

TEESSIDE PENSION BOARD

A meeting of the Teesside Pension Board was held on Wednesday 26 February 2025.

PRESENT: P Thompson (Chair), J Bell and C Massey (Deputy Chair)

OFFICERS: N Orton, W Brown and C Jones

APOLOGIES FOR ABSENCE: J Stubbs and N Walker

23/21 WELCOME AND FIRE EVACUATION PROCEDURE

The Chair welcomed all attendees to the meeting and explained the fire evacuation procedures.

23/22 DECLARATIONS OF INTEREST

Name of Member	Type of Interest	Item/Nature of Interest
J Bell	Non pecuniary	Member of Teesside Pension Fund
Councillor C Massey	Non pecuniary	Deferred Member of Teesside Pension Fund

23/23 MINUTES - TEESSIDE PENSION BOARD - 25 NOVEMBER 2024

The minutes of the meeting of the Teesside Pension Board held on 25 November 2024 were taken as read and approved as a correct record

23/24 MINUTES - TEESSIDE PENSION FUND COMMITTEE - 25 SEPTEMBER 2024

A copy of the minutes of the meeting of the Teesside Pension Fund Committee held on 25 September 2024 was submitted for information.

NOTED

23/25 TEESSIDE PENSION FUND COMMITTEE - 11 DECEMBER 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 11 December 2024.

It was noted that the investment activity report had been presented; the cash level of the fund had increased and that the fund had disinvested from passive equity funds.

The EY Audit Reports for the years ending 2022 and 2023 had been presented. The new Auditors, Mazars were currently working on the 2024 report.

The LGPS National Knowledge Assessment outcome was presented, with the Committee agreeing that a training budget should be made available for Committee and Board members.

A presentation was delivered by the Actuary on the valuation of the fund, with further attendance expected at the March Committee meeting to discuss contribution levels.

The Government Consultation on Local Government Pension Schemes and making them 'fir for future' was presented, with discussion around a potential pool/ fund consolidation and the potential of this leading to greater investment in UK assets.

Updates were provided to the Committee from Border to Coast, CBRE and XPS.

Exempt reports were presented on the management of unlisted LGPS assets and the transfer from LGPS funds to pool companies.

AGREED that the information provided was received and noted.

23/26

UPDATE ON WORK PLAN ITEMS

A report of the Director of Finance and Transformation was presented to provide Members of the Teesside Pension Board with the updated work plan and information on items scheduled in the work plan for consideration at the current meeting.

The items scheduled for consideration in the work plan for the meeting were Pension Board Conflicts of Interest and an Update on the Code of Practice Review.

Pension Board Conflicts

The Pension Regulator's General Code of Practice explained the legal requirement scheme managers of public service pension schemes had to meet certain requirements in respect of conflicts of interest relating to a pensions board, specifically around registers of interest and the board's terms of reference.

In practice, conflicts of interest were unlikely to occur but nonetheless it was important to be aware of the possibility of conflict and, if in doubt, to declare and discuss any potential conflict in advance of a meeting.

As present, no actual conflicts of interest had been identified in respect of the Board. Consideration was given as to whether a 'nil return' statement should be posted on the Council's website to ensure compliance with the publication requirement.

Update on the Code of Practice Review

The Pensions Regulator (TPR) was the UK regulator of workplace pension schemes. It had a wide range of responsibilities in relation to regulating trust-based (private sector) pension schemes and played a more limited but still very significant, role in regulating public service pension schemes such as the Local Government Pension Scheme (LGPS).

As reported to the 8 July 2024 Board meeting, the Fund carried out an initial assessment to determine its level of compliance with the Code, with the aid of a spreadsheet-based assessment tool developed by Hymans Robertson (the Fund's actuary). That initial assessment showed that, from the 14 chapters of the General Code of Practice that were analysed in the report, five showed full compliance and the remaining nine showed levels of compliance between around 57% and 93%. A task list was produced showing what steps needed to be taken to reach full compliance with the Code and was shared with the board.

Agreed as follows that:

- The information provided was received and noted.
- The workplan would continue to be provided to future board meetings.
- The Code of Practice checklist would be provided to future board meetings as required.

23/27

GOVERNMENT CONSULTATION - LGPS (ENGLAND AND WALES) FIT FOR THE FUTURE

A report of the Director of Finance and Transformation was presented to inform Members of the consultation issued by the Government intended to make the Local Government Pension Scheme (LGPS) in England and Wales 'fit for the future, outline some key points from that consultation and how the Teesside Fund could be impacted by the eventual outcome.

The government confirmed on 4 September 2024 that it would carry out a pensions review to boost investment, increase saver returns and tackle waste in the pensions system. The Chancellor appointed the Minister for Pensions to lead the review and focussed on defined contribution workplace schemes and the Local Government Pension Scheme.

The Government issued a 'call for evidence' which focussed on;

- Scale and consolidation
- Costs vs Value
- Investing in the UK

There was a three-week deadline for responses. The Head of Pensions Governance and Investments worked with colleagues in Border to Coast and its Partner Funds to produce a response that emphasised:

- The benefits of scale provided by the Fund's participation in Border to Coast
- The extent to which the Fund already invests in the UK

On 14 November 2024 the Chancellor of the Exchequer announced the publication of the interim report of the Pensions Investment Review. This was followed by the publication of a set of documents including a consultation "Local Government Pension Scheme (England and Wales): Fit for the future" which closed on 16 January 2025.

As well as responses to the consultation, the documents also asked each of the LGPS pools to prepare a proposal setting out how it would meet the requirements and timescales set out in the consultation. This proposal had to be submitted by 1 March 2025. Border to Coast had worked on this document with its Partner Funds. The document would confirm that Border to Coast was well placed to meet the Government's expectations, would emphasise the key role of partnership in achieving success and also highlighted some of the potential risks inherent in achieving the consultation's ambitions.

Further updates on the consultation outcome and how they would impact on the Fund, on Border to Coast and on the wider LGPS would be provided to future meetings.

AGREED that the information provided was received and noted.

23/28

XPS ADMINISTRATION REPORT

The XPS Client Relationship Manager joined the meeting remotely 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 83,670 members).
- SLA 99.90%

AGREED that the information provided was received and noted.

23/29

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

The Head of Pensions, Governance and Investments informed the Board that he would be leaving the Local Authority and recruitment had commenced for the post. The Chair thanked the Head of Pensions, Governance and Investments on behalf of the Board for his work.

The Head of Pensions, Governance and Investments advised the Board the Project Plan for Tyne and Wear Pension Fund administration would be added to the agenda for the March meeting, to ensure the Board had reassurance on the changes to the administration.

