



Maria Antoniou
Chair of Trustee, TfL Pension Fund

Andy Lord
Commissioner of Transport

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26th November 2024

Dear Maria,

Very many thanks for yours and Stephen's time with Fiona and I to discuss the current situation with regard to the HM Government's ("HMG") funding condition on the TfL Pension Fund ("Fund") and ongoing concerns. We recognise that it is important for you and the Trustees to have some clarity in order to enable resolution and agreement with TfL regarding the triennial valuation and as such I hope the following update gives the necessary assurance so that a timely and mutually beneficial outcome can be achieved.

TfL recognises that, since the Pensions Review ("Review") commenced, a number of the driving factors have changed. In particular, the significant improvement in the funding position of the Fund; the reduction in volatility achieved through the investment de-risking carried out by the Trustees; and the overall level of contributions required to be paid by TfL.

TfL has always held a view that "do nothing" or "no change" was a possible outcome of the Review alongside other options. At the current time, TfL believe no change to the Fund remains a viable option and there are no plans that are being developed or actively considered by TfL.

I understand that some concerns have been raised by the Trustees regarding recent HMG announcements, in particular Mansion House and the forthcoming Pensions Bill concerning LGPS. I can categorically assure you that no-one in TfL is working with HMG, or is in any form of discussion, regarding the Pensions Bill or LGPS.

TfL continues to meet and engage regularly with HMG representatives and I am pleased to confirm that no conditions related to pensions have been included in our recent capital funding settlement received on 30 October 2024. Whilst we believe that the original pension condition has been met, and have expressed this view to HMG, we are yet to formally receive confirmation from HMG.

Hopefully this letter clearly articulates and provides the Trustees a clear view on our position of the pension condition concerning the Review. The best way, in my opinion, to give certainty to everyone is to ensure the most affordable outcome following the triennial valuation.

Finally, whilst future change cannot ever be ruled out, I can provide assurance that TfL will work with the Trustees, as we have always done in the normal cycle of activities and in particular via the triennial valuations, to raise any concerns or issues relating to the funding of the Scheme.

In the meantime, please do not hesitate to contact myself or Fiona if you have any further questions. I can confirm that we have no objections to this letter being published in due course along with the other usual valuation documents once agreed.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Andy Lord', with a stylized flourish at the end.

Andy Lord