

Agenda

Name of meeting	LOCAL PENSION BOARD
Date	WEDNESDAY 6 MARCH 2024
Time	2.00 PM
Venue	COUNCIL CHAMBER, COUNTY HALL, NEWPORT, ISLE OF WIGHT
Members of the board	M Doyle (Chairman), N Cain, T Jayston, L Kingston, B Milton and T Ould Democratic Services Officer: Cat Boulter democratic.services@iow.gov.uk

1. **Minutes** (Pages 5 - 10)

To confirm as a true record the Minutes of the meeting held on 13 December 2023.

2. **Declarations of Interest**

To invite Members to declare any interest they might have in the matters on the agenda.

3. **Report from the Pension Fund Committee** (Pages 11 - 18)

To receive an update from the meeting of the Pension Fund Committee held on 14 February 2024.

4. **Local Pension Board Attendance 2023-24** (Pages 19 - 20)

To receive a report on members' attendance at board meetings in 2023-24.

5. **Local Pension Board Draft Annual Report 2023-24** (Pages 21 - 28)

To receive a report on members' attendance at board meetings in 2023-24.

6. **Complaints and Internal Dispute Resolution Process** (Pages 29 - 52)

To consider the draft updated complaints and internal dispute resolution process and recommend its adoption to the Pension fund committee at its meeting in May 2024.

7. **Conflicts of Interest Policy** (Pages 53 - 86)

To consider the draft fund-specific conflicts of interest policy and recommend its adoption to the Pension fund committee at its meeting in May 2024.

8. **Governance Compliance Statement 2022-23 Action Plan** (Pages 87 - 94)

To receive an update on progress against the action plan to address areas of non-compliance, agreed at the December 2023 board meeting.

9. **Report from the Pensions Administration Team** (Pages 95 - 112)

To consider a report on administration statistics and employer compliance with end of month reporting and payment deadlines for the year 2023-24 to date, and to be advised of any complaints recorded and potential breaches of the law identified since the last meeting.

10. **Risk Register Update** (Pages 113 - 170)

To review and confirm amendments to the risk register.

11. **Knowledge and Understanding** (Pages 171 - 192)

To receive the report from the Hymans Robertson Knowledge Progress Assessment, completed in December 2023, and consider next steps for the creation of a training strategy, and development of a training programme for 2024-25 and beyond.

To receive the record of Board members' training and an update on any training events, meetings, including development sessions and fund manager presentations.

12. **Other matters for the Board's attention**

Members to raise any other matters.

CHRISTOPHER POTTER
Monitoring Officer
Tuesday, 27 February 2024

Interests

If there is a matter on this agenda which may relate to an interest you or your partner or spouse has or one you have disclosed in your register of interests, you must declare your interest before the matter is discussed or when your interest becomes apparent. If the matter relates to an interest in your register of pecuniary interests then you must take no part in its consideration and you must leave the room for that item. Should you wish to participate as a member of the public to express your views where public speaking is allowed under the Council's normal procedures, then you will need to seek a dispensation to do so. Dispensations are considered by the Monitoring Officer following the submission of a written request. Dispensations may take up to 2 weeks to be granted.

Members are reminded that it is a requirement of the Code of Conduct that they should also keep their written Register of Interests up to date. Any changes to the interests recorded on that form should be made as soon as reasonably practicable, and within 28 days of the change. A change would be necessary if, for example, your employment changes, you move house or acquire any new property or land.

If you require more guidance on the Code of Conduct or are unsure whether you need to record an interest on the written register you should take advice from the Monitoring Officer – Christopher Potter on (01983) 821000, email christopher.potter@iow.gov.uk, or Deputy Monitoring Officer - Justin Thorne on (01983) 821000, email justin.thorne@iow.gov.uk.

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Minutes

Name of meeting	LOCAL PENSION BOARD
Date and Time	WEDNESDAY 13 DECEMBER 2023 COMMENCING AT 2.00 PM
Venue	CONFERENCE ROOM 4, COUNTY HALL, NEWPORT, ISLE OF WIGHT
Present	M Doyle (Chairman), T Jayston, L Kingston, B Milton and T Ould
Also Present	Catherine Boulter, Matthew Collier, Jo Cooke and Jo Thistlewood, (Virtual)
	Cllr C Jarman (Virtual)
Apologies	

10. **Minutes**

RESOLVED:

THAT the minutes of the meeting held on 13 September 2023 be approved.

11. **Declarations of Interest**

No declarations were received.

12. **Report from the Pension Fund Committee**

The Board was provided with a verbal update following the meeting of the Pension Fund Committee on 22 November 2023.

A discussion was held around the Risk Register and the recent investment manager selection processes.

The Pension Fund Manager confirmed that Board members were not expected to attend the Pension Fund Committee meetings but were welcome to attend as observers.

RESOLVED:

THAT the verbal update be received and noted.

13. Breakdown of Costs Recharged from IWC

Consideration was given to the costs recharged to the pension fund from Isle of Wight Council.

Individual line items were discussed and it was agreed that further clarification from the Isle of Wight Council Finance team was required for some of them.

RESOLVED:

THAT the verbal update be received and noted.

THAT a breakdown and clarification of recharges be provided to the Board and also reported to the Pension Fund Committee in February 2024.

14. External Audit Results Report 2021-22

The Pension Fund Manager presented the external audit results report on the Pension Fund accounts for the year ended 31 March 2022, as presented to the Audit and Governance Committee on 25 September 2023, and confirmed that that Isle of Wight Council's audit was completed shortly thereafter. No areas of concern were identified on the pension fund accounts.

The Pension Fund Manager shared highlights of the report which included that the data was reported to be of great quality and there was currently no need for a data improvement plan.

The Pensions Manager confirmed to the Board that all employers in the fund were now submitting their monthly data via the i-connect portal, and this has improved the data quality.

The Pensions Fund Manager confirmed that the external audit for the 31 March 2023 accounts had been started and was almost complete. It was anticipated that the next internal audit review of the Pensions Administration Team was expected in 2024-25.

RESOLVED:

THAT the external audit results report be received and noted.

15. External Audit Planning Report 2022-23

The Pension Fund Manager presented the external audit planning report for the Pension Fund's audit for the year ended 31 March 2023. This was shared at the Audit and Governance Committee on 11 December 2023. No issues or concerns were raised and no comments were made by that Committee.

The Pension Fund Accountant shared that the statutory deadline for publishing the annual report and accounts for the year ended 31 March 2023 was 1 December

2023. It was confirmed that the draft annual report was published online on 13 December 2023.

It was advised that the pension fund's annual report and accounts could not be completed until the external audit for Isle of Wight Council has concluded. At that time, the annual report and accounts will be completed and re-published. Repercussions for a late publication were reputational and it was shared that this Pension Fund was not alone in publishing its report late.

RESOLVED:

THAT the report be received and noted.

16. **Draft Governance Compliance Statement**

The Pension Fund Manager provided the Board with the draft governance compliance statement for the year ended 31 March 2023, as presented to the Pension Fund Committee on 22 November 2023.

Discussion was held around the three areas of non-compliance that need to be improved and how this would happen: Knowledge and Understanding, Conflicts of Interest, and Disputes and Resolution. The Pension Fund Manager reported to the Board that they were working with Hymans to address these non-compliance issues. It was advised that draft policies were to be made ready for the next Board meeting in March 2024 and were to be put to the Pension Fund Committee for adoption in May 2024.

Further discussion was had around the Board's Terms of Reference and the need for them to be reviewed. It was agreed this would be discussed at the next Board meeting in March 2024 along with reviewing board member attendance.

The Pension Manager updated the Board that the tracing service was working well and over half of the "gone away" members have now been identified. Using a monthly mortality report has also meant that payments were stopped immediately by payroll so there were fewer incidents of overpayments.

RESOLVED:

THAT the report be received and noted.

THAT the action plan for non-compliant areas be agreed and can be recommended to the Pension Fund Committee at its next meeting on 14 February 2024.

THAT the draft policies be developed and presented to the Board at the next meeting on 6 March 2024.

17. **Report from the Pensions Administration Team**

The Pensions Manager presented the report on the administration statistics for the year 2023-24 to date and advised of any complaints recorded and potential

breaches of the law identified since the last meeting.

Staff recruitment and retention issues in the Pension Administration Team were discussed. The Board were advised that this was a major concern due to the negative impact on KPI results and Hymans were supporting the team by providing a senior pension officer and a technical support link.

Digitalisation of all paper documents held in storage was reported to being an on-going project and was going well.

Consideration was given to the potential breach in law that the Full Council has failed to nominate a replacement elected member employer representative to the Board since May 2023. The Pension Fund Manager reported it was raised repeatedly as a governance issue with the Chief Executive, the Monitoring Officer, and the Pension Fund Committee. It was agreed that if no elected member joins the Board following the next Full Council Meeting on 17 January 2024 it would be discussed at the next meeting if the breach was to be reported to the Pensions Regulator.

The Pension Manager reported that there were no reported issues with employer compliance and that no verbal or written complaints were received.

RESOLVED:

THAT the report from the Pensions Administration Team be received and noted.

THAT the Board will further consider the outcome of the potential breach in law at their next meeting on 6 March 2024.

18. **Governance**

The Pension Fund Manager provided an update on governance support activity since the last meeting. This was the same report as presented to the Pension Fund Committee on 22 November 2023.

RESOLVED:

THAT the report be received and noted.

19. **Risk Register Update**

The Pension Fund Manager provided a verbal update on the current risk register and amendments that have been made since the last meeting.

Discussion took place around the 28 identified risks. Two risks were combined as they were felt to be duplicated. Two remained as a very high risk – resilience and capacity. Cyber Security and Environmental, Social and Governance (ESG) were both to remain as a red risk.

The Board were advised that the Governance Compliance role was out for recruitment and interviews scheduled for 10 January 2024.

RESOLVED:

THAT the verbal update be received and noted.

THAT the Board agree to the changes to Risk register and this to reviewed at their next meeting on 6 March 2024.

20. **Knowledge and Understanding**

The Pension Fund Manager provided an update of the record of Board members' training and an update on any training events, meetings, including development sessions and fund manager presentations.

It was agreed that the board members would complete the Knowledge Progress Assessment so that knowledge gaps would be identified and the training plan to be updated accordingly.

RESOLVED:

THAT the report be received and noted.

THAT all board members to complete the Knowledge Progress Assessment.

21. **Other matters for the Board's attention**

The Board discussed organising informal meetings between members. The Pensions Fund Manager requested that any topics raised and discussed at these meetings were shared at Board meetings.

The Chairman and board member Barbara Milton attended the ACCESS Joint meeting on 4 December 2023 and a verbal update was given on this.

CHAIRMAN

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Minutes

Name of meeting	ISLE OF WIGHT PENSION FUND COMMITTEE
Date and Time	WEDNESDAY 14 FEBRUARY 2024 COMMENCING AT 10.00AM
Venue	COUNCIL CHAMBER, COUNTY HALL, NEWPORT, ISLE OF WIGHT
Present	Cllrs C Jarman (Chairman), V Churchman (Vice-Chairman), P Brading, P Fuller and N Stuart
Co-opted (Non-Voting)	Steve Milford (Scheme Member Representative)
Also Present	Matthew Collier, Jo Cooke, Jo Thistlewood and Megan Tuckwell
	Chris King (Hymans Robertson), Martin Doyle, Barbara Milton, Trevor Ould (Local Pension Board)
Also Present (Virtual)	Susan McKenzie and Andrew McKerns (Hymans Robertson)
Apologies	Cllr I Ward

53. **Apologies and Changes in Membership (If Any)**

Apologies had been received from Cllr Ian Ward. Cllr Karen Lucioni was absent.

54. **Minutes**

RESOLVED:

THAT the minutes of the meeting held on 22 November 2023 be approved.

55. **Declarations of Interest**

No declarations were received at this stage.

56. **Public Question Time - 15 Minutes Maximum**

No public questions were received.

57. **Report from the Local Pension Board**

The committee received the minutes of the meeting of the Local Pension Board held on 13 December 2023. The committee noted the escalating risks associated with the ongoing staffing capacity issues within the Pensions Administration Team and the upcoming departure of the Pension Fund Manager.

Concerns were raised regarding the impact that this was likely to have on both day-to-day activities and the additional upcoming work projected over the next 12 months. The committee expressed disappointment that senior managers within the Isle of Wight Council were not in attendance to outline the plans in place to address these concerns.

RESOLVED:

THAT the update from the Local Pension Board be received and noted.

58. **Governance Compliance Statement and Action Plan**

Consideration was given to the governance compliance statement for 2022-23, and attention was drawn to the identified areas of non-compliance (regarding the knowledge and understanding of board and committee members; complaints and internal dispute resolution policy; and a fund-specific conflicts of interest policy).

The committee noted the proposed action plan in place to address these areas, and as they would not be addressed until May 2024, it was recommended that the governance compliance statement be additionally rolled forward and adopted as it stands for the year ended March 2024.

Attention was drawn to future areas of potential non-compliance as a result of the ongoing staffing capacity issues within the Pensions Administration Team and the upcoming departure of the Pension Fund Manager. Namely, the ability to have adequate arrangements and procedures in place for the administration and management of the fund, the ability to demonstrate accurate and enduring record keeping, and communications with scheme members.

RESOLVED:

- i) THAT the Governance Compliance Statement for the year ended 31 March 2023 be adopted and published on the fund's website.
- ii) THAT the action plan to address the areas of non-compliance be agreed.
- iii) THAT the progress with the action plan be monitored by the Local Pension Board and be reported back to the committee at each future meeting.
- iv) THAT the Governance Compliance Statement for the year ended March 2023 be adopted for the year ended March 2024.

59. **Breaches Log**

The committee received and considered the fund's breaches of the law log. Discussion took place regarding the ongoing failure of the council to fill the employer-representative seat on the Local Pension Board, which had been vacant since May 2023 and must be filled by an elected member of the council, in accordance with the council's constitution.

It was recommended that the Board's terms of reference be amended to read that the employer representative "may" be an elected member of the council, and that

Full Council could delegate authority to the Chief Executive to nominate a member of staff to the Board.

It was agreed that, whilst this seat should be filled by an elected member of the council, the proposed change to the terms of reference would ensure the vacancy was filled and would enable both employers and employees to be equally represented on the Board.

RESOLVED:

- i) THAT the ongoing failure of the Isle of Wight Council to nominate a councillor as employer representative to the Local Pension Board be noted.
- ii) THAT the treatment of the potential breach as proposed by the Local Pension Board at its meeting on 12 December 2023, to not report to the Pensions Regulator and to report in full to the committee, be confirmed.
- iii) THAT a report be prepared for Full Council on 20 March 2024, recommending an amendment to the terms of reference of the Local Pension Board, to read that the employer representative “may be an elected member of the council”.
- iv) THAT the breach will not be reported to the Pensions Regulator, based on the agreed next steps for resolution in the paragraph above.
- v) THAT a report be provided to the Local Pension Board at its meeting on 6 March 2024.

60. Risk Register

The Pension Fund Manager presented the report on the revised risk register for the fund, and attention was drawn to the risks regarding resilience (key person risk) and capacity (sufficient resources), which had been scored at the highest risk rating for a number of meetings and should now be considered live issues. It was further noted that risk G1 (failure to have appropriate governance arrangements in place) would be raised to from ‘unlikely’ to ‘likely’ and the impact would remain ‘high’ primarily due to the recent staffing changes.

Questions were raised regarding the plans in place to address these concerns and the committee were referred to the recommendations of the Barnett Waddingham review of the operational structure for the pension fund, as presented to the Director of Finance in April 2023.

Questions were raised regarding the total sum spent on external consultants from Hymans Robertson in supporting the council with activities which should be covered by internal staff. It was noted these costs were paid for by the pension fund which could have an indirect impact on future employer and employee contribution rates.

RESOLVED:

THAT the updated risk register be agreed, including the closure of one risk, the increase in score of four risks, the decrease in score of five risks, the resulting four red risks, and the unchanged score of nineteen risks.

61. Pension Fund Recharges

Consideration was given to the report which provided information on the recharges made to the pension fund from Isle of Wight Council in the year ended 31 March 2023. It was noted that further information had been requested from the Finance Team around how the recharges were calculated, however this work had been delayed due to workload pressures arising from the council's budget setting process. Questions were raised regarding the unexplained costs which were not directly staffing related, and the committee requested a further breakdown of how those recharges had been calculated.

RESOLVED:

- i) THAT the recharges made to the pension fund from Isle of Wight Council in the year to 31 March 2023 be noted.
- ii) THAT the committee requests further information on the basis of the recharges, in particular those in relation to corporate support service recharges.

62. External Audit Update

The Pension Fund Manager provided a verbal update on the external audit for 2022-23. It was advised that the unaudited annual report and accounts had been drafted and published on the pension fund's website, the audit was substantially complete but could not be concluded until the Isle of Wight Council's audit had been completed. The Pension Fund Manager provided a verbal update on the external audit for 2023-24 and advised that interim work had begun, with fieldwork expected to take place during June 2024.

RESOLVED:

THAT the verbal update on the completion of the external audits be noted.

Following discussion, the committee adjourned for a five-minute comfort break.

63. Investment Strategy Update:

63a Investment Strategy Implementation Update

The committee received an update on the implementation of the investment strategy, which included updates on private debt and infrastructure allocations, and the transition of the fixed income portfolio into the ACCESS pool. The committee were informed that the previously-identified secondary market opportunity for the new investment in the JP Morgan Infrastructure Investment Fund would not be followed, so the primary market purchase would continue.

RESOLVED:

- i) THAT the completion of the transfer of the fund's fixed income portfolio be noted.

- ii) THAT the acceptance of the fund's commitment to the Pantheon Senior Debt Secondaries III (GBP) Fund be noted.
- iii) THAT the progress towards the completion of documentation for the fund's investment in the JP Morgan Infrastructure Investment Fund be noted.

63b **Investment Strategy Statement 2024**

Consideration was given to the report which provided updates to the investment strategy statement for the fund, including the changes to the fund's strategic asset allocations (following the results of the 2022 triennial valuation) and a significantly expanded section on ESG and climate change risk. Discussion took place regarding the potential for restarting the committees ESG/RI working group however it was noted that there was not sufficient staffing capacity to support this at the current time.

RESOLVED:

THAT the proposed changes to the Investment Strategy Statement be agreed, and the revised statement be approved for publication on the fund's website.

64. **Investment Performance and Funding Level**

64a **Investment Assets as at 31 December 2023**

64b **Quarterly Investment Performance Report**

Consideration was given to the reports for the quarter ended 31 December 2023, which included investment assets and a summary of market returns, capital market outlook, asset allocation, fund performance, and fund manager analysis. Questions were raised and discussion took place regarding UK investments and global politics.

RESOLVED:

THAT the updates on investment performance and funding level be noted.

65. **Governance Support Update**

The committee received the report from Hymans Robertson, which provided an update on support activities since the last meeting for both the governance and administration of the pension fund. Concerns were raised in relation to the upcoming departure of the Pension Fund Manager, alongside the recent loss of administration team members.

RESOLVED:

- i) THAT the contents of the report, including the increased risk to the Fund's compliance, be noted.
- ii) THAT the committee continues to support the actions and approach to fund governance.

- iii) THAT the conclusion of Barnett Waddingham structural options paper be prioritised.
- iv) THAT an action plan for the interim period between new Pension Fund Manager joining the Fund, and decision on Barnett Waddingham structural paper, be requested.

66. Knowledge and Understanding Update

The Pension Fund Manager presented the report which outlined the outcomes arising from the Hymans Robertson Knowledge Progress Assessment, and discussion took place regarding the proposed next steps for creating a training strategy and training programme for committee members.

RESOLVED:

THAT the report from the Knowledge Progress Assessment be noted, and the training plan and priorities for development be agreed.

67. Legislation and Regulation Update

The Pension Fund Manager provided a verbal update on the Pension Regulator's General Code, which was presented to Parliament in January 2024 and would come into force from 27 March 2024. It was noted various webinars were available and there was an expectation to have a plan in place to ensure full compliance with actions and timelines. It was recommended that the fund considers purchasing the Hymans Robertson self-assessment compliance checker toolkit in order to assess and monitor the progress.

RESOLVED:

THAT the verbal update be noted.

68. Members' Question Time

Cllr Vanessa Churchman asked an oral question with regards to the timeline of recruitment activities planned for the appointment of a new Pension Fund Manager.

Cllr Paul Fuller requested that the committee formally asks the Director of Finance to attend future meetings of the committee. The chairman confirmed that he would contact the Director of Finance, the Assistant Director of Finance, and the Chief Executive, expressing the committee's disappointment that they were not in attendance to outline the plans in place to address the ongoing staffing capacity issues within the Pensions Administration Team and the upcoming departure of the Pension Fund Manager.

Members of the committee wished to express their sincere thanks to the Pension Fund Manager for her work undertaken to support the pension fund during her time in post.

69. Exclusion of Public and Press

RESOLVED:

THAT the public and press be excluded.

70. **ACCESS Update (Confidential)**

The Pension Fund Manager presented the confidential report which provided information on the ACCESS Pool since the last meeting, including updates from the Joint Committee meeting held on 4 December 2023, and the ACCESS business plan and budget for 2024-25. No comments or questions were raised at this stage, and the report was noted.

RESOLVED:

- i) THAT the updates from the ACCESS Joint Committee meeting held in December 2023, and subsequent activity, be noted.
- ii) THAT the ACCESS business plan and budget for 2024-25 be adopted.

71. **Procurement and Contract Management Update (Confidential)**

The Pension Fund Manager presented the confidential report which provided information on the procurement and contract management activities since the last meeting. Discussion took place regarding the process for the re-procurement of the actuarial consultancy contract, and the decision in respect of the investment consultancy contract.

RESOLVED:

- i) THAT the contract management and procurement activity undertaken since the last update in November 2023 be noted.
- ii) THAT the process for the re-procurement of the actuarial consultancy contract be noted, with a decision to be reported back to the committee at its meeting in May 2024.
- iii) THAT the decision to extend the investment consultancy contract for a further 12 months, based on the verbal update at the meeting, be agreed.

CHAIRMAN

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**Isle of Wight Local Pension Board
Membership and attendance 2023-24**

Agenda	Indep chair	Employer rep						Scheme member rep				
	Martin Doyle	Michael Lilley	vacancy	Ashley Curzon	vacancy	Tonya Jayston	Liz Kingston	Neil Cain	Barbara Milton	Trevor Ould		
05 April 2023 https://iow.moderngov.co.uk/documents/g1462/Agenda%20frontsheet%2005th-Apr-2023%2014.00%20Local%20Pension%20Board.pdf?T=0	Y	Y		Y			aps	Y	y	y	85.7%	
12 July 2023 CANCELLED											n/a	
24 July 2023 INFORMAL	Y		n/a		n/a		Y	N	Y	Y	57.1%	
13 September 2023 https://iow.moderngov.co.uk/documents/g1609/Agenda%20frontsheet%2013th-Sep-2023%2014.00%20Local%20Pension%20Board.pdf?T=0	Y		n/a		n/a		Y	N	Y	Y	57.1%	
13 December 2023 https://iow.moderngov.co.uk/documents/g1647/Agenda%20frontsheet%2013th-Dec-2023%2014.00%20Local%20Pension%20Board.pdf?T=0	Y		n/a			Y	Y	N	Y	Y	71.4%	
06 March 2024			n/a									
% to December 2023	100%	100%	n/a	100%	n/a	100%	75%	25%	100%	100%	67.9%	
date of appointment	07-Mar-22	21-Jul-21	TBC	19-Jan-22	n/a	09-Nov-23	01-Jun-22	01-Apr-22	01-Apr-22	17-Nov-21		
end of term (<i>italics = actual</i>)	06-Mar-26	17-May-23	01-May-25	18-May-23	n/a	08-Nov-27	31-May-26	31-Mar-26	31-Mar-26	16-Nov-25		
		if elected member or 4yrs from appointment										

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Annual Report of Isle of Wight LGPS Pension Board for 2023/2024

Introduction from the Independent Chair of the Local Pension Board

Welcome to the Annual Report of the Local Pension Board (“the Board”) of the Isle of Wight Pension Fund. This report covers the period from 1 April 2023 to 31 March 2024 during which the Board is due to hold four meetings.

The focus of the Board has been on ensuring compliance with the Public Service Pensions Act, all of the relevant LGPS regulations, LGPS best practice guidance issued by the Scheme Advisory Board and the Chartered Institute of Public Finance and Accountancy (CIPFA) and the requirements of the Pensions Regulator (TPR). Section 2 “Functions and Operation of the Board” in this report gives more detail on our aims and responsibilities.

As Board Chair, I formally present to each Pension Committee an Executive Summary from each Board meeting indicating any specific recommendations made by the Board and any other matters considered to be relevant to the Committee.

The Board’s work during 2023-24, is set out in the “Detailed Work of the Board” section of this Annual Report.

Each year, the Board seeks assurances with evidence from the Fund and external bodies that the Administering Authority is meeting its objectives and managing its risks.

In August 2023, the Fund actuary, Hyman Robertson, conducted a review (Isle of Wight Pension Fund Governance Outlook report) of the Isle of Wight Pension Fund’s ability to comply with its statutory duties. Their conclusions include the following:

“There is a risk that the Fund may be unable to fulfil its statutory duties because of subject matter experts leaving, leading to the Fund being unable to execute some of its basic functions e.g., paying pensioners.

