

Governance Review

Teesside Pension Fund

Prepared for Teesside Governance Working Party

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Executive Summary

We have been asked by the Middlesbrough Council ("MC"), the administering authority for Teesside Pension Fund, to carry out a governance review in relation to the Teesside Pension Fund ("the Fund") for consideration by a Governance Working Group. The Fund is one of the 89 Funds who are part of the national Local Government Pension Scheme in England and Wales.

The purpose of this review is to ensure that the Middlesbrough Council, the Administering Authority for the Teesside Pension Fund, is meeting its legal requirements in relation to the running of the Fund. In addition, the review highlights areas of good practice in relation to the governance of the Fund and also recommends any potential areas for improvement. The approach taken has been to compare the Administering Authority's current practices (at a high level) against the Aon Hewitt governance framework. The framework considers the following key areas:

Direction – What is the Fund trying to achieve?

- Legislation
- Strategies and Policies

Delivery – How does the Fund meet its aims?

- Business Planning
- Performance Monitoring
- Risk Management

Decisions – Does the Fund have effective decision making?

- Governance Structure
- Behaviour
- Pensions Skills and Knowledge

Our overall conclusion is that the governance of the Fund is of a good level in many areas and meets legal requirements on the whole, and in some areas the Administering Authority is demonstrating best practice. These include:

- having good quality investment monitoring information, and
- making good use of officers and advisers' expertise to assist with decision making

We also identified some areas which we believe could be improved, and we therefore made some recommendations, including the following:

- improving a few areas of the Fund business plan
- formalising Fund strategies / policies including in the areas of Conflicts of Interest, Training and Risk Management to provide a clearer framework
- undertaking a detailed review of the Fund's practices against The Pension Regulator's Code of Practice Number 14 - Governance and administration of public service pension schemes
- ensuring all policies and strategies are subject to regular review.

Next steps

We understand this report will be considered by the Governance Working Party on 7th April 2017. We look forward to answering any questions and discussing the conclusions with the Working Party at that meeting. We recommend that an action plan is developed in relation to implementing these recommendations, in order that progress can be monitored on an ongoing basis.

Governance Review

Teesside Pension Fund

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1 - Introduction

Purpose and scope

This paper sets out the findings of Aon Hewitt's governance review of the Teesside Pension Fund, which was commissioned by Middlesbrough Council. Middlesbrough Council (the "Administering Authority") is responsible for managing and administering the Teesside Pension Fund (the "Fund"), which is part of the Local Government Pension Scheme ("LGPS").

The purpose of this review is to ensure that the legal requirements in relation to the governance of the Fund are being adhered to, as well as to highlight areas of good practice in relation to the governance of the Fund, and also any recommended areas for improvement. We have compared the Administering Authority's practices against the Aon Hewitt governance framework which considers areas such as the role and effectiveness of the Teesside Pension Fund and Investment Panel ("the Panel") in running the fund, and the key documents and policies that govern the Fund. The Aon Hewitt governance framework is explained further in the next section of this report.

The review has been carried out at a high level and did not involve any detailed investigation into services such as administration, communications, funding or investments. Accordingly it does not provide any technical comment in relation to any of these areas, including regarding the technical content of the related key governance documents. The review does include consideration, at a high level, of the legal requirements relating to governance, for example, the requirement to publish certain policies and strategies under Local Government Pension Scheme legislation. Though it includes some legal elements, these are presented by us in our capacity as pension consultants and not as legal experts, and as such nothing in this report should be considered as legal advice.

Further, the review does not specifically consider the establishment or operation of the Local Pension Board ("LPB"). However, we are separately considering the terms of reference for the LPB for the Administering Authority and would be happy to provide further guidance on how the LPB operates.

Research

The information upon which this review has been based has been gathered by:

- Desk-top review of key reports, statements and policies governing the scheme and web information. The documents considered are listed in Appendix A.

We would like to thank Paul Campbell, the Head of Investments & Treasury Management, for his assistance throughout this review.

We hope the information contained within this report is useful to the Teesside Governance Working Party and officers (and, if shared wider, the Teesside Pension Fund and Investment Panel and Local Pension Board) in considering how best to govern the Fund in the future.

We look forward to answering any questions in relation to the report, and particularly any areas where we have highlighted that improvements could be made.

We recommend that an action plan is developed in relation to implementing these recommendations in order that progress can be monitored on an ongoing basis.

2 - Governance Framework

This section describes the best practice framework against which this review was conducted.

There are some key benefits from having effective governance in place, including:

- Robust risk management that can assist in preventing issues from arising, or at least reducing their impact should they arise
- Ensuring resources and time are appropriately focussed
- Timely decision making and implementation of change
- A clear view of how the Fund is being operated and making use of the Pension Advisory Panel.

At Aon Hewitt, we have a number of beliefs when it comes to achieving good governance including:

- Direction – having clear strategies and policies that also meet legislative requirements are fundamental
- Delivery – having a clear plan for implementing the Fund's strategies and policies, together with appropriate monitoring as to whether they are being achieved, and good risk management ensure effective and efficient delivery
- Decisions – having an appropriate governance structure, involving the right people, with the right attitude and the appropriate skills and knowledge is key.

These beliefs are shown in the following diagram and described in more detail below.






Table 1 – Aon Hewitt governance framework

Direction – What are you trying to achieve?	
Legislation and guidance	The Fund's strategies and policies should be in line with legislative requirements and any related professional guidance.
Strategies and policies	<p>The Fund's strategies and policies should clearly set out the aims, principles, protocols and environment for how the Fund is managed. The strategies and policies:</p> <ul style="list-style-type: none"> ▪ should be wide ranging covering all key areas including funding, investments, administration, communications and governance itself ▪ should be clearly articulated, to provide a framework within which those managing the Fund are able to operate ▪ should provide the focus for all future decisions and plans ▪ should be agreed by those responsible for governing the Fund.
Delivery – How do you meet your aims?	
Business Planning	<p>Each Fund should have a business plan, setting out required activities in the forthcoming period. Those activities:</p> <ul style="list-style-type: none"> ▪ should be driven by the Fund's strategies and policies ▪ will include activities driven by changes in overriding legislation.
Performance Measurement	<p>Those responsible for governing the Fund should be provided with appropriate performance information. Measurements should:</p> <ul style="list-style-type: none"> ▪ illustrate whether the Fund's aims are being achieved ▪ cover the full range of key areas (e.g. investments, funding, governance, communications and administration) ▪ illustrate whether the Fund's business plan is being achieved ▪ be updated in accordance with appropriate timescales ▪ be presented in a manner that is easy to follow and understandable to those governing the Fund ▪ assist in identifying changes to the Fund's business plan, strategies, policies and aims.
Risk Management	<p>Effective risk management is critical to minimise the impact and/or probability of unfortunate events and to maximise the realisation of opportunities. It should be:</p> <ul style="list-style-type: none"> ▪ aligned with the Fund's aims ▪ a key consideration in decision making ▪ systematic or structured ▪ an integral part of the Administering Authority's processes and procedures on a daily basis.
Decisions – Do you have effective decision making?	

