

TEESSIDE PENSION FUND

Administered by Middlesbrough Council

AGENDA ITEM 10

TEESSIDE PENSION BOARD REPORT

18 JULY 2022

DIRECTOR OF FINANCE – IAN WRIGHT

Update on Work Plan Items

1. PURPOSE OF THE REPORT

- 1.1 To present Members of the Teesside Pension Board (the Board) with information on items scheduled in the work plan for consideration at the current meeting.

2. RECOMMENDATION

- 2.1 That Board Members note this report.

3. FINANCIAL IMPLICATIONS

- 3.1 There are no specific financial implications arising from this report.

4. BACKGROUND

- 4.1 At its meeting on 19 July 2021 the Board agreed an updated work plan for the coming months and years which set out areas for the Board to discuss or consider at subsequent meetings (see Appendix A). These were typically areas that the Pensions Regulator and/or the Scheme Advisory Board had identified as important for Local Pension Boards to consider.

5. RECORD KEEPING

- 5.1. The Pensions Regulator's website contains the following overview of what record keeping means for pension scheme trustees and those running public service pension schemes:

“As a pension trustee or someone running a public service scheme you are responsible for making sure the scheme has good records. This is still the case if you use a third-party administrator.

To manage a scheme properly you need to make sure it has accurate, complete and up-to-date records. You should have controls and processes in place to maintain these standards.

Failure to maintain complete and accurate records means you are at risk of not meeting your legal obligations. Poor record-keeping can have a huge impact on members and can be very expensive for your scheme if things go wrong due to bad or missing data.”

(from www.thepensionsregulator.gov.uk/en/trustees/contributions-data-and-transfers/record-keeping)

5.2. The Regulator goes on to recommend that those responsible for pension schemes (in the case of our Fund, the Council as administering authority) undertake the following actions in relation to record keeping:

- Regularly review scheme data, notify the Pensions Regulator about data quality through the annual scheme return;
- Work with the administrator to improve data where it isn't good enough to run the scheme effectively;
- Take an active role in monitoring data quality and accuracy and the controls around it.
- Discuss record-keeping at meetings

5.3. The Regulator emphasises that good record keeping is vital so that:

- Defined benefit schemes (such as the Local Government Pension Scheme (LGPS)) have accurate funding plans in place
- Defined contribution schemes can process core financial transactions promptly and accurately (this has some relevance to the LGPS in relation to Additional Voluntary Contributions which are provided on a defined contribution basis).
- All schemes can meet pensions dashboards requirements

5.4. The types of records required to be kept include those relating to

- Meetings and decisions of the body/bodies responsible for running the scheme
- Scheme documents including trust deeds and rules (for the LGPS these are regulations, not trust deeds and rules), and details of any rule (regulation) changes
- Scheme member information, including common data and scheme-specific data
- All contributions received
- All other payments to and from the scheme
- Transfers of members' benefits and related assets

5.5. The Council, as administering authority for the Fund, is responsible for maintaining all of the types of records set out in 5.4 above. With the exception of records of meetings and decisions (which are maintained by the Council's Democratic Services team and, where possible, published on the Council's website) and the scheme regulations (which are maintained on the national LGPS website www.lgpsregs.org), the other records are maintained on the Council's behalf by XPS Administration (XPS), our outsourced pensions administration provider.

- 5.6. XPS provides an administration report every quarter to the Pension Fund Committee and the Teesside Pension Board which includes information non data quality regarding details of common data and scheme specific data and any late contributions received from scheme employers.
- 5.7. Areas of improvement to data quality have been raised with XPS and discussed by the Committee and Board, including engaging a third party specialist provider to assist in finding correct home addresses in relation to 'gone away' deferred scheme members, and continuing to work to improve the coverage of scheme specific data. XPS is also currently about to launch monthly data exchange with scheme employers, piloting this with a small number of employers initially. This will improve the quality and accuracy of the member data held by the Fund and will help prepare the Fund for submitting data to pensions dashboards.

6. RESOLVING INTERNAL DISPUTES

- 6.1. Where an individual is unhappy with a decision made or an act or omission by a scheme employer or the administering authority in relation to their rights or benefits in the Fund, they can formally raise a dispute under the two stage Internal Dispute Resolution Procedure.
- 6.2. The leaflet attached at Appendix B sets out the full details of the Procedure. A brief summary is as follows:
- The applicant submits a complaint to the Fund which is directed to the scheme employer (if it relates to a scheme employer decision or action) or the administering authority (if it relates to and administering authority decision or action).
 - The scheme employer or administering authority refers the complaint to their appointed adjudicator. The applicant should usually raise a complaint within six months of the date of the act or omission causing the disagreement (although the adjudicator can extend this timeframe).
 - The adjudicator should (within two months) give a written decision in relation to the complaint to the complainant, the scheme employer and the administering authority. If the two month deadline will not be met the adjudicator has to give an interim reply giving the reasons for the delay and the expected date of making a decision.
 - If the applicant is not happy with the decision they have (usually) six months in which to ask for the complaint to be reconsidered by the administering authority. Second stage appeals should be carried out in a manner determined by the administering authority but always ensuring that no person who was involved in the making of the initial decision or the first stage (adjudicator) appeal is involved in a decision on reconsideration.
 - The administering authority should (within two months) give a written decision in relation to the complaint to the complainant and the scheme employer. If the two month deadline will not be met the administering authority has to give an interim reply giving the reasons for the delay and the expected date of making a decision.

- At both stages in the process the applicant should be made aware statement that the Money and Pensions Service is available to give assistance in connection with any difficulty with the Scheme that remains unresolved, and that the Pensions Ombudsman may investigate and determine any complaint or dispute of fact or law in relation to the Scheme made or referred in accordance with the Pension Schemes Act 1993

6.3. XPS provides information on complaints, dispute cases and any cases referred to the Pensions Ombudsman within their quarterly administration update to the Pension Fund Committee and the Teesside Pension Board.

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Teesside Pension Board Work Plan		
Date of Board meeting and any standard items scheduled	Suggested areas of focus (from the Pensions Regulator's list)	Suggested activities (from the Scheme Advisory Board guidance)
July 2021 Draft Report and Accounts		
November 2021 Annual Review of Board Training	Pension board conflict of interest	Review the arrangements for the training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme
February 2022	Reporting breaches Maintaining contributions Reporting duties	Review procurements carried out by Fund
April 2022 Annual Board Report	Internal controls and managing risks	Review the complete and proper exercise of employer and administering authority discretions.
July 2022 Draft Report and Accounts	Record keeping Resolving internal disputes	Review performance and outcome statistics Review handling of any cases referred to Pensions Ombudsman
November 2022 Annual Review of Board Training	Regulator Code of Practice Gap Analysis	Review the outcome of actuarial reporting and valuations.
February 2023		Review the outcome of actuarial reporting and valuations.
April 2023 Annual Board Report	Communicating to members Publishing scheme information	Review standard employer and scheme member communications
July 2023 Draft Report and Accounts		