There is a risk that the Fund may be unable to fulfil its statutory duties because of an overreliance on key members of staff.

There is a risk that the Fund will not deliver to existing exceptionally high service standards because of key people leaving the Fund leading to reputational risk and potential backlogs.

There is a risk that the Fund’s climate reporting approach has not been progressed as a result of other priorities leading to the Fund being non-compliant when the regulations come into effect.”

The Board agree with this assessment and has conveyed its opinion to the Pensions Committee and senior officers within the Council. The Board is currently not able to provide assurance that the Isle of Wight Council (the Administering Authority and Scheme Manager as defined in s.4 of the Public Service Pensions Act 2013) is complying with its statutory duties. Although statutory requirements have been met in the year, there are significant weaknesses in key governance and administration areas, which put the Administering Authority’s objectives at risk.

Martin Doyle - Independent Chair of the Isle of Wight Local Pension Board.
22 February 2024

1 Constitution, Representation and Attendance

- 1.1. The Local Pension Board of the Isle of Wight Council (the Administering Authority and Scheme Manager as defined in s.4 of the Public Service Pensions Act 2013) is established under s.5 of that Act and regulation 106 of the Local Government Pension Scheme Regulations 2013 (as amended).
- 1.2. The Board is established in the interests of the Fund, by the Administering Authority and operates independently of the Pension Fund Committee. The Board is accountable to the Scheme Manager and the Pensions Regulator
- 1.3. The Board is not a committee constituted under s.101 of the Local Government Act 1972 and therefore no general duties, responsibilities or powers assigned to such committees or to any sub-committees or officers under the Constitution, standing orders or scheme of delegation of the Administering Authority apply to the Board unless expressly provided.
- 1.4. Pension board meetings are not required to be open to members of the public.
- 1.5. The board held its first meeting on 14 August 2015.
- 1.6. The terms of reference allow the Board to consist of a minimum of four and a maximum of eight members, as well as an independent chairman.
- 1.7. Board membership during 2023-24 comprised three representatives of the Scheme employers, and three representatives of the Scheme members, all of whom are voting members. In addition, a non-voting independent chairman has been appointed.

Name	Category	Date of appointment	End of term
Martin Doyle	Independent Chairman	07-Mar-22	06-Mar-26
Michael Lilley	Employer rep	21-Jul-21	17-May-23
Ashley Curzon	Employer rep	19-Jan-22	18-May-23
Liz Kingston	Employer rep	01-Jun-22	31-May-26
Tonya Jayston	Employer rep	09-Nov-23	08-Nov-27
Trevor Ould	Scheme member rep	17-Nov-21	16-Nov-25
Neil Cain	Scheme member rep	01-Apr-22	31-Mar-26
Barbara Milton	Scheme member rep	01-Apr-22	31-Mar-26

There is currently a vacancy for the third Employer representative on the board, which is expected to be filled early on 2024-25.

- 1.8. The Board is scheduled to meet on four occasions during the year. All meetings take place in person at County Hall, Newport, Isle of Wight. The board's terms of reference allow members to attend these meetings virtually if required.
- 1.9. Agendas and minutes can be found at the following web link:
<https://iow.moderngov.co.uk/ieListMeetings.aspx?CId=168&Year=0>

1.10. Members' attendance at each of the meetings is detailed on the following table.

	Indep. Chair	Employer rep 1	Employer rep 2	Employer rep 3	Scheme member rep 1	Scheme member rep 2	Scheme member rep 3	
05-Apr-23	√	√	√	aps	√	√	√	86%
12-Jul-23	CANCELLED							
13-Sep-23	√	n/a	n/a	√	aps	√	√	57%
13-Dec-23	√	n/a	√	√	aps	√	√	57%
06-Mar-24	TBC	TBC	TBC	TBC	TBC	TBC	TBC	
% to December 2023	100%	100%	100%	67%	33%	100%	100%	86%

1.11. To facilitate the operation of the Board, all the board members are invited as observers to meetings of the Isle of Wight Pension Fund Committee ("the Committee").

2 Functions and Operation of the Board

2.1 The primary functions of a Local Pension Board (LPB) (as defined by the Public Services Pension Act 2013) are to assist the Administering Authority to:

- ensure effective and efficient governance and administration of the LGPS.
- ensure compliance with relevant laws and regulations.
- ensure compliance with requirements imposed in relation to the scheme and any connected scheme by the Pension Regulator.
- such other matters as the scheme regulations may specify.

2.2 It therefore has a monitor/assist/review/scrutinise purpose, rather than being a decision-making body. It could be seen as being a critical but supportive friend.

2.3 It sets its own agenda and can be selective and probe particular topics in more depth than the Committee with its wider range of statutory responsibilities.

2.4 As such, the general approach of the Board is to seek assurances with evidence from the Fund and external bodies that it is meeting its objectives, producing its required statements, managing its risks, etc. so as to achieve the overall objectives as set out in paragraph 2.1 above.

2.5 It can commission its own reports, and where appropriate, makes recommendations to the Committee and to officers.

2.6 In so doing, the Board is helping manage the reputational risk of both the Fund and the Administering Authority. This is more critical now that the LGPS in England and Wales has both the Department for Levelling Up, Housing & Communities (DLUHC) and the Pensions Regulator (TPR) as its regulators. The Administering Authority, and in extreme circumstances Board members, can be fined by TPR, who also has other powers available.

2.7 The Board is supported by the Pension Fund Manager and Democratic Services and operates under Terms of Reference which were initially agreed by Isle of Wight Council in January 2015.

- 2.8 The current Terms of Reference are included in the Council's constitution version 9.1
<https://iow.moderngov.co.uk/documents/g1767/Public%20reports%20pack%2013th-Oct-2023%20Constitution.pdf?T=10&Info=1>
- 2.9 In 2023-24 the direct costs of operating the Board, covering training and development expenses relating to Board members amounted to £2,500 (2022-23: £2,500).
- 2.10 These costs do not include any indirect costs relating to officer time nor any apportioned costs for the use of the Council's premises, systems or services recharged to the Fund by the Council.
- 2.11 The budget for 2023-24 is set at £3,500 (2022-23 budget was also set at £3,500), and actual spend will be monitored against this. The budget is set at a level to show the Boards' commitment to technical updating and training.
- 2.12 Mindful of delivering value for money, the Board endeavours to work in a cost-effective manner, as its costs are reflected in employer contribution rates.

3 Detailed Work of the Board

3.1 Overview

- 3.1.1 Since their inception, Local Pension Boards have become increasingly visible, as have the expectations of Boards by both TPR and the Scheme Advisory Board (SAB).
- 3.1.2 In 2023-24, the work of the Board included:
- Monitoring of KPI's and review of risk register at each Board Meeting
 - Receiving updates from meetings of the Pension Fund Committee at each Board Meeting
 - Monitoring governance support provided by Hymans Robertson at each meeting
 - Review of the final Triennial Valuation 2022 report – April 2023 meeting
 - Review of the new Pension Administration Strategy – April 2023 meeting
 - Review of the key cyber security controls in place from the two major IT suppliers to the Fund – Isle of Wight Council and Heywood Pension Technologies – April 2023 meeting
 - Review of draft Recording and Reporting Breaches of the Law Policy
 - Consideration of the DLUHC consultation: Local Government Pension Scheme (England and Wales): Next steps on investments – September 2023 meeting
 - Review of the fund's new Academy Participation Policy – September 2023 meeting
 - Noting Hyman Robertson's Isle of Wight Pension Fund Governance Outlook – September 2023 meeting
 - Review of the draft governance compliance statement for the year ended 31 March 2023 – December 2023 meeting
 - Review of the External Audit Results Report 2021-22 – December 2023 meeting
 - Review of the new conflicts of interest policy – March 2024 meeting
 - Review of the updated conflicts and internal disputes resolution procedure – March 2024 meeting
 - LGA and legislation updates

3.1.3 The main elements of the work programme of the Board are governance and oversight of the pension administration function, which is run by an in-house team.

3.1.4 Paragraph 4 sets out further examples of how the Board is endeavouring to help manage the reputational risk of the Fund. Such a focus seeks assurances that the Fund is complying with its responsibilities and obligations. Where appropriate, these reviews are extended to ensure that all scheme employers are similarly complying, as their efficient, accurate and timely supply of information and data is critical to the Fund avoiding poor key performance indicators, but more fundamentally, avoiding breaches of the law, inaccurate data, inaccurate contribution rates and inappropriate investment decisions.

3.2 Risk management

3.2.1 The fund's Risk Management Policy was adopted by the pension fund committee at its meeting on 24 November 2021. At that meeting it was agreed that the risk register would be created and presented in due course for adoption.

3.2.2 At the pension fund committee meeting on 25 May 2022, the committee adopted the Isle of Wight Pension Fund risk register and agreed that the Local Pension Board be asked to maintain oversight of the risk management framework and risk register, to be reported to the committee at each future meeting.

3.2.3 Risk scoring uses the previously agreed risk scoring matrix, set out in the June 2022 board report.

3.3 The Pensions Regulator (TPR)

3.3.1 The Pensions Regulator examines the Fund's administration and governance on an ongoing basis and the Fund reports on its performance in these areas each year.

3.3.2 A key achievement of the Board has been to commence, with the Pension Fund Manager, a continuous review of the Fund against the standards and expectations as reflected in TPR's Code of Practice 14.

3.3.3 The assessment identifies areas in which the Fund needs to make improvements.

3.3.4 The Board monitors TPR's annual review of its priorities and reflects these in agenda setting.

3.4 Reporting and Recording Breaches

3.4.1 The Board, and all associated with the Fund, other than individual scheme members, have a responsibility to report significant breaches of law to TPR. The Board reviews any breaches of the law as a standing item on its agenda.

3.4.2 During 2023-24, none of the recorded breaches were deemed to be of material significance to the TPR, hence no breaches were formally reported via the Administering Authority.

3.4.3 The Board has received training to improve skills and knowledge on their Board member responsibilities along with the Hymans Robertson LGPS Online Learning Academy training with regard to the identification of a breach.

3.5 Scheme Advisory Board (SAB)

3.5.1 The Board monitors the focus and priorities of the SAB, takes them into account in setting its Work Programme, and also receives minutes of SAB meetings. The SAB commissions periodic surveys of local pension boards, although there was no survey during 2023-24.

3.6 Review of Investment Issues

3.6.1 Whilst the vast majority of the Board's work programme focuses on administration and governance issues, investment issues are not ignored.

3.6.2 As expected under the relevant Investment Regulations, the Board continues to monitor the on-going consideration and development of an appropriate strategy for responsible investment, as reflected in the Fund's Investment Strategy Statement.

3.6.3 The Board continued to receive updates on progress by the ACCESS Pool on pooling of assets. In addition, two members from the Isle of Wight Board attended the ACCESS Pool Joint Committee December 2023 meeting.

3.6.4 The Board keeps a watchful eye on on-going compliance with MiFID II, particularly should there be any changes of key staff with investment expertise.

3.7 Scheme documents

3.7.1 The Board examines the range of scheme documents expected to be in place. It has reported where it found gaps or a need to update.

3.7.2 The Board pays particular regard to those standard documents which are sent to scheme members and has made recommendations regarding their content.

4 Ensuring Compliance with Regulatory Deadlines.

4.1 An increasing component of the Board's agenda is ensuring compliance with regulatory deadlines, some of which represent an annual requirement, whilst others relate to the effective dates of new legislation and regulations.

4.2 In all cases progress reports are received, with the Board considering whether any recommendations are appropriate to help meet the deadlines.

4.3 Annual requirements include producing Annual Benefit Statements for active members, Pension Savings Statements and the submission of the Scheme Annual Return to the TPR. The Fund complied with these deadlines.

4.4 On-going compliance of legislation, such as GDPR and MiFID II forms part of the work of the board.

5 Training

5.1 Each Board member must be conversant with the details of the Scheme, which translates as having a good working knowledge.

- 5.2 CIPFA's Knowledge & Skills Framework identified six areas of knowledge and skills as the core technical requirements for those working in public sector pensions - these are:
- Pensions legislative and governance context
 - Pensions accounting and auditing standards
 - Financial services procurement and relationship management
 - Investment performance and risk management
 - Financial markets and products knowledge
 - Actuarial methods, standards and practices.
- 5.3 The Fund has procured the Hymans LGPS Online Learning Academy for all Board members which covers the training for these core areas along with the TPR Toolkit.
- 5.4 In addition, Board members are informed of external training opportunities such as CIPFA Pensions Network events and the annual LGA/LGPS Trustees Conference. (Board members attended various events in year, including the LGA Governance Conference, and various webinars).
- 5.5 Board members are encouraged to attend LGPS-focussed seminars/conferences each year.
- 5.6 Board Members also attend in-house training, provided by the Isle of Wight Council to both Board and Committee members, as well as viewing relevant webinars.

6 Workplan

- 6.1 A work plan has been implemented for both Board and Committee members. Specifically, it incorporates the following areas of activity for 2024-25 for Board Members:
- Pension Fund Annual Report and Accounts.
 - Administration, including Key Performance Indicators and the Data Improvement Plan.
 - Audit and risk management, including the Risk Register, cyber risk and climate change.
 - Governance; including compliance with the TPR's General Code, and the expected regulations implementing the Good Governance Project.
 - Investments, including developments with the ACCESS Pool: implications for Administering Authorities.
 - Training.
 - Member communications.
 - Communications between the Board and Committee.
 - Preparation for the 2025 triennial valuation.
 - Policy updates: as required.
- 6.2 There is flexibility to allow for any additional reviews and developments.

7 Public accountability

- 7.1 The agendas, minutes and the Board's Terms of Reference are available on the pension fund's website at the following address: [Local Pension Board | Isle of Wight Pension Fund](#)

8 Acknowledgment

- 8.1 I am grateful to the Pension Fund Manager, the Pensions Manager and the Chair of the Pension Committee and other fund officers for their support of the Board.
- 8.2 Finally, the Pension Board can only function effectively with the input of all Board members and I would like to thank my fellow Board members for their support and commitment to their roles on the Local Pension Board during the last year.

Martin Doyle
Chair, Isle of Wight Council LGPS Local Pension Board
23 February 2024



Purpose: For Decision

Committee Report

ISLE OF WIGHT COUNCIL

Meeting	ISLE OF WIGHT LOCAL PENSION BOARD
Date	6 MARCH 2024
Title	COMPLAINTS AND INTERNAL DISPUTE RESOLUTION PRODEDURE
Report of	PENSION FUND MANAGER

Executive Summary

1. This report presents the updated Complaints and Internal Dispute Resolution Procedure for the Isle of Wight Council Pension Fund, following the delayed scheduled review of the current policy.
2. Following review and agreement by the Local Pension Board, the policy will be presented to the Pension Fund Committee at its meeting in May 2024 for adoption.

Recommendation

- | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none">3. THAT the process followed for consultation on the proposed changes to the original procedure is noted.4. THAT the draft revised Complaints and Internal Dispute Resolution Procedure be agreed and recommended for adoption by the Pension Fund Committee at its meeting on 22 May 2024. |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Background

5. The Isle of Wight Council Pension Fund originally published a Complaints and Internal Dispute Resolution Procedure (IDRP) in 2017, with a scheduled review date of 2020. Due to officer capacity issues and other work priorities, the scheduled review did not take place, resulting in an area of non-compliance in the fund's governance compliance statement for the last three years.

6. Working with the fund's governance consultants, Hymans Robertson LLP, the existing IDRPs document was reviewed to ensure it remained fit for purpose and in compliance with the requirements of the Pensions Regulators codes of practice.
7. The revised document was then reviewed by Council and fund officers to ensure consistency as far as possible with the council's own complaints policy, and to ensure that named individuals were up to date and were aware of their responsibilities under the updated policy.
8. The most significant change from the previous policy is to remove all references to the Fire Pension Schemes, the council's responsibility for which ceased in March 2021 following the creation of the combined Hampshire and Isle of Wight Fire Authority.
9. The initial complaints process (section 4 of the revised procedure) has been revised to reflect the council's processes, as administering authority for the fund.
10. The wording for both stage one and stage two of the IDRPs process (sections 7 and 8 respectively of the revised procedure) has been updated to provide greater clarity for users of the process on timescales for responses and what will happen if the appeal against the original decision is upheld.
11. The help and support section (section 9) has updated the initial source of external support to Money and Pension Service (MAPS) who have replaced the Pensions Advisory Service. This section also makes reference to the Pensions Ombudsman as the final point of appeal should all other avenues not provide a satisfactory outcome for the process user.

Corporate Priorities and Strategic Context

12. There is nothing contained in this report which directly contributes to the priorities contained in the Isle of Wight Council [Corporate Plan 2021 – 2025](#). This updated procedure supports the Council's core value "Being fair and transparent", making decisions based on data and evidence and in an open and accountable way.

Pension Fund Strategic Aims

13. The primary objective of the fund is to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before or after retirement, for their dependents, in accordance with the Local Government Pension Scheme (LGPS) regulations and statutory provisions. The committee aims to operate the fund in such a manner that, in normal market conditions, all accrued benefits are fully covered by the value of the fund's assets and that an appropriate level of contributions is agreed by the employer to meet the cost of future benefits accruing.
14. The fund has also agreed the following objectives, which are supported by information in this report:
 - (a) Ensure compliance with the LGPS Regulations, other relevant legislation and the Pensions Regulator's Codes of Practice.

- (b) Act with integrity and be accountable to our stakeholders for our decisions, ensuring they are robust and evidence based.
- (c) Communicate in a friendly, expert and direct way to our stakeholders, treating each equally according to their needs.
- (d) Develop successful partnership working between the Fund and its employers.

Consultation

- 15. Following internal reviews of the updated procedure by Council colleagues, the procedure was circulated to all external employers within the fund.
- 16. An initial email was sent to 32 external employers on 4 January 2024, seeking employers' comments and confirmation of the processes outlined in the updated procedure. Employers were also asked to provide contact details for a nominated individual to whom complaints received about employer decisions could be addressed, and we asked to provide a copy of their own complaints policies, or a link to their website where this could be found.
- 17. Employers were given until 2 February 2024 to respond to this request. A second reminder email was sent to all employers on 23 January 2024 to chase responses.
- 18. By the closing date, 13 employers had responded to the email, 12 of whom provided a named contact, and 10 provided their complaints policies.
- 19. Two employers who responded stated that they did not have a local complaints policy, and one stated that their current policies were being update following an internal restructure.
- 20. A summary of the consultation responses by employer is provided as appendix 2 to this report.
- 21. The consideration of this policy by the Local Pension Board forms part of the consultation process.

Financial / Budget Implications

- 22. The cost of reviewing and updating the procedure by Hymans Robertson was consistent with prices quoted when the governance consultancy contract was awarded in 2018, and is consistent with other recently draft policies.
- 23. It is not anticipated that the implementation of the revised procedure will incur any additional costs.

Legal Implications

24. Isle of Wight Council is the administering authority for the Isle of Wight Council Pension Fund. An administering authority is defined in the Local Government Pension Scheme Regulations 2013 as “a [local authority] required to maintain a pension fund under the local government pension scheme regulations”.
25. The Public Service Pensions Act 2013 gave greater responsibilities to the Pensions Regulator for the oversight of public service pension schemes, including the Local Government Pension Scheme.
26. The Pensions Regulator’s General Code, laid before Parliament on 10 January 2024, and expected to come into force on 27 March 2024, sets out the legal requirements for public service pension schemes in respect of the governance of those schemes, including the requirement to have formal procedures and processes in place to investigate and decide upon pension scheme disputes quickly and effectively.

Equality and Diversity

27. The council as a public body is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations between people who share a protected characteristic and people who do not share it. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
28. The implementation of this updated procedure will have no impact on any of the protected characteristics.

Risk Management

29. It is the responsibility of the Isle of Wight Council, as administering authority for the Local Government Pension Scheme (LGPS) to ensure that the Isle of Wight Council Pension Fund is properly governed and administered in compliance with relevant regulations and other requirements.
30. Adopting and implementing this policy will ensure compliance with the requirements of the Pensions Regulator.
31. Should the council fail to ensure appropriate standards of governance and administration of the pension schemes for which it has responsibility, the Pensions Regulator has the powers to issue an improvement notice under section 13 of the Pensions Act 2004. This would have reputational issues for the council.

Appendices Attached

32. Appendix 1: Draft updated Complaints and Internal Dispute Resolution Procedure v2.3
33. Appendix 2: Employer consultation outcomes
34. Appendix 3: extract from The Pensions Regulator's general code – dispute resolution procedures

Background Papers

35. Isle of Wight Council Pension Fund Complaints and Internal Dispute Resolution Procedure 2017
<https://www.isleofwightpensionfund.org/resources/idrp-guide/>
36. The Pensions Regulator's General Code (laid in Parliament January 2024)
<https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/general-code-laid-january-2024.ashx>
37. Contact Point: Joanna Thistlewood, Pension Fund Manager, ☎ 821000
e-mail jo.thistlewood@iow.gov.uk

CHRIS WARD
Director of Finance

COUNCILLOR CHRIS JARMAN
*Isle of Wight Pension Fund Committee
Chair*

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Isle of Wight Council Pension Fund
COMPLAINTS AND
INTERNAL DISPUTE
RESOLUTION
PROCEDURE (IDRP)
March 2024

1 Document Information

Title:	Isle of Wight Council Pension Fund Complaints and Internal Dispute Resolution Procedure (IDRP)
Status:	Draft
Current Version:	V2.3
Author:	Joanna Thistlewood, Pension Fund Manager Financial Management Jo.thistlewood@iow.gov.uk (01983) 821000 ext. 6371
Sponsor:	Chris Ward, Director of Finance Chris.ward@portsmouthcc.gov.uk 02392 834423
Consultation:	Hymans Robertson LLP (original review) Financial Management Legal Services Pension Services Business Centre Human Resources External employers Local Pension Board
Approved by:	Pension Fund Committee
Approval Date:	22 May 2024
Review Frequency:	Every three years
Next Review:	2027

Version	Date	Description
1.0 draft	17 April 2017	Initial draft BH
1.1 draft	28 July 2017	JMT review
1.2 draft	13 August 2017	Revise to procedure, rather than policy
1.3 draft	28 September 2017	Internal review
1.4 draft	3 October 2017	For FPB and LPB review
1.4 FINAL	24 November 2017	Approved
2.0 draft	16 November 2023	Hymans Robertson review, new template. Sent for internal consultation
2.1 draft	22 December 2023	Internal consultation responses.
2.2 draft	4 January 2024	Sent to employers for consultation.
2.3 draft	22 February 2024	Presented to LPB for onward recommendation

2 Contents

1	Document Information.....	2
2	Contents.....	3
3	Decisions	4
4	Complaints	5
4.1	How do I make a formal complaint?	5
4.2	What happens and how long will it take?.....	5
5	Internal Dispute Resolution Procedure (IDRP)	6
6	Who can use the IDRP?	7
7	Stage one of the IDRP	8
8	Stage two of the IDRP	9
9	Help and Support	10
10	Related Documents	11
11	Definitions	12

3 Decisions

From the day you become a member of the Isle of Wight Council Pension Fund (the fund), part of the Local Government Pension Scheme (LGPS) decisions will be made about your pension rights.

Some decisions are made by your employers and cover issues such as what part of your pay should be treated as pensionable, to the type of benefits that should be paid to you when you leave the scheme.

Some are made by Isle of Wight Council Pension Fund as the administering authority and cover such issues as the value of benefits to which you are entitled.

When you (this includes dependants) are notified of a decision, you should check, as far as you can, that this is based on the correct details and that you agree with the decision.

4 Complaints

If you are not satisfied with the way your pension scheme membership has been dealt with, or the service you have received from us, please let us know as most problems can be sorted out quickly.

Please contact the Pensions team in the first instance: pensions@iow.gov.uk

4.1 How do I make a formal complaint?

If you want to make a formal complaint about a decision that has been made in relation to your pension, or about the service that you have received from us, please contact:

Nominated Complaints Officer - Pensions
Isle of Wight Council
County Hall
Newport
Isle of Wight
PO30 IUD

Email: complaints.officers@IOW.gov.uk

Telephone: 01983 821000

Online form: <https://www.iow.gov.uk/contact-us/send-complaint/>

4.2 What happens and how long will it take?

Your complaint will be logged on the council's CRM system and will be acknowledged within three working days (counting from the working day after the complaint was received) with a letter stating what will be done, when the reply will be given and who to contact about the complaint.

The complaint will be investigated by a senior manager and a full reply will be given to you. If we've got something wrong, we will do our best to put it right. We will admit our mistakes and offer a full apology. We will also review our policies and procedures to try and stop it happening again.

We will acknowledge your complaint within five working days from the date of receipt and tell you how long it will take to give you a full reply. We try to respond quickly to complaints and to reply to you within 20 working days. Sometimes, due to the complexity of the complaint, we will not be able to meet this timescale. If this happens, we will write to you and keep you fully informed of the progress being made.

For further information about the complaints process of the Isle of Wight Council, the administering authority of the Isle of Wight Council Pension Fund, please see the Isle of Wight Council Complaints Policy (as updated) available here:

<https://www.iow.gov.uk/documentlibrary/download/complaints-policy>

5 Internal Dispute Resolution Procedure (IDRP)

Making an informal enquiry, or formal complaint, does not affect your **statutory right** to have your dispute heard under the Internal Dispute Resolution Procedure (IDRP).