Governance structure	<p>There is no one 'correct' governance structure. The Administering Authority's structure should:</p> <ul style="list-style-type: none"> ▪ have clear terms of reference ▪ have a clearly documented scheme of delegation ▪ allow decision making at the appropriate level ▪ allow quick decision making where appropriate ▪ include appropriate representation from stakeholders ▪ involve well-presented information/reports ▪ Proper range of subject matters being considered ▪ allow sufficient time for discussion where necessary ▪ have good quality (committee) administration (e.g. issuing papers in good time) ▪ involve a process for managing conflicts ▪ provide transparency to stakeholders where appropriate.
Behaviour	<p>A good governance structure will not be effective unless it involves the right people with the right attitude. Individuals should:</p> <ul style="list-style-type: none"> ▪ have a high level of attendance at meetings ▪ demonstrate integrity in relation to their Fund role ▪ be engaged and provide appropriate challenge ▪ be accountable for the decisions made ▪ highlight any potential conflicts they may have ▪ for a Chairperson, manage the meetings fairly without any bias to individuals or self ▪ prepare adequately for meetings.
Skills and knowledge	<p>A critical element is the need for those managing the Fund to have the appropriate level of knowledge and skills. Administering Authorities should:</p> <ul style="list-style-type: none"> ▪ clearly articulate the knowledge and skills requirements in a Fund policy ▪ provide ongoing training in an effective and suitable manner to meet those requirements ▪ regularly review whether knowledge aspirations are being met ▪ ensure they rely appropriately on officers and advisers to provide expert knowledge.

Throughout this report we have included comments and facts which we hope are useful to the Administering Authority, in highlighting areas of good practice but also identifying areas for potential improvement. To provide some greater clarity on the intention of our comments, we have included graphics to illustrate whether they are:

-  positive – meets legal requirements, national guidance and good practice.
-  negative – requires improvement as it does not meet legal requirements or practices we consider key to good governance.
-  neutral – meets legal practice, in the main, but could be improved to meet good practice or national guidance.

3 - Direction – What are you trying to achieve?

In this section, we consider whether the Fund has clear strategies and policies which meet the following requirements:

- *The Fund's strategies and policies should be in line with legislative requirements and any related professional guidance.*
- *The Fund's strategies and policies should clearly set out the aims, principles, protocols and environment for how the Fund is managed. The strategies and policies:*
 - *should be wide ranging covering all key areas including funding, investments, administration, communications and governance itself*
 - *should be clearly articulated, to provide a framework within which those managing the Fund are able to operate*
 - *should provide the focus for all future decisions and plans*
 - *should be agreed by those responsible for governing the Fund.*

In the table that follows, we summarise the key policies and strategies which we would expect to be in place for a well governed LGPS Fund, considering both legal requirements and best practice. Note that we have not considered the principles or methodology within these documents, given that this review is focussed on governance matters and not, for example, on the quality of actuarial or investment matters.

We have indicated in the table whether the documents are;

- legally required under the LGPS, or
- expected in accordance with CIPFA, LGPS Scheme Advisory Board ("SAB") or The Pensions Regulator's ("TPR") Guidance or Codes (many of which have some element of statutory backing),

and we then consider whether they are currently in place for the Fund and whether they meet these legal requirements or any requirements laid out in Guidance or Codes.

We also consider the quality and structure of these policies and strategies. For example, it is important that the Panel is fully engaged in the development of all strategies and policies, whilst receiving appropriate advice and expertise from the officers and advisers of the Fund. It must therefore be clear that strategies and policies are part of the Panel business and are subject to ongoing review. We consider some other best practice elements later.

Table 2 – Strategies and policies – meeting key requirements

Strategy / Policy	Fund Version? / Version Date	Legal or National Guidance Requirement	Adherence to Legislation and Guidance	Process, decision making or more general observations
Funding Strategy Statement (FSS), including actuarial assessments	Yes – March 2017	<ul style="list-style-type: none"> ▪ LGPS Regulations ▪ CIPFA FSS Guidance <p>The Administering Authority has reviewed its strategy in line with the 2016 valuation and has taken the revised strategy to the panel for approval.</p>	<p>😊 Meets requirements and also appears to follow the CIPFA 2016 guidance.</p>	<p>😊 The FSS and actuarial valuation were considered by the Panel at their meeting on 8th March 2017.</p> <p>😊 It is also clear that they took appropriate advice from the actuary.</p> <p>😊 The FSS states "The FSS is reviewed by the administering authority at least every three years as part of the triennial valuation."</p>
Investment Strategy Statement (ISS)	Yes - March 2017	<ul style="list-style-type: none"> ▪ LGPS Regulations ▪ DCLG Guidance on Preparing and Maintaining an Investment Strategy Statement ▪ Compliance Statement against CIPFA guidance on the Myners Principles in the LGPS 	<p>😊 Meets requirements in the Regulations and DCLG guidance as well as a well set out statement of compliance against the Myners Principles</p>	<p>😊 The ISS includes information relating to ESG and corporate governance matters.</p> <p>😊 The ISS is very clear in setting out the Fund's aims and objectives and the responsibilities of the key officers.</p> <p>😊 The ISS sets out how the fund will manage its investments through its chosen Investment Pool</p> <p>😞 There is no mention of how or when this will be reviewed and this should be added to the final version.</p>

