



NEWSLETTER

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A positive start to the new decade!!

After all the negativity of BREXIT and the political electioneering we endured last year, it was refreshing to be part of a very positive and constructive meeting with the Pension Fund Management in November.

The meeting was hosted by Helen Clatworthy, the Trustee Board Chair, also in attendance were Ken Hill, the Member Nominated Trustee, Jan Killick, the newly appointed Pensions Manager, and Leigh Callaghan.



IMPAC spokesperson Bob Chamley had prepared a series of questions which were submitted prior to the meeting. However the more informal nature of the discussions meant that we were able to cover a much wider variety of issues. Our main interest concerned the progress of the Triennial Valuation in view of all the changes which had taken place in the Company recently. Whilst there was still no firm timetable for its completion, the Trustees were confident that a funding agreement would be agreed with the Company .

The IMPAC delegation were delighted with the outcome and came away with a very clear and positive message regarding the long term aspirations of Trustee Board for the Pension Fund.

Full report on page 5

Readers will recognise that as we start a new decade, there is a common theme across our National Council objectives for this year. We shall be reviewing all our current practices and activities to test if they are still relevant to our members needs. We shall also use this opportunity to explore areas we might develop or improve in the future and we would welcome any suggestions you may have.

The rationale behind this is that an organisation like ours needs to conserve and utilise its most important and valuable resources which for IMPAC are in limited supply, most notably:

Membership - we need to be seen to 'add value' to our existing members and in doing so, maintain and encourage new members.

Council members - we need to take full advantage of their knowledge, skills and enthusiasm that they bring to IMPAC .

Financial - we need to be cost effective in our operation, which will ensure that our annual income and funds are used solely for the benefit and support of the membership .

Therefore having 'set out our stall' for the 2020s, I would like to finish by saying how pleased we were with the reception we received at our Trustee meeting and my thanks to Bob Chamley and Neil Williams for their contribution to an excellent meeting during which it became very apparent that there is a strong working relationship between the Trustee Board, Pension Fund Management and the Company and hopefully this will bode well for the future.

Neil Hopkins



I would like to take this opportunity of expressing our appreciation to Dave Radford who has decided to 'hang up his boots' this month after several years' service to IMPAC.

Dave has carried out the thankless task of chasing overdue membership renewals each month for as long as I can remember which has saved IMPAC from losing valuable members and their subscriptions . Thank you Dave.

Imperial Brands—Board changes



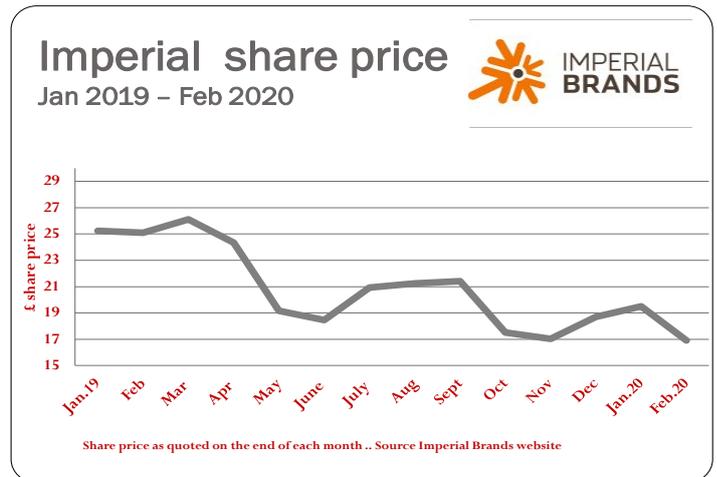
The 2018/19 financial year end was preceded by the Company announcing a profit warning to the stock market on 26th Sept 2019 which prompted a 13% fall in the share price .

This was followed on 3rd October by a further Company statement announcing that Alison Cooper would be stepping down from her role as Chief Executive and from the Board once a suitable successor could be found. Alison had been with the company over 20 years, nine of which had been as Chief Executive.

We would like to thank Alison for her support of the Pension Fund which benefitted from over £500million pounds of company contributions during her tenure.

In November the Company announced that Therese Esperdy would succeed Mark Williamson as Chairman effective from 1st January 2020.

In February, the Company unveiled its new Chief Executive, Stefan Bomhard who was previously Chief Executive of Inchcape PLC and has significant experience across multiple consumer sectors and within large multinational organisations.

