

COUNCIL

11 JANUARY 2024

REPORTS OF COMMITTEES

(b) SUMMARY OF DECISIONS TAKEN BY THE PENSIONS COMMITTEE

Pension Board and Pension Investment Sub-Committee (PISC) Minutes

1. As set out in the Terms of Reference of the PISC, all decisions taken, and recommendations will be reported back to the next available ordinary meeting of the Pensions Committee in the form of the minutes of the PISC. In addition, the Pension Board has requested that their deliberations be reported to the Committee. The Committee noted the minutes of the PISC meeting on 30 November 2023 and the Board meeting on 17 November 2023.

Pension Fund Annual Report for the year ended 31 March 2023

2. The Council and the Fund are required to prepare annual statement of accounts and to arrange for them to be audited and reported in accordance with the Accounts and Audit Regulations 2015 (as amended), and the 2022/23 Code of Practice on Local Authority Accounting in the United Kingdom, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The statement of accounts presents the overall financial position of the Fund, reflecting its net asset position. The audit findings report was considered at the Audit and Governance Committee meeting on 1 December 2023 as part of the Worcestershire County Council financial statements approval process. The Audit and Governance Committee also authorised the Chief Financial Officer to sign the Pension Fund Letter of Representation on behalf of the County Council

3. The annual report is a key communications channel between the Fund and a wide variety of stakeholders. The report contains information relating to the Fund's audited financial statements, investments, administration, governance, valuations, accounts, and membership. The statutory publication deadline for the Fund's annual report is 31 December 2023. Officers continue to work with the Fund's external auditors towards the issue of an audit opinion. It is expected that the Fund will successfully publish its annual report before the statutory deadline.

4. The Committee has noted the Fund's Annual Report for the year ended 31 March 2023.

Business Plan

5. A rolling, quarterly Business Plan is produced which is designed to be a one-stop-reference-shop for everything going on at Worcestershire Pension Fund and in the LGPS world.
6. The latest pensions administration KPIs are reassuring and in line with targets, except for transfers where there is a backlog because of the delayed issue of new factors by Government Actuary's Department meaning that cases could not be processed. In 2023 / 2024, one data breach had occurred (Adare advised the Pension Fund that the name and address of one of the pensioners receiving a pay slip had been hacked).
7. The Fund has successfully internally recruited to the Benefits Manager role due to be vacated in March 2024. The Fund is currently in the process of recruiting two apprentices to work within the Systems and Projects team.
8. The Fund is in the process of implementing the McCloud remedy with work being carried out on retrospective cases showing a potential 'guarantee amount' is on hold until further guidance is released. The member self-service portal is being tested within the Altair test system and, following successful sign off, a plan will be implemented to roll this out to the membership in a coordinated manner. The Committee has noted the Worcestershire Pension Fund Business Plan as at November 2023.
9. The Committee were informed that Chris Frohlich had retired from his position of Governance and Engagement Manager. The Committee thanked Chris for his work on behalf of the Pension Fund and wished him a happy retirement.

Risk Register

10. The November 2023 review added no new risks and no changes to the risk scores. The Committee has noted the November 2023 Worcestershire Pension Fund Risk Register.

Governance Update

11. Progress in mitigating the five risks since the last quarterly Board / Committee cycle has included: Drafting a Breaches of Law Policy to add to our range of governance material; Arranging the candidate interviews for reprocurring actuarial services; and adding more detail to the Business Plan. The Committee has noted the Worcestershire Pension Fund Governance Update and the Fund's draft Breaches of Law Policy.

Training Update

12. The Committee has noted the Worcestershire Pension Fund Training Update including the training and conferences calendar.

Forward Plan

13. The Committee noted the Forward Plan.

Pension Investment Update (Exempt item)

14. The Committee has noted the Independent Investment Adviser's fund performance summary and market background. The Committee has noted the update on the investment managers placed 'on watch' by the Pension Investment Sub Committee.

15. An estimated funding levels based on a like for like comparison to actuarial valuations was calculated to be approximately 92% at September 2023. The Committee has noted the funding position .

16. Although the Fund has exited the Equity Protection Strategy, the latest strategic asset allocation review (SAAR), approved by Committee at its meeting on 22 March 2023 included the ability to have this facility as part of the investment tools in its investment strategy The Committee has noted the update on equity protection and approved the commencement of a procurement exercise.

17. The Committee has noted the investment pipeline. The Committee has noted the Room 151 & Schroders LGPS Survey 2023. The Committee has noted the PEL review of the Fund's benchmarks be noted and agreed a training session with PEL be arranged at its meeting on 31 January 2024.

18. The Committee has noted the DLUHC consultation outcome and Autumn Statement 2023 update. The Committee has noted the update on responsible investment activities, Local Authorities Pension Fund Forum (LAPFF) and stewardship. The Committee has noted the update on the Taskforce for Climate-related Financial Disclosures (TCFD). The Committee has noted the update on the Taskforce on Nature-related Financial Disclosures (TNFD).

LGPS Central (LGPSC) Update (Exempt item)

19. LGPSC has welcomed a new Non-Executive Director, Belinda Moore, during the quarter. LGPSC continue to monitor staff turnover and are currently recruiting for a number of positions .

20. The Chief Executive Officer recruitment exercise is underway and running to schedule. The role description has been shared with partner funds and the process is expected to be completed by the end of 2023.

21. Discussions have begun on the LGPSC Strategic Business Plan and Budget for 2024-25 which is due to be approved at the company meeting in February 2024. The Committee has noted the LGPSC update.

Cllr Elizabeth Eyre
Chairman

Contact Points

Specific Contact Points for this report

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Background Papers

In the opinion of the proper officer (in this case the Democratic Governance and Scrutiny Manager) the following are the background papers relating to the subject matter of this report:

Agenda papers for the meeting of the Pensions Committee held on 13 December 2023:

[Agenda for Pensions Committee on Wednesday, 13th December, 2023, 10.00 am - Worcestershire County Council \(moderngov.co.uk\)](#)