

LRT PENSION FUND TRUSTEE COMPANY LIMITED

Notes of the 2003 Annual Members' Meeting

Held at 14.00 hrs on Tuesday 7th October 2003 in the Assembly Hall at Church House
Dean's Yard, Westminster

Platform Party:	S Critchley	(Chairman)		
	C Angell	(Fund Secretary)		
	M May	(Scheme Actuary)		
	J Walder	(TfL MD Finance & Planning)		
	S Timbrell	(Trustee & Director of Pensions)		
	A Barnes	(Trustee)	J D Freeman	(Trustee)
	G Belton	(Trustee)	J Ingleton	(Trustee)
	M Gardiner	(Trustee)	S Grant	(Trustee)
	J Pownall	(Trustee)	T Scanlon	(Trustee)
	M Ainsworth	(Trustee)	J Timbrell	(Trustee)
	S Allen	(Trustee)	A Good	(Trustee)
	S Phelan	(Trustee)		

Apologies had been received from 3 Trustees: A Taylor, P Sikorski and E Barrett
201 other members were in attendance

1. Stephen Critchley introduced himself, the Trustees and guests. Having dealt with safety notices he outlined the key events of 2002/03, ran through the programme for the afternoon and reiterated the role of the Trustees.
2. Chris Angell presented the Fund's Report and Accounts for the year ended 31st March 2003 highlighting changes since then and clarifying the sector and manager analysis of the Fund's investments and returns achieved on them. (copies of slides attached).
3. A brief video illustrating TfL's heritage was shown as an introduction to Jay Walder's talk on TfL and the Future. Jay explained his background and that of the constituent parts of TfL; now including London Underground. He outlined TfL's early successes, its funding position and current priorities before moving on to reassure Members that all pension benefits rightfully earned in the LRT Pension Fund by Fund Members would be honoured by TfL. He explained that with pensioners living longer and three poor years in the Equity markets a deficit would be an inevitable outcome of the current actuarial valuation (as at 31st March 2003). He pointed out, however, that a deficit was not a "bill due for payment today" but rather a funding position that needed to be remedied over the next 10 years and that TfL "will make good on that". He finished by highlighting actions planned in TfL's Business Plan.
4. The Chairman then invited questions from the floor. A number of views were expressed on future transport policy and the virtues or otherwise of tramway schemes. Jay Walder assured the meeting that TfL took consultation very seriously and that there were no "done deals" ahead of consultation.
5. Turning to Pension Fund matters questions were raised on:-
 - (i) **(Re)admission of Private Bus Company staff.**
The Chairman said that, whilst the Trustees were sympathetic, the reality of the cost of funding this was such that TfL and potential Participating Employers were unlikely to be able to agree to it.
 - (ii) **The LEL deduction and contracting out of the State 2nd Pension limiting pensions earnable.**
The Actuary commented that the LRTPF was already amongst the most generous of occupational pension funds and any enhancement would be expensive. The Chairman confirmed that change was unlikely to be affordable, particularly given an impending deficit.

- (iii) **Whether general and/or specific advice on AVCs (and Equitable Life contributions in particular) could be made available to Members.**
The Chairman agreed to explore possible ways of arranging access to advice but emphasised that the Trustees and Fund Office were prohibited from giving investment advice. He confirmed that the long-overdue annual AVC statements had now been received from Equitable Life and were being dispatched to members and that a letter of complaint had been sent to the Chief Executive of HboS, who are now responsible for Equitable Life. However, sanctions against them were not readily available.
- (iv) **Ethical Investments**
The Fund Secretary explained that the Trustees were legally required to get the best investment returns and, whatever their personal views and collective wishes, could not direct Investment Managers to avoid specific companies without undermining Investment Manager Agreements and inviting legal challenge.
- (v) **Pensioner Existence Checks**
The Fund Secretary confirmed that regular checks are made by the Fund Office and that external agencies had been used in the past with limited success but future use was being considered by the Trustees. He emphasised the need for a careful sympathetic approach whilst ensuring the Fund was protected from fraud.
- (vi) **Impact of differential increases in GMP and Main Fund pensions**
The Chairman suggested individual cases should be dealt with on a personal basis outside the meeting as this did not appear to be a generic issue.
- (vii) **Move from 4-weekly to Annual Payslips**
The Chairman confirmed that the Trustees were considering future arrangements but that no decision had been made. The Fund Secretary emphasised that there was no intention to vary actual pay arrangements and that, if changes were agreed, members would be informed of full pay details annually and whenever net pay changed significantly (e.g. if tax changed).
- (viii) **Proposed Pension Protection Fund**
The Scheme Actuary explained the Government/industry proposals and their likely limitations
- (ix) **Trustees' reviews of Mercers' advice and appointment**
The Fund Secretary explained that the Trustees receive and discuss investment advice from Mercers every quarter and that their appointment is formally reviewed every three years. In addition the Fund Secretary received advice from Mercers on an "as arising" basis.

6. The meeting adjourned at 16.00 for informal discussions over refreshments.