

# TEESSIDE PENSION FUND

Administered by Middlesbrough Council

AGENDA ITEM 9

## TEESSIDE PENSION BOARD REPORT

8 APRIL 2024

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.

#### 2. RECOMMENDATION

- 2.1 That Board Members note this report and provide any comments or suggestions in relation the proposed work plan.

#### 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 The three items scheduled for consideration in the work plan for this meeting are the Annual Board Report, Pension Board statutory responsibilities and Pensions Dashboards. The Annual Board Report is included as a separate item, the other two items are covered in the rest of this report.

#### 5. BOARD STATUTORY RESPONSIBILITIES

- 5.1 The statute that Local Pension Boards are set up under is The Public Service Pensions Act 2013 (“the 2013 Act”). Amongst other things, the 2013 Act required Local Government Pension Scheme (LGPS) Administering Authorities to set up a body to be

known as a Local Pension Board to assist the Administering Authority in its role as the Scheme Manager of its Fund.

- 5.2 The regulations governing the administration of the LGPS (the LGPS Regulations 2013) were also amended to include details of the functions of Local Pension Boards:

“Regulation 106

(1) Each administering authority shall no later than 1st April 2015 establish a pension board ("a local pension board") responsible for assisting it-

- (a) to secure compliance with-
  - (i) these Regulations,
  - (ii) any other legislation relating to the governance and administration of the Scheme and any connected scheme(59), and
  - (iii) any requirements imposed by the Pensions Regulator in relation to the Scheme and any connected scheme; and
- (b) to ensure the effective and efficient governance and administration of the Scheme and any connected scheme.”

- 5.3 Further information on the purpose of Local Pension Boards is included within the guidance included in the LGPS Scheme Advisory Board’s website, the “Local Government Pension Scheme (LGPS) Guidance on the creation and operation of Local Pension Boards in England and Wales.” This document, which can be found at this link:

[https://lgpsboard.org/images/Guidance/LGPS Board Guidance FINAL PUBLISHEDv1%201clean.pdf](https://lgpsboard.org/images/Guidance/LGPS_Board_Guidance_FINAL_PUBLISHEDv1%201clean.pdf)

includes the following interpretation of regulation 106:

“3.28

Assisting the Administering Authority should be interpreted as helping the Administering Authority, including doing work requested by the Administering Authority. The role of the Local Pension Board should be interpreted as covering all aspects of governance and administration of the LGPS, including funding and investments. However, the Local Pension Board does not replace the Administering Authority or make decisions which are the responsibility of the Administering Authority under both the Regulations and other overriding legislation. The Administering Authority can choose to delegate duties to the Local Pension Board within the parameters of the Regulations.”

- 5.4 The regulations and guidance include more detail on how a Local Pension Board should be set up, how it should be constituted (for example, specifying that each Board should have an equal employer and scheme member representatives), how the Board should operate, and the requirement for Board members to have sufficient knowledge and understanding of the LGPS together with an awareness of the framework it operates in.

5.5 The regulations and guidance informed the Teesside Pension Board's constitution, which is included as Appendix B for reference.

## **6 PENSIONS DASHBOARDS**

6.1 Pensions Dashboards are a Government sponsored initiative intended to enable individuals to access their pensions information online, securely and all in one place, thereby supporting better planning for retirement. Once implemented, Pensions Dashboards should provide clear and simple information about an individual's multiple pension savings, including their State Pension. They should also help individuals to reconnect with any lost pension pots.

6.2 Following consultation with the pensions industry in 2018 the Pensions Dashboards project was launched in 2019. The end date for the project was put back by Government last year and the date all schemes need to be connected and providing pensions dashboard information is now 31 October 2026.

6.3 Pensions Dashboards will be designed to show users their pensions information online, securely and all in one place. There will be:

- a non-commercial dashboard run by the Money and Pensions Service (MaPS)
- commercial dashboards called qualifying pensions dashboards services (QPDS) run by commercial organisations such as insurance companies or banks.

6.4 To make Pensions Dashboards work multiple parties and technical services need to be connected – to what is called 'an ecosystem'. The ecosystem will encompass Pensions Dashboards, data providers' find and view interfaces and the central digital architecture. The ecosystem will not hold personal information supplied by users or pensions information supplied by individuals. Instead, it will function like a giant switchboard, connecting users with their pensions via Pensions Dashboards.

6.5 The Pensions Dashboards Regulations 2022 set out in law connection and maintenance of connection, is a legal requirement for the majority of registrable pension schemes and public service pension schemes (including the LGPS).

6.6 Draft guidance has been prepared by the Local Government Association (LGA) setting out the tasks and decisions that will be required from LGPS Funds in order to ensure they connect to a Pensions Dashboard within the required timeframe. Data quality is a key area – any gaps in identification or benefits information on records will prevent the Pensions Dashboard operating effectively for all users. XPS Administration report regularly to the Board (and Committee) on data quality and the steps they are taking to improve this.

6.7 The draft action checklist from the LGA guidance is included as Appendix C. Note, much of the work will be carried out in conjunction with the pensions administrator. Discussions are ongoing with XPS Administration on Pensions Dashboards, they will also form an important part of the upcoming pensions administration procurement

exercise. Part of this work will be to revise the dates shown in the checklist to ensure they are realistic and will achieve the required 31 October 2026 final deadline.

6.8 Further updates will be provided to the Board (and Committee) on progress with Pensions Dashboard development and implementation.

## **7. NEXT STEPS**

7.1 Further updates on Pensions Dashboards will be provided to the Board when available or as scheduled in the Work Plan.

**AUTHOR:** Nick Orton (Head of Pensions Governance and Investments)

**TEL NO:** 01642 729024

<b>Teesside Pension Board Work Plan</b>		
<b>Date of Board meeting and any standard items scheduled</b>	<b>Suggested areas of focus (from the Pensions Regulator's list)</b>	<b>Suggested activities (including from the Scheme Advisory Board guidance)</b>
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	Pension Board statutory responsibilities	Pensions Dashboards
July 2024 Draft Report and Accounts		
November 2024 Annual Review of Board Training		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