Regardless of whether you have made a formal complaint (section 3 above) or not, you can use the IDRP if you are not happy with any decision affecting you made in relation to the Scheme. You also have a right to use the procedure if a decision should have been made by your employer or administering authority, but it hasn't been.

The IDRP is a two-stage process in which the decision which has been made is reviewed at each stage by an independent person, who will assess whether the right process has been followed and regulations have been applied correctly.

6 Who can use the IDR?

You can use this formal process if you are:

- **An active, deferred or pensioner member**
Someone who is paying into the scheme, or who used to pay in, or who is receiving a pension.
- **A prospective member**
Someone who is not yet a member but could become one if their employer brings them in or they choose to join.
- **A dependant**
Someone who is the widow, widower, surviving civil or nominated partner, or a child of a member or prospective member.

You can also use this process if you think you should fall into one of these categories, or you did so in the last six months. You can choose to have someone else represent you, and this representative can be whoever you like – a friend, relative, solicitor, union representative, etc.

7 Stage one of the IDR

You must put a dispute in writing and send it within six months of receiving the decision you are disputing, either to your employer or to the Council, as explained below.

- If the dispute concerns a decision taken by an employer other than the Council, then you must write to that employer.
- If the dispute concerns a decision taken by the Council as your employer, then you must write to the Strategic Manager – Human Resources.
- If the dispute concerns a decision taken by the Council as the administering authority for Isle of Wight Council Pension Fund (i.e. a decision taken by Pension Services) then you must write to the Pension Fund Manager.

Your dispute will be considered carefully by a person nominated by the body that took the decision that you wish to dispute. That nominated person is required to give you their decision in writing. This is within two months of receiving your appeal. If they are unable to provide a response within that timescale, they must write to inform you of this delay and provide an estimated date a decision will be completed.

Where the nominated person upholds your appeal, they will set out instructions to the employer or administering authority who made the original decision. The employer or administering authority will have to review the circumstances of your case, in light of those instructions, and provide you with a revised decision. It is important to note, however, that this does not necessarily mean that the final decision will change from that originally made.

If the decision you disputed concerned the exercise of a discretion by the employer or administering authority, and the nominated person decides that the employer or administering authority should reconsider how they exercised their discretion, the matter will be referred back to the original decision maker who will be required to reconsider their original decision.

Any decision must be given to you in writing, stating the legislation relied upon and let you know that if you are still dissatisfied you have the right to go to stage two of the IDR within six months of receiving the stage one decision.

8 Stage two of the IDR

If you are still dissatisfied, you or your representative must put your signed appeal in writing, enclosing a copy of the stage one decision, and send it within six months of receiving the stage one decision, to:

Stage 2 Pension Appeals
Monitoring Officer
Isle of Wight Council
County Hall
Newport
Isle of Wight PO30 IUD

Your appeal must:

- state your name, address and date of birth.
- if you are not a member of the scheme, state your relationship to the relevant member of the scheme, and include that member's full name, address, date of birth, national insurance number and the name of the member's scheme employer.
- include a statement giving details of the nature of the disagreement and the reasons why you are aggrieved.
- be signed, by you or your representative.

Your appeal will be considered by the Council's Monitoring Officer (or Deputy) ("the adjudicator"), advised by a suitably qualified lawyer from Legal Services. Your case will be put to the adjudicator in writing, with the administering authority and scheme employer allowed to submit written reports in response to the issues you raise.

The stage two decision will be given to you, and your employer, in writing within two months of the date on which the appeal was received, and state the legislation relied upon. If they are unable to provide a response within that timescale, they must write to inform you of this delay and provide an estimated date a decision will be completed.

As in stage one above, where the adjudicator upholds your appeal, they will set out instructions to the employer or administering authority who made the original decision. The employer or administering authority who made that original decision will have to review the circumstances of your case, in light of those instructions, and provide you with a revised decision. It is important to note, however, that this does not necessarily mean that the final decision will change from that originally made.

If the decision you disputed concerned the exercise of a discretion by the employer or administering authority, and the adjudicator decides that the employer or administering authority should reconsider how they exercised their discretion, the matter will be referred back to the original decision maker who will be required to reconsider their original decision.

9 Help and Support

At any point in the IDRPs process you can ask for help from the Money and Pension Service (MAPs) whose address is:

Money and Pensions Service
Holborn Centre
120 Holborn
London
EC1N 2TD

Telephone: 01159 659570

Website: <https://maps.org.uk/en#>

If the dispute or complaint cannot be resolved after the intervention of the Money and Pension Service (MAPs) then you can apply for an adjudication to the Pensions Ombudsman within three years of the event which gave rise to it.

The Pensions Ombudsman can investigate and determine any complaint or dispute involving maladministration or matters of fact or law and his decision is final and binding but matters where legal proceedings have already started cannot be investigated.

Website: <http://www.pensions-ombudsman.org.uk>

Email: enquiries@pensions-ombudsman.org.uk

10 Related Documents

Isle of Wight Council:
Complaints Policy

<https://www.iow.gov.uk/documentlibrary/download/complaints-policy>

Isle of Wight Council
Pension Fund: Pension
Administration Strategy

<https://www.isleofwightpensionfund.org/resources/pension-administration-strategy-may-2023/>

11 Definitions

Complaint

A complaint is an expression of dissatisfaction, however made, about the standard of service, actions or lack of action by the organisation, its own staff, or those acting on its behalf, affecting an individual or group of individuals.

Employer	Named person	Policy provided	Comments
Barnardos	Yes	Yes	unable to respond to consultation, happy to accept the outcome.
CHC	Yes	Yes	
Cowes TC	Yes	Yes	procedure agreed by town council
Fishbourne Parish Council	Yes	Yes (link to website)	
Island Free School	Yes	Yes (link to website)	
Island Roads	Yes	corporate policies currently being updated	
IWC	Yes	Yes	
Northwood PC	Yes	Yes (link to website)	
Ryde TC	Yes	Yes	
Sovereign	Yes	no policy	
TopMops	Yes	Yes	
Ventnor Botanic Gardens	No	no company complaints policy	only one remaining member so "this doesn't apply to us"
Yarmouth TC	Yes	Yes	
Accomplish		<i>no response received</i>	
Caterlink		<i>no response received</i>	
Chale PC		<i>no response received</i>	
CleanTEC		<i>no response received</i>	
Cowes Enenterprise		<i>no response received</i>	
Gurnard PC		<i>no response received</i>	
IW College		<i>no response received</i>	
Lanesend		<i>no response received</i>	
Newport & Carisbrooke CC		<i>no response received</i>	
Northwood Acad		<i>no response received</i>	
Nviro		<i>no response received</i>	
Ryde Acad		<i>no response received</i>	
Sandown TC		<i>no response received</i>	
Shanklin TC		<i>no response received</i>	
Southern Housing		<i>no response received</i>	
Southern Vectis		<i>no response received</i>	
St Caths		<i>no response received</i>	
St Francis/St Blasius		<i>no response received</i>	
Wootton Bridge PC		<i>no response received</i>	

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Dispute resolution procedures

This module forms part of our expectations for trustees of those schemes required to operate an effective system of governance, see **Systems of governance**.

1. Governing bodies must put formal procedures and processes in place¹ to investigate and decide upon pension scheme disputes quickly and effectively. This applies to governing bodies of all occupational pension schemes, subject to certain exemptions².
2. Dispute procedures play a key role in effective scheme governance and administration and need to follow the legislative requirements³. The documents setting out the operation of the scheme may refer to internal dispute resolution arrangements.
3. Governing bodies must follow the dispute procedure to resolve various matters⁴.
4. Where a person with an interest in the scheme is not satisfied with any matter relating to the scheme (for example a decision that affects them), they have the right to ask for a review of the matter.
5. Where a person no longer has an interest in the scheme⁵ or claims to be such a person, governing bodies must ensure their scheme's procedures allow a reasonable period for that person or their representatives⁶ to make their applications. The reasonable period in these circumstances is six months beginning on the date their interest in the scheme stopped.
6. Governing bodies can accept an application outside of this timeframe if they believe it is appropriate.

1 Section 50(1) of the Pensions Act 1995 and regulation 3 of the Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008 [Article 50(1) of the Pensions (Northern Ireland) Order 1995 and regulation 3 of the Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations (Northern Ireland) 2008]

2 Section 50 (8) of the Pensions Act 1995 [Article 50(8) of the Pensions (Northern Ireland) Order 1995]

3 Section 50 of the Pensions Act 1995 [Article 50 of the Pensions (Northern Ireland) Order 1995]

4 Section 50 of the Pensions Act 1995 and regulation 4 of the Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008 [Article 50 of the Pensions (Northern Ireland) Order 1995 and regulation 4 of the Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations (Northern Ireland) 2008]

5 Section 50A(1) of the Pensions Act 1995 [Article 50A(1) of the Pensions (Northern Ireland) Order 1995]

6 Section 50B(2) and (3) of the Pensions Act 1995 [Article 50B(2) and (3) of the Pensions (Northern Ireland) Order 1995]

Dispute resolution processes

7. In relation to dispute resolution processes, governing bodies must:
 - a. provide their internal dispute resolution procedure to⁷:
 - prospective members if it is practicable to do so
 - any scheme members who have not been given the information
 - certain people who request the information and who have not been given that information in the previous 12 months
 - members or prospective members when schemes receive jobholder information, or when a jobholder becomes an active member, in connection with automatic enrolment
 - b. provide information about the Money and Pensions Service and the Pensions Ombudsman to the complainant at certain stages of the dispute⁸
8. Governing bodies should:
 - a. agree on any details of their dispute resolution process that are not set out in law
 - b. provide contact details for matters relating to disputes
 - c. regularly assess the effectiveness of the dispute procedure
 - d. be satisfied that those following the process are complying with the requirements set, which includes effective decision making
 - e. consider the circumstances under which advice may be required to reach a decision on a dispute
 - f. ensure they make the following information available to applicants:
 - the process to apply for a dispute to be resolved
 - the information that an applicant must include
 - the process by which any decisions are reached

7 Regulation 6(2) of, and paragraph 18 of Schedule 2 to, the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013

8 Regulation 2(1) and (4) of the Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008 [Regulation 2(1) and (4) of the Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations (Northern Ireland) 2008]

Reasonable periods

9. In relation to reasonable time periods⁹ governing bodies should:
 - a. decide the matter in dispute within four months of receiving the application
 - b. in the case of a two-stage dispute resolution procedure, reach a first stage decision within four months of receiving the application
 - c. in the case of a two-stage dispute resolution procedure, reach a second stage decision within four months of the point when the governing body receives the referral
 - d. notify applicants of the decision no later than 21 days from when it is made
 - e. not delay a decision where it is possible to process an application sooner than four months
 - f. allow more than four months to reach a decision if it is appropriate to do so
10. For public sector schemes, where the governing regulations provide for shorter periods to consider grievances than set out above, those regulations will apply.

Decision-making

11. When reviewing an application, decision-makers should:
 - a. ensure they have all the appropriate information to make an informed decision
 - b. request further information if required
 - c. be satisfied that the time and action taken to reach a decision and notify the applicant are appropriate to the situation, and be able to demonstrate this

Informing members

12. It is good practice for governing bodies to keep members informed about dispute resolution, this may include:
 - a. publishing and making readily available details of the time limits within which someone with an interest in the scheme must make an application
 - b. making their procedure accessible to members and potential applicants by publishing it on a scheme website
 - c. keeping applicants advised of the progress of their dispute and let them know when they are likely to receive an outcome

⁹ Section 50(5) of the Pensions Act 1995 [Article 50(5) of the Pensions (Northern Ireland) Order 1995]

Glossary

Disputes

As defined in section 50(3) of the Pensions Act 1995¹⁰ a pension dispute is a dispute which: is about matters relating to the scheme; is not an exempted dispute and is between the trustees or managers of a scheme and one or more persons with an interest in the scheme.

Exempted disputes

As defined in section 50(9) of The Pensions Act 1995¹¹ a dispute is an exempted dispute if: proceedings in respect of it have been commenced in any court or tribunal; the Pensions Ombudsman has commenced an investigation in respect of it as a result of a complaint made or a dispute referred to him, or it is of a prescribed description¹².

10 Article 50(3) of the Pensions (Northern Ireland) Order 1995

11 Article 50(9) of the Pensions (Northern Ireland) Order 1995

12 Regulation 4 of the Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008 [Regulation 4 of the Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations (Northern Ireland) 2008]



**Isle of Wight
Council**

Purpose: For Decision

Committee Report

ISLE OF WIGHT COUNCIL

Meeting	ISLE OF WIGHT LOCAL PENSION BOARD
Date	6 MARCH 2024
Title	POLICY ON CONFLICTS OF INTEREST
Report of	PENSION FUND MANAGER

Executive Summary

1. This report presents a new Policy on Conflicts of Interest for the Isle of Wight Council Pension Fund. The policy is based on the current code of conduct for councillors contained in the council's Constitution but is more specific to cover potential conflicts arising from the operation of the pension fund.
2. Following review and agreement by the Local Pension Board, the policy will be presented to the Pension Fund Committee at its meeting in May 2024 for adoption.

Recommendations

3. THAT the responsibility for the maintenance and publication of the registers of interest for board and committee members (section 5.1 of the policy) be assigned to Democratic Services, supported by the Pension Governance Compliance Officer.
4. THAT the treatment of potential conflicts identified during meetings be consistent for councillors and other members of the committee and board, as set out in section 5.3 of the policy.
5. THAT the management of potential conflicts of interest with the Council as administering authority for the fund, as set out in section 5.6 of the policy, are agreed.
6. THAT the proposed register of interests at Appendix 2 is agreed.
7. THAT the draft conflicts of interest policy be agreed and recommended for adoption by the Pension Fund Committee at its meeting on 22 May 2024.

Background

8. The Pensions Regulator's General Code of Practice requires those responsible for the governance of pension schemes, including those within the public sector, to have a documented process for identifying, recording and dealing with conflicts of interest which may arise in the management of the pension fund business.
9. To date, the Isle of Wight Council Pension Fund has relied on the conflicts of interest protocols contained within the Council's Constitution, and expected these protocols to be applied to members of the pension committee and local pension board who are not elected members of the council.
10. However, the protocols in the Constitution do not necessarily all apply to the management of the pension fund, and more importantly do not include some key conflicts which may arise as a result of the council being both administering authority for the fund and the largest employer within the fund.
11. In addition, many of the items required to be disclosed on the register of interests as prescribed within the constitution do not apply to members of the local pension board, specifically in relation to land and property interests.
12. Fund officers have worked with the fund's governance consultants, Hymans Robertson LLP, to create a fund-specific conflicts of interest policy, which is presented at appendix 1 to this report.
13. The proposed policy reflects the requirements of the council's constitution but expands on them to include more specific conflicts which could arise in the management of the pension fund.

Policy on conflicts of interest

14. Section 5 of the policy sets out the process for the management and monitoring of conflicts. A decision needs to be made about who is responsible for the maintenance and publication of the registers of interest from committee and board members. It is proposed that this responsibility should rest with Democratic Services, supported by the Pension Governance Compliance Officer.
15. Sections 5.2 and 5.3 of the policy propose that all board and committee members and officers with responsibility for the management of the pension fund functions should complete a register of interests (see appendix 2) on appointment, which will be published on the council's website under "Co-opted Isle of Wight Council registers of interest". The registers should be reviewed at least annually, or more frequently should members' interests change.
16. Section 5.3 also sets out the treatment of conflicts which may arise during a meeting, proposing that this is for the agreement of the chairman of the meeting and the democratic services officer on a case-by-case basis.
17. The Council's Strategic Manager for Legal Services commented that if the potential conflict were identified by a councillor, then it should be for the councillor alone to judge the action required.

18. The Pension Fund Manager's response to this was that the policy needs to be fit for all members of both committee and board and should apply consistent treatment for potential conflicts from all members, rather than a differentiated approach for councillors and others. It is expected that all board and committee members would be able to determine the appropriate actions required in the case of a potential conflict, and that intervention from the chair and democratic services officer would only be required in exceptional circumstances.
19. The board is asked to confirm this proposed treatment.
20. Section 5.6 of the policy sets out the treatment of potential conflicts of interest with the Council as administering authority of the fund. Board members are asked to confirm these proposals.

Register of interests

21. Appendix 3 to this report sets out the proposed register of interests declaration that would be completed by all (non-councillor) members of the committee and board, as well as senior officers with responsibility for the operation of the fund.
22. The proposed register is based on the current declaration required for councillor members, which is more comprehensive and contains information about all declarable interests in investments, land and property on the Isle of Wight, as well as sponsorship and other appointments.
23. It is proposed that the existing Council register of interests for councillors who are members of both committee and board will be sufficient for the purpose of their roles within the fund.
24. For other board and committee members, the declaration has been streamlined to remove information about sponsorship, land, licenses and corporate tenancies.
25. A statement concerning membership of the pension fund has been included (although this cannot be a disqualifying interest, it should be declared and acknowledged), the statements about contracts and securities have both been amended to reflect the pension fund's business only.
26. Information about other positions held outside of the council has been retained.
27. Board members are asked to confirm the matters covered in the proposed register of interests.

Corporate Priorities and Strategic Context

28. There is nothing contained in this report which directly contributes to the priorities contained in the Isle of Wight Council [Corporate Plan 2021 – 2025](#). This policy supports the Council's core value "Being fair and transparent", making decisions based on data and evidence and in an open and accountable way.

Pension Fund Strategic Aims

29. The primary objective of the fund is to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before or after retirement, for their dependents, in accordance with the Local Government Pension Scheme (LGPS) regulations and statutory provisions. The committee aims to operate the fund in such a manner that, in normal market conditions, all accrued benefits are fully covered by the value of the fund's assets and that an appropriate level of contributions is agreed by the employer to meet the cost of future benefits accruing.
30. The fund has also agreed the following objectives, which are supported by information in this report:
- (a) Ensure compliance with the LGPS Regulations, other relevant legislation and the Pensions Regulator's Codes of Practice.
 - (b) Act with integrity and be accountable to our stakeholders for our decisions, ensuring they are robust and evidence based.
 - (c) Understand and monitor risk and compliance.

Consultation

31. This policy has been drafted by the fund's governance consultants, Hymans Robertson LLP, in discussion with the Pension Fund Manager.
32. The proposed register of interest has been created in discussion with the council's Corporate Governance Manager.
33. The council's Director of Finance, Monitoring Officer and Strategic Manager Legal Services have been invited to comment on the policy and register of interests.
34. The consideration of this policy by the Local Pension Board forms part of the consultation process.

Financial / Budget Implications

35. The cost of drafting the policy by Hymans Robertson was consistent with prices quoted when the governance consultancy contract was awarded in 2018 and is consistent with other recently draft policies.
36. It is not anticipated that the implementation of the policy will incur any additional costs.

Legal Implications

37. Isle of Wight Council is the administering authority for the Isle of Wight Council Pension Fund. An administering authority is defined in the Local Government Pension Scheme Regulations 2013 as “a [local authority] required to maintain a pension fund under the local government pension scheme regulations”.
38. The Public Service Pensions Act 2013 gave greater responsibilities to the Pensions Regulator for the oversight of public service pension schemes, including the Local Government Pension Scheme.
39. The Pensions Regulator’s General Code, laid before Parliament on 10 January 2024, and expected to come into force on 27 March 2024, sets out the legal requirements for public service pension schemes in respect of the governance of those schemes, including the requirement to have processes in place for the identification and management of conflicts of interest.
40. Regulation 108 of the Local Government Pension Scheme Regulations 2013 (as amended) places duties on administering authorities to be satisfied that Local Pension Board members do not have conflicts of interest on appointment to, or whilst a member of, the Board.
41. The proposed policy complements the existing requirements in the council’s constitution for councillors, and explicitly extends the requirements for identifying, monitoring and managing conflicts of interest to non-elected members of the committee and local pension board.

Equality and Diversity

42. The council as a public body is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations between people who share a protected characteristic and people who do not share it. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
43. The implementation of this policy will have no impact on any of the protected characteristics.

Risk Management

44. It is the responsibility of the Isle of Wight Council, as administering authority for the Local Government Pension Scheme (LGPS) to ensure that the Isle of Wight Council Pension Fund is properly governed and administered in compliance with relevant regulations and other requirements.
45. Adopting and implementing this policy will ensure compliance with the requirements of the Pensions Regulator.

46. Should the council fail to ensure appropriate standards of governance and administration of the pension schemes for which it has responsibility, the Pensions Regulator has the powers to issue an improvement notice under section 13 of the Pensions Act 2004. This would have reputational issues for the council.
47. If the fund does not have appropriate procedures in place to identify, monitor and manage all potential conflicts of interest, there is a risk that decisions may be made which are not in the best interested of scheme members.

Appendices Attached

48. Appendix 1: Draft conflicts of interests policy v1.1
49. Appendix 2: Draft pension-specific register of interest v2
50. Appendix 3: extract from The Pensions Regulator's general code – conflicts of interest

Background Papers

51. The Pensions Regulator's General Code (laid in Parliament January 2024)
<https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/general-code-laid-january-2024.ashx>
52. Contact Point: Joanna Thistlewood, Pension Fund Manager, ☎ 821000
e-mail jo.thistlewood@iow.gov.uk

CHRIS WARD
Director of Finance

COUNCILLOR CHRIS JARMAN
*Isle of Wight Pension Fund Committee
Chair*



Isle of Wight Council Pension Fund
POLICY ON CONFLICTS
OF INTEREST
March 2024

1 Document Information

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1.1	21 February 2024	Draft to LPB 6 March

2 Contents

1	Document Information.....	2
2	Contents.....	3
3	Introduction	4
3.1	Aims and objectives	4
3.2	Background.....	4
3.3	Application of the policy	4
4	Statement of Principles	6
4.1	Guidance and Regulatory framework	6
4.2	Standards and behaviours.....	7
5	Managing and monitoring conflicts	8
5.1	Register of interests.....	8
5.2	Declarations of interest on appointment	8
5.3	Continued monitoring of potential conflicts of interest	8
5.4	Managing conflicts of interest	9
5.5	Dealing with alleged breaches of conflicts policy.....	9
5.6	Managing Administering Authority conflicts of interest	9
5.7	Managing Conflicts from Pooling	10
5.8	Third parties.....	11
6	Identifying conflicts of interest.....	12
7	Related Documents	13
8	Appendix	14
8.1	Declaration of interest form.....	14
9	Definitions	15

3 Introduction

The purpose of this policy is to set out the Isle of Wight Council (the “Council”) approach to Conflicts of Interest in its role as administering authority of the Isle of Wight Council Pension Fund (the “Fund”).

It should be noted that this statement is not exhaustive and individual circumstances may be taken into consideration where appropriate.

This policy was approved by the Pension Fund Committee on 22 May 2024 and is effective from 1 June 2024.

This policy will be reviewed every three years or sooner following any legislative changes within the review period or changes to applicable statutory guidance.

3.1 Aims and objectives

The Fund’s aims and objectives related to this policy are as follows:

- To outline how conflicts of interest will be identified, monitored and managed.
- To ensure that those involved in the operation of the Fund fulfil their duties to act in the interests of the Fund’s employers and scheme members.
- To provide confidence to scheme members, employers, regulators or any other interested parties that those responsible for the Fund are fully committed to identifying, managing and monitoring conflicts of interest.
- To minimise the risk to the Fund that conflicts of interest crystallise.
- To promote openness, transparency and a commitment to the Seven Principles of Public Life (these are detailed below in the section 4.1) in all aspects of the Fund’s business.

3.2 Background

This policy sets out how the administering authority will identify, manage and mitigate potential conflicts of interest.

The administering authority is also a participating employer in the Fund, and therefore there is the potential that actual or perceived conflicts may arise from time to time. Individuals involved in managing, overseeing or advising the Fund may have professional or personal obligations outside the Fund, which could give rise to a perceived or actual conflict of interest requiring management.

3.3 Application of the policy

This policy applies to:

- Members of the Council’s Pension Fund Committee
- Members of the Local Pension Board
- Section 151 Officer
- Officers who carry out functions on behalf of the Pension Fund Committee

Every individual covered by this policy must adhere to it.

The Pension Fund Manager will be accountable for ensuring that this policy is adhered to and that any processes for managing conflicts of interest are followed.

To ensure transparency, where this policy applies to the Pension Fund Manager, the Monitoring Officer for the Council shall be accountable for overseeing compliance.

4 Statement of Principles

4.1 Guidance and Regulatory framework

The Fund has adopted the definition of conflict of interest defined in the Public Service Pensions Act 2013:

“Conflict of interest”, in relation to a person, means a financial or other interest which is likely to prejudice the person's exercise of functions as a member of the board (but does not include a financial or other interest arising merely by virtue of membership of the scheme or any connected scheme).

In addition to this policy there are other legal requirements which are also relevant to the Fund's management of conflicts of interest, these currently include, but are not limited to:

- Regulation 108 of The LGPS Regulations 2013, which places duties on the Council, as the administering authority to the Fund, to be satisfied that Local Pension Board members do not have conflicts of interest on appointment to, or whilst a member of, the Board.
- The Localism Act 2011 requires elected members to comply with their own authority's code of conduct and to declare and resolve pecuniary interests and other interests.
- The ‘Seven Principles of Public Life’, also known as the ‘Nolan Principles’, with which any holder of public office is also expected to comply. These are:

Selflessness	Holders of public office should act solely in terms of the public interest.
Integrity	Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
Objectivity	Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
Accountability	Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
Openness	Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
Honesty	Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it

4.2 Standards and behaviours

It is important that those managing the Fund adhere to the highest standards of public office.

