentiment in global investment markets due to the conflict between Russia and Ukraine and Israel and Gaza. The Board also heard that the recommendations of the Taskforce on Climate-Related

Financial Disclosures (TCFD) had been delayed with the new government being elected in July 2024.

6.3 The Board noted that investments were diversified across all countries and markets and discussed incurring taxes on global investments, tax exemptions and tax rebates as well as signs that wage growth/salaries were stabilising.

6.4 The Board noted that payments and receipts have remained stable over the last 12 months.

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 (Agenda Item 7 on the Agenda Pack)

7.1 The Board received a report setting out the performance of the Pension Fund's investments to 31 March 2024, together with an update on the London Collective Investment Vehicle (LCIV). The Board discussed and noted that the Fund returned 5.4% % net of fees over the quarter to 31 March 2024, underperforming the benchmark by 0.2%.

7.2 The Board were pleased to hear that the market value of investments had increased to £2.032bn as of 30 June 2024 which was a testament to the underlying diversification of the assets in the Fund.

7.3 The Board noted that as interest rates come down this should hopefully help the commercial long lease property asset class and sector.

7.4 **RESOLVED:** That the performance of the investments and the updated funding levels to 31 March 2024 be noted.

8. TERMINATION OF MEETING

8.1 The meeting ended at 7.51pm.

Chair _____ Date _____