Strategy / Policy	Fund Version? / Version Date	Legal or National Guidance Requirement	Adherence to Legislation and Guidance	Process, decision making or more general observations
Governance Policy and Compliance Statement	Yes – but not been updated since 2011	<ul style="list-style-type: none"> ▪ LGPS Regulations ▪ Compliance Statement against Secretary of State guidance 	<p>☹️ The Governance Compliance Statement provides does not provide all of the information that is required by the Local Government Pension Scheme Regulations 2013. Specifically it is missing information on terms, structure and operational procedures relating to the Local Pension Board as well as being out of date (and therefore) inaccurate in places.</p>	<p>☹️ The statement has not been updated since 2011, although it says it will be updated annually and following local elections, resulting in the information being out of date (e.g. Panel members).</p> <p>☹️ The statement could be improved in a number of places, for example, it does not mention if/when anyone was consulted and the explanation of scheme member representation is not clear.</p> <p>☹️ The description of the delegation in relation to administration matters is not clear and not what we consider to be good practice. This is covered in more detail later in this report.</p>
Communications Policy	Yes – but not been update since 2010	<ul style="list-style-type: none"> ▪ LGPS Regulations 	<p>😊 Meets the requirements.</p>	<p>☹️ The policy has not been updated since 2010 and hence makes no mention of communications with or from the Local Pensions Board.</p>

Strategy / Policy	Fund Version? / Version Date	Legal or National Guidance Requirement	Adherence to Legislation and Guidance	Process, decision making or more general observations
<p>Administering Authority Discretionary Policy</p>	<p>Yes but not been updated since 2009 other than the scheme of delegation (updated in December 2016)</p>	<ul style="list-style-type: none"> ▪ LGPS Regulations – basic element only 	<p>☹️ There is a policy in place but it does not fully comply with regulations as there is no mention of granting of early payment of benefits/waiving of actuarial reduction in relation to scheme employers that no longer exist. A scheme of delegation agreed by the Panel in December 2016 did determine who was responsible for deciding the specific policies.</p>	<p>😊 There are a range of further discretionary provisions in the LGPS regulations (such as the charging of interest on late contributions or how to determine who should receive a death grant) that do not require to be included within a written policy statement. It is, however, best practice to have a fuller policy statement covering these areas; some of which could be delegated to officers if sufficiently low risk and where a blanket policy is not appropriate. It is our view that this is particularly important where third party administrators are in place to ensure they understand their delegated responsibilities. The scheme of delegation states that a number of these responsibilities sit with the Section 151 Officer but it would not be appropriate for each and every case to be considered by the Section 151 Officer and therefore standard policies can be developed in a number of cases (with appropriate wording to ensure that it does not fetter future discretion in relation to these powers).</p>

Strategy / Policy	Fund Version? / Version Date	Legal or National Guidance Requirement	Adherence to Legislation and Guidance	Process, decision making or more general observations
Administration Strategy	Yes but not been updated since 2011	<ul style="list-style-type: none"> LGPS Regulations, (as an optional strategy) 	<p>😊 We recognise the good practice demonstrated by the Fund in having an administration Strategy in place, particularly given it is optional.</p> <p>😊 As this is an optional strategy, the contents are also optional. The Fund's version includes all elements except the publication of annual reports (e.g. highlighting levels of performance).</p>	<p>😊 There is a strategy in place but this has not been reviewed since 2011 and so we would recommend it is reviewed.</p>
Risk Management Policy & Strategy	No	<ul style="list-style-type: none"> CIPFA Guidance 	<p>☹️ No specific Fund policy or strategy is in place, although there is a risk register which has not been reviewed since April 2015.</p>	N/A
Annual report and accounts	Yes – 2015/2016	<ul style="list-style-type: none"> LGPS Regulations CIPFA Guidance "Preparing the Annual Report" CIPFA accounting guidance 	<p>😊 Meets all LGPS Regulatory requirements.</p> <p>😊 However we would suggest that the report relating to the Fund's administration could be expanded. In particular the legislation suggests that it should include whether any levels of performance under the Administration Strategy are being achieved.</p> <p>Please note that due to the detailed nature of CIPFA's accounting guidance we have not considered adherence to the guidance. We expect this will have been considered by the Fund's auditors.</p>	<p>😊 This was considered at the June 2016 Panel meeting and it was agreed that these be adopted.</p> <p>We note that there was also an action point that the Terms of Reference for the Pension Fund needed amending to reflect the fact that all Panel members had voting rights and not solely Members of Middlesbrough Council and this was then amended in the final version.</p>

Strategy / Policy	Fund Version? / Version Date	Legal or National Guidance Requirement	Adherence to Legislation and Guidance	Process, decision making or more general observations
<p>Knowledge and Skills/Training Policy</p>	<p>No</p>	<ul style="list-style-type: none"> ▪ CIPFA & SAB ▪ TPR Code of Practice 	<p>⊗ The Fund's business plan states that the CIPFA requirements have been adopted but there is no formal training policy in place for Officers, Panel or Board Members. However we recognise that at the Panel meeting in September 2016 a report was submitted making suggestions regarding Member training.</p> <p>⊗ The LPB has legal responsibilities regarding their knowledge and skills requirements; it is unclear whether the Board meet these legal requirements. It is important that a policy is created and it must incorporate these legal requirements as well as the various areas of guidance</p> <p>We would therefore recommend that a Training Policy:</p> <ul style="list-style-type: none"> • Is created for all Fund stakeholders in accordance with the SAB and CIPFA requirements • Is formally approved and adopted by the Panel and LPB • clearly states the individual responsible for ensuring that the Policy is implemented (as is recommended). Typically this is the Section 151 Officer or a senior officer at a similar level with Pension Fund responsibility. 	

