

TEESSIDE PENSION FUND

Administered by Middlesbrough Council

AGENDA ITEM 10

TEESSIDE PENSION BOARD REPORT

17 NOVEMBER 2025

DIRECTOR OF FINANCE AND TRANSFORMATION– ANDREW HUMBLE

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 discuss any issues arising from it.

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. 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. This work plan has been reviewed and updated periodically by the Board, with the last updated approved at its 25 November 2024 meeting.
- 4.2 The items scheduled for consideration in the work plan for this meeting are managing risk and internal controls, a review of the risk register and a review of internal and external audit reports – detail on these is set out below. The current work plan is contained at Appendix A.

5 LATE PAYMENT OF CONTRIBUTIONS

- 5.1 Middlesbrough Council took over collection of employer contributions from April 2025, before the commencement of the new Pension Administration contract in June, due to the previous administrator, XPS, reducing their focus on this area.
- 5.2 Since April, the pensions team has developed processes and procedures to capture employer contribution information and reconcile income notified by employers or their payroll providers to pension funds banking records.
- 5.3 It is a requirement of Pension Acts legislation that employee pension contributions are paid to the Fund by the 19th day following the month on which they were deducted from pay.
- 5.4 The Fund is required to monitor receipt of contributions to identify where payments are late. If any contributions are paid late and the administering authority has reasonable cause to believe that the failure is likely to be of material significance to the Pensions Regulator, the administering authority must give a written report of the matter to the Pensions Regulator and, in the case of late pay over of employee contributions, to the member.
- 5.5 In assessing material significance the Fund will look for patterns of late payment as well as the scale in terms of value or number of working days late.
- 5.6 So far no late payments are judged to be of material significance and therefore no breach of the law reports in relation to late payments have been made.

Month	Number of Late Payments	Expected Payments	Percentage Late	< 10 Working Days Late	>10 Working Days Late
April 25	6	154	4%	4	2
May 25	10	153	7%	10	0
June 25	6	152	5%	6	0
July 25	5	154	3%	3	2
August 25	7	152	5%	5	2

- 5.7 Employers receive a contribution spreadsheet at the start of each financial year which sets out the payment and accompanying information due. The Fund will chase any late payments and/or documentation, one month after the due date the first charge will be activated and each subsequent month where payment or information is still outstanding the charges can be applied.
- 5.6 The Fund's charging policy is to charge £100 for each full month a file is delayed beyond its due date plus a daily interest surcharge for the period the payment is outstanding of 1% above the bank base rate. There has been no requirement to charge employers for late payments during 2024/25.

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:

[Overview - Tyne and Wear Pension Fund, in partnership with Teesside Pension Fund](#)

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

[Committee details - Teesside Pension Board | 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