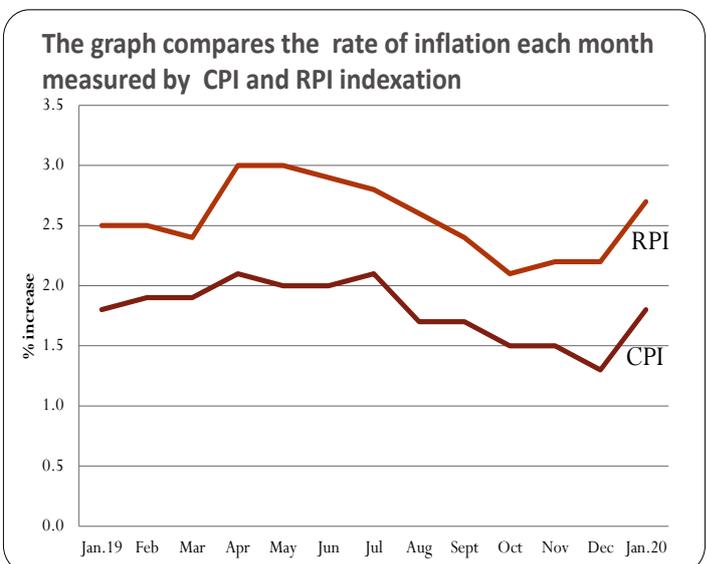


The rate of inflation has been falling steadily since our last Newsletter but rose quite sharply in January.

The debate continues regarding the future of the Retail Price Index. The Chancellor of the Exchequer stated recently that the matter was under review but he did not foresee any changes until at least 2025. He has subsequently resigned his position in the Cabinet.

The December 2019 Index was 2.21% which is the rate used to determine our pension increase for 2020.

Inflation rate update



The National Council

At our last meeting we agreed to adopt the recommendations of the Project group and proposed them as our 2020 objectives .

The key objectives are:

1. The maintenance of a **formal issues log or register** to be held and reviewed by the National Council at each meeting. For example items might include the debate on the future of the RPI inflation index.
2. **Open meetings** - We shall be critically reviewing our current schedule of Open meetings and also be looking into the feasibility of extending them to other areas. We have started by conducting a survey in the Bristol area (see below) and the intention is to use this as a template to develop similar exercises in some of the other regions .
3. **Succession Planning** - Whilst we have a settled and enthusiastic group of individuals who sit on the National Council, we should be looking ahead to recruit members who would be interested in joining the team in the future .



Bristol Questionnaire—February 2020

In preparation for the forthcoming Annual General Meeting to be held in Bristol we surveyed 200 members in the Bristol and Bath areas to establish their views and meeting preferences .

We were pleased to report that almost all of the responses agreed that **‘The Pension Fund is very well managed and I am happy with the communications I receive from the Pension Fund and IMPAC’**.

So what else did we learn ?

- Many of the recipients expressed an interest in attending a meeting which is promising.
- The location we have chosen for the AGM is not a problem to most but a city centre venue would be more accessible by public transport.
- The preferred start time was early afternoon.

Members would mainly be interested in hearing more about the Pension Fund and our meetings with Trustees/Pension Fund management. They would also like to be updated with news about the Company, pensions and prospective legislation. *(Therefore, the optimum time to stage an open meeting in future would be in the autumn)*

The National Council’s current policy is that it should be ‘accessible’ to the membership at an open meeting in addition to offering members contact through our helpdesk and newsletter.

It will be interesting to report if these opinions are reflective of our membership in other areas.

Meeting with The Trustee Board/Pension Fund Management

1. Triennial Valuation

The meeting was updated with a progress report which stated that the triennial valuation work was ongoing and completion was expected between March and end of June 2020, which is the final date.

We asked whether the performance of the Company's shares would impact on the potential funding arrangements? It was confirmed that the Company's three yearly independent auditors covenant review had been completed and still reflected a very strong position. Profit delivery from world markets was holding up well and the share price fall was mainly due to external causes. They also believed that the share price would have little impact on the Company's ability to obtain Surety Guarantees similar to those obtained last time and that the credit agencies acknowledged that external factors were the main cause.

Looking ahead, we discussed the recent trend of Buy-out/Buy-in options being adopted by some companies such as British Airways, BAT, etc. However, it was made very clear that the Fund would continue in its present format and run on with full Company support, to which we were pleased to add our support.

2. Trustee Board matters

We conveyed our disappointment regarding the news that Alison Cooper would be leaving as she had supported the Fund for many years. We raised a concern for the future that only a few Fund members still held senior management positions within the Company. It was pointed out that amongst others, both Ken Hill and Helen Clatworthy were both members of the Fund.

