

TEESSIDE PENSION FUND

Administered by Middlesbrough Council

AGENDA ITEM 9

TEESSIDE PENSION BOARD REPORT

11 SEPTEMBER 2023

INTERIM DIRECTOR OF FINANCE – DEBBIE MIDDLETON

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.
- 1.2 To ask the Board to consider what items should be added to the work plan for the meetings next year.

2. RECOMMENDATION

- 2.1 That Board Members note this report and consider what items should be added to the work plan for the meetings next year.

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 (SAB) had identified as important for Local Pension Boards to consider.
- 4.2 Owing to the later preparation of the draft Pension Fund Annual Report and Accounts this year, the work plan item reviewing this document has been deferred to the November Board meeting, and the items due to be considered in November have been brought forward to this meeting. These changes are reflected in the plan in Appendix A.

5. ANNUAL REVIEW OF BOARD TRAINING

- 5.1 The Local Government Pension Scheme (LGPS) Regulations 2013 were amended in line with requirements introduced by the Public Service Pensions Act 2013 for all

public service pension schemes to establish a pension board. Under the LGPS Regulations, each LGPS administering authority had to set up a Local Pension Board with effect from 1 April 2015.

- 5.2 The Pension Fund set up the Teesside Pension Board in line with these legislative requirements. The Board's terms of reference sets out the Board's purpose as follows:

“Statement of purpose

6. The Board is responsible for assisting the Administering Authority:

(a) to secure compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme; and

(b) to ensure the effective and efficient governance and administration of the Scheme.

7. The Council considers this to mean that the Pension Board is providing oversight of these matters and, accordingly, the Pension Board is not a decision making body in relation to the management of the Pension Fund. The Board makes recommendations and provides assurance to assist in the management of the Fund.”

- 5.3 In order to fulfil this function, and to comply with the requirements of the overriding regulations and legislation, the Board needs to have and maintain appropriate knowledge and understanding of the LGPS and pensions in general, In particular (as set out in the Board's Terms of Reference: a member of the Board **must be conversant with:**

- the legislation and associated guidance of the Local Government Pension Scheme (LGPS), and
- any document recording policy about the administration of the LGPS that is adopted by the Teesside Pension Fund.

a member of the Board **must have knowledge and understanding of –**

- The law relating to pensions, and
- Any other matters which are prescribed in regulations.

- 5.4 The main documents the Board is required to be conversant with are:

Regulations and guidance

- The LGPS Regulations 2013
- LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014.
- LGPS (Management and Investment of Funds) Regulations 2016
- Together with any guidance issued under these regulations.

All these documents are at <https://www.lgpsregs.org/schemeregs/index.php>

Scheme documents

Member booklets, announcements and other key member and employer communications

Relevant policies of the Administering Authority and/or Pension Committee (for example: conflicts of interest, record-keeping, data protection and freedom of information, internal dispute resolution procedure, reporting breaches).

- The Council's statements (in its role as Administering Authority to the Pension Fund) on
 - Governance Compliance
 - Funding Strategy
 - Investment Strategy
 - Discretionary Policies
 - Communications Policy
- The Pension Fund risk register
- The actuarial valuation report
- The Pension Fund annual report and accounts
- Pension fund external audit report

These documents are mainly available at the following websites, or have been presented to the Board previously:

[TPF - Trust Documents \(teespen.org.uk\)](https://teespen.org.uk)

[Committee details - Teesside Pension Fund Committee | Middlesbrough Council](#)

5.5 The main areas the Board is expected to have knowledge and understanding of are:

- Background and Understanding of the Legislative Framework of the LGPS
- General pensions legislation applicable to the LGPS
- Role and responsibilities of the Local Pension Board
- Role and responsibilities of the Administering Authority
- Funding and Investment
- Role and responsibilities of Scheme Employers
- Tax and Contracting Out
- Role of advisors and key persons
- Key Bodies connected to the LGPS

6 TRAINING APPROACH

6.1 Board Members receive induction training when they join the Board and are able to access training events as and when they are held for Pension Fund Committee and Board members. For example, Board members have been invited to a training session on real estate investment to be held on 13 September 2023. Board Members are also invited to attend Border to Coast's Annual Conference which is usually held in Leeds at the end of September – this typically includes a training session, often related to investments.

6.2 The level of knowledge and understanding required cannot be acquired overnight and can be delivered in a number of ways, through (for example)

- Papers provided to the Board throughout the year
- Training sessions delivered by Council staff or by external companies
- Self-study through access to training materials and documents

6.3 An initial starting point for new Board members is to ensure they complete the Pensions Regulators on-line training modules the Public Service Toolkit, which is at the following web page:

<https://www.thepensionsregulator.gov.uk/en/public-service-pension-schemes>

6.4 Training sessions can be arranged to cover the areas set out in section 5 above. Pension Fund Committee members can also be invited to attend any training.

6.5 In addition the Fund has engaged an external provider (Hymans Robertson) to provide access for Board and Pension Fund Committee members to an on-line learning academy. This is designed to allow Board members to learn at their own pace and covers the full range of topics required to meet the knowledge and understanding requirement.

7 PENSION BOARD CONFLICTS OF INTERESTS

7.1 Appendix B sets out the Board's conflict of interests policy. Although experience shows conflicts very rarely arise within the running of the Board, it is important to be aware of the possibility and to have adequate procedures and advice available should they occur.

8 NEXT STEPS

8.1 The work plan at Appendix A requires further items adding for meetings in 2024 onwards. The Head of Pensions Governance and Investments will bring an updated plan to the next meeting, taking into account any discussion or suggestions received at this meeting.

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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 (including 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
September 2023 Annual Review of Board Training	Pension board conflict of interest	Review the arrangements for the training of Board members
November 2023 Draft Report and Accounts		
February 2024	Internal controls and managing risks	Review the Fund's approach to cyber security
April 2024 Annual Board Report	To be determined	To be determined
July 2024 Draft Report and Accounts		
November 2024 Annual Review of Board Training		