

Minutes of the Pensions Committee

Lakeview Room, County Hall, Worcester

Wednesday, 13 December 2023, 10.00 am

Present:

Cllr Elizabeth Eyre (Chairman), Shane Flynn, Cllr Adrian Hardman,
Cllr Karen Hanks, Cllr Scott Richardson Brown and Cllr Peter Stoddart.

Available papers

The members had before them:

- A. The Agenda papers (previously circulated); and
- B. The Minutes of the meeting held on 12 October 2023 (previously circulated).

475 Apologies/Named Substitutes (Agenda item 1)

An apology was received from Cllr Luke Mallett.

476 Declarations of Interest (Agenda item 2)

None.

477 Public Participation (Agenda item 3)

None.

478 Confirmation of Minutes (Agenda item 4)

RESOLVED that the Minute of the meeting held on 12 October 2023 be confirmed as a correct record and signed by the Chairman.

479 Pension Board and Pension Sub-Committee Minutes (Agenda item 5)

RESOLVED that the Minutes of Pension Board and Pension Investment Sub-Committee be noted.

480 Pension Fund Annual Report for the year ended 31 March 2023 (Agenda item 6)

The Committee considered the Pension Fund Annual Report for the year ended 31 March 2023.

Sherief Loutfy introduced the report and commented that the Council had received the Pension Fund Letter of Representation as well as the Fund's External Audit Findings Report which had been approved by the Audit and Governance Committee. The Fund's Statement of Accounts would be signed off on the completion of the audit of the Council's Accounts. Phil Rook added that the external auditor had indicated that there were no issues with the Council's Accounts and he hoped that both sets of Accounts would be signed off next week.

RESOLVED that the Fund's Annual Report for the year ended 31 March 2023 be noted.

481 Business Plan (Agenda item 7)

The Committee considered its Business Plan.

In the ensuing debate, the following points were made:

- In response to a query about AVC transitions, Richard Sultana indicated that there had been an issue with the receipt of information from Scottish Widows, the Fund's AVC provider. As a result of this delay, the Fund had taken the decision to pay affected members 75% of their outstanding pension with the remaining 25% being paid on receipt of the information from Scottish Widows.
- The Fund should encourage its members to take up AVCs due to the positive tax implications. Richard Sultana acknowledged that AVC take up rate amongst members was not particularly high. More engagement through the implementation of self-service portal would aim to advise the scheme members of the benefits to AVCs going forward. Previous engagement methods to promote AVCs in the past have been limited, however the self-service portal should allow better engagement in the future.
- The Fund should review its AVC providers to ensure that they were providing the best service possible. Richard Sultana advised that the Fund had been working with a number of other pension funds as a collective to hold Scottish Widows to account. A review of AVC provision would be undertaken. The AVC process involved such small amounts of income that there was tended to be insufficient incentive for providers to improve performance.
- Richard Sultana informed the Committee that Chris Frohlich had retired. Resilience had been built into the administrative system to cope with Chris' retirement. On behalf of the Committee, the Chairman put on

record her thanks to Chris for his work on behalf of the Pension Fund and wished him a happy retirement.

RESOLVED that the **Worcestershire Pension Fund Business Plan as at November 2023** be noted.

482 Governance Update (Agenda item 8)

The Committee considered the Governance Update.

In the ensuing debate, concern was expressed about the ability of less digitally aware or disabled pensioners to be able to access digital information. Richard Sultana explained that the Fund had adopted a digital alternative approach rather than a digital first approach. The idea was that as people joined the Fund they would be introduced to the digital approach and over time more people would be comfortable with it. The customer experience was the key priority so members would still be able to access information in a non-digital form.

RESOLVED that the **Worcestershire Pension Fund Governance Update and the Fund's draft Breaches of Law Policy** be noted.

483 Risk Register (Agenda item 9)

RESOLVED that the **November 2023 Worcestershire Pension Fund Risk Register** be noted.

484 Training update (Agenda item 10)

The Committee considered the training update.

In the ensuing debate, Richard Sultana confirmed that the Council staff training session had been well-received, especially by those members nearing retirement. A number of sessions had been run across different employers including some of the district councils.

RESOLVED that the **Worcestershire Pension Fund Training Update including the training and conferences calendar** be noted.

485 Forward Plan (Agenda item 11)

At the request of the Chairman, the start time of the Committee meeting on 25 June 2024 was moved to 9.30am.

RESOLVED that the **Forward Plan** be noted.

486 Exclusion of Public and Press (Agenda item 12)

RESOLVED that pursuant to Section 100A of the Local Government Act 1972, the press and public shall be excluded from the meeting during items 13 and 14 on the grounds that there would be disclosure to them of information relating to the financial or business affairs of any particular person (including the authority holding the information) and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Summary of the proceedings of the meeting during which the press and public were excluded. (This is a fair summary of the proceedings.)

487 Pension Investment Update (Agenda item 13)

The Committee considered the Pension Investment Update.

RESOLVED that:

- a) The Independent Investment Adviser's fund performance summary and market background be noted;
- b) The update on the investment managers placed 'on watch' by the Pension Investment Sub Committee be noted;
- c) The funding position be noted;
- d) The update on equity protection be noted and approved the commencement of a procurement exercise;
- e) The investment pipeline update be noted;
- f) The Room 151 & Schrodgers LGPS Survey 2023 be noted;
- g) The PEL review of the Fund's benchmarks be noted and a training session with PEL be arranged on 31 January 2024;
- h) The DLUHC consultation outcome and Autumn Statement 2023 update be noted;
- i) The update on responsible investment activities, Local Authorities Pension Fund Forum (LAPFF) and stewardship be noted;
- j) The update on the Taskforce for Climate-related Financial Disclosures (TCFD) be noted; and
- k) The update on the Taskforce on Nature-related Financial Disclosures (TNFD) be noted

488 LGPS Central Update (Agenda item 14)

RESOLVED that the LGPSC update be noted.

The meeting ended at 12.20pm.

Chairman