

HALCROW PENSIONERS ASSOCIATION

Minutes of the 4th Annual General Meeting

Held online between 17-24 April 2016

Present:

Stephen Brichieri-Colombi
Malcolm Bennett
John Ratsey
Jane Tordoff
Brian Finney
Jon Bateman
Chris Fleming

Honorary Chairman
Honorary Treasurer/Membership Secretary
Web Master
Honorary Secretary
Committee Member
Committee Member
Committee Member

Present

Phil Alexander
Bill Austin
Lorna Baker
Huw Beasley
David Bryant
Eric Cooper
Rob Deakin
John Debenham
Sue Edwards
Michael Fitpatrick
Heather Foster
Rachel Fowler
David Grisby
Rod Hacker
Tony Green
Tony Hoyle
Anne Jepson
Phil Johnson

Tony Key
Jon Jacobson
Steve McDonagh
Jerry Neville
Rod Sanders
Andrew Scarth
Adam Schofield
Meelit Shah
David Slater
Neil Smart
Howard Smith
John Sreeves
Justin Southwell
Ian Rose
Peter von Lany
John Walker
David Wood

The total number of people attending numbered 42 well in excess of that needed to form a quorum.

1. OPENING REMARKS

2. APOLOGIES

None were received this year.

3. ACCEPT THE MINUTES OF AGM HELD FROM 12 APRIL TO 20 April 2015

These were accepted by those attending the AGM.

4. PRESENTATION AND ADOPTION OF ANNUAL REPORT

JT submitted the Annual Report of the Committee for the Period to 17 April 2016.

(full text available at

These were accepted by those attending the AGM.

5 PRESENTATION AND ADOPTION OF FINANCIAL STATEMENT

On 31st March 2015 there were 243 HPA members, 84 more than at the same time last year.

19 members have still to renew their membership: 7 of these are in long-term arrears and 12 haven't paid since paying their 2015 subscriptions. In addition, 4 members have resigned.

These were accepted by those attending the AGM.

HPA's financial situation is summarised below:

Description	Amount		
	2015 £	2016 £	Total £
Brought forward	4,150.22		
Subscriptions from members			
- Bank transfers		1,985.00	
- PayPal transfers		528.43	
- Funds in PayPal account		0.00	
- Cheques/cash		40.00	
		2,553.43	
Expenses			
- Payments to OPA		40.00	
- Website hosting		10.00	
Balance at 31 March 2016			6,653.65

5 MOTIONS TO PUT TO THE AGM

Proposal/ Question	For/ Yes	Against/ No	Abstain/ Other	Total Members Voted
That the committee is thanked for its work during the past year	24 (96.0%)	0 (0%)	1 (4.0%)	25
Should the HPA explore the possibility of 'Crowd Funding'?	16 (66.7%)	5 (20.8%)	3 (12.5%)	28
Amend article 4(a) in HPA constitution to change "full" to "fair"	22 (81.5%)	4 (14.8%)	1 (3.7%)	27
That HPA will continue its membership of the Occupational Pensioners Alliance	29 (100.0%)	0 (0%)	0 (0.0%)	29
Should committee members be paid expenses?				30
• Yes			7 (23.3%)	
• Committee members should be reimbursed for travel costs to committee meetings			5 (16.7%)	

<ul style="list-style-type: none"> Let individual committee members decide whether they should claim expenses 			18 (60.0%)	
That the annual subscription to HPA remains at £10	29 (96.7%)	0 (0%)	1 (3.3%)	30
Should HPA explore possible options for what might happen to HPS?	27 (90.0%)	3 (10%)	0 (0.0%)	30
Should HPA continue with the arrangement to receive legal advice from Martin Jenkins?	33 (97.1%)	0 (0%)	1 (2.9%)	34

This largely confirms the desire of the members to continue the course of action the Committee has followed in the last year, and we will act on the results.

The issue of an article in the Building Magazine was raised regarding the HPA and the signing up of Martin Jenkins. [This article can be read here.](#)

A question was asked of the HPA.

“Can the HPA have any influence with the HPS trustees? And if not, what chance do we have of being able to influence the Pensions Regulator if the worst happens?”

A series of questions were put to the HPA but not voted on. The HPA will try and obtain answers to these questions in the coming months.

Following discussions with Martin Jenkins, do HPA have answers to the questions below?