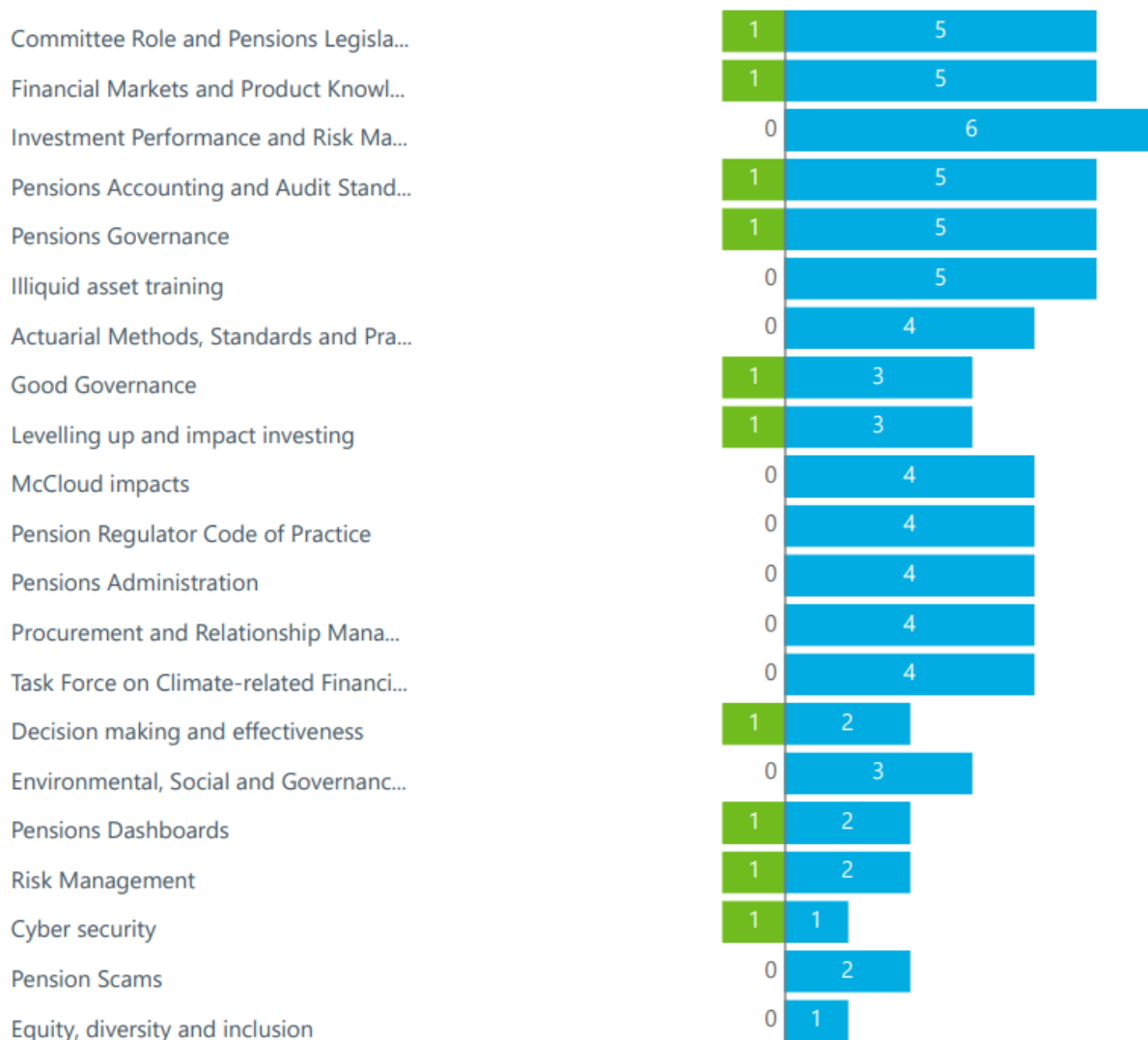
6 TRAINING APPROACH

- 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. 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. Board members can access the on-line learning academy at the following link: [Aspire](#)
- 6.6 The Fund participated in a National Knowledge Assessment arranged by Hymans Robertson. The purpose of this assessment was to evaluate the overall level of knowledge and understanding of the Board and the Pension Fund Committee and identify any area which should be a particular focus for future training. The outcome of the Knowledge Assessment was discussed with the Board at its 25 November 2024 meeting, which agreed that a training programme should be developed which Committee which Board members could participate in.
- 6.7 The chart below identifies several areas which survey participants identified could be of focus to target gaps in knowledge and understanding.

2024 Hymans LGPS National Knowledge Assessment self-identified training requirements

Training requirements

● Board ● Committee



6.8 Border to Coast are developing some training opportunities to support partner funds. There are training sessions provided at Border to Coast Annual Conferences which supplement the information sessions and opportunities to meet with partner funds Committee and Board members who face similar challenges.

6.9 During the summer Border to Coast put on the following training sessions which provide a useful introduction or refresh of various topics for Board members and Committee members:

- Introduction to Border to Coast Training session
- Asset Classes Training Session 1

- Asset Classes Training Session 2
- Risk and Return Training Session
- Sustainability and Net Zero Training Session

- 6.10 In the government response to their consultation Local Government Pension Scheme (England and Wales): Fit for the future which was published 29 May 2025 the government indicated they would implement proposals around pension fund training requirements.
- 6.11 The requirement for pension committee members, the senior officer, and officers to have the appropriate level of knowledge and understanding for their roles, with requirements for pension committee members and local pension board members aligned.
- 6.12 The requirement for Administering Authorities to set out within their governance and training strategy how they will ensure that any committee, sub-committee, or officer will meet the new knowledge requirements within a reasonable period from appointment.

for

Consult q19 Do you agree that AAs should be required to prepare and publish a governance and training strategy, including a conflict of interest policy?

