

WIRRAL COUNCIL

PENSIONS BOARD

28 June 2016

SUBJECT:	MERSEYSIDE PENSION FUND – COMPLIANCE STATEMENT – TPR CODE OF PRACTICE NO.14
WARD/S AFFECTED:	NONE
REPORT OF:	PRINCIPAL PENSIONS OFFICER
KEY DECISION	NO

1.0 EXECUTIVE SUMMARY

- 1.1 This report updates the Pension Board on the intended approach to stress test Merseyside Pension Fund's compliance against the Pension Regulator (TPR) Code of Practice No.14, entitled "Governance and Administration of Public Service Schemes.
- 1.2 The appendix to the report, the Compliance Statement, contains exempt information. This is by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972, i.e. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The Local Pension Board's role is to assist in the good governance of the scheme and to highlight to Pensions Committee any areas that require improvement in complying with statutory legislation and standards set by TPR.
- 2.2 The Pension Board discussed the content and impact of TPR Code of Practice, applicable from April 2015, at its inaugural meeting of 14 July 2015. The Code of Practice sets out the legal requirements for public service pension schemes, standards of conduct and practice expected of those who exercise functions in relation to those requirements.
- 2.3 Work is currently in progress to establish a model for officers to undertake a self-assessment against the 90 key definitive elements across the Code - with the statements of compliance substantiated by relevant documentary evidence. Any failings will outline the suggested corrective action within a targeted timeframe and any areas identified for improvement will require a statement of commitment.
- 2.4 Following completion by the officer, the Board may wish to consider commissioning an advisor to provide an independent review of the exercise - to demonstrate objectivity and mitigate any preconceived assumptions as to the level of compliance within the administration and governance function.

- 2.5 The Fund has to date undertaken a high level assessment of its compliance against the Code, using the RAG rating system, attached as Appendix 1.
There are no areas of significant concern. Areas with an amber rating reflect development work being undertaken to further tighten controls and ensure a robust monitoring framework.
- 2.6 Further granular evaluation is necessary to evidence a comprehensive statement of compliance against the full suite of administration and governance functions covered by the code.
- 2.7 The aim of the structured model is to provide assurance to the Board and TPR of the Fund's commitment to proactively comply with the Code of Practice No.14.
- 2.8 Officers will keep the Pension Board apprised of progress achieved and request feedback on the evaluation of both the Statements of Compliance and Commitment, including the review process which will be embedded within the compliance model.

3.0 RELEVANT RISKS

- 3.1 Failure to comply with the Code of Practice No.14 will result in censure by the Pensions Regulator – these will vary from Improvement Notices to financial penalties.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 No other options have been considered.

5.0 CONSULTATION

- 5.1 There has been no consultation undertaken or proposed for this report. There are no implications for partner organisations arising from this report.

6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

- 6.1 There are no previously approved actions outstanding.

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 7.1 There are none arising from this report.

8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 8.1 The project to complete the review process is a significant undertaking and is documented within the Fund's 2016 Business Plan, with an anticipated task-to-finish date of March 2017.

9.0 LEGAL IMPLICATIONS

- 9.1 There are none arising from this report.

10.0 EQUALITIES IMPLICATIONS

- 10.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(b) No because there is no relevance to equality.

11.0 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS

11.1 There are no carbon usage implications, nor any other relevant environmental issues arising from this report.

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 There are none arising from this report.

13.0 RECOMMENDATION

13.1 Pension Board members note the report.

14.0 REASON FOR RECOMMENDATION/S

14.1 There is a requirement for members of the Pension Board to be kept up to date with legislative developments as part of their role.

REPORT AUTHOR: *YVONNE CADDOCK*
PRINCIPAL PENSIONS OFFICER
telephone: (0151) 242 1333
email: yvonnecaddock@wirral.gov.uk

APPENDICES

Compliance Statement

BACKGROUND PAPERS/REFERENCE MATERIAL

BRIEFING NOTES HISTORY

Briefing Note	Date

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
-----------------	------

--	--