Strategy / Policy	Fund Version? / Version Date	Legal or National Guidance Requirement	Adherence to Legislation and Guidance	Process, decision making or more general observations
Conflicts of Interest Policy	No	<ul style="list-style-type: none"> ▪ SAB Required for LPB only 	<p>☹️ There is no formal policy.</p>	<p>😊 Although not explicit in any legislation or guidance, it would be good practice to have a wider Fund Conflicts of Interest Policy applying to all stakeholders, and this is mentioned as part of the CIPFA annual report guidance. This should highlight differences between the Council's requirements in relation to declarations for elected members and officers as well as ensuring other parties (observers and advisers) are fully aware of expectations. Creating such a policy would also assist the Administering Authority to ensure that they adhere to the legal requirements relating to having no conflicts of interest for Local Pension Board members.</p>
Breaches of the Law Procedure	No	<ul style="list-style-type: none"> ▪ Pensions Act 2004 ▪ TPR Code of Practice 	<p>☹️ We have not seen any evidence of a Breaches Procedure, and it is therefore unclear whether individuals understand their legal requirements in relation to reporting breaches of the law that may be considered significant to the Pensions Regulator.</p>	<p>We recommend that a Breaches Procedure is drawn up in relation to ongoing monitoring of breaches of legislation. This is not only useful in ensuring any breaches which are materially significant to The Pensions Regulator are reported. The recording requirements would be key in understanding any ongoing issues to ensure that improvements are made.</p>

Strategy / Policy	Fund Version? / Version Date	Legal or National Guidance Requirement	Adherence to Legislation and Guidance	Process, decision making or more general observations
Treasury/Cash Management	Being prepared	<ul style="list-style-type: none"> ▪ CIPFA guidance 	<p>☹️ It is good practice for each administering authority to have a Treasury Management Policy outlining cash flow is managed. Whilst there may be a Council wide strategy, the pension fund uses a separate bank account which is why a separate policy is required. The March 2017 Panel meeting includes an update on this clarifying that the Administering Authority is currently developing a Fund specific Treasury Management Policy.</p>	
Employer (admission / cessation / bulk transfer) Policy	Yes	<ul style="list-style-type: none"> ▪ None- good practice only 	N/A	<p>😊 Although not legally required, many administering authorities have now put such policies in place to provide greater detail and expand on some of the areas in the FSS, such as how bulk transfers will normally be calculated and arranged, how new employers are admitted to the Fund etc. The Fund has such a policy as an appendix to the FSS.</p> <p>☹️ On the face of it, all the key elements in relation to joining and leaving employers are included. However, it could be more explicit in relation to how decisions are made where a clear route is not to be followed. There also does not seem to be any mention of the approach to bulk transfers so it could be expanded to include this.</p>

As a general principle we would also recommend that any strategy or policy document should include the following elements in addition to the main contents/purpose of the document:

- Introduction including any relevant legislation and guidance
- The Fund's aims / objectives in this area
- What measurement / monitoring will be carried out in relation to those aims / objectives
- The key risks relating to the strategy and how they are being managed / monitored
- Who was consulted on the drafting of the strategy / policy
- When / how it was approved
- The effective date of the strategy / policy
- When it will next be reviewed
- The roles / responsibilities of key parties responsible for delivering the strategy (e.g. Pension Advisory Panel, officers, fund managers, advisers etc.)

In addition, we recommend that the latest version of all of these key documents is made separately available on the Fund's website (rather than simply as part of the latest Report and Accounts).

We show in the following tables whether or not these elements are contained in the Fund's key documents, where we consider them appropriate.

Table 3 – Strategies and policies – document structure

Strategy / Policy Elements	Introduction including any relevant legislation and guidance	The Fund's aims / objectives	Measurement / monitoring requirements	Key risks and how they are being managed / monitored	Who was consulted	When / how it was approved	Effective date	When it will next be reviewed	The roles and responsibilities of the key parties	On website
FSS	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes ¹
ISS	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes ¹

Strategy / Policy Elements	Introduction including any relevant legislation and guidance	The Fund's aims / objectives	Measurement / monitoring requirements	Key risks and how they are being managed / monitored	Who was consulted	When / how it was approved	Effective date	When it will next be reviewed	The roles and responsibilities of the key parties	On website
Governance	Partly	No	No	No	No	No	No	No	Yes	Yes
Communications	Partly	Yes	No	No	No	No	No	No	Yes	Yes
Discretionary	Yes	N/A	N/A	N/A	No	No	No	No	No	Yes
Administration	Yes	Partly	Partly	No	Partly	No	No	No	Yes	No
Risk	No policy in place.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Training	No policy in place	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Conflicts	No policy in place.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Breaches	No policy in place	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Strategy / Policy Elements	Introduction including any relevant legislation and guidance	The Fund's aims / objectives	Measurement / monitoring requirements	Key risks and how they are being managed / monitored	Who was consulted	When / how it was approved	Effective date	When it will next be reviewed	The roles and responsibilities of the key parties	On website
Treasury Management	No policy in place	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Employer (appendix to FSS)	As per FSS	As per FSS	As per FSS	As per FSS	As per FSS	As per FSS	As per FSS	As per FSS	Yes	As per FSS

1 – As these have just been approved, the check has been carried out against the previous versions.

☹️ As you can see from the tables above, there are many policies that do not follow good practice by incorporating these key elements. This also highlights that a number of policies are out of date and it's not clear if they were ever agreed by the Panel (as is good practice and in line with agreed delegations). We would recommend the Administering Authority incorporates the review of all of these policies within its business plan and (explained later) and the Panel's forward plan. At that point, we would recommend that the next review of each policy includes a review of the structure of the policy to ensure all the key elements identified above are incorporated.

Further, we did notice that the following mission and objectives are included within the Fund's business plan and we recommend that these are incorporated into the relevant policies highlighted above to ensure consistency.

The Investment Panel's mission is to provide an efficient and effective pension scheme for all employees and pensioners of all eligible employers in the area, in accordance with the requirements of the legislation for the LGPS. The objectives are:

- *To achieve a 100% funding level over the long term so that the current and future liabilities can be met.*
- *To maintain a stable employers' contribution rate over the long term.*
- *To respond promptly to legislative changes affecting the LGPS and pension provision generally.*
- *To communicate effectively with the Fund's participating employers and members.*

Adherence to The Pensions Regulator's Code of Practice

In addition to the LGPS regulations, CIPFA and SAB guidance, there are a number of key requirements relating to the management and operations of public service pensions schemes which are outlined in The Pension Regulator's Code of Practice Number 14 - Governance and administration of public service pension schemes ("TPR's Code of Practice"). Many of the elements in the guidance relate to legislative requirements, mainly under the Public Service Pensions Act 2013 or the Pensions Act 2004. The Code of Practice covers the following areas and it can be seen that there is also overlap with some of the policies and strategies mentioned previously in this section.

- Knowledge and understanding of LPB members
- Conflicts of interest and representation
- Publishing information about schemes
- Internal controls
- Scheme record-keeping
- Maintaining contributions
- Providing information to member
- Internal dispute resolution
- Reporting breaches of the law

As a matter of best practice, we would expect all Administering Authorities to carry out a regular review of their approach against:

- the legal requirements underpinning the TPR Code of Practice, with a view to ensuring that these are being adhered to, and
- the guidance contained within the code, to consider whether the guidance should be adhered to or an alternative and justifiable approach should be taken.