The government proposed that AAs should be required to prepare and publish a governance and training strategy, to replace the governance compliance statement. This new strategy would set out the AAs' approach to governance, knowledge and training, member representation, and conflicts of interest; and set out objectives and planned actions in these areas, to be reviewed at least once every valuation period.

The government welcomes the broad support for this proposal and intends to proceed. Recognising the concerns about the potential length of a single document, the government will require a strategy for governance (including member representation), a training strategy, and a conflicts of interest policy, which may be combined. We recognise that AAs will want to carry out the review of strategies at a different time to the triennial revaluation and will not prescribe when reviews should happen during a valuation cycle.

Q24 Do you agree with the proposal to require pension committee members to have appropriate knowledge and understanding?

The government proposed to require that pension committee members, the senior officer and officers should have the appropriate level of knowledge and understanding for their roles, and that the requirements for pension committee members and local pension board members should be aligned.

- 6.13 Government considers that it is important that all members of the pension committee are held to account and have a high level of knowledge and

understanding to contribute to the decision making of the committee. Therefore, they will continue with a knowledge and training requirement that applies to individuals, rather than the committee as a whole. They will consider further how this will apply to substitute members, and how members can be held to account for non-compliance. Government intend to work with the Scheme Advisory Board on guidance, which will address the points raised at consultation.

Q25 Do you agree with the proposal to require AAs to set out in their governance and training strategy how they will ensure that the new requirements on knowledge and understanding are met?

The government proposed to require AAs to set out within their governance and training strategy how they will ensure that any committee, sub-committee, or officer will meet the new knowledge and understanding requirements.

Considering the broad support, the government intends to implement this proposal, through an update to the 2013 LGPS Regulations. The government's response to the concerns raised is covered in the response to Question 24. The government will work with the SAB to develop guidance.

strengthening the governance of LGPS AAs and LGPS pools in the following ways, building on the recommendations of the Scheme Advisory Board (SAB) in their 2021 Good Governance Review:

- implement
- Requirement for pension committee members, the senior officer, and officers to have the appropriate level of knowledge and understanding for their roles, with requirements for pension committee members and local pension board members aligned.
- Requirement for AAs to set out within their governance and training strategy how they will ensure that any committee, sub-committee, or officer will meet the new knowledge requirements within a reasonable period from appointment.

7. NEXT STEPS

7.1 The workplan will continue to be provided to future Board meetings.

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Appendix A

Teesside Pension Board Work Plan		
Date of Board meeting and any standard items scheduled	Suggested areas of focus (from the Pensions Regulator's Public Service Toolkit list)	Suggested activities (including from the Scheme Advisory Board guidance)
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
February 2025	Conflicts of interest	Update on Code of Practice review
March 2025 Annual Board Report	Managing risk and internal controls	Review of risk register Review internal and external audit reports
July 2025 Draft Report and Accounts	Maintaining accurate member data	Review administration reports, including data quality scores and progress in relation to any data improvement plans.
November 2025 Annual Review of Board Training	Maintaining member contributions	Review administration reports including in relation to any late payment of contributions. 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 2026	Providing information to members and others	Review standard employer and scheme member communications. Review procurements carried out by Fund
April 2026 Annual Board Report	Resolving internal disputes	Review and internal dispute cases / Pensions Ombudsman cases since the last review. Review the outcome of actuarial reporting and valuations.
July 2026 Draft Report and Accounts	Reporting breaches of the law	Review breaches process and log. Review the complete and proper exercise of employer and administering authority discretions.
November 2026 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
February 2027	TBC	TBC
April 2027 Annual Board Report	TBC	TBC
July 2027 Draft Report and Accounts	TBC	TBC
November 2027 Annual Review of Board Training	TBC	TBC