1. What are CH2M’s legal options?
 - (a). Negotiate changes to the Halcrow pensions Scheme with the Trustees in order to reduce their liabilities and then change to a reduced funding to match the agreed scheme? Or,
 - (b) Failing negotiations, seek to change the terms of the Pension Scheme by Judicial Review/agreement of the Court? Or,
 - (c) Close-down Halcrow and force the Scheme into the Pension Protection Fund?
 - (d) Other?
2. What is HPA strategy to challenge any changes proposed by CH2M to the Halcrow Pensions Scheme?
3. How can HPA secure full entitlement to pensions through service with Halcrow if CH2M successfully claim (through the Courts?) that the unprecedented changes in the market conditions since they purchased Halcrow, which have driven down yields and increased the deficit, could not have been foreseen by anyone, including governments and central banks, so it would be unreasonable for CH2M to have significantly increased liabilities as a result?

4. What standing does HPA have in any negotiations with CH2M?
5. What is a qualifying insolvency event for the Pension Protection Fund to assume responsibility for the pension scheme?
6. Is there sufficient evidence of profitable trading of Halcrow to rule out a “qualifying insolvency event”?

6 ELECTION OF OFFICE BEARERS AND COMMITTEE MEMBERS

The following HPA members had indicated their willingness to stand again for re-election and had all been proposed. Only two other nominations, Edward Evans and Phil Johnson were received, and so the Committee for 2016 is as follows:

Stephen Brichieri- Colombi	Acting Chairman
Malcolm Bennett	Treasurer/Membership Secretary
Jane Tordoff	Secretary
John Ratsey	Web Master
Jon Bateman	Committee Member
Chris Fleming	Committee Member
Brian Finney	Committee Member
Mike Scantelbury	Committee Member
Edward Evans	Committee Member
Phil Johnson	Committee Member

7 ANY OTHER BUSINESS

There were no issues raised under this heading

8. CHAIRMAN'S CLOSING STATEMENT

This last year has seen some of our fears about the future of the HPS become more concrete. We are still being kept in the dark about the exact size of the deficit, which may be around £M500. The Valuation Reports for 2011 and 2014 have both been delayed beyond the statutory deadline, and the last Popular Reports was for 2013. The 2014 Halcrow Annual Report states that unless the deficit can be reduced (cutting pensions seems the only way to do this) CH2M may withdraw funding. This is the first publication in which we have been warned that this might happen. The Trustees failed to mention this to pensioners until we wrote to them about it.

The furore over Tata Steel and BHS both of which have similar deficits, has raised awareness in the UK about the weaknesses in the private pension system, which can allow unscrupulous firms to jettison their defined benefit pension obligations onto the Pension Protection Fund (PPF). The PPF was created as a safety net, designed to spread the risk of a defined benefit (DB) pension scheme shortfall over the 6,000 odd firms who were offering them to some 11 million people. It is financed, not by the taxpayer, but by an annual levy on these firms, which increases as the number of firms offering DB schemes declines. Firms which jettison their Pension Schemes and rise from the ashes do not have to pay off the deficit on their previous pension scheme, nor the levy, putting them at an advantage over firms which maintain the funding of their pension schemes. The system is inherently unstable, and such systems have tipping points.

Rather belatedly, the Pensions Regulator (tPR) has woken up to this risk, and is now more actively contesting this jettisoning process by pursuing owners who take funds out of companies before reducing their pension deficits. This is, of course, precisely what we asked for in court in 2011, when the scheme of arrangement allowed Halcrow shareholders to take £M123 out of the company before paying down the HPS deficit. It is unlikely that such a scheme would be approved in 2016.

The HPA has made sure that the Trustees, tPR, PPF, the Pensions Ombudsman, our local MP, the House of Lords and the Press (Financial Times, Sunday Times, Building Magazine) are all aware of the possibility that CH2M Hill could jettison the HPS. We are also engaging with Martin Jenkins, a top-flight solicitor to make sure that, if there is any negligence by any of these bodies, appropriate remedies will apply.

When asked for comment by the Press, CH2M points out that HPS continues to pay our pensions and to make contributions in accordance with the recovery plan published in 2008. CH2M does not mention this 16-year plan is far longer than average of 9 year for plans approved by tPR, and that as a result of underpayments into the scheme, the deficit is ballooning.

We trust and hope that CH2M Hill will abide by the assurances given at the time of the takeover with regard to pensions, but believe constant vigilance is required. This we will continue to provide.