

TFL Pension Consultative Council (PCC)

Summary of minutes of meeting number 83 held on 8 May 2014

Section One Trustee

Section One councillors confirmed that Ms Arwood had decided not to stand for a further term as Section Trustee and provided the Council with a summary of the Sections meeting held on the 26 February which detailed their decision to nominate Paul Kilius-Smith to the Trustee Board to fill the vacancy of Pensioner Trustee.

Report of Trustee Board Meeting held on 28 March 2014

The nomination of Paul Kilius-Smith as a Pensioner Trustee following Linda Arwood's decision to stand down was approved by the Board with effect from 29th March 2014. Mr Kilius-Smith would sit on the Investment and Appeals Committees, while Graham Dean will take the vacancy on the Operations Committee.

The statement of investment principles was approved with no significant changes.

The Board noted the Executive Summary, which highlighted that the Technical Provisions funding level had been broadly maintained at 92% over the quarter. Over the course of the year, developed equity performance had been strong, but continued to be poor in emerging markets. It was noted that overall, 2013 had been one of the worst years on record for developed market bond returns. The Total Fund was ahead of its market benchmark over the quarter and had tracked the estimated change in liabilities. The value of the Fund's equities had increased by £230 million over the quarter due to positive performance of equity markets whereas the value of the Fund's bonds was broadly unchanged as falls in government bonds were offset by positive performance of corporate and alternative credit. The value of the Fund's alternatives allocation increased by £48 million whilst the currency overlay increased by £67 million due to sterling appreciation over the quarter. The Fund was still on course to be fully funded around three years before the recovery plan.

The arrangements for the Extraordinary General Meeting which had been requisitioned were discussed.

The Board also discussed and approved the proposed budget, which was broadly similar to the 2014 budget, except for the investment side, which was subject to constant changes, and the inclusion of a provision for two additional staff for the Fund Office. It was noted that there was a budgeted cash flow surplus of £26m which was available for investment in alternative assets at certain points in the year as the Fund approached its target allocation for alternatives in the portfolio.

The Audit Committee agreed the Internal Audit Plan for 2014/15, which included the deduction and payment of pension contributions; assets and investments validity and IT general controls to include disaster recover procedures.

2014 Election Process

It was confirmed that David Biggs and Keith Goldsworthy were due to retire from Section One, Stephen Ellaby from Section Two together with Jackie Darby and Gilly Leonard-Ross from Section Three.

The PCC agreed that the closing date for nominations for the 2014 annual elections will be set for Friday 15 August 2014 and there was no change to the requirements in respect of election statements.

TfL Administration Report for the quarter ended 31 December 2013

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

Pensioners' Forum meeting held on 26 February 2014

The paper was noted.

Pensioners' Forum Constitution

The Council were presented with the latest draft of the TfL Pensioners' Forum Constitution and this was noted with no comment.

Pensions Working Group minutes for meetings held 4 December 2013 and agenda for 19 February 2014

Both papers were noted

Extraordinary General Meeting (EGM)

The Fund Secretary informed the Board that two requisitions, signed by 200 members of the scheme, had been received which, under Rule 52(2), called for an Extraordinary General Meeting. A circular giving notice of the meeting and details of the requisitions was therefore to be included with the mailing for Pensionews, shortly to be dispatched under Rule 52(1), which required the notice to be given at least seven days before the meeting.

He also advised the Board that arrangements had been made for the EGM to take place on 25 April at the Queen Elizabeth Conference in Westminster, London.