

TEESSIDE PENSION FUND

Administered by Middlesbrough Council

AGENDA ITEM 10

TEESSIDE PENSION BOARD REPORT

31 MARCH 2026

CORPORATE DIRECTOR OF FINANCE – 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 review standard employer and scheme member communications and review procurements carried out by Fund – detail on these is set out below. The current work plan is contained at Appendix A.

5 REVIEW ANY INTERNAL DISPUTE CASES / PENSIONS OMBUDSMAN CASES

- 5.1 Tyne and Wear Pension Fund have included information in relation to Internal Dispute Resolution Procedure (IDRP) cases in their pensions administration report at section 9.
- 5.2 There are four cases against employers concerning ill-health retirement decisions. Ill-health decisions are usually the largest category of IDRP cases in the LGPS.
- 5.3 There are three cases against the Fund. Two are disputes over the level of benefits awarded with the other case arising from a situation where the member was not permitted to transfer out of the scheme.
- 5.4 In all seven cases the original decision was upheld. Two of the cases have been escalated to the Pensions Ombudsman for independent review, one of the ill health decisions and the transfer out case.
- 5.5 In conclusion the level of IDRP cases and Ombudsman referrals is not unusual for an LGPS Fund with no unexpected patterns or issues raised. For this review no changes in policies, processes or procedures have been identified and no changes to the risk register made.

6 REVIEW THE OUTCOME OF ACTUARIAL REPORTING AND VALUATIONS.

- 6.1 As Members will be aware, the latest triennial valuation of the Fund (as at 31 March 2025) is currently in progress. Reports have been brought to Pensions Committee and Board meetings outlining progress, with the final report due to be published by the end of March 2026.
- 5.2 All Pension Fund employers have been provided with details of their draft valuation outcome, setting out the employer contribution rates they will be required to pay over the three year period commencing 1 April 2026. Although these are presented as 'draft' results, the outcome is unlikely to change unless some material discrepancy is identified in the data used to prepare the report, or if the employer proposes a realistic alternative contribution pattern that is acceptable to the Pension Fund and will achieve the same funding objective.
- 5.3 An example draft valuation outcome report which was sent to employers is enclosed at Appendix A.
- 5.4 As part of the communication process around the valuation, the Actuary had a meeting with the Council's S151 Officers to discuss the funding position and likely outcome for contributions. This early discussion allowed councils to build the impact of the valuation into their budgets and gave them a fuller understanding of the assumptions underlying the valuation.
- 5.5 Individual discussions were available for all employers and were proactively sought with the large and more complex employers and those who had indicated a possible

exit from the Fund. Meetings were therefore arranged with Teesside University, Thirteen Group and Beamish Museum.

- 5.6 Concurrent with the valuation the Fund consulted on its Funding Strategy Statement (FSS) with employers responding to the consultation through the Actuary's portal. At the time of writing, 18% of the employers who were issued employer results (and invited to respond to the consultation) have responded via the Portal. The Fund views this as a successful response rate and is a significant increase in employer engagement from the previous valuation when only 1 employer responded.
- 5.7 Of the respondents 84% agreed or strongly agreed that the FSS was clear and concise used plain English and avoided acronyms where possible with only 5% disagreeing. In relation to the statement "I have been provided with sufficient detail about the policies adopted within or alongside the FSS, such as policies on employer exits", 94% agreed.
- 5.8 There were a small number of comments to the consultation asserting that the assumptions were too cautious and/or prudent and contribution rates were therefore too high. The Fund is comfortable with its assumptions and indications are that contribution levels are not out of step with other LGPS Funds.
- 5.9 The Department of Education comment, which is common to remarks they have made to other Pension Funds, suggested that the initial funding levels of academies upon conversion should not be capped at 100%. The Fund's response is that this view does not reflect that the risk from Academy legacy liabilities is left with local authorities.
- 5.10 The comments have led to a minor change to the Funding Strategy Statement to develop a more well defined statement around the contribution stability mechanism.

7. NEXT STEPS

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

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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 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 any 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