

TFL Pension Consultative Council (PCC)

Summary of minutes of meeting number 69 held on 24 November 2011

2011 PCC Election Process

The PCC noted the ballot results as follows:

Section One

Christopher Sullivan was re-elected and Anne Garland and David Porter will fill the two casual vacancies

Section Two

Paul Rutland was elected

Section Three

Paul Murphy and Paul O'Brien were both re-elected

Report of Trustee Board Meeting held on 29 September 2011

Steve Allen (TfL MD of Finance) attended to report on TfL's current financial situation. He reported that following the 2008 financial crisis and the business having settled its reduced funding level by £2bn through measures of Project Horizon and a strong growth in ridership it meant the Government had recognised TfL's commitment and to the need for continued investment. This had resulted in the rating agencies upgrading TfL from AA to AA+. These factors led him to believe that TfL covenant with the Pension Fund remained at least as strong as before the recession.

The investment adviser's reported that the overall investment performance (net of fees) was 2% against the benchmark of 1.2% for the quarter and 17.3% against 14.6% for the 12 months to 30th June 2011. It was also noted that the situation would have changed since the 30th June report had been produced, when the funding level had been 90%. In view of the potential impact of recent market falls, it was anticipated that the funding level had reduced to around 80% at the end of September with assets at around £5.2 billion.

An application for an oral hearing had been lodged with the High Court and a provisional date had been set for 7th December 2011 challenging the PPF levy for former Metronet sections.

The Appeals Committee agreed on a majority basis that there would be a deferment of Appeal Hearings in situations where the person's representative was unable to attend.

AMM Feedback

The PCC reported positive feedback from members who found it constructive, informative and delivered on time.

TfL Administration Report for the quarter ended 30 June 2011

The PCC noted the service provider's report to the Trustees of the TfL Pension Fund.

Change to the State Pension Age and the effect on the Variable Pension Option

It was explained that currently new leavers were advised of these changes. Whilst the Fund Office awaits the required legislation to deal with those already affected, this group will be dealt with in a one off exercise. It was confirmed that TfL will not bridge any financial gap for affected individuals.

Fund Office Structure

It was explained how the workload and teams would be split into service delivery and service delivery support. These changes had no detriment to cost or staffing levels.

Change of PCC Secretary

It was announced that Julian Collins from the TfL Pension Fund Secretariat Office will be taking over the role from Sarah Pascall who was thanked by the PCC for her support over the last seven years.