This will also be an area of particular interest to LPBs as it is part of their statutory responsibility to assist in ensuring compliance with the TPR's Code of Practice.

The Pension Regulator has carried out two surveys of public sector schemes' compliance with the Code since it was introduced and has stated that it expects all schemes to have assessed themselves against the law and its code of practice.

Given the detailed requirements in TPR's Code of Practice, we have not considered whether the Teesside Pension Fund is compliant with the requirements. Instead we have tried to identify whether there is evidence of a check having been carried out against the legal and best practice elements of the Code. Unfortunately this does not appear to be the case, and we recommend this is carried out as soon as possible, in particular to identify whether all legal requirements are being met.

Although this check does not appear to have been carried out, it is worth highlighting that, as part of this review, we have recognised a number of areas that do demonstrate compliance with the TPR's Code of Practice and a number of the recommendations we have made will also assist in move towards greater compliance against the Code.

4 - Delivery – How do you meet your aims?

In this section we consider whether the Fund:

- *has a business plan in place*
- *has an appropriate governance structure*
- *has people with the appropriate level of knowledge and skills*
- *has people with appropriate behaviours needed to make the governance effective.*

Business Planning

A Fund's business plan should set out all planned activities in the forthcoming period. Those activities:

- should be driven by objectives of the Fund's strategies and policies
- will include activities driven by changes in overriding legislation.

It is good practice for Funds to have a clear business plan. The LGPS Myners Principles published by CIPFA explicitly refer to this as follows:

"The CFO should ensure that a medium term business plan is created for the pension fund, which should include the major milestones and issues to be considered by the committee. The business plan should contain financial estimates for the investment and administration of the fund, and include appropriate provision for training. Key targets and the method of measurement should be stated, and the plan should be submitted to the committee for consideration.

The business plan should review the level of internal and external resources the committee requires to carry out its functions effectively and contain recommended actions to put right any deficiencies or to anticipate changing requirements in the future."

We have reviewed the 2016/17 and 2017/18 business plans for the Teesside Pension Fund and it is a very comprehensive and good quality document.

The plan includes most of the elements we would recommend incorporating into a business plan. To further improve and strengthen the plan we would recommend expanding it to include the following to provide clearer visibility and agreement:

- key tasks and projects being undertaken by officers (including Kier), rather than just focussing on matters which would be part of future Panel agendas or key decisions. In particular, we would expect this to include more elements in relation to:
 - legislative changes (e.g. any potential changes as a result of MIFIDII and administration projects such as a result of exit payments and GMP/scheme reconciliation),
 - contract reviews (e.g. the retender of the third party administration service which we understand will need to commence in 2018/19)
 - policy review, as explained previously (e.g. governance, administration, etc.).
- budgets for approval covering all areas of the Fund (not just the investment management expenses)
- performance targets relating to all areas of the Fund. We note the administration ones are not included. The performance targets should all be aligned to what is included in the overriding policies.


Performance Measurement

Those responsible for governing the Fund should be provided with appropriate performance information. Measurements should:

- illustrate whether the Fund's aims are being achieved (as outlined in the Fund's policies and strategies)
- cover the full range of key areas (e.g. investments, funding, governance, communications and administration)
- illustrate whether the Fund's business plan is being achieved
- be updated in accordance with appropriate timescales
- be presented in a manner that is easy to follow and understandable to those governing the Fund
- assist in identifying potential changes to the Fund's business plan, strategies, policies and aims.

 At each Panel meeting, a quarterly update report is presented including the following information:

- Fund Manager's report
- Investment Adviser's report
- CBRE Property report

 However, although investments are covered in detail, based on our analysis of the last 3 years meeting minutes, it appears that the Panels spend a disproportionate amount on time on this area and very little information is provided in relation to monitoring of other areas such as funding, governance, administration and communication matters. As a result, we are concerned that the Panel might not be provided with sufficient information to allow them to identify successes or issues in the running of the Fund, such as delays in paying or notifying scheme benefits, resourcing issues or concerns with employer covenant arrangements.

We recommend that the Administering Authority reviews its wider monitoring arrangements to ensure that all of the Fund's aims and objectives, as should be articulated in the key strategies and policies, are subject to ongoing monitoring at appropriate timescales. We would expect this to include areas such as:

- regular reporting of turnaround times and more qualitative measures in relation to the administration performance targets, some of which are already set out in an administration strategy (see above)
- more regular consideration of funding matters, such as funding levels, employer covenants and cash-flows, specifically focussed on the key objectives of the funding strategy statement

We would also expect ongoing monitoring reports to share information such as:

- identified breaches of the law (both those reported to TPR and those simply recorded by the Fund)
- monitoring progress against the Fund's budget including expected income and expenditure
- monitoring of key tasks included within the annual business plan.

It is possible to contain much of this information within a summary scorecard or another simple method of indicating at a high level any areas that are not meeting the requirements (but equally allowing Panel members to easily identify how well the Fund is also doing). This could perhaps be as simple as an initial summary page within the appropriate report, which would assist in ensuring information is kept succinct where appropriate.

Risk Management

Effective risk management is critical in minimising the impact and/or probability of undesirable events and in maximising the realisation of opportunities. Risk Management should be:

- aligned with the Fund's aims

- a key consideration in decision making
- systematic or structured
- an integral part of the Administering Authority's processes and procedures on a daily basis.

Although much of the focus of Panel papers is around the key risks to the Fund from an asset management perspective, the Administering Authority does not seem to have a Fund specific risk management policy. Such a policy would highlight how risks are identified and managed, where responsibility lies and reporting and escalation of matters. That being said, the Fund has in the past maintained a risk register which sets out the controls in place to manage the risks identified and that is being developed for submission to the LPB on a biannual basis. The risk register is a key element of the day to day management of the Fund and is expected to be in place according to:

- CIPFA's guidance to managing risk in the LGPS (which particularly highlights that there is a great deal more to risk management in the LGPS than simply investment risk)
- CIPFA's Myners LGPS guidance
- The Pension Regulator's Code of Practice (which is driven by the Pensions Act 2004, which requires appropriate internal controls to be in place).

