



CITY OF WESTMINSTER

MINUTES

Pension Board

MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Pension Board** held on **Wednesday 31st March, 2021**,
This meeting took place virtually.

Members Present: Councillor Tim Mitchell (Chairman and Employer Representative), Terry Neville (Vice-Chairman and Scheme Member Representative), Councillor Guthrie McKie (Employer Representative), Marie Holmes (Employer Representative) and Martin Colwell (Scheme Member Representative).

Apologies for Absence: 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) and Toby Howes (Senior Committee and Governance Officer).

1 MEMBERSHIP

1.1 There were no changes to the membership.

2 DECLARATIONS OF INTEREST

2.1 There were no declarations of interest.

MINUTES

3.1 RESOLVED:

That the minutes of the meeting held on 16 June 2020 be approved as an accurate record of proceedings.

4 PENSION ADMINISTRATION UPDATE

4.1 Sarah Hay (Senior Payroll and Pensions Officer) introduced the report and advised that the Pension Administration Service was operating as business as normal, although staff were working from home because of the current

COVID-19 restrictions. The key performance indicators were holding up well, although there had been a few instances of late lump sum pension payments.

- 4.2 A review was taking place in respect of the Western Union overseas payments, although most payment queries had been successfully resolved.
- 4.3 Sarah Hay advised that the Pension Fund Committee had agreed that Hampshire County Council (HCC) take over pension administration duties after Surrey County Council's proposal re trebling costs to provide this service in the future.
- 4.4 The Board sought additional information concerning HCC regarding its experience of pension administration provision and commented further that SCC's performance had not been acceptable considering their rising costs and persistent underperformance.
- 4.5 Sarah Hay advised that HCC had considerable experience of managing pension administration services with other local authorities and that she was confident that they would deliver an improved service.
- 4.6 The Board noted the report.

5 FUND FINANCIAL MANAGEMENT

- 5.1 Phil Triggs (Tri Borough Director of Treasury and Pensions) introduced the report and advised that, despite the COVID-19 pandemic, the investment situation was now recovering and that this was positive for the Fund. There were however still a number of uncertainties with regards to the Brexit implications, as well as overseas COVID-19 variants.
- 5.2 Phil Triggs informed the Board that in future the Risk Register would be subject to the Chartered Institute of Public Finance and Accountancy (CIPFA) framework requirements.
- 5.3 On a question regarding negative cashflow (contributions received minus pensions paid), any negative cash flows could be funded, most likely, from the Fund's passive portfolios. In response to queries from the Board, Phil Triggs commented that he was encouraged by recent senior appointments to the London Collective Investment Vehicle (LCIV) and officers would continue to keep the situation under review.
- 5.4 In reply to queries from the Board, Sarah Hay advised that care workers who had joined the Council, or other external organisations affiliated to the Fund, were being encouraged to join the Westminster pension scheme.
- 5.5 **RESOLVED:**
 - 1. That the risk registers to the Pension Fund be noted,
 - 2. That the cashflow position, the rolling 12-month forecast and the three-year forecast be noted.

6 PERFORMANCE OF THE COUNCIL'S PENSION FUND

- 6.1 Phil Triggs advised the Board that the Fund had recovered from the initial COVID-19 pandemic investment downturn and was currently 100% funded. The Fund had also received green flags in all areas in respect of the three-year Government Actuary Department (GAD) review and that there would be an update on this review at the next pension fund committee meeting.
- 6.2 Phil Triggs advised the Board that the LCIV Equities (Morgan Stanley sub-fund) had been selected by the Pension Fund Committee and were highly regarded for their Environmental, Social and Governance (ESG) credentials. Macquarie and Quinbrook had also been appointed in respect of renewable energy infrastructure investments.
- 6.3 Members asked if there were any investment risks in respect of China investments and the possibility of sanctions and sought views in of interest rates.
- 6.4 In reply, Phil Triggs advised that China was not a specific asset allocation within the Fund's asset allocation policy but would be part of the global equity investment indices. External global equity portfolio managers are required to pay close attention to all ESG criteria as well as reputational risks to the Council. With regard to interest rates, these were not anticipated to rise over the short to medium term. However, Deloitte were monitoring the economic backdrop and the Board would be updated on the matter at the next meeting,
- 6.5 **RESOLVED:**

That the performance of the investments, changes to asset allocation and the funding position be noted.

7 ANY OTHER BUSINESS THE CHAIRMAN CONSIDERS URGENT

- 7.1 The Chairman requested that the next meeting be arranged to take place in early July.

The Meeting ended at 7.47 pm.

CHAIRMAN: _____

DATE _____