

## **British Steel Pension Scheme Information Debriefing following April 2018 Trustee Board Meeting:**

### **Agenda Items**

Details on the members of the Trustee board can be found on the Scheme website - <https://www.bspspensions.com/about-the-scheme/the-trustees/>

### **General Update**

- The Scheme is compliant with its initial regulatory obligations
- The Trustee board was updated on the work carried out to successfully transition from Old BSPS (OBSPS) to the Scheme, including the split of assets and liabilities, and communications issued to members
- Details were provided of benefits paid since inception, including CETVs in respect of former members of OBSPS
- All valid and complete transfer requests received on or before 16 February by the OBSPS are being paid on the basis of the original quotation even though payment is being made by the new Scheme. Eligible transferring members are required to confirm that they wish payment to be made by the new Scheme. Members who have provided the necessary confirmation can expect to have their transfer completed before the end of May

### **Structure and Conduct of Trustee Board Meetings**

- The board considered various matters associated with the efficient and effective conduct of trustee business including how best to manage potential conflicts of interest, the appropriate use of trustee sub-committees, and the interaction with the Scheme sponsor, Tata Steel UK Limited

### **Governing Documentation**

- The Trustee company is governed by Articles of Association which, among other things, specify how Trustee directors are appointed and how they may make decisions. New Articles of Association were approved reflecting the agreed governance arrangements for the new Scheme.
- Work is on-going on preparing a definitive trust deed and rules for the Scheme. The new document will be adopted in the second half of the year

### **Transitional Scheme Governance Arrangements**

- An outline Scheme Governance framework was presented and the board gave approval to the powers granted to the Glasgow Pensions Office to administer the Scheme
- The board agreed that, until such time as formal reviews could take place, the key advisers of the OBSPS would be retained for the new Scheme, that is: Scheme Actuary – Mr G Oxtoby (with Willis Towers Watson providing actuarial and investment consultancy services), Legal Adviser – Travers Smith LLP, Covenant Adviser - Penfida Ltd and Auditor – KPMG LLP.

### **Trustee Business Planning Process**

- Scheme Officers outlined the proposed Business Planning process which will set out Trustee priorities over a rolling three-year period

### **Integrated Risk Management (IRM) Framework Update**

- Risk management is an important area of the Trustee's responsibilities. An appropriate framework is being put in place to monitor and manage risks effectively. The Trustee board noted the progress already made with the project.
- With the assets that were transferred from the OBSPS, the new Scheme is well positioned to pay benefits securely on a low risk basis, but some risks remain
- The board gave its approval to a draft Project Plan covering the work still to be completed so that a comprehensive IRM Framework is implemented in the second half of this year.

### **Investment Strategy and Governance**

- Steps to review, agree and update the investment strategy were noted
- The Statement of Investment Principles (SIP) is a document governing decisions about investments. The Trustee must prepare, maintain and periodically revise the SIP. Before preparing or revising the SIP, the Trustee needs to obtain and consider written investment advice and consult Tata Steel UK Limited.

- The current SIP was agreed last year when the new Scheme was established but, under the terms agreed with Tata Steel and the Pensions Regulator, the Trustee is required to review and, if necessary, revise the SIP by 31 May 2018
- After taking appropriate professional advice, the Trustee determined that no changes to the SIP should be made at this time. A further review will be undertaken later in the year when more detailed information about the Scheme's assets and liabilities is available

#### **Chief Investment Officer's Report**

- The Chief Investment Officer provided a detailed update on general investment matters
- The value of Scheme assets was £10.681 billion as at 27 April 2018
- Good progress was being made to restructure the Scheme's asset allocation in accordance with its SIP

#### **Actuarial Update**

- The first actuarial valuation of the new scheme will take place as at 31 March 2018
- The Scheme Actuary presented a Paper summarising the approach to be adopted in respect of this valuation

#### **General Data Protection Regulation (GDPR) Update**

- From 25 May 2018, all pension schemes within the EU will be subject to the new GDPR, which will replace the Data Protection Act 1998
- The Trustee is a data controller and is responsible for ensuring compliance with data protection laws, including the GDPR requirements
- The Trustee takes data protection very seriously and has enlisted external experts to review the Scheme's current position against GDPR requirements, identify any gaps and prepare a plan of action and activities to ensure compliance

#### **Annual Report and Accounts**

- The Trustee board considered the approach to be adopted for the 2018 statutory audit, and the timetable for the preparation of the 2018 Annual Report & Accounts

#### **Dispute Cases**

- The Trustee board was updated on disputes raised by members after 29 March 2018
- The Trustee is required to operate a suitable Internal Disputes Resolution Procedure (IDRP). The board approved the adoption of a two stage IDRP for the Scheme
- The Trustee board was briefed on recent developments regarding disputes raised by members in connection with the OBSPS Cash Equivalent Transfer Value methodology
- The Trustee board noted one case where a decision had been made by Scheme Officers in exercise of their delegated authority to determine complaints under Stage 1 of the IDRP

#### **Administration Report**

- As at 31 March 2018, Scheme membership was 80,812 comprising 18,792 deferred pensioners and 62,020 pensioners
- The board was briefed on work to determine appropriate service performance measures for matters such as payments of benefits, the provision of benefit quotations, and transfer payment requests.
- Five complaints were received under the Scheme's service standard complaints procedure and appropriate responses issued by Scheme Officers

#### **Technical Update (TKU)**

- The Trustee noted recent developments in pensions which could affect the Scheme

#### **Dates and Locations of Scheduled Meetings**

- The Trustee board noted the dates for the 2018/19 scheduled meetings as 11 June 2018, 30 August 2018, 16 October 2018, 10 December 2018, and 20 February 2019.
- The 2018 Consultative Meeting is to be held at Ashorne Hill Management College on 3 October 2018

*Information Debriefings provide a brief summary of matters discussed at Trustee board meetings. They are made available so that members and others with an interest in the Scheme may know about the role of the Trustee and the work it does to ensure that the Scheme is administered properly.*

*Information Debriefings are not an official record of the Trustee's decisions and no reliance should be placed upon them.*