We recommend that the Administering Authority considers creating a Fund specific risk management policy to tie in with the Fund's risk register and that the register continues to be developed and updated. We further recommend that the risk register (or at least the key risks) are regularly shared with the Panel so as to provide an opportunity to input to how these risks are being mitigated (or accepted as the case may be).

5 - Decisions – Do you have effective decision making?

In this section we consider whether the Fund:

- *has an appropriate governance structure*
- *has people with the appropriate level of knowledge and skills*
- *has people with appropriate behaviours needed to make the governance effective.*

In this part of the report we would normally make comment on how the Panel meetings are run, for example whether meetings are well chaired, whether there is appropriate engagement from the Panel, with all or most individuals having an opportunity to participate in the discussion, with appropriate guidance from advisers and officers, and whether there is sufficient time for discussion. As we have not observed any of the meetings and we have not gathered feedback from any Panel members, we are unable to make substantive comments regarding many of these areas and therefore the information below is based on reviewing recent minutes, reports and other background information.

Appropriate governance structure

There is no one 'correct' governance structure. The Administering Authority's structure should:

- have clear terms of reference
- have a clearly documented scheme of delegation
- allow decision making at the appropriate level
- allow quick decision making where appropriate
- include appropriate representation from stakeholders
- involve well-presented information/reports
- proper range of subject matters being considered
- allow sufficient time for discussion where necessary
- have good quality (Panel) administration (e.g. issuing papers in good time)
- involve a process for managing conflicts
- provide transparency to stakeholders where appropriate.

These elements are considered in this section.

Terms of reference and scheme of delegation to the Pension Fund and Investment Panel and senior officers

The Fund's business plan refers to the terms of the Panel being agreed at Council in September 1999. This report is no longer available on the Council's website and very limited information is included in the Council's Constitution as reproduced below (extracted from the Scheme of Delegation):

ALLOCATION OF FUNCTIONS - NON – EXECUTIVE FUNCTIONS

FUNCTION: Functions relating to local government pensions, etc.

DELEGATION: The Teesside Pension Fund and Investment Panel

General Delegation to Officers

Superannuation and Pensions: The Chief Finance Officer to deal with pension matters.

In addition, the Constitution highlights that the Chief Financial Officer is responsible for the proper administration of the Authority's financial affairs, including the pension fund.

The Governance Compliance Policy states, "The funding is in the hands of the Teesside Pension Fund and Investments Panel. This Panel acts in a similar manner to the Board of Trustees of a private sector pension fund. The Administering Authority has granted the panel plenary powers to manage the investments of the fund within the requirements of the Local Government Pension Scheme Regulations as amended from time to time, without reference to the full council."

It also states "The Administering Authority has designated Mouchel Business Services as the administrator of the Teesside Pension Fund."

The specific terms of reference for the Panel (as included in the Governance Policy Statement) are included in Appendix B.

We consider there to be opportunities to clarify the role of the Panel and the officers of the Fund. Some points for consideration are as follows:

- with most other Administering Authorities, the full terms of reference for the Panel (and the Board) are included within the Council's Constitution. Even if this route is not followed, we believe there should be greater clarity around how the terms of reference, membership of the Panel and officer delegations across all areas (i.e. governance, investments, funding, administration and communications).
- we do not consider it good practice for Kier (or any contractor or supplier) to have full delegated responsibility for delivery and decisions relating to administration without appropriate oversight by the Panel. We are not clear whether this is fully the case but this needs clarified and we would recommend much greater oversight of the administration service by the Panel.

We have been asked to separately consider the Panel's and LPB's terms of reference and we will bring separate recommendations to the Governance Working Party.

Appropriate representation

It is good practice for Administering Authorities to allow some representation for scheme members and employers. The Administering Authority provides this in a number of ways:


- The Pension Fund and Investment Panel and is made up of:
 - Elected members from Middlesbrough Council (the administering authority)
 - Elected members from all the other councils in the former Cleveland County Council
 - Trade union members (no voting rights)
 - A representative from the other scheme employers (chosen by election by the admitted bodies)
- The LPB is made up of:
 - Three employer representatives
 - Three employee representatives

We consider that the involvement of the wide range of stakeholders across these two bodies provides good opportunity for them to feed into the decision making process. In addition, it is good practice to have an employer representative (i.e. a representative of employers other than the Administering Authority and other Councils) as a member of the Pension Fund and Investment Panel and this meets the best practice included within the Secretary of State's Governance guidance.

Appropriate level of decision making and quick decision making where appropriate

It is important that decisions are made at the appropriate level and that the governance structure is flexible enough to ensure that decisions can be made in a timely manner. It would appear from the

agendas and minutes we have reviewed that the Panel does make decisions where required at meetings and there is a good level of discussion taking place. The decisions are recorded in the minutes as a matter of public record. We are unable to comment on how inclusive the discussions are and what level of challenge takes place as we have not observed any of the meetings.

 It is, however, important that investment decisions within the constraints of the Fund's strategy can be made in between Panel meetings. Based on the information presented within the Investment Strategy Statement (particularly in appendix one) and at Panels, there appears to be delegated responsibilities permitting officers to vary the short term asset allocation on the basis of advice from the Fund's investment advisers. However, we could not source the formal documentation and approval of those delegations through the Constitution or otherwise. We would therefore recommend that consideration is given to how these might be articulated more clearly and with the appropriate approval.

Well-presented information/reports

Information and reports are provided to the Pension Fund and Investment Panel by officers and various advisers (including the investment consultant). Our view from the reports we have seen is the information and reports are well constructed and presented. We have not had the opportunity to observe any meetings where reports were presented and hence we cannot comment on how engaged the panel were or how they interacted with each other, the officers and advisers. Equally we have not obtained views from the Panel members as to whether they are satisfied with the content and format of the reports and presentations.

Proper range of subject matters being considered

As mentioned previously the majority of the meetings tend to focus on investment matters and we would expect to see more time spent focussing on the areas of Fund management, and particularly administration and communication matters. This is particularly important, in our view, given the administration of the Fund is outsourced to a private contractor (Kier).

Sufficient time for discussion

It is very difficult for us to comment as we have not observed any of the meetings. However we have reviewed all of the last three years' agendas and minutes and it would appear that all agenda items have been covered in each meeting. What we can't comment on is whether sufficient time was given to each agenda item or whether some of these were rushed and hence not covered in sufficient detail or not providing opportunity for any Panel members', officers' or advisers' views to be heard and considered.