The Council's Members Code of Conduct (contained in the Council's Constitution) applies to all members or voting co-opted members of the Council. In addition, the code has been adopted to apply to all members of the Pension Fund Committee **and Local Pension Board**. The policy sets out the Council's approach to:

- Standards of behaviour.
- Registration of members' interests.
- Disclosable pecuniary interests.
- Sensitive interests.

5 Managing and monitoring conflicts

5.1 Register of interests

Any conflicts or potential conflicts which are reported shall be recorded on the Fund's register of interests. It is the responsibility of [insert name and position] to ensure that this is kept up to date. This register of interests can be found at [enter location].

In addition to the framework of policies set out in section 4, the Council will manage conflicts of interest in the following way.

5.2 Declarations of interest on appointment

On appointment to the Pension Fund Committee, Local Pension Board or to a role on the Pension Management Team, or at the date of commencement of this policy if later, all individuals will be provided with a copy of this policy and be required to complete a declaration of interest form. This information will be collated in the Fund's register of interests.

Advisers and service providers will be provided with a copy of this policy on appointment, or at the date of commencement of this policy if later. Advisers and service providers must declare any commercial or personal relationships which may result in conflicts of interest arising or which may give the perception that a conflict of interest exists or may do so in future.

5.3 Continued monitoring of potential conflicts of interest

Any individual covered by this policy must declare, at the earliest opportunity, if their circumstances change in such a way that a new potential or actual conflict of interest arises, or if a former conflict ceases to apply. The register of interests will be updated accordingly.

If any individual covered by this policy becomes aware that a Pension Fund Committee meeting, Local Pension Board meeting or any other meeting concerning matters relating to the Fund will contain an item that places them in a conflicted position they must advise the Chair of the meeting and Pension Fund Manager. The Pension Fund Manager, taking such advice as they consider appropriate will be responsible for determining the action to be taken.

From time to time a conflict of interest may arise during a meeting which was not anticipated prior to the meeting. In such cases the individual to whom the conflict pertains should advise the Clerk and make an immediate declaration. Any other person may make the Clerk aware if they believe an individual participating in the meeting has a conflict of interest. The Clerk of the meeting and the Chair, taking such advice as they consider appropriate will be responsible for determining the action to be taken.

5.4 Managing conflicts of interest

The options for managing a conflict are as follows:

- The individual is excluded from the meeting for the period during which the item pertaining to the potential or actual conflict of interest is discussed. If the item is one in which papers are not made public under Part I of Schedule 12A of the Local Government Act 1972 then the member will not have access to those papers, or minutes relating to that item.
- If the item is one at which members of the public are allowed to speak, the individual may also speak having first declared their interest. The individual must not take any further part in that agenda item including the decision-making process.
- If the Pension Fund Manager, having taken advice that they consider appropriate, believes that an individual has a significant or persistent conflict of interest, such that it is impossible or impractical to manage and undermines their ability to carry out their role, the individual may be removed from their position.
- If an advisor declares a conflict of interest, then a decision should be taken by the Pension Fund Manager in consultation with the Pension Fund Committee Chair as to whether they can provide advice under these circumstances. The conflict should be declared ahead of the provision of any advice, and this requirement should be made clear to all advisors. If it is deemed that due to the conflict, they cannot provide advice, then an alternative advisor may be sought.
- For third parties, the Pension Fund Manager should ensure that they have adequate conflict management policies in place. Any dealings with those third parties should not take place until the Pension Fund Manager is satisfied that any conflicts which arise shall be managed appropriately.

5.5 Dealing with alleged breaches of conflicts policy

A process for considering and/or dealing with any alleged conflicts of interest which are not declared, shall be agreed between the Pension Fund Manager and the Pension Fund Committee, including any sanction which may be applied.

5.6 Managing Administering Authority conflicts of interest

The conflicts arising from the administering authority's dual role as an employer and the body charged with Fund management and administration are considered in more detail below.

5.6.1 Contribution setting for employers

The Funding Strategy Statement sets out the Fund's approach to all funding related matters including the setting of contribution rates. This policy is set with regard to the advice of the Fund Actuary and is open to consultation with all Fund employers before being formally adopted by the Pension Fund Committee. The approach to contribution setting is based on specific employer characteristics such as its time horizon, strength of covenant and risk profile. This approach ensures consistency across all employers and removes the possibility of any employer receiving more, or less, favourable treatment.

5.6.2 Administering the fund

The Fund's administration strategy sets out the way in which the Fund works with its employers and the mutual service standards expected. The policy details how the Fund will assist employers to ensure that they are best placed to meet their statutory LGPS obligations. On occasions where an employer's failure to comply with required processes and standards has led to the Fund incurring additional cost, the policy also provides for that cost to be recovered from the employer in question. This policy has been opened to consultation with all the Fund's employers and is operated in a consistent fashion across all the employer bases.

The Pension Fund is run for the benefit of its members and on behalf of all its employers. It is important therefore that the Fund's budget is set and managed separately from the expenditure of the Council. Decisions regarding pension fund resource are approved by the Pension Fund Committee on recommendation from the S151 Officer.

5.6.3 Investment decisions

The Investment Strategy Statement sets out how the Fund's money will be invested in order to meet future liabilities and contains the Fund's investment objectives and the asset classes in which it will invest. It is separate to and distinct from any policies that apply to the Council.

For example, the Council may have particular strategies regarding tobacco investment as a consequence of its public health duties. This should remain distinct from the Fund's investment strategy, as set by the Pension Fund Committee and which is operated on behalf of all Fund employers. A similar situation arises in respect of the Council's policy regarding matters such as investment in local housing or other infrastructure within the county, which remain distinct from the policies and strategies of the Pension Fund.

All investment decisions are taken in accordance with the Investment Strategy Statement, following appropriate professional advice. No person with a conflict of interest relating to a particular investment decision may take part in that decision.

From time to time the Council may pursue certain climate related goals, for example a commitment to being carbon neutral by a certain date. Actions taken in pursuit of these goals may impact on members and employees of the Council in certain ways, for example members and staff may be required to pursue low carbon travel options when travelling on Council business. Where this is the case, members and employees carrying out work related to the management of the Fund will be subject to the same policies as all other Council members or staff, insofar as they reflect operational matters. However, decisions in respect of Fund investments are made by the Pension Fund Committee on behalf of all employers in the Fund and as such will be made independently of any such Council policies and strategies, though the Committee could independently reach the same outcomes.

5.7 Managing Conflicts from Pooling

The Council is one of 11 constituent funds in the ACCESS pool. The constituent funds, as LGPS administering authorities, also purchase investment management services from ACCESS. The nature of this relationship has the potential to lead to conflicts of interest that must be managed.

The following governing principles have been agreed by the constituent funds as part of the pool's governance arrangement:

- The Councils will work collaboratively.
- The Councils will have an equitable voice in governance.
- Decision making will be objective and evidence based.
- The Pool will use professional resources as appropriate.
- The risk management processes will be appropriate to the Pool's scale, recognising it as one of the biggest pools of pension assets in the UK.
- The Pool will avoid unnecessary complexity.
- The Pool will evolve its approach to meet changing needs and objectives.
- The Pool will welcome innovation.
- The Pool will be established and run economically, applying value for money considerations.
- The Pool's costs will be shared equitably.
- The Pool is committed to collaboration with other pools where there is potential to maximise benefits.

5.8 Third parties

The Fund requires its professional advisors, suppliers and any other third-party providing advice or services to have in place conflict management plans which set out how those firms will:

- declare any potential conflict of interest that exists on appointment.
- communicate with the Administering Authority on any conflicts of interest that arise during the course of the contract.
- put in place processes that will manage those conflicts.

This will be actioned as part of the procurement process.

6 Identifying conflicts of interest

In order to monitor and manage actual or perceived conflicts of interest, it is necessary to be able to identify these conflicts. The Pension Fund Manager may be best placed to recognise conflicts which do arise. Pension Fund Committee members and fund officers should also have a knowledge of the types of conflict which may arise.

Some examples of these are noted below.

1. A Pension Fund Committee member who also holds a position as a director for a company which is an employer in the Scheme is asked to comment on the suitability of the funding approach of the employer they represent, as part of the triennial valuation.

Action: It should be disclosed that they have a role with that employer, and this should be noted in the register of interest. If the decision relates solely to that employer, then they may be required to abstain in the vote.

2. A member representative on the Pension Fund Committee could be conflicted if they are asked to vote on a decision or action, and they do so in the best interests of only the union they represent, rather than all scheme members in aggregate.

Action: This should be disclosed and recorded on the register of interests and noted during the decision-making process.

3. A Fund officer has a family member who works for an advisor who has tendered for professional services through the standard procurement exercise.

Actions: the procurement department should be informed of this. The officer must not disclose any confidential or commercially sensitive information to the family member about either the Fund, or other bids. The officer should not be involved in putting any recommendations to the committee or other officers regarding this procurement exercise. This should again be recorded in the register of interests.

4. The officer appointed to deal with internal disputes has received a dispute concerning a colleague who is also a close friend. They feel conflicted in dealing with this dispute.

Action: disclose this to their manager and Pension Fund Manager immediately. Ideally, the officer should not be involved in the case at all. If they have specialist knowledge which is required in the case, then the senior officers must ensure that there is another independent officer who can either oversee the dispute management and decision-making processes, and offer challenge as required.

Where a conflict or a perceived conflict is identified, but there is concern that this has not been correctly disclosed and recorded, then this should be raised with the Pension Fund Manager in the first instance.

7 Related Documents

Isle of Wight Council

Constitution <https://iow.moderngov.co.uk/ieListDocuments.aspx?CId=219&MId=1767&Ver=4&Info=1>

Isle of Wight Council Pension Fund

Funding Strategy Statement <https://www.isleofwightpensionfund.org/resources/isle-of-wight-council-pension-fund-2022-funding-strategy-statement/>

Investment Strategy Statement <https://www.isleofwightpensionfund.org/resources/investment-strategy-statement-2021/>

Pension Administration Strategy <https://www.isleofwightpensionfund.org/resources/pension-administration-strategy-may-2023/>

Recording and reporting breaches of the law policy <https://www.isleofwightpensionfund.org/resources/policy-for-recording-and-reporting-breaches-of-the-law-2023/>

8 Appendix

8.1 Declaration of interest form

{to be inserted}

9 Definitions

Conflict of interest

In relation to a person, means a financial or other interest which is likely to prejudice the person's exercise of functions as a member of the board (but does not include a financial or other interest arising merely by virtue of membership of the scheme or any connected scheme). *Public Service Pensions Act 2013*

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REGISTER OF INTERESTS**ISLE OF WIGHT COUNCIL**

ISLE OF WIGHT COUNCIL requires all Members of the Pension Fund Committee and Local Pension Board to complete this register within 28 days of their appointment. If your circumstances change you are required, within 28 days of the change, to submit written notification of the change to the Monitoring Officer.

Name of Member...

Role:

Pension Fund Committee (not Isle of Wight Council elected member)	
Local Pension Board – employer representative	
Local Pension Board – scheme member representative	
Local Pension Board – independent chair	
Pension Fund Officer	

I set out below my interests and those I am aware of relating to my spouse /partner under the various headings.

Disclosable Pecuniary Interests:

These are interests that are required to be declared by the Localism Act 2011 and the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, and for Pension Fund matters under the Public Service Pensions Act 2013. **These declarations relate to you AND any interests you are aware of relating to your spouse or civil partner or a person you live with as husband and wife or as if you were civil partners.**

Please put “None” where appropriate.

Category of Interest	Your Interests	Interests of your spouse/partner
<p>Employment, office, trade, profession or vocation carried on for profit or gain.</p> <p>This includes any firm or company in which you, or your spouse, or your partner are a business partner or director.</p>		

Category of Interest	Your Interests	Interests of your spouse/partner
<p>Isle of Wight Council Pension Fund</p> <p>Please state whether you, your spouse or your partner, are a member of the Isle of Wight Council Pension Fund, as either a contributing (active) member, a former employee of the council and/or an external employer not yet entitled to a pension benefit (deferred member), or in receipt of pension.</p>		

Category of Interest	Your Interests	Interests of your spouse/partner
<p>Contracts</p> <p>Any contract which is made between ISLE OF WIGHT COUNCIL, in its capacity as administering authority for the ISLE OF WIGHT COUNCIL PENSION FUND, and either:</p> <p>a) you; your spouse; or your partner; or</p> <p>b) firm in which either you or your spouse or partner is a business partner; or</p> <p>c) a body corporate of which you or your spouse or partner is a director; or</p> <p>d) a body in which you or your spouse or partner has a beneficial interest (that is a firm in which you or your spouse/partner is a business partner or a corporate body in which you or your spouse/partner is a director or an industrial and prudent society where you or your spouse or partner are a member of the management committee or a corporate body in which you or your spouse/partner have a beneficial interest in its securities</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>		

Category of Interest	Your Interests	Interests of your spouse/partner
<p>Securities</p> <p>Any beneficial interest in securities (shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the Financial Services and Markets Act 2000 and other securities of any description other than money deposited with a building society) of a body where that body (to your knowledge) is an adviser to the Isle of Wight Council Pension Fund.</p> <p>This includes, but is not limited to:</p> <ul style="list-style-type: none"> • Fund Actuary • Investment Consultants • Governance Consultants • Custodian • Investment Managers • Employer in the fund • Auditors 		

ADDITIONAL INTERESTS AGREED BY ISLE OF WIGHT COUNCIL TO BE INCLUDED IN THE MEMBERS REGISTER OF INTERESTS

Only your interests are required for these; not those of your spouse/partner.

I am a member of or hold a position of general control or management in the following bodies to which I have been appointed or nominated by the authority as its representative:

I am a member of or hold a position of general control or management in the following:

Category of Interest	Your Interests
Public authorities or bodies exercising functions of a public nature.	
Company, industrial and provident society, charity, or body directed to charitable purposes.	
Body whose principal purposes include the influence of public opinion or policy.	
Trade union or professional association.	

Date:

Signed:

RECEIVED:

Date:

Signed:

(Pension Fund Manager, Monitoring Officer or their representative)

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Conflicts of interest

This module forms part of our expectations for trustees of those schemes required to operate an effective system of governance, see **Systems of governance**.

1. Conflicts of interest may arise from time to time while running a pension scheme, either among members of the governing body themselves, or with service providers, sponsoring employers, advisers, and others. Conflicts can also arise for members of the governing body who for example, are members of the scheme or who represent trade unions. Conflicts of interest may be either actual conflicts or potential conflicts. Unless otherwise stated, references to ‘conflicts of interest’ include both actual and potential conflicts.
2. Under section 249A of the Pensions Act 2004¹, governing bodies of certain schemes must establish and operate an effective system of governance (see **Systems of governance**) including internal controls (see **Internal controls**). However, there are certain exemptions². The system of governance must be proportionate to the size, nature, scale, and complexity of the activities of the scheme.
3. Under section 249B of the Pensions Act 2004³, scheme managers of public service pension schemes⁴ are required to establish and operate internal controls, which are adequate for the purpose of securing that the scheme is administered and managed in accordance with the scheme rules⁵ and with the requirements of the law. To the extent that conflicts of interest are:
 - a. within that section: scheme managers should take that into consideration in identifying and evaluating risks (see **Identifying, evaluating and recording risks**). Our expectations of scheme managers for identifying and recording conflicts of interest are in paragraphs 6 to 8. The specific expectations that apply will vary from scheme to scheme.
 - b. not within that section: what is set out below does not form part of our expectations of scheme managers, but it is good practice for them to adopt those measures.
4. There are also additional requirements for the management of conflicts of interest in relation to pension boards of public service pension schemes (see paragraphs 22 to 24).

1 Article 226A of The Pensions (Northern Ireland) Order 2005

2 Section 249A(3) of the Pensions Act 2004 [Article 226A (3) of The Pensions (Northern Ireland) Order 2005]

3 Article 226B of The Pensions (Northern Ireland) Order 2005

4 As defined in section 318(1) of the Pensions Act 2004 [Article 2(2) of The Pensions (Northern Ireland) Order 2005]

5 As defined in section 318(2) of the Pensions Act 2004 2004 [Article 2(3) of The Pensions (Northern Ireland) Order 2005]

5. When identifying and evaluating risks (see **Identifying, evaluating and recording risks**), governing bodies should consider conflicts of interest. A conflict of interest may arise when a member of the governing body:
 - a. is obliged to act in the best interests of the members; and
 - b. at the same time has or may have either:
 - a separate personal interest or
 - another fiduciary duty or other duty owed to a different person in relation to that decision, giving rise to a possible conflict with the obligation to act in the best interests of the members⁶.

Identifying and recording conflicts

6. It is possible that members of governing bodies will have other interests and responsibilities. They therefore need to understand when actual or potential conflicts arise.
7. Certain legal and professional requirements and legislation that apply to English local authorities, set standards for conduct, conflicts of interest, and disclosure of certain interests. These may apply to members of governing bodies, advisers, and service providers.
8. When identifying and recording conflicts of interest, governing bodies should:
 - a. have a clear understanding of the importance of managing conflicts of interest and the circumstances in which they may arise
 - b. understand any requirements of the scheme's governing documentation, or regulations under which it may operate, in relation to conflicts of interest
 - c. encourage a culture of openness and transparency in relation to conflicts of interest.
 - d. maintain a written policy for managing actual and perceived conflicts of interests and consider where to publish it on the scheme's website
 - e. maintain a register of interests, which should be considered in every meeting of the governing body
 - f. ensure all members of the governing body, advisers, and service providers make declarations of interests and conflicts at their appointment, and as they arise
 - g. ensure contracts and terms of appointment require advisers and service providers to operate their own conflicts policy, and disclose all conflicts to the governing body
 - h. record conflicts of interest in relation to a decision-making process, as well as the action taken to manage them, in the written records of the meeting (see **Meetings and decision-making**)
 - i. if carrying out transactions with related parties, ensure transparency by complying with **financial reporting standard (FRS) 102 - related party disclosures**

6 Such conflicts of interest may affect not only trustees but also directors, agents, professional advisers and others

Dealing with conflicts

9. Governing bodies should have processes in place to ensure that their decision-making is not compromised by actual or potential conflicts. The processes required to manage the conflict will need to take into account the particular circumstances of the conflict, the actual, and potential risks the conflict poses, and the rules (and legislation where applicable) governing the scheme.
10. Members of governing bodies who are also directors of the sponsoring employer(s) will need to consider the requirements of section 175 of the Companies Act 2006 (duty to avoid conflicts of interest). The governing body should adopt control procedures (see **Internal controls**) to manage conflicts and mitigate the risks of tainted decision making. The governing body should therefore assess the nature of the conflict being managed and the risk or threat to decision-making⁷.
11. Different options for dealing with conflicts of interest are set out below. The effectiveness, validity, and attendant risks will vary depending on the option. Some conflicts of interest may be so acute or pervasive that it would be better to avoid them entirely – for example, an acutely conflicted member of the governing body could resign.
12. In cases where resignation is deemed appropriate, careful consideration needs to be given to the identity of any replacement member of the governing body and the conflicts that they may face. Governing bodies should consider seeking independent legal advice, to help decide whether an actual or potential conflict of interest can be eliminated (and if so, the best way of achieving it).
13. Where conflicts of interest are not eliminated, depending on the situation, the options below either singly, combined, or with other appropriate options should be put in place to manage the conflict. Governing bodies should consider seeking independent legal advice to help decide the best approach to manage an actual or potential conflict of interest.

Withdrawal from discussions and the decision-making process

14. A member of a governing body who is conflicted should consider withdrawing from decision(s) and decision-making process(es). The governing body should consider whether the presence of a conflicted individual could undermine discussions, invalidate, influence, or be perceived to influence a decision. A conflicted individual who simply abstains may still unduly influence an outcome.

⁷ Governing bodies should also seriously consider seeking legal advice if they are in any doubt whether a conflict is non-trivial or whether it could have the potential to be detrimental to the conduct or decisions taken by them

Establishing a sub-committee

15. Delegation to a sub-committee can help ensure that decisions are made by an independent group whose views will not be compromised by another conflicted member of the governing body.
16. Governing bodies should consider seeking legal advice, if considering delegating certain tasks to a sub-committee(s). This is because there are many scheme-specific and legal factors which need to be considered. This will include whether delegation is possible or desirable, and the extent to which the full governing body is bound by the decisions of the sub-committee.

Appointing an independent to the governing body

17. An independent member of the governing body, such as a professional independent trustee or otherwise, can help ensure that decisions are not prejudiced by a conflict of interest.

Confidentiality agreement and disclosure of information

18. Confidentiality agreements are documents under which members of governing bodies agree not to share with third parties the information they receive in order to carry out their role. Such agreements therefore:
 - a. facilitate the sharing of confidential and sensitive information with governing bodies and help to ensure that the information will not become public
 - b. provide extra comfort to sponsoring employer(s) in relation to disclosing information to governing bodies
19. Confidentiality agreements do not necessarily eliminate the conflict and there may still be a need to manage it. Governing bodies considering the use of a confidentiality agreement will need to seek independent legal advice.
20. Legislation⁸ requires sponsoring employer(s) and former sponsoring employer(s) of certain schemes to disclose to the trustees or managers:
 - a. on request, information reasonably required by the trustees or managers or the professional adviser(s)⁹ to perform their duties (the duty to disclose also extends to those who act as auditor(s) and actuary(s) to such sponsoring employer(s)).
 - b. Within one month, any event relating to the employer(s) that could be reasonably be considered to be of material significance in the exercise of any of the functions of the trustees, or managers, or their professional advisers.

8 Regulation 6 of the Occupational Pension Scheme (Scheme Administration) Regulations 1996 [Regulation 6 of the Occupational Pension Scheme (Scheme Administration) Regulations (Northern Ireland) 1997]

9 As defined in Section 47(4) of the Pensions Act 1995 [Article 47(4) of The Pensions (Northern Ireland) Order 1995]

Application to the courts

21. If one or more members of the governing body of a trust scheme have serious conflicts, which cannot be satisfactorily managed or avoided (or if there is no agreement on how to manage or avoid the conflict), the governing body can apply to the courts for approval of a decision, or to surrender their discretion to the courts.

Public service pension schemes – pension boards

22. Under section 5 of the Public Service Pensions Act 2013, scheme managers of public service pension schemes¹⁰ have to meet certain requirements relating to conflicts of interest regarding the pension board. In this situation, a conflict of interest is a financial or other interest, which is likely to prejudice the way in which someone carries out their role as a member of the pension board. It does not include a financial or other interest arising merely from them being a member of the scheme or any connected scheme.
23. The scheme manager must:
 - a. be satisfied that a prospective member of the pension board does not have a conflict of interest
 - b. remain satisfied that none of the members of the pension board has a conflict of interest
24. The scheme manager should:
 - a. circulate the register of interests and the other relevant documents to the pension board for ongoing review
 - b. publish these documents (for example, on a scheme's website)

10 As defined in section 1 of the Public Service Pensions Act 2013

Glossary

Internal controls

- Arrangements and procedures to be followed in the administration and management of the scheme,
- Systems and arrangements for monitoring that administration and management, and
- Arrangements and procedures to be followed for the safe custody and security of the assets of the scheme.

Pensions board

Board set up as required by section 5 of the Public Service Pensions Act 2013 to assist the scheme manager with the matters set out in that section.

Scheme manager

The person responsible for managing or administering:

- the scheme, and
- any statutory pension scheme that is connected with it (See section 4 of the Public Service Pensions Act 2013).

Sponsoring employer

The employer, or employers, responsible for making payments to a pension scheme (see our [Statement on identifying your statutory employer](#)).

Governance Compliance Statement 2022-23

Non-compliant areas: Action plan

Last updated: 22 February 2024

Three key areas of non-compliance:

- 1) Knowledge and understanding:
 - a) Pension board to have its own policy on knowledge and understanding requirements.
 - b) All pension board members to have a personalised training plan in place that is regularly monitored and updated.
 - c) The administering authority should establish and maintain policies and arrangements for acquiring and retaining knowledge and understanding.
 - d) Administering authorities should offer pre-appointment training or mentoring if appropriate.
 - e) The members of the pension board should be familiar with the Additional Voluntary Contribution (AVC) options offered by the Fund, including the choice of investments offered to members and the relative performance of those investment options.
- 2) Conflicts of interest:
 - a) The administering authority should have in place an appropriate conflicts of interest policy, clearly identifying to whom any potential conflict should be reported.
 - b) The conflicts of interest policy should have a regular review date incorporated in to it.
 - c) The administering authority should maintain a register of all conflicts (and potential conflicts) that are raised, reviewing them appropriately.
- 3) Disputes and resolution:
 - a) The administering authority should regularly review its dispute process to ensure its effectiveness and that the necessary timescales are being met (inc. the employer processes at stage 1).
 - b) The administering authority has ensured all scheme employers have appropriate arrangements in place for dealing with stage 1 disputes.

