

TEESSIDE PENSION FUND COMMITTEE

A meeting of the Teesside Pension Fund Committee was held on Wednesday 23 July 2025.

PRESENT: Councillors J Kabuye (Chair), J Rostron (Vice-Chair), J Ewan, D Branson, D Coupe, D Jackson, J Beall, M Fairley, M Scarborough and Ms J Flaws

ALSO IN ATTENDANCE: W Bourne (Independent Adviser), P Moon (Independent Adviser), J Baillie (Hymans Robertson) and M Galloway (Hymans Robertson)

OFFICERS: Andrew Humble, Wendy Brown, Claire Jones, Tabitha Frankland and Andrew Lister

APOLOGIES FOR ABSENCE: Mr T Watson and Mr B Foulger

25/17 **WELCOME AND FIRE EVACUATION PROCEDURE**

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

25/18 **DECLARATIONS OF INTEREST**

Name of Member	Type of Interest	Item / Nature of Business
Councillor Beall	Non-Pecuniary	Member of Teesside Pension Fund
Councillor Branson	Non-Pecuniary	Spouse – Member of Teesside Pension Fund
Councillor Coupe	Non-Pecuniary	Non-Executive Director of Border to Coast Pensions Partnership LTD.
Councillor Ewan	Non-Pecuniary	Member of Teesside Pension Fund and Member of South Tyneside Pension Fund.
Councillor Jackson	Non-Pecuniary	Member of Teesside Pension Fund
Councillor Rostron	Non-Pecuniary	Member of Teesside Pension Fund

25/19 **MINUTES - TEESSIDE PENSION FUND COMMITTEE - 18 JUNE 2025**

The minutes of the meeting of the Teesside Pension Fund Committee held on 18 June 2025 were taken as read and approved as a correct record.

25/20 **DRAFT ANNUAL PENSION FUND ACCOUNTS 2024/25**

The Head of Pensions, Governance & Investments presented Members of the Teesside Pension Fund Committee with a summary of the 2024/25 draft unaudited accounts for the Teesside Pension Fund.

The overall financial performance of the Fund for the year to 31 March 2025 was positive and the Fund's value had risen to £5.58 billion, an increase over the year of approximately £87 million.

The Fund was three years into the current triennial valuation cycle. The Fund's asset value as at 31 March 2025 would be used by the Fund actuary when calculating the three-yearly valuation of the Fund. It was important to recognise the long-term nature of the Fund and the volatility of many of its assets meant that the actuary would look beyond just the immediate value of the assets when carrying out the valuation. In addition, the size of the Fund's liabilities (the cost of paying current and future benefits) was just as important when carrying out the valuation and setting employer contribution rates. Factors such as the actuary's view of future inflation rates, future investment returns and life expectancy expectations would play

a key part in the actuary's valuation calculations.

Total membership of the Fund had increased by 1,505, with total membership at the year-end now standing at 83,718. The number of active members had remained broadly similar, increasing by just 121 or 0.46% over the year. The number of pensioners increased by 1,072 or 3.9% over the year and the number of deferred members had increased by 312 or 1.1% over the year.

Every three years the Fund actuary carried out a full actuarial valuation of the Fund, the purpose of which was to calculate how much employers in the scheme would need to contribute going forward to ensure that the Fund's liabilities would be covered. Unlike all the other major public sector schemes the Local Government Scheme was a funded scheme which meant there was a pool of investments producing income which met a significant part of the liabilities.

The last actuarial valuation of the Fund was as at 31 March 2022, with the final report published at the end of March 2023. The actuary calculates to what extent the Fund's assets meet its liabilities. This is presented as a funding level. The aim of the Fund was to be 100% funded, and at the latest valuation the actuary was able to declare a funding level of 116%. The 31 March 2025 valuation was underway, the final report was due to be published in March 2026 and any changes required to employer contribution rates would come into force from April 2026.

Members were advised that the Pension Fund Accounts were presented in draft form and, whilst the main numbers and outcomes were not expected to change, changes may be needed as further review took place. In addition, the audit process was not complete and further changes may be required.

AGREED that the information was received and noted.

25/21 **ANY OTHER URGENT ITEMS WHICH IN THE OPINION OF THE CHAIR, CAN BE CONSIDERED**

None.

25/22 **EXCLUSION OF PRESS AND PUBLIC**

ORDERED that the press and public be excluded from the meeting for the following items on the grounds that, if present, there would be disclosure to them of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 and that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

25/23 **EXEMPT - FUND ACTUARY 2025 ASSUMPTIONS**

A report was presented to provide Members with an update from the Fund Actuary, relating to the main recommended financial and demographic assumptions to be used in the ongoing triennial valuation of the Fund.

AGREED that the information was received and noted.

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25/24 **EXEMPT - REAL ESTATE TRANSFER**

A report was presented to update Members on the transfer of the Fund's direct property portfolio to the Border to Coast (Real Estate) UK Main Fund

AGREED that the information was received and noted.