Managing actual and potential conflicts of interest

Each Panel elected member and any co-opted member is required to declare any interests (pecuniary or not) in line with local authority requirements at the beginning of each meeting and this is recorded in the meeting minutes. It is also pleasing to see that the Investment Advisers to the Fund have highlighted a pecuniary interest (albeit the details of this are not clear in the minutes). A pecuniary interest is generally considered as an interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person. This would cover areas such as land ownership, involvement with businesses and gifts or hospitality.

However, there can be examples whereby a member does not have a clear pecuniary or non-pecuniary interest as defined by the Council's Code of Conduct, but instead has a personal or professional conflict of interest that needs to be managed appropriately. For example, having separate responsibility for an employer who participates in the Fund

In that example, there may be circumstances where it is necessary for Panel members (e.g. administering authority or other Council's elected members) to balance their employing authority responsibilities (e.g. maintaining local service provision) against their administering authority responsibilities (e.g. ensuring appropriate payments by all employers into the Fund). This could potentially extend to political views whereby some councillors may have different views than other councillors from differing political parties, for example, in relation to investment in local infrastructure or environmental, social and governance (ESG) matters. Recent Queen's Counsel opinion and the

Law Commission report conclude that ultimately Panel members, and all those concerned with the management of the Fund, should remain focussed on the underlying fiduciary and public law responsibilities. This means that Fund assets should be invested in the best interests of members and beneficiaries. The potential for interests that could conflict with Fund matters, and this ultimate responsibility, should always be recognised and managed appropriately. We do recognise that the potential for conflicts of interest was recently highlighted within in the March 2017 Panel paper on local infrastructure investment.

The Council's Code of Conduct requirements in relation to disclosable pecuniary and some non-pecuniary interests are a useful starting point for managing conflicts. However, there are circumstances where other interests could have an impact on impartiality in the Fund's decision making. A Fund specific Conflicts of Interest Policy (see below) could ensure this point is clear to all involved. It is, however, worth highlighting that this would not necessarily require individuals to be removed from meetings.

The CIPFA Guidance for LGPS Funds in Preparing the Annual Report refers to the information contained within the Fund's Governance Compliance Statement including their "policy and processes for managing any conflicts of interest". It is also a key area of interest for both the Scheme Advisory Board and in The Pension Regulator's Guidance, albeit more focussed on LPB members.

This is not a legal requirement but, as mentioned earlier in this report, however we recommend that the Administering Authority develops a Fund specific Conflicts of Interest policy outlining how conflicts of interest will be managed and dealt with at a Fund level. This could include reference to;

- the Council's Code of Conduct
- how it relates to co-optees and observers
- examples of Fund specific potential conflicts of interest
- how conflicts of interest (and potential conflicts of interest) will be managed
- guidance for officers and advisers of the Fund to also adhere to.

This would complement the procedures currently being developed for local infrastructure investments and many of the decisions relating to asset pooling.

Transparency to Stakeholders

As with all public services, it is important that stakeholders have appropriate access to Fund information, including regarding the governance of the Fund. In this regard the Administering Authority's activities are appropriately driven by local authority legislation, for example:

- the requirement to provide public access to meetings (except for exempt items), and
- the requirement that all reports, agendas and minutes are to be published (except for exempt information).

It is pleasing to therefore see Panel meeting agendas and reports, and in due course the minutes, are all published on the Middlesbrough Council website. It is also positive to note that exempt items appear to be extremely rare, demonstrating a culture of openness and transparency in decision making. In addition, the LGPS regulations require each Administering Authority to produce and publish an annual report and accounts providing key financial information, management information and strategies. This requirement is enhanced by the (non-statutory) CIPFA Guidance for LGPS Funds in Preparing the Annual Report.

Our observations are that the Administering Authority demonstrates compliance with this requirement, producing and publishing a thorough set of report and accounts annually.

Further the Administering Authority maintains a website which includes a wide range of information including:

- information for scheme members about the benefits of being a scheme member
- key governance documents (e.g. Annual Report and Accounts and policies)

- information about the Panel and LPB.

😊 We do, however, note that the Administering Authority does not host any employer forum (other than perhaps some training for employers in the day to day responsibilities of providing information for the administration team). It is commonplace for administering authorities to host employer forum (generally annually) or annual stakeholder meetings. We believe these are particularly beneficial given the growing number of employers in LGPS Funds, including the Teesside Pension Fund, providing an opportunity for two way communication between stakeholders. There are a number of options as to how this can be positioned, including:

- focussing purely on employers, but perhaps splitting the session between more scheme member specific elements (and so focussed on those involved with day to day administration or HR matters) and more strategic elements such as funding, governance and investments (of more interested to Finance Directors or equivalents).
- opening it up to scheme members as well as employer representatives.

These events can often have guest speakers, such as investment advisers, actuaries and AVC providers as well as updates from key officers of the Fund, the Panel and Board.

Skills and knowledge

A critical element of good governance is the need for those managing the Fund to have the appropriate level of knowledge and skills. The current requirements relating to training of Pension Fund and Investment Panel members and officers of LGPS Funds are included in the following documents:

- CIPFA Code of Practice on public sector pensions finance knowledge and skills
- CIPFA Knowledge and Skills Framework – Elected representatives and non-executives
- CIPFA Knowledge and Skills Framework - Officers

In addition, Scheme Advisory Board's Guidance and The Pensions Regulator's Code of Practice (albeit focussed on LPB knowledge and skills legal requirements) highlight the need for the Administering Authority to have appropriate policies and procedures in place to ensure a high level of knowledge and skills.

Though adhering to the CIPFA documents is not statutory, they are considered good practice and there is increasing acceptance of the need for high levels of knowledge as well as increasing scrutiny of this by Panel members and officers. The key elements of the CIPFA requirements are that Administering Authorities:

- clearly articulate the knowledge and skills requirements in a Fund policy
- provide ongoing training in an effective and suitable manner to meet those requirements
- regularly review whether knowledge aspirations are being met
- ensure that they rely appropriately on officers and advisers to provide expert knowledge.

These elements are considered in this section. Our focus within this section is on the requirements relating to Panel members and senior officers of the Fund.