Item 1a) concerning the board specific policy on knowledge and understanding requirements is an overarching theme in the compliance statement which does not have a specific reference in the published document. Following the government's published response to the Next steps for investments in the LGPS consultation, this requirement is likely to be expanded to cover the pension committee as well. No specific action plan is provided below to cover this.

1) Knowledge and understanding

Item 1a) concerning the board specific policy on knowledge and understanding requirements is an overarching theme in the compliance statement which does not have a specific reference in the published document. Following the government's published response to the *Next steps for investments in the LGPS* consultation, this requirement is likely to be expanded to cover the pension committee as well. No specific action plan is provided below to cover this specific non-compliant area, although the plans proposed for the remaining 4 items under this heading will contribute to its achievement. In each item, requirements are deemed to apply to both committee and board members.

Ref	Principle	Detail of best practice principle	Statement of Compliance
P1.3	The administering authority should establish and maintain policies and arrangements for acquiring and retaining knowledge and understanding	A training strategy has been adopted and a training plan drafted to establish the arrangements for local pension board members to acquire and retain knowledge and understanding.	<i>Enter here whether a training strategy and plan have been adopted, where it can be found and the review process.</i> The fund participated in the Hymans Robertson National Knowledge Assessment 2022, with the results considered at the January 2023 board meeting and the February 2023 committee meeting; identifying areas for improvement of knowledge and understanding for both committee and board members. To date no progress has been made in developing a fund-specific knowledge and understanding policy or individual learning plans for both pension fund committee and pension board members.
E2	All pension board members to have a personalised training plan in place that is regularly monitored and updated	The administering authority should have a person designated to take responsibility for ensuring training plans are followed and regularly review the members training requirements and keep appropriate records of	<i>Enter here whether individual training plans have been completed and where it can be found</i> The fund participated in the Hymans Robertson National Knowledge Assessment 2022, with the results considered at the January 2023 board meeting and the February 2023 committee meeting; identifying areas for improvement of knowledge and understanding for both committee and board members. To date no progress has been made in developing a fund-specific knowledge and understanding policy or individual learning plans for both pension fund committee and pension board members. In addition, there

		their learning activities and the board as a whole	remains a need to develop and implement a comprehensive induction programme for both board and committee members. The role profile for pension board members includes a requirement that all modules of the Pension Regulator's online toolkit be completed within six-months of joining the board. This has not been achieved by all board members.
	Administering authorities should offer pre-appointment training or mentoring if appropriate		New Board and Committee members are offered 121 meetings with Pension Fund Manager on appointment, and an introductory briefing is provided at the first board meeting of each municipal cycle. To date no progress has been made in developing an induction training plan.
Rectification action:		Responsibility:	Deadline:
a) Link to TPR public service pension online toolkit circulated to all committee and board members for completion by 31 March 2024. http://www.thepensionsregulator.gov.uk/public-service-schemes.aspx		Pension Fund Manager Pension Fund Committee members Local Pension Board members	IN PROGRESS Sent 23 November 2023 Responses by 31 March 2024 Report to be presented to each Board and Committee meeting
b) All board members to complete Hymans' LOLA toolkit by 31 March 2024 (or 6 months after their appointment) https://aspire.hymanslearning.co.uk/		Local Pension Board members	IN PROGRESS by 31 March 2024 Report to be presented to each Board and Committee meeting
c) Sign up to Hymans' Knowledge Progress Assessment		Pension Fund Manager	COMPLETE survey issued 5 December 2023
d) All board and committee members to complete KPA questionnaire by due date.		Pension Fund Committee members Local Pension Board members	COMPLETE only 3 (of 8) PFC and 4 (of 6) LPB completed. Results presented to PFC 14 Feb 24 and LPB 6 Mar 24

e) Development of pension fund knowledge and understanding policy.	Pension Fund Manager Hymans Robertson Learning and Development	Tbc (following NKA output)
f) Development of board and committee members induction programme and information pack.	Pension Fund Manager Hymans Robertson	Tbc (following NKA output)

Ref	Principle	Detail of best practice principle	Statement of Compliance
P1.5	The members of the pension board should be familiar with the AVC options offered by the Fund, including the choice of investments offered to members and the relative performance of those.	Information of the AVC options is provided to the local pension board members	<i>Enter here how information of the AVC options are provided to the local pension board members (e.g. induction training, contained in the training plan, provided with an information pack)</i> No information has been provided to board members on this matter.
Rectification action:		Responsibility:	Deadline:
a) Confirm contract with Prudential as AVC provider.			
b) Obtain information about options available to members.			

c) Request Prudential to provide development session for board and committee members.		
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2) Conflicts of interest

Ref	Principle	Detail of best practice principle	Statement of Compliance
P2.1	The administering authority should have in place an appropriate conflicts of interest policy, clearly identifying individual roles in identifying and reporting potential conflicts of interest and to whom any potential conflict should be reported	Administering authorities should ensure that there is an agreed and documented conflicts policy & procedure, which includes identifying, monitoring & managing potential conflicts of interest.	<p><i>Enter here whether a conflicts policy is in existence, where it is available and the post title(s) of the person(s) responsible for maintaining it.</i></p> <p>Pension Board members are subject to a conflict of interest policy based on upon the Council's Code of Conduct contained within the constitution, as are all committee members.</p> <p>It has been identified that there needs to be a new conflicts of interest policy specific to the pension board, with a register of interest form relevant to board members. To date no progress has been made on the development of this policy.</p> <p>The creation of a fund-specific conflicts of interest policy is included on the fund's workplan for 2023-24.</p>
P2.2	The conflicts of interest policy has a regular review date incorporated in to it	Regular review date specified within the policy.	<p><i>Enter here if a regular review date has been implemented</i></p> <p>The council's constitution is subject to regular review.</p> <p>The new board-specific policy will contain a review date, but as yet no policy has been created.</p>

P2.3	The administering authority to maintain a register of all conflicts (and potential conflicts) that are raised, reviewing them appropriately	The administering authority should retain and regular review a register of all conflicts (and potential conflicts) that have been raised. Conflicts should be reviewed, and any action taken forward.	<p><i>Enter here whether a register of conflicts exists, where it can be found and the post title(s) of the person(s) responsible for maintaining it. Details of the review process and action taken should be clearly documented</i></p> <p>The current declaration form is the same as that required for all elected members, much of which is irrelevant for the pension board member role.</p> <p>Current board members (other than those who are elected members of the council or are employed by the council) have not yet been asked to complete a declaration of interest on appointment.</p> <p>As part of development of new conflicts of interest policy, a new declaration form to be developed and completed.</p>
Rectification action:		Responsibility:	Deadline/Status:
a) Hymans Robertson provide draft strategy with appropriate headings, example wording and explanations, based on the recommendations of the SAB's Good Governance Review.	Pension Fund Manager (to commission) Hymans Robertson to review	COMPLETE draft document provided 17 November 2023	
b) Draft strategy to be reviewed and updated for fund specific details	Pension Fund Manager	COMPLETE	
c) Internal review: IWC officers to confirm policy and process.	Director of Finance Assistant Director of Finance Monitoring Officer Strategic Manager Legal Services	COMPLETE only response from IWC Strategic Manager Legal Services	
d) Final draft policy reviewed and presented to Local Pension Board for recommendation to committee	Pension Fund Manager Local Pension Board	IN PROGRESS Meeting on 6 March 2024	
e) Policy adopted by Pension Fund Committee	Pension Fund Manager Pension Fund Committee	Meeting in May 2024	

3) Disputes and resolution

Ref	Principle	Detail of best practice principle	Statement of Compliance
P8.2	The administering authority has ensured all scheme employers have appropriate arrangements in place for dealing with stage 1 disputes	A 'specified person' has been nominated by the scheme employer. The appropriate timescales known by the scheme employer for their reply.	<i>Enter here if a list of the 'specified person' for each employer is in existence, where it is held and who maintains it.</i> Unknown: as part of the approval process for the updated Internal Dispute Resolution Procedure, contact will be made with all scheme employers to determine and record their internal processes. No progress has been made on this issue since the last reporting period.
P8.3	The administering authority should regularly review its dispute process to ensure its effectiveness and that the necessary timescales are being met (inc. the employer processes at stage 1)	The administering authority to complete an annual review of its dispute process. Ongoing and completed disputes to be logged appropriately. Timescales for completion of dispute cases reviewed.	<i>Enter here the details of the annual review, where it is held and the post title(s) of the person(s) responsible for maintaining it.</i> <i>Is this accessible on the Fund's website?</i> The published Complaints and Internal Disputes Resolution Procedure is overdue for review. This review is included in the current governance improvement plan and will be completed during 2024-25.
Rectification action:		Responsibility:	Deadline / Status:
a) Hymans Robertson to review the fund's current (2017) IDRP guide for areas requiring update.		Pension Fund Manager (to commission) Hymans Robertson to review	COMPLETE comments received on 9 November 2023

b) Comments on current guide to be reviewed and updated for current named officers.	Pension Fund Manager	COMPLETE 17 November 2023
c) Internal review: IWC named officers to confirm policy and process.	Pension Administration Manager Strategic Manager Business Centre Call Centre Manager Director of Finance Assistant Director of Finance Monitoring Officer Strategic Manager Legal Services Strategic Manager Human Resources	COMPLETE by 22 December, no response received from DoF, ADoF or SMHR, but proceed to next step anyway.
d) Updated policy and process sent to external employers for review and confirmation of contacts for stage 1.	Pension Fund Manager External employers	COMPLETE by deadline only 13 (out of 32 employers circulated) had responded, 10 of whom returned information about their internal complaints procedures.
e) Final draft policy reviewed and presented to Local Pension Board for recommendation to committee	Pension Fund Manager Local Pension Board	IN PROGRESS Meeting on 6 March 2024
f) Policy adopted by Pension Fund Committee	Pension Fund Manager Pension Fund Committee	Meeting in May 2024



Purpose: For information

Committee Report

Committee **ISLE OF WIGHT LOCAL PENSIONS BOARD**
 Date **6 MARCH 2024**
 Title **ADMINISTRATION SERVICE UPDATE**
 Report of **PENSIONS MANAGER**

Executive Summary

1. This report presents an update of activity, performance against service stands and information of complaints and breaches of the law, since the last pension board meeting on 13 December 2023.

Recommendation

2. That the content of this report be noted by the Pension Board.

Membership

3. Changes in membership by status from 1 December 2023 to 31 January 2024 as follows:

Status	Nov-23	Jan-24	Change	% change
Active	4,384	4,433	49	1.1%
Deferred	6,462	6,483	21	0.3%
Pensioner	6,344	6,374	30	0.5%
Frozen & Undecided	900	981	81	9.0%
TOTAL	18,090	18,271	181	1.0%

Please refer to the following Appendices for breakdown and analysis of membership as at 31 January 2023:

- 1.3.1 Appendix 1: by employer and status
- 1.3.2 Appendix 2: analysis of status and member age
- 1.3.3 Appendix 3: date range status comparison and summary of movements

Project Updates

4. No changes have occurred since the last meeting update.

Key Performance Indicators

5. To note administration statistics for the December 2023 – January 2024 reporting period. See Appendix 4 for full breakdown.
6. To note Member Self Service statistics for the same reporting period. See Appendix 5 for full breakdown showing interaction by status and age, authorisation status and days since last logged.

Employer Compliance with Administration Strategy

7. This report includes details of payment and data submission compliance for January 2024. See Appendix 6 for full breakdown.
8. Having review that relevant payment and submission dates for the year to date, a number of errors have been identified. These have been corrected and the updated analysis and totals are shown in Appendix 6.
9. All payments and data submissions since August 2023 have been received within deadline.

Communications

10. No specific communications have been published during the reporting period.

Complaints

11. No complaints have been received since the last meeting.

Breaches of the Law

12. No breaches have been identified since the last meeting.

Other Matters

13. Pensions Administration Team staffing
 - 13.1 A verbal update will be provided at the Local Pension Board meeting.
14. Heywood's Performance Issues
 - 14.1 Cloud Hosting platform was inaccessible for some users. See Appendix 7 for full details.

Appendices Attached

15. Appendix 1_Membership_FRS17
16. Appendix 2_Membership_Basic Details
17. Appendix 3_Membership_Retrospective Scheme Membership
18. Appendix 4_Key Performance Indicators
19. Appendix 5_MSS_Member Summary
20. Appendix 6_Employer Compliance 31 January 2024
21. Appendix 7_HPS Incident PRB008290_Cloud Hosting platform inaccessible

22. Contact Point: Matthew Collier, Pensions Manager, ☎ 01983 821000
e-mail *matthew.collier@iow.gov.uk*

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IOW COUNCIL LOCAL GOVERNMENT PENSION SCHEME

Membership statistics @ 31/01/2024 23:30:56

Appendix 1

EMPLOYER/PAYROLL PROVIDER	Status Decode				
	ACTIVES	UNDECIDEDS	DEFERREDS	FROZENS	PENSIONERS
00001: ISLE OF WIGHT C.C			39	34	567
00002: MEDINA B.C			9	7	161
00003: SOUTH WIGHT B.C			12	1	133
00004: IOW JT.CREMATORIUM COMMITTEE					9
00005: YARMOUTH HARBOUR COMMISSIONERS			3	2	18
00006: COWES HARBOUR COMMISSIONERS	1		8		10
00007: ST CATHERINE'S SCHOOL	5		2	1	11
00008: CARISBROOKE CASTLE MUS.TRUST					3
00009: IOW SOCIETY FOR THE BLIND			2		12
00011: IOW MAGISTRATES COURT			2	1	16
00012: IOW JOINT PLANNING & TECH.UNIT					11
00013: IOW RURAL COMMUNITY COUNCIL			5		19
00014: SOUTH WIGHT HOUSING ASSOC			3		30
00015: MEDINA HOUSING ASSN			29		56
00016: ISLECARE			14		50
00017: ISLAND GROUP 90 LTD			9		119
00018: ISLE OF WIGHT COLLEGE	244		356	31	282
00021: RIVERSIDE CENTRE LTD			2		8
00022: OSEL ENTERPRISES LTD					3
00023: PLANET ICE (IOW) LTD			3		
00024: ISLAND 2000 TRUST LTD			13	1	3
00026: BEMBRIDGE PARISH COUNCIL	2				
00027: FIRST WESSEX HOUSING GROUP					1
00028: WOOTTON PARISH COUNCIL	2				2
00029: YARMOUTH TOWN COUNCIL					1
00030: NORTHWOOD PARISH COUNCIL	1				1
00031: NEWPORT & CARISBROOKE COMMUNITY COUNCIL	7		2	1	4
00032: CHALE PARISH COUNCIL					1
00033: RYDE TOWN COUNCIL	16		11	2	
00034: SPURGEONS			5		
00035: CHILDRENS SOCIETY			4		4
00036: COWES TOWN COUNCIL	1	1	1		
00037: RYDE ACADEMY	82	13	57	16	30
00038: AET - SANDOWN BAY			66	5	43
00039: SOUTHERN VECTIS	4		2		17
00040: TEACHERS PRC					107
00041: TEACHERS EMPLOYER'S SHARE					170
00042: WESTON ACADEMY			16		
00043: VENTNOR BOTANIC GARDENS CIC	1		4		1
00045: ISLAND YOUTH WATER ACT CENTRE			1		1
00046: VISIT ISLE OF WIGHT LTD			2		
00047: ISLAND ROADS	16		10		24
00048: NORTHWOOD ACADEMY	34	6	21	3	15
00049: ST BLASIIUS SHANKLIN CE ACADEMY	20	6	23	3	6
00050: I.O.W. COUNCILLOR			7		17
00051: SOUTHERN HOUSING	3				3
00052: SOVEREIGN HOUSING ASSOCIATION	21		13		17
00053: LANESEND PRIMARY SCHOOL	59	3	47	17	6
00054: ISLAND FREE SCHOOL	37	3	18	6	1
00055: COWES ENTERPRISE COLLEGE	57	6	38	10	14
00056: ISLAND STUDIO SCHOOL			3	1	2
00057: GURNARD PARISH COUNCIL	1		1		1
00058: BARNARDOS 2015			9		
00059: RYDE ARENA TRUST			3		
00060: TOP MOPS LIMITED	1		1		3
00061: CATERLINK LIMITED			1		2
00062: SHANKLIN TOWN COUNCIL	3				
00063: ST FRANCIS CATH CE PRIM ACAD	38	2	22	5	14
00064: NVIRO LTD			2		
00065: RM EDUCATION			1		
00066: SANDOWN TOWN COUNCIL	3				
00067: KEYS GROUP	9		6		1
00069: BARNARDOS 2021	4		5		1
00070: CLEANTEC SERVICES	5		1		1
00071: FISHBOURNE PARISH COUNCIL	1				
00100: ISLE OF WIGHT COUNCIL	2,970	91	5,256	606	4,250
00200: IOW (CAPITA)	23	2	7	1	2
00210: IOW (STRICTLY EDUCATION)	762	39	306	55	90
Grand Total	4,433	172	6,483	809	6,374

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Membership Analysis | Basic Details

Member Employment Records
or Unique Members
Unique Members

Member Employment Records
18,249

Unique Members
13,801

Average Employments
1.32

Average Member Age
55.6

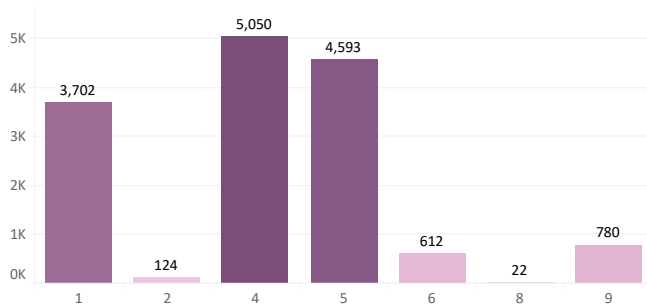
Unique Members by Status

Scheme
Multiple values

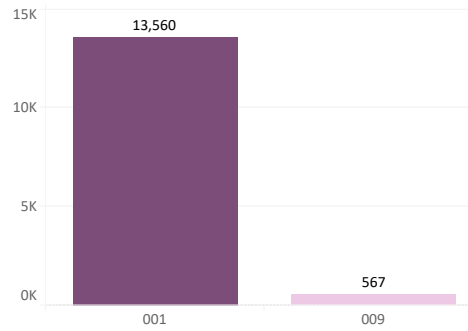
Status
Multiple values

Members Employment Type
All

Location/Employer
All



Unique Members by Scheme



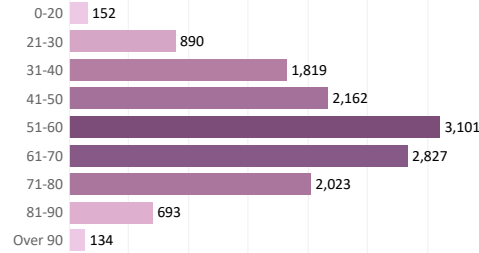
Unique Members by Part Time Indicator & Status

Status	C	F-T	N	V	Y
1	574	1,169	2		2,204
2	34	15			78
4	564	1,494	4	1	3,336
5	164	2,475	2		2,291
6		612			
8	5	3			14
9	126	139	1		521

Unique Members by Employment Type

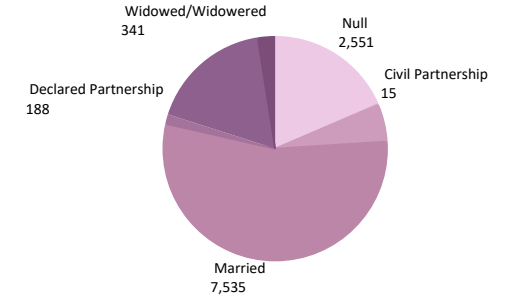
Members Employment Type	Count
01: Officer	12,417
02: Manual Worker	1,401
07: Female Granted Post 72 Service	306
PC: Pension Credit	20
03: Former Reg 21 (elig ret 60/5)	5
05: Coroner	3
04: Former Reg 23 (elig ret 55/25)	1
08: Female Officer (E12 applies)	1

Unique Members by Current Age



Note: By default this visualisation includes all statuses including deceased members. The age dis..

Unique Members by Partnership Status



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Note that this dashboard purely relies on the Status History / Location History currently on members' records within Altair to show previous statuses and location/employers.

The Status/Location Histories on a member's record may show a member was a different status at a historic date, than their true current status was on that date. This is due to the ability to retrospectively update Status/Location histories. Therefore, this retrospective report for a historic date may not exactly match a current status report run on that date in the past.

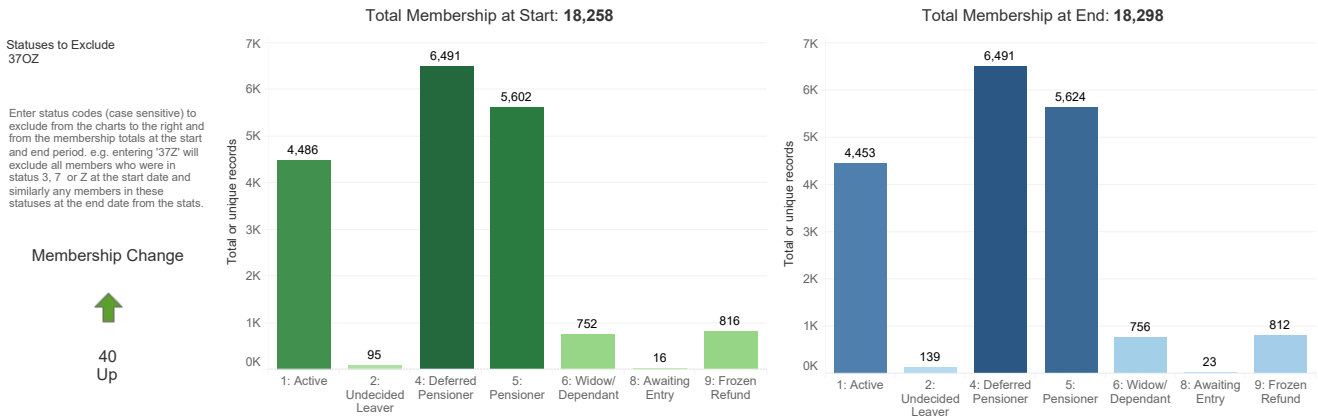
Scheme
All

Total or unique members
Member Employment Records

Start Date
01/12/2023

End Date
31/01/2024

Status Breakdown Comparison



Status Movement Table

Note a '0': N/A' status at the start date represents a member that did not have a status on their status history on or prior to the start date (i.e. potentially were not a member of the scheme at this date)

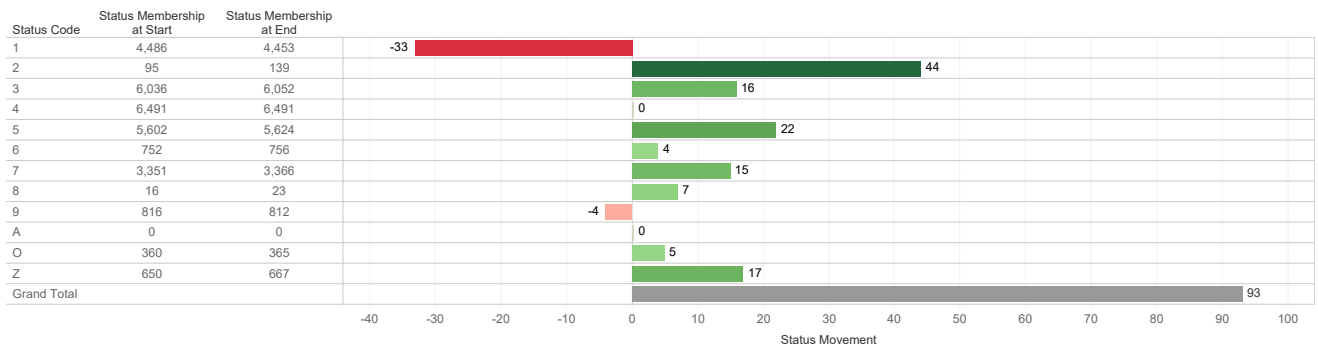
Status at End Date	Status at Start Date											Grand Total						
	0: N/A	1	2	3	4	5	6	7	8	9	O		Z					
1		80																4,453
2		3	41															139
3				6,036									16					6,052
4					6,466													6,491
5						25												5,624
6			6															756
7																		3,366
8																		23
9																		812
O																		365
Z																		667
Grand Total	93	4,486	95	6,036	6,491	5,602	752	3,351	16	816	360	650						28,748

Differences Reports

Differences Dimension
 Status
 Location/Employer

Note: the Location/Employer Difference visualisation will exclude any members from the membership that were in an excluded status at the start or end respectively, i.e. a negative difference will be shown if more members in a particular location died than joined during the period (if status 7 is on the excluded statuses list).
 Please refer to the 'Statuses to Exclude' parameter in the Status Breakdown Comparison section above.
 This parameter is not used for the Status Difference visualisation to show the growth / shrinkage of all statuses

A Location/Employer with 0 included members at both the start and end point are excluded from the list.



