Tuesday 19 September 2023

The Trustee Board met for their third full meeting of the year on Tuesday 19 September 2023. Before the meeting, they received training from their legal adviser, CMS, on equality, diversity and inclusion (ED&I) and The Pensions Regulator’s new Single Code of Practice (see note 1).

The main matters on the agenda for the meeting were:

* Agreeing the results of the actuarial valuation (see note 2) as at 31 March 2023.
* Approving the Summary Funding Statement, summarising the results of the actuarial valuation. The Summary Funding Statement will be issued to members as part of the next annual newsletter.
* Considering the investment strategy of the Scheme, including approving an investment in buy & maintain credit (ie corporate bonds). The Trustee considered the impact of this investment on the Scheme’s liability-driven investments (LDI), in order to continue to ensure the Scheme is protected against adverse movements in interest rates and long-term inflation expectations.
* Receiving an update from Assure UK, the Scheme’s auditors, and approving the sign-off of the Trustee’s Report and Financial Statements (TR&FS) to 31 March 2023.
* The Trustee is required to review the voting and engagement record of the Scheme’s investment managers during the year, and to report on this in an Implementation Statement, which forms part of the TR&FS. At the meeting, the Trustee discussed a paper from its investment adviser, First Actuarial, setting out the voting record of the Scheme’s managers on significant matters. The Trustee took considerable reassurance from this that the managers are taking their voting and engagement responsibilities seriously, in particular on environmental, social and governance issues.
* Approving the latest administration report, including member activity and feedback.
* Receiving an update from the Risk Subgroup of the Trustees on its review of the Scheme’s risk register.
* Various other governance items, including reviewing the Scheme’s business plan for the year ahead, receiving an update on the effective system of governance (ESOG) and reviewing the Scheme’s data protection policies.

We propose to provide you with a similar brief update following future meetings.

**The Trustee Board are next scheduled to meet on Tuesday 5 December 2023.**

*Notes:*

1. *The Pensions Regulator’s new Single Code of Practice aims to combine most of the Regulator’s previous guidance to trustees on the investment, funding and administration of their schemes. However, it also contains significant new requirements, including a requirement to have in place an ‘effective system of governance’ and test the effectiveness of it annually by carrying out an ‘own risk assessment’. The Single Code is not yet in force, but it is anticipated within the next few months.*
2. *The actuarial valuation compares the assets of the Scheme with the total amount needed to pay the benefits that members have earned, both now and in the future. To carry out this assessment, the Trustee makes assumptions about relevant factors, taking advice from its specialist adviser, the Scheme Actuary. Key assumptions include the investment returns the Scheme’s assets will achieve in the future, how long members will live in retirement and future price inflation.*