🚫 **Clearly articulated knowledge and skills requirements in a Fund policy**

The Fund has no formal training policy for officers and Panel members although a proposal was made regarding member training at the Panel meeting on 28 September 2016.

The following measures were suggested:

- That there be a minimum mandatory training requirement for all Members of the Teesside Pension Fund and Investment Panel (TPFIP); and
- That all Members of the TPFIP complete a self-assessment form to ascertain if further guidance or training is required, following completion of the mandatory training, in order to comply with the

Myners Principles.

The minutes from this meeting show the following was ordered:

1. Introductory training for all Members of the Teesside Pension Fund and Investment Panel was mandatory.
2. All Union Representatives should be offered the Introductory Training.
3. A self-assessment form should be completed by participants following the Introductory Training.

We would further recommend that the Administering Authority considers formalising and implementing a Fund policy to set out its policy and approach to training, which could include the following:

- A statement regarding embracing the CIPFA Framework (or an alternative)
- How training will be provided
- Qualifications the Administering Authority will encourage (if relevant)
- Expectations in relation to training attendance (perhaps even to the degree that all Panel members must attend at least 1 key conference per year)
- Specific requirements in relation to new members (e.g. the requirement to undertake induction training)
- How knowledge requirements will be regularly assessed and monitored
- An individual within the Administering Authority who is ultimately responsible for ensuring the policy is adhered to (CIPFA recommend this should be the Section 151 Officer's responsibility).

We recommend that all of the above points are considered separately for officers, Panel members and LPB members, and are brought together into a single document so there is one single Fund policy on training.

Providing ongoing training in an effective and suitable manner to meet those requirements and regularly review whether knowledge aspirations are being met

We believe it is important to provide a wide range of training opportunities to Panel members via a range of different approaches. For example, in addition to ensuring that Panel members are aware of all the key elements of managing the Fund, we believe it is important that they have the opportunity to learn about areas that the Administering Authority may not currently be focussed on. A key skill of a good Panel member is to be able to identify where information is not provided in reports, and therefore to be able to ask questions relating to alternative options that are not under consideration (i.e. turning the unknown unknowns into known unknowns).

Whilst we note that the members are encouraged to attend the fundamentals training we can see no evidence in the agendas and minutes of the Panel meetings of any regular training at these meetings. We recommend that all training attended is clearly documented in a training log, which should provide an overall assessment against the CIPFA knowledge and skills framework (or whichever framework is adopted) to allow one to understand whether Panel/LPB members and officers have had appropriate training in the required competencies. We recommend this is considered in conjunction with the creation and implementation of the Training Policy mentioned above. We also recommend that further information in relation to attendance at training is included in Panel updates and the Fund's Annual Report and Accounts.

Rely appropriately on officers and advisers to provide expert knowledge

Having reviewed the last three years of Panel minutes and agendas, it is clear to see that the members rely on input from their investment advisers, actuarial advisers and officers of the Fund to aid them in their decision making. Every meeting features updates and papers from the investment and property advisers and there is regular input from the officers and other advisers when needed.

Behaviour

A good governance structure will not be effective unless it involves the right people with the right attitude. Individuals should:

- have a high level of attendance at meetings
- demonstrate integrity in relation to their Fund role
- be engaged and provide appropriate challenge
- be accountable for the decisions made
- highlight any potential conflicts they may have
- for a Chairperson, manage the meetings fairly without any bias to individuals or self
- prepare adequately for meetings.

These elements are considered in this section. The information derives from review of the minutes, agendas and the governance report in the 2015/16 report and accounts.



Attendance at Meetings

The 2015/16 attendance record in the annual report and accounts also demonstrates strong ongoing attendance, so we have no concerns in this area.



General Behaviour

This element can be easily aligned with the General Principles of Public Life which are adopted by Middlesbrough Borough Council as part of its members' Code of Conduct. These principles are:

1. Selflessness
2. Integrity
3. Objectivity
4. Accountability
5. Openness
6. Honesty and truthfulness
7. Leadership

They also apply to co-opted members.

It is very difficult for us to make any comments under this heading as we have not had the opportunity to observe behaviours at first hand.

Appendix A – Reference Material

This appendix lists the various documents that were considered as part of this Governance Review.

- Last three years Pension Fund and Investment Panel Meeting agendas, reports and minutes
- The Middlesbrough Borough Council Constitution 2016
- The Middlesbrough Borough Council Scheme of Delegation 2016
- Annual Report 2015/16
- Communications Strategy 2010
- Funding Strategy Statement March 2017
- Governance Compliance Statement 2011
- Investment Strategy Statement 2017
- Valuation Report 2013
- Administering Authority Discretions Policy Statement 2009
- Risk Register 2015
- Business Plan 2016/17
- Pensions Administration Strategy 2011

Appendix B – Panel Terms of Reference

This appendix reproduces the terms of references as included in the Governance Compliance Statement of 2011.

1. For Members of the Council to act as Trustees of the Fund.
2. To have delegated powers to manage the investments of the Fund within the requirements of the Local Government Pension Scheme Regulations as amended from time to time.
3. To manage the Fund in accordance with the Management Agreement.
 - i. To ensure that the fund complies with the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007, the Local Government Pension Scheme (Administration) Regulations 2008 and the Local Government Pension Scheme (Transitional Provisions) regulations 2008 (as amended), Her Majesty's Revenue and Customs (HMRC) requirements for Pension Funds and any other relevant statutory provision.
 - ii. The selection, appointment and dismissal of investment managers, scheme administrators, independent advisors and ad hoc advisors.
 - iii. The formulation of investment strategy and risks strategy for the Fund under its stewardship, after receiving advice from its independent advisors and the Loans and Investment Manager.
 - iv. Setting investments targets and monitoring the investment performance and financial control of the Funds' assets and commissioning the preparation of actuarial valuations and accounts.
 - v. Ensuring that value for money is achieved from all the specialists supplying services to the Fund through a comprehensive and qualitative selection process and through budgetary control.
 - vi. Commissioning any actuarial valuation and taking appropriate action in the light thereof.
 - vii. Receiving and agreeing the annual report and accounts.
 - viii. Ensuring effective communication with scheme members and pensioners.
 - ix. Receiving and dealing with general complaints from scheme members and pensioners.
 - x. To determine the exercise of the discretions allowed to the administering authority, as laid down in by relevant legislation.
 - xi. Any other responsibilities delegated to it by the Authority.

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