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IOW COUNCIL LOCAL GOVERNMENT PENSION SCHEME Appendix 4

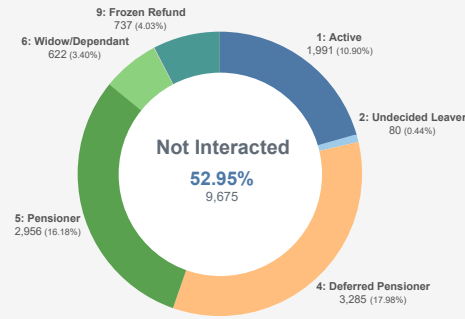
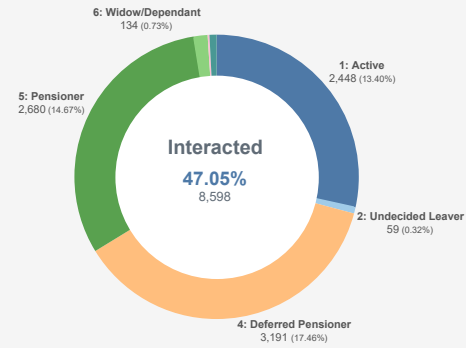
Key Performance Indicators (KPI)

Summary of categories for period 1 December 2023 - 31 January 2024

KPI Category	Complete at End of Period	# Completed Within KPI Target	% Complete Within KPI Target
Aggregation - Initial Aggregation Letter	32	21	65.6%
Aggregation - Processing from election or auto after 12 months	19	10	52.6%
Deaths – initial letter acknowledging death of member	26	23	88.5%
Deaths – letter notifying amount of dependants pension	34	30	88.2%
Divorce quote – letter detailing cash equivalent value and other benefits	6	6	100.0%
Emails - acknowledgment to email	240	240	100.0%
Employer Quote - letter notifying cost and benefit estimate	8	8	100.0%
Joiners – notification of date of enrolment/checking starters	199	194	97.5%
Member Quote - letter notifying estimate of benefits	4	4	100.0%
Payroll Input - to complete input	84	80	95.2%
Payroll Input checking - checking input	86	86	100.0%
Phone - calling member back/CRM	126	126	100.0%
Post - renaming and assigning follow on task	104	104	100.0%
Refund - Officer Check	27	27	100.0%
Refund - Process Refund Quote	29	29	100.0%
Refund – Process and pay a refund	19	19	100.0%
Retirement - RETOP - ill health, Redundancy, Flexible	2	1	50.0%
Retirement - Variation to pension	1	1	100.0%
Retirements – process and pay pension benefits on time	43	32	74.4%
Retirements – RETOP Normal/Early	63	56	88.9%
Transfer In - Membership Request - Quote	0	0	
Transfer in - processing transfer in altair - ACTUAL	4	2	50.0%
Transfer out - ACTUAL	1	1	100.0%
Transfer out - QUOTE	4	3	75.0%
Transfers in - requesting payment - ACTUAL	1	1	100.0%
Transfers in – letter detailing transfer quote	1	0	0.0%
Grand Total	1163	1104	94.9%

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Membership by Interaction With MSS & Member Status



Membership by MSS Authorisation Status & Member Status

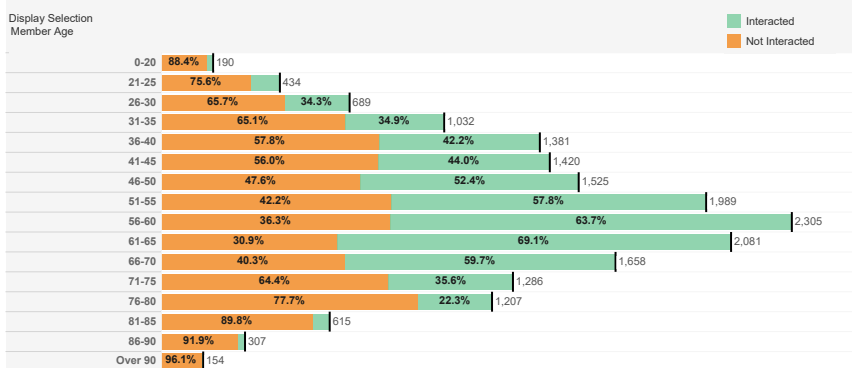
Member Status	Interacted							Not Interacted		Grand Total
	Account Activated by Email	Disabled	Password & Security Q Reset Issued	Password Reset Issued	Registered	Security Q Reset Issued	Not Registered			
1: Active	148	47	3	36	2,206	8	1,991	8	4,439	
2: Undecided Leaver	3	1			54	1	80		139	
4: Deferred Pensioner	357	57	1	51	2,710	6	3,285	6	6,476	
5: Pensioner	172	78	1	71	2,356	2	2,956	2	5,636	
6: Widow/Dependant	8	6		5	115		622		756	
Awaiting Entry	4				14		4		22	
9: Frozen Refund	11	2			55		737		805	
Grand Total	703	191	5	163	7,519	17	9,675		18,273	

Not Interacted/Registered Member Breakdown

Scheme Description	Location/Em.	Status Description	Count	Percentage
001: Isle of Wight Council	00001: ISLE OF WIGHT C.C	4: Deferred Pensioner	25	0.3%
		5: Pensioner	262	2.7%
		6: Widow/Dependant	104	1.1%
		9: Frozen Refund	34	0.4%
		9: Frozen Refund	34	0.4%
00002: MEDINA B.C		4: Deferred Pensioner	3	0.0%
		5: Pensioner	75	0.8%
		6: Widow/Dependant	35	0.4%
		9: Frozen Refund	7	0.1%
00003: SOUTH WIGHT B.C		4: Deferred Pensioner	9	0.1%
		5: Pensioner	58	0.6%
		6: Widow/Dependant	30	0.3%
		9: Frozen Refund	1	0.0%
00004: IOW J T. CREMATO RIUM CO.		5: Pensioner	1	0.0%
		6: Widow/Dependant	2	0.0%
00005: YARMOUTH		5: Pensioner	5	0.1%
		6: Widow/Dependant	5	0.1%

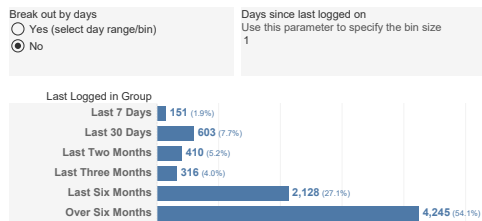
Membership by Interaction With MSS & Member Age

Chart is sorted by age profile
Y axis can be changed using drop down



Membership by Days Since Last Logged on to MSS

If you like to break down the Days since last logged on into smaller group then please select "Yes" on the Break out by Days Parameter and specify the bin size.



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IOW COUNCIL LOCAL GOVERNMENT PENSION SCHEME

Employer compliance with Pensions Admin Strategy

Statistics for January 2024 submissions as @ 22 February 2024

Appendix 6

Select Month to Review

January

Body	Scheme	Type	Establishment
Barnardos 2021	LG	STD	
Bembridge Parish Council	LG	STD	
Cowes Enterprise College	LG	STD	Caterlink
Cowes Enterprise College	LG	STD	Dataplan
Cowes Harbour Commissioners	LG	STD	
Cowes Town Council	LG	STD	
Fishbourne Parish Council	LG	STD	
Gurnard Parish Council	LG	STD	CAIW
IOW Schools	LG	STD	Capita
IOW Schools	LG	STD	Strictly Education
Island Free School	LG	STD	Strictly Education
Island Roads	LG	STD	Eurovia
Isle of Wight College	LG	STD	
Isle of Wight Council	LG	STD	
Keys Group	LG	STD	
Lanesend Primary	LG	STD	Strictly Education
Newport & Carisbrooke Community	LG	STD	CAIW
Northwood Parish Council	LG	STD	CAIW
Northwood Primary	LG	STD	Strictly Education
Ryde Academy	LG	STD	CleanTEC
Ryde Academy	LG	STD	MHR
Ryde Town Council	LG	STD	CAIW
Sandown Town Council	LG	STD	CAIW
Shanklin Town Council	LG	STD	
Southern Housing Group	LG	STD	
Southern Vectis	LG	STD	Go North East
Sovereign Housing Group	LG	STD	
St Blasius Primary	LG	STD	Strictly Education
St Catherines Schools	LG	STD	
St Francis Primary	LG	STD	Strictly Education
Top Mops	LG	STD	
Ventnor Botanic Garden	LG	STD	
Wootton Bridge Parish Council	LG	STD	

January 2024		TOTALS (Year to Date 2023/2024)	
Payment Late	Return Late	Payment Late	Return Late
N	N	0	0
N	N	0	0
n/a	n/a	0	0
N	N	0	0
N	N	0	0
N	N	0	0
N	N	0	0
N	N	0	0
N	N	0	0
N	N	0	0
N	N	0	0
N	N	0	0
N	N	0	0
N	N	0	0
N	N	0	0
N	N	0	0
N	N	0	0
N	N	0	0
N	N	0	0
N	N	2	1
N	N	0	0
N	N	0	0
N	N	0	0
N	N	0	1
N	N	0	0
N	N	0	0
N	N	0	0
N	N	0	0
N	N	0	0
N	N	0	1
N	N	1	0
N	N	0	0
N	N	3	0
N	N	0	0
N	N	0	1
		6	4

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Incident Report

Incident Reference	PRB008290
Date Of Incident	27/09/2023
Time Incident First Reported	07:28
Description of Incident	The Cloud Hosting platform was inaccessible for some users.
Actions Taken to Resolve Incident	<p>Some Internet Service Providers (ISPs) lost the route to Heywood's Cloud Hosting public IP range so were unable to pass network traffic into the Cloud hosting platform. As not all ISPs were affected the problem only occurred for some users.</p> <p>The public IP range is owned by Heywood and is used for connectivity to all of our Cloud services, including Test, Production and Disaster Recovery environments. As a result, for users affected by this issue all services hosted by Heywood were inaccessible and there was no failover option available.</p> <p>We worked with our Service Provider to procure an alternative IP range and began the process of migrating services for affected customers through the new IP range. Alongside this temporary workaround we continued working with our Service Provider on the primary routing issue and were able to advertise the original public IP range through an alternative method during the afternoon. This took some time to propagate, and the routes began to re-establish across ISPs during the evening. Connectivity was re-established for all affected users by approximately 20:30.</p>
Time of Resolution	Approx 20:30



Incident Reference	PRB008290
Actions required to mitigate against a recurrence	<p>We have configured our new IP range to replicate the configuration of the original IP range, so that we could failover to this new range in the event of recurrence. The failover would currently require manual DNS changes, and so we are working to implement a more seamless transition between IP ranges. If this new solution requires customers to make corresponding changes, then those will be co-ordinated with you in such a way as to avoid impacting ongoing services.</p>





Purpose: For Decision

Committee Report

ISLE OF WIGHT COUNCIL

Meeting	ISLE OF WIGHT LOCAL PENSION BOARD
Date	6 MARCH 2024
Title	PENSION FUND RISK REGISTER UPDATE
Report of	PENSION FUND MANAGER

Executive Summary

1. This report provides the pension board with the updated pension fund risk register following a detailed review of all risks. It provides the board the opportunity to review the current position with regard to the pension fund's risks.
2. Following the board's review, the amended risk register will be presented to the pension fund committee for adoption.

Recommendation

3. That the updated risk register is agreed. In particular:
 - (i) The increase in score of five risks.
 - (ii) The unchanged score of 23 risks.
 - (iii) The resulting six red risks.
 - (iv) The inclusion of a future trend statement for each risk.
4. That the revised risk register is recommended to the pension fund committee for adoption at its meeting in May 2024.

Background




5. The full risk register has been reviewed since it was last presented to the Local Pension Board in December 2023, with mitigations and risks reviewed in the light of the current issues facing the fund.
6. There are no new or closed risks proposed since December 2023.
7. A new analysis has been added to this report, highlighting the future potential direction of travel in for each of the risks. This is particularly relevant for those risks where the risk score has not yet changed, but where current concerns suggest that an increase may be likely should further action not be taken.

8. The current summary risk register, showing the changes to risk scores since the last report to the board is presented at Appendix 1 to this report.

Table 1: risk register summary

	March 2024	December 2023
Red risks: VERY HIGH	2	2
Red risks: High	4	2
Amber risks: Medium	10	9
Green risks: Low	12	15
	<u>28</u>	<u>28</u>

Table 2: risk trending summary






	March 2024
Increasing 	15
Stable 	11
Decreasing 	2
	<u>28</u>

9. The full risk register containing all open risks and the related mitigating actions is presented at Appendix 2 to this report.

Increased risk scores

10. Following the most recent review, the following risks have been assessed as requiring an increased risk score.

Table 3: increased risk scores

Risk	Current Score	Previous Score	Future trend
Governance arrangements (G1)	12 HIGH	9 Medium	
Internal controls failure (G6)	12 HIGH	6 Low	
Communications (A1)	11 Medium	8 Medium	
Data quality (A2)	8 Medium	5 Low	
Employer engagement (NEW 5)	8 Medium	5 Low	

11. As reported at Pension Fund Committee on 14 February 2024, the score for the governance arrangements risk has been increased, to reflect the ongoing issues with officer capacity within administration and governance, and the appointment of a councillor employer representative to the pension board. The likelihood of the failure to have appropriate governance arrangements has been increased from unlikely to likely, resulting in a proposed increase in the risk score from 9 Medium to 12 High.

12. The likelihood of internal controls failure, namely inadequate controls over payment requests and/or management override of controls, has been increased from remote to likely, again reflecting the reduction in staff in the administration team restricting the ability for full segregation of processing and checking, and the resignation of the Pension Fund Manager and the resulting loss of knowledge and experience. This has resulted in a proposed increase in risk score from 6 Low to 12 High.
13. For similar reasons both the risks around Communication (meeting statutory deadlines for annual benefits, pension savings statement, maintaining the fund's website, etc) and Employer engagement (proactive communications with employers about key issues, policy changes, exit planning, etc) have both increased in likelihood, resulting in proposed increased risks scores – both remaining medium-rated risks.
14. While there is no direct evidence that the fund's data quality standards are falling, the reduced capacity for checking and correcting issues as they arise has resulted in an increase in the likelihood that data quality will reduce. Again, this is now proposed to be a medium rated risk.
15. In several other areas, it has been identified that the likelihood of a failure happening, of the impact of the resulting failure is increasing, but not yet significant enough to warrant a change in the risk score. These risks have been identified as having an increasing future risk trend, which indicated that they should continue to be closely monitored in future to prevent escalation.
16. Board members are asked to confirm the increased risk scores for the five highlighted risks, and to note and agree the future trend indicators for all risks.

Red risks

17. Following the latest review, it is proposed that six risks are classified as the red-rated, the highest risk rating.

Table 3: Red-rated risks

Risk description	Current score	Previous score	Future trend
RESILIENCE (Key person risk (G3))	16 VERY HIGH	16 VERY HIGH	↑
CAPACITY (Sufficient resources (A13))	16 VERY HIGH	16 VERY HIGH	↑
Cyber security (NEW 2)	13 High	13 High	↔
ESG/RI and climate change (NEW3)	12 High	12 High	↔
Governance arrangements (G1)	12 HIGH	9 Medium	↑
Internal controls failure (G6)	12 HIGH	6 Low	↑

18. The first four of these red rated risks are as presented in previous reports to the pension board. The justification for the increase in scores of the two new red rated risks are set out in paragraphs 11 and 12 above.
19. Board members are asked to the note the above red rated risks.

Corporate Priorities and Strategic Context

20. There is nothing contained in this report which directly contributes to the priorities contained in the Isle of Wight Council [Corporate Plan 2021 – 2025](#).

Pension Fund Strategic Aims

21. The primary objective of the fund is to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before or after retirement, for their dependents, in accordance with the Local Government Pension Scheme (LGPS) regulations and statutory provisions. The committee aims to operate the fund in such a manner that, in normal market conditions, all accrued benefits are fully covered by the value of the fund's assets and that an appropriate level of contributions is agreed by the employer to meet the cost of future benefits accruing.
22. Effective risk management is an essential part of any governance framework as it identifies risks and the actions required to mitigate their potential impact. For the Fund, those risks will come from a range of sources, including:
23.
 - (a) the funding position.
 - (b) investment pooling and investment performance.
 - (c) scheme administration and membership movements.
 - (d) management and administration costs.
 - (e) General Data Protection Regulation (GDPR) and communications.
 - (f) financial systems
 - (g) Central government legislation and regulation changes
24. The Fund's aim is to embed risk management into its culture, processes and structure to ensure that risk-taking and innovation are balanced in order to maximise opportunities and that the committee, local pension board and senior fund officers understand their respective roles and responsibilities in the identification and management of risks.

Responding to climate change and enhancing the biosphere

25. One of the biggest risks that the pension fund must consider is the impact of its investments on the climate. There are some risks included on the risk register which address this area.

Economic Recovery and Reducing Poverty

26. The pension fund has in excess of 17,000 members, the significant majority of whom live on the Isle of Wight and all of whom are either current or former employees of Island organisations.

27. Ensuring the affordability of the pension scheme for employers and paying benefits to scheme members when they are due, contributes positively to the Island economy.

Financial / Budget Implications

28. Other than the costs incurred in developing the risk management policy and original drafting of the risk register, as reported at the 25 May 2022 committee meeting, and the support provided by Hymans Robertson for governance matters, there are no direct costs incurred with the monitoring and updating of the risk register.
29. Any costs incurred in implementing the actions to mitigate the risks will be recorded against the project to which they relate and will be reported to committee under those items.

Legal Implications

30. Isle of Wight Council is the administering authority for the Isle of Wight Council Pension Fund. An administering authority is defined in the Local Government Pension Scheme Regulations 2013 as “a [local authority] required to maintain a pension fund under the local government pension scheme regulations”.
31. The Pensions Regulator’s Code of Practice 14 Governance and administration of public service pension schemes requires that the council, as administering authority for the Isle of Wight Council Pension Fund, establish and operate internal controls. These must be adequate for the purpose of securing that the scheme is administered and managed in accordance with the scheme rules and in accordance with the requirements of the law.
32. This risk register and associated risk management policy forms a key element of the fund’s compliance with the system of internal controls, ensuring the fund can meet its fiduciary duties.

Equality and Diversity

33. The council as a public body is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations between people who share a protected characteristic and people who do not share it. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
34. There are no implications for any of the protected characteristics arising from items covered in the report.

Risk Management

35. It is the responsibility of Isle of Wight Council, as administering authority for the Isle of Wight Council Pension Fund, to ensure that the fund is properly governed and administered in compliance with relevant regulations and other requirements. The council has delegated this function to the pension fund committee, under section 101 of the Local Government Act 1972.
36. The fund's strategy in dealing with risk management is to:
- (a) identify key risks to the achievement of the fund's aims and objectives.
 - (b) assess the risks for likelihood and impact.
 - (c) identify mitigating controls that can be put in place.
 - (d) allocate responsibility for the mitigating controls.
 - (e) maintain a risk register detailing the risk features in a)-d) above.
 - (f) review and update the risk register on a regular basis.
 - (g) report the outcome of the review to the Pension Fund Committee at each committee meeting.
37. In addition to the Risk Management Policy the Fund has developed its risk register, which sets out the position in relation to each individual risk identified. Adopting the risk register, will ensure continued compliance with the requirements of the Pensions Regulator
38. Further risks are likely to arise from future decisions taken by the Pension Committee, the ACCESS pool or from changes in legislation and regulations. Where such new risks arise, they will be added to the risk register, assessed, and mitigation actions identified.
39. Should the council fail to ensure appropriate systems of internal control the Pensions Regulator has the power to issue an improvement notice under section 13 of the Pensions Act 2004. This would have reputational issues for the council.

Appendices Attached

40. Appendix 1 – Summary risk register at 26 February 2024.
41. Appendix 2 – Detailed risk register at 26 February 2024.
42. Appendix 3 – risk scoring profile.

Background Papers

43. Isle of Wight Council Pension Fund Risk Management Policy
<https://www.isleofwightpensionfund.org/resources/risk-management-policy/>
44. Contact Point: Joanna Thistlewood, Pension Fund Manager, ☎ 821000
e-mail jo.thistlewood@iow.gov.uk

CHRIS WARD
Director of Finance

COUNCILLOR CHRIS JARMAN
*Isle of Wight Pension Fund Committee
Chair*

Risks Under Service Area - Pension Fund

Risk	Assigned To	current Score (26-Feb-24)	Review Date	previous Score (1 Dec 23)	Change	future trend
RESILIENCE (Key person risk (G3))	Pension Fund Manager	16 RED	22/04/2024	16 RED	=	increasing
CAPACITY (Sufficient resources (A13))	Pension Fund Manager	16 RED	28/06/2024	16 RED	=	increasing
Cyber security (NEW 2)	Pension Fund Manager	13 RED	29/03/2024	13 RED	=	stable
ESG/RI and Climate Change (NEW 3)	Pension Fund Manager	12 RED	28/06/2024	12 RED	=	stable
Governance arrangements (G1)	Pension Fund Manager	12 RED	22/04/2024	9 AMBER	^	increasing
Internal controls failure (G6)	Pension Fund Manager	12 RED	29/03/2024	6 GREEN	^	increasing
Communications (A1)	Pension Fund Manager	11 AMBER	28/06/2024	8 AMBER	^	increasing
mismatch between investment and funding strategies (G7)	Pension Fund Manager	9 AMBER	29/03/2024	9 AMBER	=	stable
Pension Fund accounts (G9)	Pension Fund Manager	9 AMBER	31/05/2024	9 AMBER	=	increasing
Investment pooling (I11)	Pension Fund Manager	9 AMBER	29/03/2024	9 AMBER	=	increasing
Changes to legislation (NEW 6)	Pension Fund Manager	9 AMBER	29/03/2024	9 AMBER	=	increasing
Knowledge and understanding (G2)	Pension Fund Manager	8 AMBER	29/03/2024	8 AMBER	=	increasing
Pay and price inflation (F1)	Pension Fund Manager	8 AMBER	29/03/2024	8 AMBER	=	increasing
Longevity (F5)	Pension Fund Manager	8 AMBER	29/03/2024	8 AMBER	=	stable
Data quality (A2)	Pension Manager (Administration)	8 AMBER	29/03/2024	5 GREEN	^	increasing
Employer engagement (NEW 5)	Pension Fund Manager	8 AMBER	28/06/2024	5 GREEN	^	increasing
Professional advice (G5)	Pension Fund Manager	6 GREEN	10/04/2024	6 GREEN	=	stable
disclosure of information legislation (G8)	Pension Fund Manager	5 GREEN	27/09/2024	5 GREEN	=	increasing
Employer fails to pay contributions (A3)	Pension Fund Manager	5 GREEN	29/03/2024	5 GREEN	=	stable
Employer fails to provide data (A8)	Pension Manager (Administration)	5 GREEN	29/03/2024	5 GREEN	=	stable
Assessment of benefit entitlements (A11)	Pension Manager (Administration)	5 GREEN	29/03/2024	5 GREEN	=	increasing
Inappropriate long term investment strategy (I2)	Pension Fund Manager	5 GREEN	31/05/2024	5 GREEN	=	stable
liquidity risk (I8)	Pension Fund Manager	5 GREEN	28/06/2024	5 GREEN	=	stable
Other provider risks (I10)	Pension Fund Manager	5 GREEN	28/06/2024	5 GREEN	=	stable
Investment Markets (NEW 4)	Pension Fund Manager	5 GREEN	28/06/2024	5 GREEN	=	stable
Freedom and Choice (F8)	Pension Manager (Administration)	4 GREEN	29/03/2024	4 GREEN	=	decreasing
Ceasing benefits (A9)	Pension Manager (Administration)	2 GREEN	29/03/2024	2 GREEN	=	increasing
pandemic (all)	Pension Fund Manager	2 GREEN	28/06/2024	2 GREEN	=	decreasing

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IWCRMS - Service Area - Full Risk Register (28 risks)

Technical Finance - Technical Finance (Pension Fund)

Financial Management - Technical Finance (Pension Fund)					
Risk: Governance arrangements (G1) (Id: 194) - Assigned To: Joanna Thistlewood					
Description: Failure to have the appropriate governance arrangements in place (including Pensions Regulator requirements) Consequence: non-compliance with legislation or best practice and the inability to determine policy or make decisions/deliver the service impacting on reputation Review Date: 22/04/2024 Closed Date:			Inherent Rating: 14 - High	Current Rating 12 - High (27/02/2024)	Target Rating: 5 - Low
Mitigations / Actions	% Complete	Due Date	Assigned To	Update	
Pension Fund Committee membership - recruitment of employer representative to vacant position	0	30/09/2024	Joanna Thistlewood	Update 9-May-22: no progress to date. defer until after LPB recruitment resolved and year end reporting complete. Update 19-Aug-22: defer until officer structure review complete. update 28-Apr-23: no progress. update 01-Dec-23: no progress.	
SAB Good governance project - gap analysis commissioned to identify areas for improvement to ensure compliance when legislation/regulations updated.	0	30/09/2024	Joanna Thistlewood	update 22-Mar-22: report has been received, but has not yet been considered. To form part of combined action plan following review of governance compliance statement. Update 31-May-22: to be considered following outcome of structure review. Update 19-Aug-22: defer this until the DLUHC consultation is issued to ensure appropriate response. Update 9-Sep-22: expectation that DLUHC consultation will be issued in September, with a view to new regulations in force by April 2023. update 27-Mar-23: consultation and draft regulations not yet issued. rolling quarterly update required. update 1-Dec-23: consultation and draft regulations not yet issued. processes and policies being reviewed in conjunction with draft to ensure future compliance.	

