

## **Minutes of the Pension Board**

**Room B0-25, County Hall, Worcester**

**Friday, 17 November 2023, 10.00 am**

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### **Present:**

Cllr Roger Phillips (Chairman), Cllr Paul Harrison, Andrew Lovegrove, Cllr Tony Miller, Bridget Clark and Adam Pruszyński

### **Also attended:**

Cllr Elizabeth Eyre attended as Chairman of the Pensions Committee.

### **Available papers**

The Members had before them:

- A. The Agenda papers (previously circulated);
- B. The Agenda papers and Minutes of the Pensions Committee meeting held on 12 October 2023 (previously circulated); and
- C. The Minutes of the meeting held on 15 September 2023 (previously circulated).

### **318 Apologies (Agenda item 1)**

An apology was received from Phil Rook, Chief Financial Officer.

### **319 Declaration of Interests (Agenda item 2)**

Cllr Roger Phillips declared an interest as the Chairman of the Scheme Advisory Board (SAB) for the Local Government Pension Scheme.

Bridget Clark declared interests as a retired member of Worcestershire Pension Fund, employed in another regional local authority (Dudley MBC) with responsibility for the pensions team, working as a consultant for LGPS appeals and her husband being a member of Worcestershire Pension Fund.

Cllr Paul Harrison declared an interest as a beneficiary of the West Midlands Pension Fund.

**320 Confirmation of Minutes (Agenda item 3)**

**RESOLVED** that the Minutes of the meeting held on 15 September 2023 be confirmed as a correct record and signed by the Chairman.

**321 Pensions Committee - 12 October 2023 (Agenda item 4)**

Noted.

**322 Update on Scheme Advisory Board (SAB) (Agenda item 5)**

The Chairman provided the Board with a verbal update on Scheme Advisory Board (SAB) and the following points were made:

- A new Minister for Levelling Up, Housing, and Communities had been appointed following the recent Cabinet reshuffle. SAB hoped to resume talks about a number of issues with him, not least its budget and how the Government intended to respond to the feedback from its recent consultation on pooling.
- SAB was keeping a watching brief on the approach to pooling being adopted by the Labour Party.

In the ensuing debate the following points were made:

- In response to a query about employers leaving the Worcestershire Pension Fund, Richard Sultana explained there were three housing associations currently in negotiation to exit the Fund. Some employers were at breakeven or surplus and therefore it was an opportune time for them to leave the Fund. This was an issue experienced across the LGPS. Roger Phillips added that SAB was monitoring the level of employer exits across the LGPS and would be offering guidance nationally.
- In response to a query, Richard Sultana explained that where an employer left the Fund, the employees effectively ceased to be employee members in the scheme and became deferred members.
- In response to a query about the impact on the Fund's ability to invest when an employer left the Fund, Sherief Loutfy explained that the Fund did not apportion assets on an employer basis and therefore there would not be an impact on the Fund's ability to invest. Even if it was apportioned, the impact would be insignificant.

**The Board noted the Scheme Advisory Board update.**

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

To consider the Pension Fund Annual Report for the year ended 31 March 2023.

Sherief Loutfy introduced the report and indicated that the Pension Fund Statement of Accounts was on course for consideration by the Audit and Governance Committee at its meeting on 1 December 2023 and that the Pension Fund Annual Report was on schedule for publication by the end of December 2023 in line with the statutory deadline. The Fund had received the Letters of Representation and the draft External Audit Findings Report. The external auditor had not identified any adjustments to the reported values within the Fund Accounts.

In the ensuing debate, the improvements made to the Annual Report to make it more readable were recognised.

**The Board noted the Fund's Annual Report for the year ended 31 March 2023 as set out in the Appendix to the report.**

## **324 Business Plan (Agenda item 7)**

The Board considered the Business Plan.

The Board received a demonstration of the draft member self-service portal being developed within the Altair test system. Richard Sultana explained that the administration team had been able to undertake a test issue of the portal. It was intended to eventually go live in early 2024.

In the ensuing debate, the following points were made:

- In response to a query about the recorded data breach, Richard Sultana indicated that the breach had occurred within the systems at Altair, not at the Fund.
- The Chairman welcomed the positive efforts being made by the Fund to develop its own staff.
- The Chairman had attended a meeting of pool Board Chairman at Wolverhampton recently and noted that many of the other partner funds were behind in terms of their work to implement the McCloud remedy in comparison with the work of this Fund.
- It was queried whether there was an issue with the receipt of timely and accurate data from employers. Richard Sultana replied that the Fund was in a good position in terms of its interaction with employers concerning data collection albeit recognising that there was always room for improvement.
- The Chairman commented that it was reassuring to note the positive update on the work undertaken to date to implement the McCloud remedy and he thanked the Administration team for their efforts.
- The member self-service portal would be of great benefit to members in determining from a financial perspective when the most appropriate time would be to retire.
- In response to a query, Chris Frohlich explained that members would be able to change personal data through the self-service portal. These changes would be picked up by the Fund.
- Would the Fund be able to collect data on levels of member engagement with the portal? Chris Frohlich responded that the portal

would provide the Fund with various forms of data about member use. Every opportunity would be used to encourage members to join the portal.

- Concern was expressed about the ability of elderly members to access the portal. Chris Frohlich explained that paper copies of the Annual Benefit Statements would continue to be available to all members.
- In response to a query, Chris Frohlich confirmed that the portal would be linked to the Intranet amongst other methods used to contact employees.
- It was queried whether the introduction of the portal would save money for the Fund. Chris Frohlich commented that the main reason that for the introduction of the portal was to improve the member experience. However, as more members signed up to the portal there could be savings in the long term through reduced printing/postage costs.
- In response to a query about training, Chris Frohlich indicated that podcasts were being developed to help members understand how the portal worked.
- The importance of including officer contact numbers on the portal was stressed.

**The Board:**

- a) Noted the Business Plan as at November 2023;**
- b) Welcomed the positive efforts being made by the Fund to develop its own staff; and**
- c) Noted the positive update on the work undertaken to date to implement the McCloud remedy and the member self-service portal and thanked the Administration team for their efforts.**

**325 Governance Update (Agenda item 8)**

The Board noted the Governance Update and the Fund's draft Breaches of Law Policy.

**326 Risk Register (Agenda item 9)**

The Board noted the November 2023 Risk Register.

**327 Training Update (Agenda item 10)**

The Board noted the Training Update.

**328 Forward Plan (Agenda item 11)**

The Board noted the Forward Plan.

**329 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 item 13 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.)

**330 LGPS Central Update (Agenda item 13)**

The Board noted the LGPS Central update.

The meeting ended at 11.45am.

Chairman .....