

**TEESSIDE PENSION BOARD**

A meeting of the Teesside Pension Board was held on Monday 25 November 2024.

**PRESENT:** Paul Thompson (UNISON), J Bell and N Walker

**ALSO IN ATTENDANCE:** L Pelmeare (XPS)

**OFFICERS:** Nick Orton and Claire Jones

**APOLOGIES FOR ABSENCE:** J Stubbs and Councillor C Massey

23/11 **WELCOME AND FIRE EVACUATION PROCEDURE**

The Chair welcomed all present to the meeting and read out the Building Evacuation Procedure.

23/12 **DECLARATIONS OF INTEREST**

Name of Member	Type of Interest	Item/Nature of Interest
J Bell	Non pecuniary	Member of Teesside Pension Fund

23/13 **MINUTES - TEESSIDE PENSION BOARD - 8 JULY 2024**

The minutes of the meeting of the Teesside Pension Board held on 8 July 2024 were taken as read and approved as a correct record.

23/14 **MINUTES - TEESSIDE PENSION FUND COMMITTEE - 17 JULY 2024**

A copy of the minutes of the meeting of the Teesside Pension Fund Committee held on 17 July 2024 was submitted for information.

23/15 **TEESSIDE PENSION FUND COMMITTEE - 25 SEPTEMBER 2024**

The Head of Pensions Governance and Investments provided a verbal update on agenda items considered at a meeting of the Teesside Pension Fund Committee held on 25 September 2024.

It was noted that £67m had been invested in the quarter, at the end of the quarter the Fund was 66% invested in equities. It had been agreed that the Fund would sell passive equities after discussions with advisors.

The Committee had agreed to complete the National Knowledge Assessment, facilitated by consultants Hymans Robertson, to help assess the Committee's collective relevant LGPS knowledge with a view to facilitating targeted training to meet any training needs identified.

A presentation was delivered from the Actuary on the Section 13 Report whereby the government had provided a 3-year comparison and analysis of Pension Funds. It was noted that there were no areas of concern in regards to the Teesside Pension Fund, the report did however, highlight that our Employers pay the second lowest rate of contributions (however the fund is the 20th best funded out of 86). A discussion had taken place at the Committee around contributions and what may happen in the future.

The Strategic Asset allocation update had been provided to the committee . A reclassification of the category known as 'other alternatives' had been agreed.

**AGREED** that the information provided was received and noted.

23/16 **UPDATE ON WORK PLAN ITEMS**

A report of the Director of Finance was presented to provide Members of the Teesside Pension Board with information on items scheduled in the work plan for consideration at the current meeting and to present the Board with an updated work plan covering the next two calendar years.

The item scheduled for consideration in the work plan for this meeting was the annual review of board training. The work plan at Appendix A set out the planned activity for the Board. This was brought to each Board meeting and would be updated in line with suggestions from the Board and to take account of any changes to best practice or the regulations and guidance for the Scheme.

A discussion took place in respect of methods of training available to members, other than the online learning tool. It was agreed that the Head of Pensions, Governance and Investments would research additional training opportunities, it was further noted that board members are permitted to attend Committee meetings.

**AGREED** that the information provided was received and noted.

23/17 **PENSION FUND ADMINISTRATION - PROCUREMENT OUTCOME - VERBAL UPDATE**

The Head of Pensions, Governance and Investments gave an update on the recent procurement outcome of the pension fund administration.

There were two bidders with The Tyne and Wear Pension Fund noted as the successful bidder, due to pricing/best value and; XPS, the current provider, noted as being unsuccessful. The opportunity to partner up with Tyne and Wear Pension Fund aligns with the ethos of Public Sector and not for profit regulations. The tupe of XPS staff will now be explored.

**AGREED** that the information provided was received and noted.

23/18 **DRAFT PENSION FUND ANNUAL REPORT 2023/24**

A report of the Director of Finance was presented to provide Members with a draft Pension Fund Annual Report which took into account updated guidance on annual reports issued earlier this year.

A copy of the draft unaudited Report and Accounts for the year ended 31 March 2024 was attached to the submitted report at Appendix A.

The Pension Fund had carried out an assessment on its financial position and performance during 2023-24 and beyond as part of its going concern assessment. This included consideration of the following:

- The Fund had assets of c. £5.47b as at 31 March 2024. £3.53b (64.5%) of this is held in assets which are considered to be liquid, and which could be converted to cash if required (including £0.20b actually held as cash).
- The Fund had estimated it would pay out £234m in benefits and other outgoings in the coming twelve months and had forecasted contribution income in the region of £121m. This shortfall in contribution income versus benefits and other expenditure of £113m would be met from investment income – forecast to be £145m if dividend income could be taken from Border to Coast equity funds, or £75m if this option does not become available during 2024/25. Assuming the lower amount of investment income was received, the remaining £38m would be taken from the Fund's cash balance, which was £199m at 31 March 2024.

The Annual Report and Accounts were presented in draft form and, whilst the main numbers and outcomes were not expected to change in any significant way, changes might be needed as further review took place and an updated report would be circulated to the board.

The audit process for the Council, and so for the Pension Fund, had been protracted in recent years. As at the time of writing the report, the 2021/22 and 2022/23 Pension Fund accounts

had not been signed off by the external auditor. However, this situation was expected to be resolved in the beginning of December, as all delayed audits need to be signed off or 'disclaimed' by mid-December. This meant that there remained some uncertainty over the starting position within the draft accounts, although no significant changes were expected. The audit of the 2023/24 accounts had also been delayed, owing to the delay to completing the previous years' audits. The 2023/24 audit is underway and is expected to be completed by the end of February 2025.

**AGREED** that the information provided was received and noted.

23/19

**XPS ADMINISTRATION REPORT**

A report was presented to provide an overview of administration services provided to the Teesside Pension Fund by XPS Administration.

The report provided information on the following:

- Headlines
- Errors and Complaints
- Member Engagement
- Membership
- Data Quality
- Regulations and Guidance

The highlights of the report included;

- Membership continued to steadily increase (total membership 83,612 members).
- Active and Deferred Benefit statements were issued by the legislative deadlines.
- SLA 99.96%
- 9 live complaints remained outstanding.
- Member self-serve figures continued to increase, with a projected rise by August 2025.

**AGREED** that the information provided was received and noted.

23/20

**ANY OTHER URGENT ITEMS WHICH IN THE OPINION OF THE CHAIR, MAY BE CONSIDERED**

The Head of Pensions, Governance and Investments presented the 2024 LGPS National Knowledge Assessment of the Teesside Pension Fund to the board and thanked members for their involvement.

It was noted that the participation level was 50% of the board and 60% of the committee. Based on the results of the assessment, training sources were provided for consideration in training plans, to make the planning and delivery of these sessions more efficient for the Fund.

The board agreed that it would be useful to compile a training plan whereby training modules form part of each board meeting.

**AGREED** that the information provided was received and noted.