IWCRMS - Service Area - Full Risk Register (28 risks)

Mitigations / Actions	% Complete	Due Date	Assigned To	Update
TPR General Code laid before parliament 10 Jan 2024, in force 27 Mar 2024. review of relevant sections to be undertaken to ensure full compliance within 12 months.	0	30/09/2024	Joanna Thistlewood	update 1-Dec-23: code has not yet been launched. action deferred until launch, although processes being reviewed to ensure compliance with draft. Update 26-Feb-24: webinars from various advisers attended. Hymans Robertson compliance checker tool has been requested (22/2/24). plan to be created to identify level of compliance and areas for improvement.
New Governance Compliance Officer commenced work on 26 February 2026 - induction plan to be linked with succession planning	0	30/09/2024	Joanna Thistlewood	
Decision matrix has been approved, setting out roles and responsibilities of key parties in making and approving decisions Annual review required.	25	28/06/2024	Joanna Thistlewood	update 23-Mar-23: workplan includes review of this matrix for March 2024 board meeting, but this may be brought forward depending on issuance of government consultation on regulations for Good Governance Project outcomes. update 1-Dec-23: given delays to good governance review, the scheduled review in March 2024 is maintained. Update 26-Feb-4: review of decision matrix to form part of succession planning work.
Policies/Strategies: Update list of required documents, and timetable dates for review within pension fund business plan.	75	22/05/2024	Joanna Thistlewood	Update 9-May-22: no progress on this to date. Update 31-May-22: list of documents to be presented to pension board meeting on 15 June. Proposals for overdue policy reviews to be completed by 31 March 2023. Comms policy at October board meeting (JMT), Breaches (JMT) and Admin strategy (MC) at March meeting. Update 19-Aug-22: on target for October board meeting. Update 28-Nov-22: comms policy reviewed by board 26/10; adopted by committee 23/11; presented for publication on website 28/11. Other policies on schedule for March committee meeting. update 27-Mar-23: review of policies scheduled into work plan for 2023-2025. Breaches policy and Pension Administration Strategy to be considered at April board and May committee meetings. progress reset for 2023-24 actions. update 1-Dec-23: breaches policy, admin strategy and academy funding policy all updated in year. IDRP out for internal consultation. Conflicts policy to be started in December 2023. update 26-Feb-24: IDRP and conflicts policies to be presented to LPB on 6 March, for onward recommendation to PFC on 22 May 24. Future action plan to be linked to TPR General Code compliance checker.

IWCRMS - Service Area - Full Risk Register (28 risks)

Mitigations / Actions	% Complete	Due Date	Assigned To	Update
succession plan required following resignation of Pension Fund Manager, leaving council in April 2024.	0	19/04/2024	Chris Ward	
guidance sought from advisers to support development and implementation of new policies as required	100	29/03/2024	Joanna Thistlewood	update 1-Dec-23: this forms part of the governance support work currently in place with Hymans Robertson. To date breaches policy, academy funding policy, IDRPs and conflicts policy are completed or in progress Update 26-Feb-24: all policies above will be completed and operational by May 2024 at the latest. Further work to be scheduled for 2024-25 as part of succession planning work.
fund officers receive and circulate briefings from advisers, SAB, LGA, CIPFA, TPR etc to keep up to date with latest legislative and regulatory developments. Standing item on each committee and board meeting agenda	100	29/03/2024	Joanna Thistlewood	update 24-Mar-23: all meetings in 2022-23 had this item on the agenda. Update 1-Dec-23: all meetings to date in 2023-24 have had this on the agenda.
Local Pension Board - elected member employer representative. new nomination required following resignation of Cllr Lilley in May 2023.	25	21/03/2024	Joanna Thistlewood	update 1-Dec-23: included on full council agendas for July 2023, September 2023 and November 2023. No appointment made. Emails sent to all members (by democratic services) and political group leaders (democratic services and pension fund manager). email sent to ~Monitoring Officer and Director of Finance 16 November 2023 - no response to date. Email sent to Hymans Robertson for support/guidance 17 November - response anticipated w/c 4 December. update 12-Feb-24: LPB considered at 6 December meeting, breach recorded on log but not reported to TPR, pending appointment at January 2024 full council meeting. However, no appointment made. Report to PFC 14 February to propose recommending change to ToR to full council in March 2024. Breach log updated, not reported to TPR pending PFC decision.

IWCRMS - Service Area - Full Risk Register (28 risks)

Mitigations / Actions	% Complete	Due Date	Assigned To	Update
Governance Compliance Statement - update for current year activity, identify areas for improvement, develop action plan. To be completed for 2021-22 annual report, presentation at May 2022 pension fund committee meeting.	100	27/10/2022	Joanna Thistlewood	update 31-May-22: GCS delayed in line with delay to external audit of pension fund. Anticipate presentation to October pension board meeting for onward recommendation to November committee. update 19-Aug-22: draft GCS with administration team for comment. on target for October board meeting Update 28/11/22: GCS 2021-22 reviewed by board 26/10; adopted by committee 23/11; presented for publication on website 28/11/22
Local Pension Board - external employer representative nominations sought from 30 external employers (not IWC or related schools) - none received by first due date.	100	13/05/2022	Joanna Thistlewood	21 March 2022: one nomination received on 2 February. Information has been with Director of Finance for review since 17 February (chased 28 Feb, 8 March and 21 March). Update 9-May-22: meeting scheduled between director of finance, chair of LPB and candidate on 12 May 2022. Update 16-May-22: meeting held, candidate has accepted position.
Local Pension Board - IWC Employer Representative Nominations sought from CMT to fulfil this role.	100	19/01/2022	Joanna Thistlewood	7 Dec 2021 - nomination received. To be recommended to full council on 19 January 2022 for appointment 21/3/22: appointment confirmed at full council on 19 January. Member has had introduction meeting with technical finance manager. First meeting of newly created board to be held on 6 April.
Local Pension Board - independent chair 4 applications received for one position. Appointment to be confirmed at 19 January 2022 full council meeting.	100	19/01/2022	Joanna Thistlewood	applications have been with Director of Finance and Chair of pension fund committee for review since 15 November 2021. 21/3/22: DoF and Chair of PFC met with shortlisted candidates held on 7 Feb and 16 Feb. Preferred candidate identified and appointed on 2 March. Pension board introductory meeting to be held on 6 April.

IWCRMS - Service Area - Full Risk Register (28 risks)

Mitigations / Actions	% Complete	Due Date	Assigned To	Update
Local Pension Board - scheme member representative (minimum requirement) expressions of interest sought from all active, deferred and pensioner members of the fund for whom email address held on administration system (10,087 emails sent). Appointment to be confirmed at 19 January 2022 full council meeting.	100	19/01/2022	Joanna Thistlewood	5 expressions of interest (two roles) received. With Director of Finance and Chair of pension fund committee for review since 15 November 2021. update 21 March 2022: 19 January full council meeting delegated appointment to Director of Finance. Director of Finance and Chief Executive met with three candidates between 21 February and 6 March - two people appointed, both have accepted. First meeting on newly formed board to be held on 6 April 2022.
Local Pension Board - scheme member representative (Increased membership) expressions of interest sought from all active, deferred and pensioner members of the fund for whom email address held on administration system (10,087 emails sent). Appointment to be confirmed at 19 January 2022 full council meeting if possible.	100	19/01/2022	Joanna Thistlewood	5 expressions of interest (two roles) received. With Director of Finance and Chair of pension fund committee for review since 15 November 2021. update 21 March 2022: 19 January full council meeting delegated appointment to Director of Finance. Director of Finance and Chief Executive met with three candidates between 21 February and 6 March - two people appointed, both have accepted. First meeting on newly formed board to be held on 6 April 2022.

Financial Management - Technical Finance (Pension Fund)

Risk: Knowledge and understanding (G2) (Id: 195) - **Assigned To:** Joanna Thistlewood

<p>Description: Lack of relevant knowledge and understanding with the Pension Committee, Pension Board and/or officers</p> <p>Consequence: non-compliance with legislation for board members. Potential for poor decision making.</p> <p>Review Date: 29/03/2024 Closed Date:</p>	<p>Inherent Rating: 14 - High</p>	<p>Current Rating 8 - Medium (27/02/2024)</p>	<p>Target Rating: 5 - Low</p>
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IWCRMS - Service Area - Full Risk Register (28 risks)

Mitigations / Actions	% Complete	Due Date	Assigned To	Update
training plan for committee and board members and fund officers to be developed from output of Hymans' KPA.	0	30/09/2024	Joanna Thistlewood	discussions in progress with IWC Learning and Development Team, to link learning plan to council's learning hubv.
pension fund committee members encouraged to complete TPR public service online toolkit modules, with update on progress requested and reported at each pension fund committee meeting.	25	24/05/2024	Joanna Thistlewood	16 February 2022 meeting - only one member had completed toolkit 25 May 2022 meeting - three members (from 7) have provided evidence of completion of all modules. Update 9-Sep-22: discussed at July committee meeting, no further progress. Update 27-Mar-23: no further progress. Update 1-Dec-23: following pension committee meeting on 22 November 2023, link recirculated to all committee and board members on 23 Nov, with request to evidence completion by 31 March 2024.
Pension board members encouraged to complete all TPR public service online toolkit modules within 6 months of appointment.	75	29/03/2024	Joanna Thistlewood	to be reviewed at 6 April board meeting with action plan agreed. update 4-Jul-22: 2 (from 7) board members have provided evidence that they have completed all modules. Update 9-Sep-22: 4 (from 7) members now provided evidence. to be discussed at October board meeting Update 27-Mar-23: no further progress Update 1-Dec-23: following pension committee meeting on 22 November 2023, link recirculated to all committee and board members on 23 Nov, with request to evidence completion by 31 March 2024. New employer rep has until 31 May 2024 to complete (6 months after appointment) Update 26-Feb-24: all board members have been asked to submit evidence of completion of TPR modules before board meeting - 5 out of 6 current members have completed all modules
pension board and committee members induction programme to be developed	0	29/03/2024	Joanna Thistlewood	update 1-Dec-23: to be added to programme of work supported by Hymans Robertson
Hymans Robertson LOLA v2.0 launched September 2023. rolled out to all board members, for completion by 31 March 2024	25	29/03/2024	Joanna Thistlewood	Update 1-Dec-23; no progress from many board members to date. reported to board meeting 12 Dec. Update 26-Feb-24: at 22/2 4 members have started and completed at least 2 modules each. 2 board members have not started any modules.

IWCRMS - Service Area - Full Risk Register (28 risks)

Mitigations / Actions	% Complete	Due Date	Assigned To	Update
Participation in Hymans Robertson Knowledge Progress Assessment 2023 agreed at Pension committee on 22 November 2023.	100	31/01/2024	Joanna Thistlewood	Update 1-Dec-23: participant details sent to Hymans. Completion will be promoted at Board meeting on 12 December, and via email to all committee/board members once access to assessment tool provided. Update 6-Feb-24: by closing date (extended to 19 Jan 24) only 3 committee members (out of 8) and 5 LPB members (out of 6) had completed the survey. Results report presented to PFC 14 Feb 24 and LPB 6 Mar 24, based on those members who did complete the survey.
Hymans Robertson LGPS Online Learning Academy users to be updated to include all board members. Board member to be encouraged to complete all modules within 6 months of access being granted. Progress to be reported and reviewed at each board meeting.	100	29/09/2023	Joanna Thistlewood	update 4-Jul-22: at 1 July, one member has completed three modules, and one other has started two modules. reminder will be issued to all members. update 9-Sep-22: one member has completed all 6 modules; one member has completed 5 modules; one member has started 2 modules (no progress since last report). to be discussed at October board meeting update 27-Mar-23: all but one member has started this programme. to be discussed further on 5 April. update 28-Apr-23: decision taken to upgrade to LOLA v2.0, which will require all board members to restart learning modules from zero progress. launch date tbc.
Preferences for the delivery of development activities to be discussed at Committee meeting on 8 Feb 23 and Board meeting on 5 April 23.	100	28/04/2023	Joanna Thistlewood	Update 27-Mar-23: Committee expressed preference for face to face, short, focussed sessions, to be delivered on same day as committee meetings. Also, suggested reference to learning materials be included in reports.
At July committee meeting, members of both committee and board agreed to actively participate in the Hymans National Knowledge Assessment 2022. this will allow assessment of current knowledge, comparison with other LGPS funds, and support development of training policy and individualised learning plans. NKA launching in September 2022	100	30/12/2022	Joanna Thistlewood	update 27-Mar-23: NKA completed and results presented to board and committee in November and December 2022 respectively.

IWCRMS - Service Area - Full Risk Register (28 risks)

Financial Management - Technical Finance (Pension Fund)

Risk: RESILIENCE (Key person risk (G3)) (Id: 196) **Assigned To:** Joanna Thistlewood

<p>Description: reliance on key people, lack of supporting resource, single points of failure SERVICE CRITICAL ISSUE FEBRUARY 2024</p> <p>Consequence: Severe disruption if key staff are absent for any period of time.</p> <p>Review Date: 22/04/2024 Closed Date:</p>	<p>Inherent Rating: 15 - Very High</p>	<p>Current Rating 16 - Very High (27/02/2024)</p>	<p>Target Rating: 5 - Low</p>
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Mitigations / Actions	% Complete	Due Date	Assigned To	Update
succession plan required following resignation of Pension Fund Manager, leaving council April 2024.	0	19/04/2024	Chris Ward	
Governance support from Hymans Robertson commissioned and reported to committee. Fortnightly meetings with fund officers and Hymans Robertson personnel.	75	31/03/2024	Joanna Thistlewood	update 13 Nov-23: underlying assumptions, and high priority items reported to PFC in September 2023. Regular update calls held. progress somewhat delayed due to administration staffing issues. Update 26-Feb-24: Arrangements to be updated for 24-25, linking into succession planning and induction plan for new governance compliance officer.
work force plan to be developed, using IWC model	0	29/03/2024	Joanna Thistlewood	update 15-Mar-23: no progress on this, subject to outcome of structure review. update 13-Nov-23: no significant progress, although administration team redesign is being progressed following significant number of staff resignations.
Administration staff resources and technical support programme agreed with Hymans Robertson, for period of three months, to cover gaps following staff resignations, while service redesign work is completed. Following redesign, recruitment to new structure can begin.	75	07/03/2024	Matthew Collier	Update 13-Nov-23: questions on support contract raised by HR, Corporate Information Unit, and Procurement, has delayed the implementation of this contract - which was scheduled to start on 30 October 2023 for a period of three months. Expect to sign contract before 17 November 2023. Update 1-Dec-23: contract signed, support contract in place Update 26-Feb-24: administration service is being fully supported by Hymans Robertson. Review of additional support required/available following resignation of another pension officer - information expected w/c 26 Feb.

IWCRMS - Service Area - Full Risk Register (28 risks)

Mitigations / Actions	% Complete	Due Date	Assigned To	Update
Recruitment of three trainee posts to pensions administration team, to replace three resignations.	100	28/04/2023	Matthew Collier	recruitment complete - new staff start on 9 May 2023
commission external review of pension fund structure to ensure most effective and appropriate structure is in place - linking into Good Governance Project.	100	31/08/2022	Joanna Thistlewood	update 9-May-22: further competition launched via procurement portal to National LGPS Framework providers on 3 May. Deadline for submission of responses 24 May 2022; evaluation to be complete by 7 June, with award shortly thereafter and work to commence as soon as possible after award. update 30-May-22: 4 tender submission received by deadline - evaluation in progress. update 01-Jul-22: unable to identify preferred provider, so procurement process suspended 10 June 2022. Reworking of further competition documentation to be deferred until after award of custodian contract, so early August 2022,
Financial Management staffing restructure changes Technical Finance Manager role to Pension Fund Manager, with 100% focus on Pension Fund. New cost centre to be created to separate Pension Fund Finance costs from mainstream Accountancy team.	100	01/04/2022	Joanna Thistlewood	update 9-May-22: structure now implemented, cost centre created and budget transferred. costs to be monitored via Finance Mini Service Board monthly.
Financial Management - Technical Finance (Pension Fund)				
Risk: Professional advice (G5) (Id: 198) - Assigned To: Joanna Thistlewood				
Description: Actuarial or investment advice is not sought, or is not heeded, or proves to be insufficient in some way Consequence: inappropriate funding strategy and/or investment strategy being adopted, resulting in significant reduction in fund investments, resulting in higher contributions. Review Date: 10/04/2024 Closed Date:		Inherent Rating: 13 - High	Current Rating 6 - Low (27/02/2024)	Target Rating: 6 - Low

IWCRMS - Service Area - Full Risk Register (28 risks)

Mitigations / Actions	% Complete	Due Date	Assigned To	Update
Investment consultancy contract management - awarded Jul 2018 for five years plus up to two years - extended to July 2024. one more extension possible before required re-procurement. Decision required for re-procurement or extension by December 2023, for enactment July 2024.	25	30/09/2024	Joanna Thistlewood	NEW National LGPS Framework for investment management consultancy services launched November 2022. need to join framework before extension decision considered Update 26-Feb-24: Agreement at PFC meeting 14 Feb 24 to extend existing contract for final time to expire in July 2025. New National LGPS Framework has been joined and documentation downloaded. Procurement activity to begin January 2025.
Actuarial consultancy contract management - awarded May 2018 for six years plus one year Decision required for re-procurement or extension by December 2023 - noting that 2025 is a valuation year	50	09/04/2024	Joanna Thistlewood	have joined the "new" National LGPS Framework for Actuarial Benefits and Governance Consultancy Services 2021. Update 26-Feb-24: Procurement documentation for re-tender of current contract issued 21 Feb 24, responses expected by 21 March 2024. Evaluation panel (JMT, JEC, MC) will complete evaluation by 9 April 2024. New contract begins 1 May 2024, for 9 years +1 (optional extension unlikely to be taken due to timing of valuation)
triennial valuation 2022 to consider combined funding and investment implications when identifying future contribution rates. Reporting to each pension fund committee during financial year 2022-23 (May'22 - assumptions; Jul'22 - draft council results; Nov'22 - draft employer results; Feb'23 - draft final report)	100	31/03/2023	Joanna Thistlewood	Update 30-May-22: assumptions report agreed at committee meeting 25-May-22 Update 9-Sep-22: all membership/contribution data has been submitted, no issues at whole fund level. anticipate whole fund results by end September, meeting with DoF to discuss on 3 October. Employer results expected by end October 2022; briefing session for employers on 8 November, with individual meetings offered for 22 Nov. update 28-Apr-23 - 2022 valuation report published on fund's website 31 March 2023.

IWCRMS - Service Area - Full Risk Register (28 risks)

Mitigations / Actions	% Complete	Due Date	Assigned To	Update		
Investment consultancy contract management - awarded Jul 2018 for five years plus up to two years. Decision required for re-procurement or extension by December 2022, for enactment July 2023.	100	27/03/2023	Joanna Thistlewood	Current National LGPS Framework for investment management consultancy services is available for contract award until October 2022 update 27-Mar-23: pension fund committee agreed at 8 February 23 meeting to extend investment consultancy contract to 1 July 2024.		
Financial Management - Technical Finance (Pension Fund)						
Risk: Internal controls failure (G6) (Id: 202) - Assigned To: Joanna Thistlewood						
Description: Inadequate controls over payment requests and/or management override of controls Consequence: Increased potential for fraud, errors in processes, audit qualification of accounts, Review Date: 29/03/2024 Closed Date:				Inherent Rating: 9 - Medium	Current Rating 12 - High (27/02/2024)	Target Rating: 6 - Low
Mitigations / Actions	% Complete	Due Date	Assigned To	Update		
succession plan required following resignation of Pension Fund Manager, leaving council in April 2024.	0	19/04/2024	Chris Ward			
Internal audit plan for 2023-24 proposes full reviews of accounts payable and bank and cash, along with follow-up review on accounts receivable; also includes full review of both treasury management and key finance controls.	0	19/03/2024	Joanna Thistlewood	Dec 23 Audit and Governance Committee reported most work not yet started.		

IWCRMS - Service Area - Full Risk Register (28 risks)

Mitigations / Actions	% Complete	Due Date	Assigned To	Update
Administration staff resources and technical support programme agreed with Hymans Robertson, for period of three months, to cover gaps following staff resignations, while service redesign work is completed. Following redesign, recruitment to new structure can begin.	75	07/03/2024	Matthew Collier	Update 13-Nov-23: questions on support contract raised by HR, Corporate Information Unit, and Procurement, has delayed the implementation of this contract - which was scheduled to start on 30 October 2023 for a period of three months. Expect to sign contract before 17 November 2023. Update 1-Dec-23: contract signed, support contract in place Update 26-Feb-24: administration service is being fully supported by Hymans Robertson. Review of additional support required/available following resignation of another pension officer - information expected w/c 26 Feb.
2022-23 internal audit plan contains full review of Accounts Payable, Accounts Receivable, Bank and Cash systems. Updates to be provided at relevant pension board meetings and reviews are completed.	100	31/08/2023	Joanna Thistlewood	update 28-Apr-23: as reported at 20 March 2023 audit committee meeting, 2022-23 internal audit of accounts payable returned highest level of assurance; accounts receivable report still in draft and bank and cash audit still in progress. Follow up review on pensions administration provided reasonable assurance. update 26-Feb-24: Audit and Governance Committee December 2023 received IA annual report for 22-23, showing reasonable assurance for all IWC business areas impacting pension fund .
External audit of pension fund accounts provides assurance that internal controls are operating effectively, and that management override of controls has not occurred. 2021-22 external audit work commences in June 2022 (interim audit) with final fieldwork scheduled for September/October 2022. Results to be presented to audit committee, pension committee and pension board as they become available.	100	31/05/2023	Joanna Thistlewood	update 9-May-22: external audit timetable delayed, so interim audit cancelled, and final audit fieldwork not commencing until December 2022. accounts to be finalised for March 2023 audit committee. update 4-Jul-22: 2021/22 audit plan to be presented to July Audit and Pension Fund committee meetings. update 9-Sep-22: no significant changes to planned risks focus as part of 2021-22 external audit plan update 24-Mar-23: IWC audit not yet finalised but auditors confirm "unqualified opinion" for PF accounts with no matters to draw to attention. update 28-Apr-23: IWC external audit still not complete. update 1-Dec-23: IWC 2021-22 audit completed shortly September 2023.
2022-23 draft accounts to be completed by 31 May 2023 for inclusion in draft IWC accounts for publication.	100	31/05/2023	Joanna Thistlewood	

IWCRMS - Service Area - Full Risk Register (28 risks)

Mitigations / Actions	% Complete	Due Date	Assigned To	Update
2021-22 Financial management internal controls for pension fund mirror those for the council. Reviewed annually as part of the council's internal audit programme.	100	25/11/2022	Joanna Thistlewood	2021-22 internal audit reporting to March Audit committee: Accounts payable (reasonable assurance), accounts receivable and bank and cash audits still in progress. July audit committee: all 2021-22 internal audit reviews completed with reasonable assurance.
2021-22 Pension Administration controls subject to council's internal audit programme.	100	31/03/2022	Joanna Thistlewood	2021-22 internal audit report presented to December 2021 audit committee - reasonable assurance. Resolution of the two medium risk exceptions raised are in progress, driven by i-connect project implementation.

