

TFL Pension Consultative Council (PCC)

Summary of minutes of Meeting 124 held on the 24 November 2022

2022 Election Results

Summary of PCC Review of Postal Ballot Results

The PCC noted the results of the postal ballots for the recent elections, with the following key outcomes:

Section One:

David Biggs and Mark Harding were elected, with a turnout of 21.66%.

Concerns had been raised from Section One constituents who felt it was improper that two existing councillors standing for re-election explicitly stated in their election statement that they supported each other in the election, especially against the only other candidate standing. The PCC discussed the situation and agreed that whilst the statements made by the candidates met the criteria, but they would consider reviewing similar situations in the future to ensure fairness to all candidates.

Section Two:

Mohan Sukumaran was re-elected uncontested.

Section Three:

Tony de Wet and Peter Woods were elected, with a turnout of 24.03%.

Vacancies: Two casual vacancies arose due to the retirements of Mr. Moriarty and Mr Srikandarajah. Section Three Councillors requested a ten-minute adjournment following which Section Three confirmed these would be addressed at the January meeting.

The overall election results would be communicated through the usual internal channels. Additionally, the PCC will continue to monitor and potentially review similar election situations in the future to ensure proper conduct.

Administration Report for Quarter ended 30 June 2022

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

Report of Trustee Board Meeting held 23 September 2022

Trustee Vacancies and New Appointments:

Lilli Matson and Amanda Hopkins, two employer-nominated Trustees, resigned.

Chris Reader and Julian Thirlby were nominated by TfL to fill these vacancies: Mr. Reader joined the Operations and Audit & Risk Committees. Mr. Thirlby joined the Investment and Appeals Committees. Their expertise was seen as valuable in ensuring a balanced mix within the committees.

Penfida, the Fund's Covenant Assessor, reported that the strength of the covenant remained strong, though slightly weaker than the 2018 Actuarial Valuation. The 2021 Actuarial Valuation showed a £179 million surplus, reflecting a positive change.

Despite the September 2022 "Mini Budget" causing negative effects for many pension funds, the TfL Pension Fund was unaffected and stood to benefit from higher bond yields and a reduction in liabilities.

A consolidated version of the Trust Deed and Rules (incorporating all changes since the last consolidation exercise) was approved by the Trustee Board, with no substantial changes. An update of scheme booklets was expected soon.

The Annual Accounts for the Fund were externally audited and approved by RSM. The Internal Audit Team provided updates, including audits on employee and employer contributions and custodian arrangements.

Annual Benefit Statements for active members were issued in July. Deferred statements and the Annual Review were issued in September. A hybrid Annual Members Meeting was scheduled for 7 October 2022. The Fund Office was evaluating a standalone website for the TfL Pension Fund.

At the end of July 2022, the funding level of the Fund remained above 100%.

The Investment Committee discussed emerging market debt, noting a £205 million commitment to JP Morgan's Emerging Market Debt Fund.

The ALHC invested in solar energy farms in Brazil, which, despite higher risk, offered an attractive 33% internal rate of return (IRR). Additionally, the ALHC committed £57-62 million to the construction of the Cory 2 Riverside power station.

Paul Murphy's report highlighted a period of strategic decision-making and positive financial movement for the Fund, despite challenges from economic conditions and ongoing funding negotiations. Key developments included strong governance, significant investment strategies, and ongoing work to address funding and actuarial matters. The TfL Pension Fund continued to perform well in the face of external financial pressures.

Annual Members Meeting (AMM) Feedback

A total of 144 members attended the AMM, though the actual viewership may have been higher due to multiple people viewing from a single device. Feedback was generally positive, with some members noting that the sessions felt too lengthy. Stephen Field encouraged members to submit questions via the online facility in future events to improve engagement.

The content of the AMM, including the video, was uploaded to the Fund website for members to access at their convenience.

The 2023 AMM format will replicate this year's event, with a hybrid format allowing both in-person and virtual participation.

Trustee News Update

The Committee had no comments for the news update.

Pensioners Forum Minutes for meeting held on 12 May 2022, 6 September 2022 and Agenda for Meeting held on 7 November

The Minutes of the Pensioners' Forum meetings held on 12 May 2022, 6 September 2022 and the Agenda for the Meeting held 7 November 2022 were **noted**.

PWG Minutes for Meeting held on 15 June 2022 and Agenda for the Meeting held on 7 November 2022

The Minutes of the Pensions Working Group for meeting held on 15 June 2022 and the Agenda for the Meeting held 7 November 2022 were **noted**.