3. General Investment update

The Defined Benefits Fund's net assets increased by £206 million to £4.1 billion at the year end. This was mainly due to the increase in market value of investments.

We discussed the appointment of David Fripp as the first 'independent' Trustee and were informed that he has made a significant impact since joining the Board in terms of his knowledge and experience and as Chair on the Investment Committee. It was also stressed that whilst he is an independent Trustee, he had been selected and was remunerated by the Trustee Board.

It was explained that whilst nothing could be completely Brexit proof, the Fund had significantly reduced its investments in equities from 31% in 2018 to 11% with its exposure to UK investments now accounting for only 0.7%, down from 4.2%.

Bond like assets had been increased significantly (mainly Indexed linked bonds) from last year to stand at 57.8% of the Fund. The rationale for both categories was to closely protect the Fund from the risk of fluctuating values leading to actuarial deficits.

In view of the perceived crisis in High Street shopping, we asked about the investment committee's view of 37% of the property portfolio being in retail. It was stated that there was some 'out of town' developments, but that 'high street' properties were in affluent areas in major cities e.g. London, Edinburgh, etc.

Date of next meeting - it was provisionally agreed that it would be 23rd September 2020

2020 Annual General meeting: Bristol

Tuesday 28th April 2020 at 2.00pm

At the Bristol Bowls Club, 198, South Liberty Lane, Ashton Vale, Bristol BS3 2TY. Tel 0117 9633460.

Information will be included in meeting notification pack

2020 Open meetings

Next Open meeting: Nottingham

Tuesday 16th June at 10.00am

At Wollaton Park Community Association, Harrow Road, Nottingham.

For more information about the meeting contact John Kenton, or email: helpline@impac.org.uk

Next Open meeting: Glasgow

Tuesday 27th October 2020 at 1.00pm

At Garfield House Hotel, Cumbernauld Road, Stepps, Glasgow.

For information about the meeting email: helpline@impac.org.uk

Next Open meeting: Stirling

Monday 26th October, 2020 at 1.00pm

At the Mayfield Centre, Sunnybank Road, St Ninians, Stirling

For information about the meeting email: helpline@impac.org.uk

Open meeting reports

Spotlight on Stirling

Many thanks to our loyal members who regularly attend our meetings in Stirling. It is always a pleasure to go and meet with them and present a Pension Fund update each year. It should be noted that the Stirling factory closed over 30 years ago. We are grateful for their continued support.



Nottingham Open meeting Guest speaker attracts a large audience

In addition to the usual feedback from IMPAC National Council meetings and pension issues, the meeting featured a guest speaker, Paul Bloomer who shared his experiences and anecdotes drawn from 26 years photographing for John Player and Imperial Tobacco. Paul illustrated his talk with many large photographs of all aspects of his work ranging from factory life for the Players Post to his recollections of Miss World photo shoots with the JPS racing car and more!!

John Kenton

2019 Scottish Pensioners Christmas lunch

The Scottish Pensioners Christmas Lunch was again very well attended this year.

The 75 former colleagues enjoyed a four-course lunch, followed by a mystery raffle and a quiz compiled by David Fraser, who was also assisted on the day by Philip Porter as the photographer.

We were delighted to welcome May Munro, who had worked in the Cigar Making who had travelled from Perth, Australia. May told us that having missed out in previous years she had made a point of arranging her travel so that she could join with us at our festivities this year.

Unfortunately, we were without our usual party of ladies from Stirling, who were unable to attend for the first time in many years and our best wishes were also extended to those members who could not attend due to illness.

Finally, members applauded the organisational skills of Colin Martin and also for the support of his wife, Barbara, and Allan Russell whose hard work contributed to making the party such a big success.

Contact Details

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Have you any questions or points that you would like to raise with the National Council ?

Contacts	Name	Email address
Chairman	Neil Hopkins	Neil@impac.org.uk
Secretary	Elizabeth Brimmell	Elizabeth@impac.org.uk
Treasurer	Stephen J Grant	Stephen@impac.org.uk

Council members can also be contacted via the helpdesk

Update our records

DMB– our membership agency	Imperial Pension Fund Office
<p>IMPAC, c/o DMB 18a Reynards Road Welwyn Herts AL6 9TP Email: impac@dmb.org.uk Telephone: 01438 840247 <u>For changes to IMPAC membership details.</u></p> 	<p>Imperial Tobacco Pension Fund P O Box 3242 Winterstoke Road Bristol BS3 9GY Tel. 0117 9530000 Fax. 0117 9632860 Please note - All enquiries to the Pension Fund Office <u>in writing please.</u></p> 