

Administration & Governance

Isle of Wight Council Pension Fund

Pete Riedel, Benefits & Governance Consultant

February 2019

PAPER A

Hymans Robertson LLP is authorised and regulated
by the Financial Conduct Authority

HYMANS  ROBERTSON

Workshop responses

- In November 2018 the Committee participated in a workshop designed to assess member views on a variety of issues with the aim of drafting a well-defined set of objectives for both administration and governance.
 - Next steps were to:
 - Summarise results of discussions on objectives and beliefs
 - Work with Officers to develop objectives
 - Committee & Board consider and approve draft objectives
 - Feed into 2019/20 planning.....and beyond
 - Responses have been collated:
 - Form basis of a set of objectives on a variety of issues including; regulatory compliance, governance, customer focus, value for more and data quality.
 - The Committee should review the proposed objectives and consider them for approval.
- 7 2 It is important for the Committee to note that these principles are not designed to be a strict set of rules and should be challenged and adapted as appropriate.

A quick recap

Objectives - what you actually say

“To provide pension and lump sum benefits for members in their retirement and/or benefits on death to members of the Pension Scheme dependants, in a way that is consistent with the objectives of the Local Government Pension Scheme (“LGPS”) regulatory and statutory provisions.”

As set out in the (draft) Administration Strategy Statement

“The fund provides a high quality pension and lump sum benefits to members and employers, to ensure that members receive the correct entitlements when they fall due.”

“The quality of service to members depends on the accuracy and timeliness of information from employers and the administrative practices by the administering authority.”

As set out in the (draft) Administration Strategy Statement

“To ensure that our communications foster an improved understanding of the Local Government Pension Scheme and to ensure that we are effective in ensuring our audience are able to make informed decisions.”

As set out in the (draft) Communications Policy Statement

What did the results show?

Regulatory compliance	Responses
It is important the Committee and Board are able to measure the Fund's regulatory compliance	
Ensuring compliance is critical to the success of the Fund's management and administration	
It is important that appropriate mechanisms are in place to ensure any issues are addressed in a timely manner	
Customer focus	Responses
The Fund should have a strong focus on customer needs and requirements	
The Fund needs to ensure all communication material is up to date and appropriate to the needs of stakeholders	
The Fund should ensure a strong customer focus is central to it overall objectives	
Governance framework	Responses
The Fund needs to have effective governance arrangements in place to ensure its effectiveness	
Sufficient time needs to be given to all areas of administration, governance, funding and investment matters	
There is the right level of engagement between the Committee, Board and officers	

Continuous improvement	Responses
The Fund should have a strong focus on continuous improvement to the services it provides	
Officers should be given the freedom to ensure improvements can be addressed without undue interference from the Committee or Board	
The fund should review its business plan at least:-	

Service performance	Responses
Committee and Board should receive regular updates on service performance:-	
We should ensure levels of performance as good as, if not better, than our peers	
The Committee should have greater input into the standards of service delivery expected	

Service levels	Responses
The Fund should aspire to provide the highest level of service to its members and employers	
Our service levels should be routinely benchmarked against those of our peers	
Our approach to service levels should be: -	

Employer support	Responses
The Fund should provide appropriate support to its employers	
The Fund needs to provide oversight of the decisions taken by employers	
The Fund should increase its focus on employer liaison	

Knowledge & experience	Responses
It is vital to invest in the training and development of the administration team	
We should receive sufficient information in the training and development undertaken by administrators	
There is evidence that lack of knowledge or understanding has adversely impacted performance of administration	

Value for money	Responses
Ensuring value for money is vital to protect tax payer interests	
We should receive sufficient information to effectively benchmark Fund costs against our peers	
Cost is always about value for money	

Data quality	Responses
Data quality should be the #1 priority of Fund administration	
I am concerned that the Fund member data is not as accurate as it should be	
Data quality checks should be undertaken over the following periods	

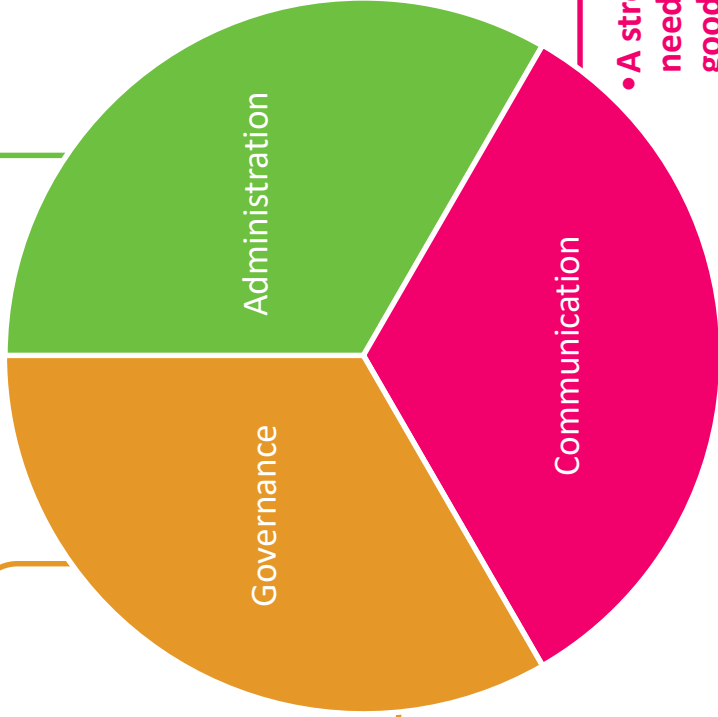
Objectives

So, what is important to you? (1 highest to 4 lowest)

