

## **British Steel Pension Scheme**

### **Information Debriefing following February 2024 Trustee Board Meeting:**

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

- The Trustee regularly monitors the key investment, funding and covenant risks facing the Scheme. The aim of this ongoing assessment is to enable the Trustee to take appropriate action promptly if required
- There were no material changes in the risks facing the Scheme since the last meeting

#### **Investment Strategy**

- The Scheme's investment holdings now primarily comprise insurance policies which produce a cash flow into the Scheme which exactly matches the benefit entitlements of the Scheme membership
- The Trustee considered expert advice on the investment strategy in relation to residual scheme assets and the future investment of disposal proceeds
- The advice concluded "*....the current residual asset portfolio to be appropriate relative to the Scheme's objectives*"

#### **Investment Operations**

- Representatives from LGIM presented its quarterly investment management report
- The Trustee was briefed on recent developments in connection with the Scheme's remaining property holdings
- Certification in respect of recent property valuation summaries was confirmed to the board and the relevant valuations were approved
- The board was updated on various operational matters
- A cashflow analysis was reviewed by the Trustee which confirmed that the Scheme had sufficient assets remaining to meet its projected future running costs

#### **Actuarial Update**

- Although the Scheme has insured liabilities in full, the Trustee is still required to carry out a full valuation at least once every three years. The next triennial valuation is due as at 31 March 2024
- The Scheme Actuary presented his initial considerations in respect of the 2024 actuarial valuation
- The board was briefed on estimated PPF and other levies for the forthcoming year

#### **Audit and Risk**

- The board considered the audit strategy and timetable to be adopted by the Scheme's auditors in conducting the 2024 statutory audit. The board also reviewed the timetable for preparation of the Annual report and Financial Statements
- The Trustee reviewed Scheme expenditure against budget for the period to 31 December 2023
- The Trustee reviewed the Risk Register and approved a number of changes to the Scheme's Privacy Policy

#### **Operational Review**

- Now that the Scheme has insured liabilities in full, the Trustee considered how this would impact future operations and governance

#### **Technical Update**

- The Trustee noted recent developments in pensions law and regulation which could impact on the Scheme, in particular the General Code of Practice and considered steps to be taken in due course to ensure compliance

#### **Trusteeship**

- The Pensions Regulator expects those responsible for managing a pension to undertake regular effectiveness reviews to evaluate how well they are performing
- The Trustee received feedback on its recent "self-assessment" exercise, which for the first time included input from the Scheme's key legal and actuarial advisers. Generally, the exercise indicated that the Scheme's governance arrangements were considered to be operating effectively

### **Data Update**

- The Data Working Group (**DWG**) oversees issues on behalf of the board relating to Scheme benefits as affected by rectification of Guaranteed Minimum Pensions (**GMPs**) and GMP equalisation as required by law together with other identified data cleanse activities
- The board was briefed on the recent activities of the DWG

### **Restoration Update**

- Following completion of the final buy-in transaction with L&G, a restoration award was successfully made to members in January 2024, as set out in the rules that were agreed when the Scheme was set up
- The Trustee received advice in connection with the operation of the Annual Allowance (**AA**) and the Lifetime Allowance (**LTA**) and approved the introduction of a "Scheme Pays" mechanism to assist with the resolution of taxation matters for impacted members following receipt of the restoration award
- The Trustee noted that whilst not expressly provided for at the time the Scheme was established in 2018, strong performance over the interim period meant that it was expected there would be funds available to make a further restoration award once the Trustee had a clearer understanding on how much would be required to run the Scheme
- The Trustee considered a member dispute

### **Remuneration Committee Update**

- Following the decommissioning of the London Investment Office, the Trustee approved revised Terms of Reference for the Remuneration Committee

### **Member Communications**

- The Trustee was briefed on the timetable and arrangements for member communications over the forthcoming year
- The Trustee noted that for operational reasons, it might be necessary to slightly delay the publication of the Spring Newsletter

### **Administration Report**

- The Trustee board was briefed on a range of operational and administrative matters
- The board approved an updated list of Authorised Signatories
- As at 31 December 2023, Scheme membership was 65,034 comprising 11,996 deferred pensioners and 53,038 members whose benefits were currently in payment
- No complaints had been received under the Scheme's service standard complaints procedure

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

- The Trustee board noted the dates for the next scheduled meetings as being 30 May 2024, 29 August 2024, 28 November 2024, and 27 February 2025