

# WIRRAL COUNCIL

## PENSIONS BOARD

27 June 2017

<b>SUBJECT:</b>	<b>Merseyside Pension Fund – Compliance Statement – TPR Code of Practice No.14</b>
<b>WARD/S AFFECTED:</b>	<b>NONE</b>
<b>REPORT OF:</b>	<b>PRINCIPAL PENSIONS OFFICER</b>
<b>KEY DECISION?</b>	<b>NO</b>

### 1.0 EXECUTIVE SUMMARY

- 1.1 This report updates the Pension Board on Merseyside Pension Fund's assessment of compliance against the Pension Regulator (tPR) Code of Practice No.14 in relation to the key areas of governance and administration, identified by the regulator as crucial in demonstrating effective stewardship of the Scheme.
- 1.2 This assessment is intended to provide assurance to board members in their capacity as the statutory body responsible for assisting the Scheme manager, in ensuring the effective and efficient governance and administration of Merseyside Pension Fund.
- 1.3 The appendices to the report 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 Overview

- 2.1 In April 2015, tPR issued a Code of Practice for public service pension schemes. The Code of Practice sets out the legal requirements for public service pension schemes and standards of conduct and practice expected of those who exercise functions in relation to those legal requirements.
- 2.2 To stress test compliance against the code, Officers established a traffic light based model to undertake a self-assessment in adherence to the code – this was presented to the Pension Board for comment at its meeting in June 2016.

The outcome of the assessment indicated that there were no areas of significant concern, but a number of issues emerged with an amber rating which necessitated improvements in the following areas;

- Record Keeping
- Maintaining contributions
- Providing Information to members
- Internal dispute resolution (IDRP)

2.3 Subsequent to completion of the Fund's initial self-assessment against the code, tPR have issued a compliance monitoring programme in September 2016 - breaking down the code into consolidated tasks, thus simplifying the Fund's previous self-assessment model.

#### 2.4 **Self-Assessment Update**

In conducting an annual review of compliance against the code, utilising the revised tPR's self-assessment guidance it is apparent that the actions implemented over the last twelve months have succeeded in uplifting the rating from amber to green in relation to:

(a) Maintenance of contributions as:

- Information from a number of sources has been consolidated within the accounting systems in order to monitor timely receipt of contributions.
- The Pension Administration Strategy (PAS) is being updated from April 2018 and includes greater detail regarding reporting procedures and penalties for failures to submit financial returns and contributions.
- Procedures have been formalised to record actions undertaken to resolve issues in circumstances of late payment of contributions and support provided to employer to complete accompanying financial returns.

(b) Resolving Internal disputes by:

- Improving the Fund's engagement with employers ensuring adherence to the statutory duty to manage the IDRP framework, the Fund reviewed the process raising awareness of the requirement for employers to notify the Fund's Appeals Officer Of all stage 1 IDRP applications and determination outcomes.

- Creating a bespoke IDRPs notification form to assist employers in advising the Fund of any stage 1 appeals detailing the necessary information for statutory recording purposes. The form allows disclosure of relevant details without identifying the appellant or any particular sensitive case details.

2.5 Although there have been significant advances over the last twelve months in relation to record keeping and communicating with members, there remains scope for further improvement as both areas have been assessed as retaining their amber rating.

The proposed developments required to target full compliance are noted within the self-assessment document, attached as exempt Appendix One.

### **3.0 Noting Points**

3.1 The Fund has also completed the online assessment provided by the tPR and a copy of the results showing full accreditation in all areas is attached at Appendix Two.

3.2 Officers will keep the Pension Board apprised of progress achieved against the identified areas of improvement in relation to record keeping and communicating with members.

Feedback on the evaluation of the Fund's self-assessment against the nine pillars of effective administration and governance is welcomed, to demonstrate objectivity of the process to the Fund's stakeholders.

Report Author: Yvonne Caddock  
Principal Pension Officer  
Merseyside Pension Fund