1. What are your priorities - Governance		Prioritise
A	Governance Framework	2 (4.5)
B	Customer Focus	1 (4.7)
C	Service Delivery	5 (3.6)
D	Continuous Improvement	4 (3.9)
E	Regulatory Compliance	3 (4.4)
2. What are your priorities - Administration		Prioritise
A	Service Performance	=1 (4.3)
B	Employer Support	=1 (4.3)
C	Knowledge & Experience	3 (4.2)
D	Value for Money	5 (3.1)
E	Data Quality	4 (4.1)

Headline Results

- Remaining focussed on governance and regulatory compliance, at the core of the Fund's objectives
- Need to address mismatch between current service delivery focussed objectives and perception of their importance



- A desire to have a strong service performance, supporting employers in undertaking their specific scheme related activities
- Maintain current focus on the importance of data quality

- A strong focus on customer needs and the availability of good quality communication material to support their requirements
- Ensure robust employer liaison is in place and supported

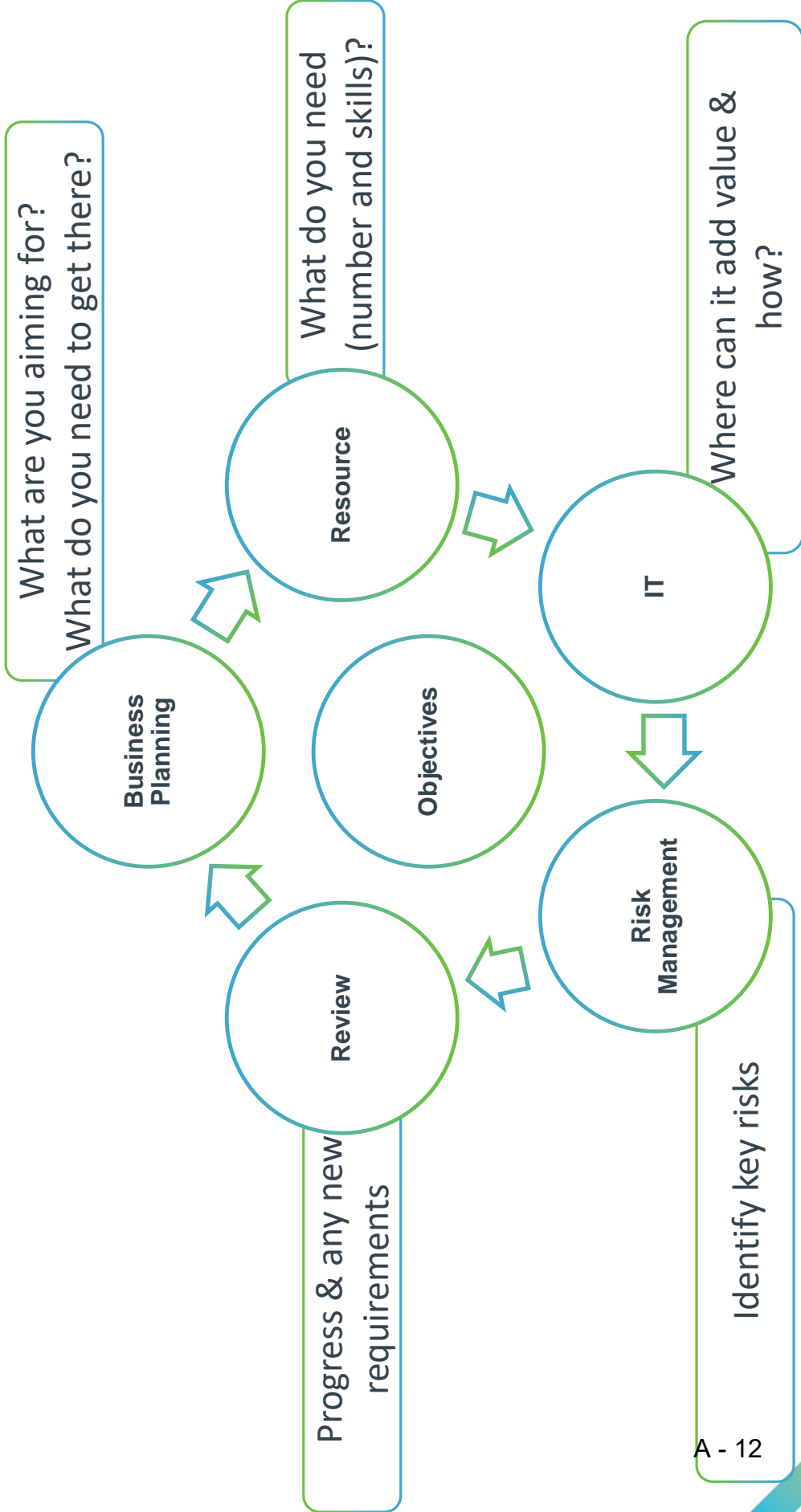
Proposed administration & governance objectives

Objectives	
Governance	<ul style="list-style-type: none">• Ensure compliance with the LGPS Regulations, other relevant legislation and the Pensions Regulator's Codes of Practice• Ensure Fund is managed and its services provided by people with the appropriate knowledge and understanding• Communicate in a friendly, expert and direct way to our stakeholders, treating each equally according to their needs• Act with integrity and be accountable to our stakeholders for our decisions, ensuring they are robust and evidence based• Understand and monitor risk and compliance• Continually measure and monitor success against objectives

Proposed administration & governance objectives

Objectives	
Administration	<ul style="list-style-type: none">• Deliver a high quality, friendly and informative service to all beneficiaries, potential beneficiaries and scheme employers at the point of need• Provide pension and lump sum benefits for all members, in accordance with LGPS Regulations• Clearly establish levels of performance and measure the performance of both the Fund and scheme employers against them• Develop successful partnership working between the Fund and its employers• Data is protected to ensure security and authorised use only

But why?





Thank you