Financial Management - Technical Finance (Pension Fund)

Risk: mismatch between investment and funding strategies (G7) (Id: 203) **Assigned To:** Joanna Thistlewood

<p>Description: Lack of co-ordination between investment strategy and fund strategy, not considering investment and funding risks together</p> <p>Consequence: inaccurate calculation of required investment return and/or inappropriate employer contribution rate setting, resulting in significant reduction to funding level and unaffordable cost of scheme for employers.</p> <p>Review Date: 29/03/2024 Closed Date:</p>	<p>Inherent Rating: 9 - Medium</p>	<p>Current Rating 9 - Medium (27/02/2024)</p>	<p>Target Rating: 9 - Medium</p>
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Mitigations / Actions	% Complete	Due Date	Assigned To	Update
triennial valuation 2025 to consider combined funding and investment implications when identifying future contribution rates. Initial planning to begin Q4 2024.	0	30/09/2024	Joanna Thistlewood	

IWCRMS - Service Area - Full Risk Register (28 risks)

Mitigations / Actions	% Complete	Due Date	Assigned To	Update
strategic asset allocation to be updated following 2022 valuation completion, to ensure required investment returns can be achieved.	75	28/03/2024	Joanna Thistlewood	<p>modelling scenarios for investment strategy review agreed by DoF by 27 May 22. development session on investment strategy scheduled for end of October, for decision at November PFC.</p> <p>Update 24-Mar-23: report presented to November 2023 PFC, but not discussed. To be included on 24 May 2023 PFC agenda for decision.</p> <p>Update 1-Dec-23: Strategic review completed and new target asset allocation agreed by committee in May 2023. Process underway to select new managers to implement revised strategy with appointment to be completed by December 2023. Update to Investment Strategy Statement and implementation of changes will commence in 2024.</p> <p>Update 26-Feb-24: investment manager selection completed. Private Debt investment closed 29 Dec 23, Infrastructure investment set to close 29 Feb 24.</p>
<p>triennial valuation 2022 to consider combined funding and investment implications when identifying future contribution rates.</p> <p>Reporting to each pension fund committee during financial year 2022-23 (May'22 - assumptions; Jul'22 - draft council results; Nov'22 - draft employer results; Feb'23 - draft final report)</p>	100	31/03/2023	Joanna Thistlewood	<p>Update 30-May-22: assumptions report agreed at committee meeting 25-May-22</p> <p>Update 9-Sep-22: all membership/contribution data has been submitted, no issues at whole fund level. anticipate whole fund results by end September, meeting with DoF to discuss on 3 October. Employer results expected by end October 2022; briefing session for employers on 8 November, with individual meetings offered for 22 Nov.</p> <p>update 28-Apr-23 - 2022 valuation report published on fund's website 31 March 2023.</p>

IWCRMS - Service Area - Full Risk Register (28 risks)

Financial Management - Technical Finance (Pension Fund)					
Risk: disclosure of information legislation (G8) (Id: 204) - Assigned To: Joanna Thistlewood					
Description: failure to comply with disclosure of information legislation Consequence: data breaches Review Date: 27/09/2024 Closed Date:			Inherent Rating: 9 - Medium	Current Rating 5 - Low (27/02/2024)	Target Rating: 3 - Low
Mitigations / Actions	% Complete	Due Date	Assigned To	Update	
Council staff are required to complete data protection training on an annual basis - monitored through annual PMP	0	27/09/2024	Joanna Thistlewood	update 9-May-22: pension finance staff and administration staff have completed mandatory training in this area. update 24-Mar-23: annual recertification of data protection training required. update 26-Feb-24: given staffing issues within administration, completion of annual refresher training has not been highest priority. For finance staff, this has been determined as low priority.	
All councillors have been assigned the Data Protection Awareness course as required learning	0	27/09/2024	Joanna Thistlewood	at 22-Mar-22 no councillors have completed this training. update 2-Sep-22: reiterated importance at July committee meeting. One committee member has completed all courses. no further progress by committee members update 26-Feb-24: no progress to date	
Hymans Robertson staff providing support for administration tasks have been provided with IWC policies, privacy notices etc. All correspondence between Hymans and pension fund is dealt with through Hymans' secure portal and/or Altair system	25	28/06/2024	Matthew Collier		
Financial Management - Technical Finance (Pension Fund)					

IWCRMS - Service Area - Full Risk Register (28 risks)

Risk: Pension Fund accounts (G9) (Id: 205) **Assigned To:** Joanna Thistlewood

Description: incorrect production of Pension Fund Accounts, failure to maintain appropriate accounting records. capacity issues for staff to complete all required accounting work (1 day per week resource allocated) Consequence: audit qualification of accounts. reputational risk Review Date: 31/05/2024 Closed Date:	Inherent Rating: 9 - Medium	Current Rating 9 - Medium (27/02/2024)	Target Rating: 1 - Low
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Mitigations / Actions	% Complete	Due Date	Assigned To	Update
External audit of pension fund accounts provides assurance that internal controls are operating effectively, and the management override of controls has not occurred. 2022-23 external audit work commences in November 2023. Results to be presented to Audit and Governance Committee, Pension Committee and Local Pension Board as they become available.	75	30/09/2024	Joanna Thistlewood	Update 1-Dec-23: audit fieldwork well underway, with no issues identified to date. Draft annual report and accounts published on pension fund website, subject to external audit adjustments and completion. audit plan for 2022-23 to be presented to Audit and Governance Committee on 4 December 2023, and LPB on 12 December. Update 26-Feb-24: 2022-23 external audit of pension fund accounts substantially complete with no identified errors or matter to draw attention. Completion of PF external audit subject to completion of IWC audit - which is in itself subject to government consultation.

IWCRMS - Service Area - Full Risk Register (28 risks)

Mitigations / Actions	% Complete	Due Date	Assigned To	Update
External audit of pension fund accounts provides assurance that internal controls are operating effectively, and the management override of controls has not occurred. 2023-24 external audit work interim visits in January 2024. Final audit fieldwork in June 2024. Results to be presented to Audit and Governance Committee, Pension Committee and Local Pension Board as they become available.	75	28/06/2024	Joanna Cooke	The 2023-24 pension fund audit has been completed, but the independent auditor's statement will not be produced until the completion of IWC audit, the scope of which is yet to be finalised by the external auditors.
2023-24 draft annual accounts to be completed by 31 May 2024, for inclusion in IWC draft accounts	0	31/05/2024	Joanna Cooke	
External audit of pension fund accounts provides assurance that internal controls are operating effectively, and that management override of controls has not occurred. 2021-22 external audit work commences in June 2022 (interim audit) with final fieldwork scheduled for September/October 2022. Results to be presented to audit committee, pension committee and pension board as they become available.	100	31/05/2023	Joanna Thistlewood	<p>update 9-May-22: external audit timetable delayed, so interim audit cancelled, and final audit fieldwork not commencing until December 2022. accounts to be finalised for March 2023 audit committee.</p> <p>update 4-Jul-22: 2021/22 audit plan to be presented to July Audit and Pension Fund committee meetings.</p> <p>update 9-Sep-22: no significant changes to planned risks focus as part of 2021-22 external audit plan</p> <p>update 24-Mar-23: IWC audit not yet finalised but auditors confirm "unqualified opinion" for PF accounts with no matters to draw to attention.</p> <p>update 28-Apr-23: IWC external audit still not complete.</p> <p>update 1-Dec-23: IWC 2021-22 audit completed shortly September 2023.</p>

IWCRMS - Service Area - Full Risk Register (28 risks)

Mitigations / Actions	% Complete	Due Date	Assigned To	Update
2022-23 draft accounts to be completed by 31 May 2023 for inclusion in draft IWC accounts for publication.	100	31/05/2023	Joanna Thistlewood	
attendance at relevant accounting/technical update events (virtual or face to face) to understand any changes in requirements for annual accounting and reporting - CIPFA, audit firms, SAB.	100	31/12/2022	Joanna Thistlewood	update 19-Aug-22: no changes proposed to format or content of accounts or annual report for 2022-23. Update 23-Mar-23: as above.
Financial Management - Technical Finance (Pension Fund)				
Risk: Communications (A1) (Id: 207) - Assigned To: Joanna Thistlewood				
Description: Failure to communicate, or to communicate effectively, with all fund stakeholders Consequence: scheme members and employers cannot make informed decisions. non-compliance with legislation, regulations and/or codes of practice. Review Date: 28/06/2024 Closed Date:		Inherent Rating: 8 - Medium		Current Rating 11 - Medium (27/02/2024)
Target Rating: 2 - Low				
Mitigations / Actions	% Complete	Due Date	Assigned To	Update
Communications policy (dated November 2022) in place. Review every three years - due November 2025. However, need to review due to changes in capacity within admin team (departure of Employer Liaison and Data Quality Officer) and resignation of Pension Fund Manager	0	25/11/2024	Joanna Thistlewood	

IWCRMS - Service Area - Full Risk Register (28 risks)

Mitigations / Actions	% Complete	Due Date	Assigned To	Update
annual allowances, Pension Savings Statements, to be provided to impacted scheme members before 6 October 2024 for the tax year 2023-24	0	04/10/2024	Matthew Collier	concern re reliance on Hymans Robertson for capacity to deliver
annual benefit statements issued to all active and deferred members by statutory deadline 31 August 2024	0	30/08/2024	Matthew Collier	concern re reliance on Hymans Robertson for capacity to deliver
employer meetings/development sessions are held as and when required. need to programme sessions to cover triennial valuation and related updates	0	29/03/2024	Joanna Thistlewood	update 9-Sep-22: briefing session for employers on what to expect from valuation results scheduled for 8 November 2022. Individual employer meetings offered to discuss results on 22 November. update 24-Mar-23: programme of meetings for 2023-24 to be developed - pension tax changes, breaches, admin strategy, subject to officer capacity Update 1-Dec-23: no progress on this due to officer capacity.
Communications policy (dated February 2019) in place. Review every three years - due Feb 2022.	100	25/11/2022	Joanna Thistlewood	update 30-May-22: agreed that this will be presented to pension board at their 12 October 2022 meeting, for onward recommendation to committee in November. update 9-Sep-22: updates to communications policy with admin team colleague for review. Update 28-Nov-22: updated communications policy reviewed by Board, adopted by pension committee on 23/11, submitted for publication on website 28/11/22
annual allowances, Pension Savings Statements, to be provided to impacted scheme members before 6 October 2022 for the tax year 2021-22	100	06/10/2022	Matthew Collier	All breach letters issued via MSS on Friday 30th September and emails to individuals issued Monday 3rd October to confirm they have been uploaded. Statutory requirement met.
annual benefit statements issued to all active and deferred members by statutory deadline	100	31/08/2022	Matthew Collier	update 16-May 2022: deferred annual benefit statement expected to be issued by 30 May 2022, with active statements following shortly thereafter.
Isle of Wight Council Pension Fund website in place and maintained up to date. Rolling annual mitigation.	75		Matthew Collier	update 26-Feb-24: local resource for updating documents on the website is now shared between Finance and Admin team, with Hymans maintaining the statutory and regulatory updates.

IWCRMS - Service Area - Full Risk Register (28 risks)

Financial Management - Technical Finance (Pension Fund)					
Risk: Data quality (A2) (Id: 208) - Assigned To: Matthew Collier					
Description: poor quality of data received from employers and maintained on pensions administration system Consequence: errors, incorrect assessment of benefit entitlements, under or over payments, leading to reputational risks Review Date: 29/03/2024 Closed Date:			Inherent Rating: 9 - Medium	Current Rating 8 - Medium (27/02/2024)	Target Rating: 3 - Low
Mitigations / Actions	% Complete	Due Date	Assigned To	Update	
data quality scores, as per TPR guidance, commissioned annually - last received 2020 Common data 95%; scheme specific data 96%.	100	30/09/2023	Matthew Collier	update 16-May-2022: we have the ability to run these data scores ourselves now, so will run once data validated for valuation. Update 31-Oct-22: Data scores for 2022 Common Data 95.3%; Scheme Specific Data 93.6%. Further data cleansing exercise is currently being undertaken in house and also with the help of a tracing agent. The improvements will be reviewed in 6 months time. Update Sept-23: Data scores for 2023 above 95%	
employers submit monthly data returns via i-connect portal which allows for validation of data before input to administration system	100	01/04/2023	Matthew Collier	update 16-May-22: all employers with exception of one schools payroll provider using i-connect. discussions in place to promote use of system. Update 31-Nov-22: Monthly meetings with Strictly commenced on 13-Oct-22. Next meeting 10-Nov-22. Amended upload spreadsheet returned by strictly 28-Oct-22. Testing to be complete by Friday 4-Nov-22 update 02-Feb-23: Strictly will go live on i-Connect 01-Apr-23, Testing continuing on monthly submissions. Update 11-May-23: Strictly now live on i-Connect	
employer data regularly submitted through Hymans "brain" to identify potential errors	100	29/07/2022	Matthew Collier	update 16 May 2022: data for 2019-20 and 2020-21 already uploaded to Hymans valuation portal, and validated. Once final part of 2021-22 year end data review complete, that data will be uploaded - expect this to be complete by end July .	

IWCRMS - Service Area - Full Risk Register (28 risks)

Financial Management - Technical Finance (Pension Fund)					
Risk: Employer fails to pay contributions (A3) (Id: 209) - Assigned To: Joanna Thistlewood					
Description:			Inherent Rating:	Current Rating	Target Rating:
Persistent failure of scheme employer to pay contributions on time or at all, including employer defaulting on its wider obligations to the Fund Consequence: employer funding level is unacceptable. costs revert to other employers within the fund. Review Date: 29/03/2024 Closed Date:			8 - Medium	5 - Low (27/02/2024)	3 - Low
Mitigations / Actions	% Complete	Due Date	Assigned To	Update	
Monthly monitoring of receipt of employer contributions, together with escalation process where contributions have not been received - rolling annual mitigation	75		Matthew Collier	Update 16-May-22: for 2021-22 year end, only 6 instances of late data returns and 4 instances of late payment.	

IWCRMS - Service Area - Full Risk Register (28 risks)

Financial Management - Technical Finance (Pension Fund)					
Risk: Employer fails to provide data (A8) (Id: 214) - Assigned To: Matthew Collier					
Description: Failure of scheme employer to fulfil its obligations to provide timely and accurate data to the Fund Consequence: delays in assessing entitlements, making payments from the Fund and the associated reputational risk Review Date: 29/03/2024 Closed Date:			Inherent Rating: 8 - Medium	Current Rating 5 - Low (27/02/2024)	Target Rating: 3 - Low
Mitigations / Actions	% Complete	Due Date	Assigned To	Update	
Fund has power to levy additional costs incurred as a result of the poor performance of scheme employer. rolling annual mitigation.	75	29/03/2024	Joanna Thistlewood	no costs levied in 2021-22. update 28-Apr-23: no costs levied in 2022-23. Updates Pension Administration Strategy to be considered at Pension Fund Committee 24 May 2023 - introduces clearer system for penalties. Update 1-Dec-23: updated Pension Administration Strategy adopted. No penalties levied in 2022-23 or to date in 2023-24.	
Administration strategy has been implemented, setting out roles and responsibilities of the Administering Authority as well as scheme employers, together with expected service standards for both. Review overdue	100	31/05/2023	Matthew Collier	update 30-May-22: agreed that administration strategy will be updated and presented to pension board meeting on 5 April 2023. Update 02-Feb-23: Draft Admin Strategy complete and sent to Pensions Board for review Update 11-May-2023: Admin Strategy Employer consultation period complete and Committee adoption to be agreed on 24-May-23 Committee meeting	

IWCRMS - Service Area - Full Risk Register (28 risks)

Financial Management - Technical Finance (Pension Fund)					
Risk: Ceasing benefits (A9) (Id: 216) - Assigned To: Matthew Collier					
Description: Failure to stop paying pensions where recipient is deceased, or no longer entitled to the benefits Consequence: overpayment of benefits, failure to recover overpayments, increased cost to employer. Review Date: 29/03/2024 Closed Date:			Inherent Rating: 4 - Low	Current Rating 2 - Low (27/02/2024)	Target Rating: 1 - Low
Mitigations / Actions	% Complete	Due Date	Assigned To	Update	
use of life certificates, where appropriate, for overseas pensioners. rolling annual mitigation.	50	31/01/2024	Matthew Collier	Update 16-May-2022: in discussion with procurement colleagues for Tracing Services contract, which will include UK and overseas mortality screening Update 31-March-2023: Tracing service procured September 2022. Update 13-October-23: UK mortality underway-Overseas will commence by January 2024.	
Participation in National Fraud Initiative	100	28/02/2023	Matthew Collier	update 16-May-22: data upload expected in September 2022. All cases will be reviewed and completed by 28 February 2023 update 28-Feb-23: All NFI opened and closed off	
Regular mortality screening, to ensure pensioner deaths are picked up in a timely manner (Tell Us Once). rolling annual mitigation.	75		Matthew Collier	Update 16-May-22: also have links to Registrars to obtain copy death certificates, and subscribe to wills/probate service if death certificate not available. Update 31-March-23: Procurement of Tracing company to help with monthly mortality reports/use of DWP TUO/NFI	

IWCRMS - Service Area - Full Risk Register (28 risks)

Financial Management - Technical Finance (Pension Fund)					
Risk: Assessment of benefit entitlements (A11) (Id: 218) - Assigned To: Matthew Collier					
Description: Incorrect assessment of benefit entitlements from the administration system Consequence: under or overpayment of benefits and the disruption this can cause Review Date: 29/03/2024 Closed Date:			Inherent Rating: 8 - Medium	Current Rating 5 - Low (27/02/2024)	Target Rating: 5 - Low
Mitigations / Actions	% Complete	Due Date	Assigned To	Update	
Ensure sufficient technical skills within the team, to be able to interrogate system output. To be factored into individual training plans as part of PDR process.	50	31/12/2023	Matthew Collier	update 16-May-2022: all pensions administration staff have a bespoke training plan, which is monitored at regular 1-2-1 meetings. Staff will benefit from training from admin software provider, as well as attendance at SAPOG and other dedicated user groups, and participation in webinars etc. Update 31-March-2023: New staff undergo an internal training programme with external training and existing staff undergo ongoing training for regulation changes etc.	
Have appropriate system awareness within the administration team to undertake robust testing of system updates. build into procurement specification for contract revision.	50	30/06/2023	Matthew Collier	update 16-May-22: notification of preferred supplier on administration software contract issued on 11 May, subject to 10 day standstill period. Contract award expected 1 June, for go live date 1 January 2023. Update 31-May-22: contract awarded to incumbent supplier. Update 02-02-23: Working with supplier to implement updates.	
Attendance at appropriate technical and system training sessions in order to maintain and grow knowledge. review and reporting to be factored into PDR process.	50		Matthew Collier	Update 31-March-2023: All staff attend certain User groups and any system updates	
Financial Management - Technical Finance (Pension Fund)					
Risk: CAPACITY (Sufficient resources (A13)) (Id: 220) - Assigned To: Joanna Thistlewood					

IWCRMS - Service Area - Full Risk Register (28 risks)

Description: Insufficient resources (staffing, financial) to deliver responsibilities - LGPS SERVICE CRITICAL FEBRUARY 2024 Consequence: inability to pay benefits, unable to engage with stakeholders, inappropriate decisions, non-compliance with regulatory and best practice requirements Review Date: 28/06/2024 Closed Date:				Inherent Rating: 15 - Very High	Current Rating 16 - Very High (27/02/2024)	Target Rating: 9 - Medium
Mitigations / Actions	% Complete	Due Date	Assigned To	Update		
Governance support from Hymans Robertson commissioned and reported to committee. Fortnightly meetings with fund officers and Hymans Robertson personnel.	75	31/03/2024	Joanna Thistlewood	update 13 Nov-23: underlying assumptions, and high priority items reported to PFC in September 2023. Regular update calls held. progress somewhat delayed due to administration staffing issues. Update 26-Feb-24: Arrangements to be updated for 24-25, linking into succession planning and induction plan for new governance compliance officer.		
Ensure appropriate strategic planning is in place, identifying resource and budgetary needs and putting them in place as required	0	29/03/2024	Joanna Thistlewood	update 13-Nov-23: support commissioned from Hymans Robertson for both governance and administration activities, which should alleviate immediate pressures, but at a significant financial cost.		
succession planning for administration team	25	29/03/2024	Matthew Collier	update 16-May-22: will be factored into output of operational structure review. Update 02-02-23 Due to be reviewed by CMT 7 March 2023. Update 16-03-23 review CMT pushed back to April. Update 11-May-23: Awaiting review by 151 Officer and IWC Directors TBC. Update 01-Oct-23: Director of Corporate services reviewing Pensions Admin Team structure.		
next steps for structure review to be discussed between Chief Executive, Director of Finance and Director of Corporate Resources, including process for onward referral. meeting scheduled for 12 May 2023	0	29/03/2024	Joanna Thistlewood	update 13-Nov-2023: report was reviewed, but action deferred until after completion of Council's structure review. Discussed with Chris Ward/Kerry Hubbleday 13 October; no further progress to report. update 26-Feb-24: no progress		

IWCRMS - Service Area - Full Risk Register (28 risks)

Mitigations / Actions	% Complete	Due Date	Assigned To	Update
Administration staff resources and technical support programme agreed with Hymans Robertson, for period of three months, to cover gaps following staff resignations, while service redesign work is completed. Following redesign, recruitment to new structure can begin.	75	07/03/2024	Matthew Collier	Update 13-Nov-23: questions on support contract raised by HR, Corporate Information Unit, and Procurement, has delayed the implementation of this contract - which was scheduled to start on 30 October 2023 for a period of three months. Expect to sign contract before 17 November 2023. Update 1-Dec-23: contract signed, support contract in place Update 26-Feb-24: administration service is being fully supported by Hymans Robertson. Review of additional support required/available following resignation of another pension officer - information expected w/c 26 Feb.
commission external review of pension fund structure to ensure most effective and appropriate structure is in place - linking into Good Governance Project.	100	31/08/2022	Joanna Thistlewood	update 9-May-22: further competition launched via procurement portal to National LGPS Framework providers on 3 May. Deadline for submission of responses 24 May 2022; evaluation to be complete by 7 June, with award shortly thereafter and work to commence as soon as possible after award. update 30-May-22: 4 tender submission received by deadline - evaluation in progress. update 01-Jul-22: unable to identify preferred provider, so procurement process suspended 10 June 2022. Reworking of further competition documentation to be deferred until after award of custodian contract, so early August 2022,

Page 146

Financial Management - Technical Finance (Pension Fund)

Risk: Inappropriate long term investment strategy (I2) (Id: 222) - **Assigned To:** Joanna Thistlewood

<p>Description: investment strategy not suitable to match long term liabilities of the fund</p> <p>Consequence: investment returns insufficient, inappropriate investment risk levels, higher employer contributions</p> <p>Review Date: 31/05/2024 Closed Date:</p>	<p>Inherent Rating: 13 - High</p>	<p>Current Rating 5 - Low (27/02/2024)</p>	<p>Target Rating: 5 - Low</p>
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IWCRMS - Service Area - Full Risk Register (28 risks)

Mitigations / Actions	% Complete	Due Date	Assigned To	Update
regular monitoring of performance of investments at each pension fund committee meeting, including consideration of long term performance and changes to personnel. rolling annual mitigation.	0	24/05/2024	Joanna Thistlewood	quarterly reporting at each committee meeting - July 2021; November 2021; February 2022; May 2022 Update May 2022: 2022-23 reporting - May 2022; July 2022; November 2022; February 2023. Update Mar 2023: 2023-24 reporting - May 2023; July 2023; November 2023; February 2024. Update 26-Feb-24: 2023-24 reporting complete. 2024-25 reporting - May 2024; July 2024; November 2024; February 2025
2022 valuation to include further Asset Liability Modelling, and review of investment strategy in conjunction with funding strategy, to assess whether current strategy needs further revision.	100	25/05/2023	Joanna Thistlewood	update 9-May-22: triennial valuation modelling will be based on combined investments and funding modelling using Hymans proprietary modelling software. No significant change in investment strategy currently foreseen. update 01-Jul-22: strategy setting workshop scheduled for 14 September 2022. Update 9-Sep-22: development session deferred to 28 October, for decision to 23 November PFC meeting Update 24-Mar-23: revised strategic asset allocation to be discussed at 24 May 23 PFC. update 26-Feb-24: ISS 2024 adopted at PFC 14 Feb 24.
Investment strategy options considered as integral part of 2019 triennial valuation exercise - Asset Liability Modelling exercise	100	31/03/2022	Joanna Thistlewood	
2019 valuation prompted introduction of new asset classes - private debt and infrastructure - to reduce exposure to growth assets and provide some income protection.	100	31/03/2022	Joanna Thistlewood	Private debt (5% allocation) through GSAM - first investment made in January 2021. Infrastructure (5% allocation) through Partners Group - first investment in July 2021. investment calls on-going.
Equity rebalancing - switch from 100% active management to introduce passive allocation.	100	31/12/2021	Joanna Thistlewood	reduction in overall equity allocation from 55% to 50%. implement 18.75% allocation to UBS climate aware passive fund £145m - transition completed December 2021

Financial Management - Technical Finance (Pension Fund)

Risk: liquidity risk (18) (Id: 228) - **Assigned To:** Joanna Thistlewood

IWCRMS - Service Area - Full Risk Register (28 risks)

Description: Fund has insufficient liquid assets to meet immediate liabilities Consequence: unplanned disinvestment from assets, resulting in increased charges and loss of investment value. Increase in borrowing costs Review Date: 28/06/2024 Closed Date:				Inherent Rating:	Current Rating	Target Rating:
				5 - Low	5 - Low (27/02/2024)	3 - Low
Mitigations / Actions	% Complete	Due Date	Assigned To	Update		
cash flow projections maintained using same system and processes as for Isle of Wight Council - daily and monthly in detail, rolling three year forecast.	75	29/03/2024	Joanna Cooke	update 1-Jul-22: high inflation likely at September 2022, will impact on pensions increase for April 2023. Being factored into rolling cash flow, and will be considered in future disinvestment activity. Update 24-Mar-23: cash flow forecast updated for 2023-4. Update 30-Oct-23: cashflow forecast updated to reflect Sept 23 inflation figure which will impact on pension increase from April 24.		
Underlying agreement for IWC to lend money to pension fund at market rates to cover unforeseen circumstances. rolling annual mitigation	75	29/03/2024	Joanna Cooke	at 20 Dec, balance of £5m due to be repaid in mid-January 2022. update 9-May-22: balance was repaid as expected. No further borrowing undertake from IWC to date. update 1-Jul-22: no borrowing to date Update 24-Mar-23: no borrowing required in 2022-23. Update 26-Feb-24: no borrowing required in 2023-24.		
investment strategy reviewed in detail at each valuation and kept updated in-between valuations. 2019 valuation increased allocation to income assets out of growth. 2022 valuation ISS to be developed	100	31/05/2023	Joanna Thistlewood	update 24-Mar-23: 2019 valuation changes fully implemented, allocations to private debt and infrastructure are being drawn down, passive global equity allocation fully funded. strategic allocation from 2022 valuation to be presented to 24 May 2023 committee.		
equity rebalancing plan includes provision to hold cash balances to cover future investment calls for private assets and an allocation for operational cash flow.	100	31/01/2022	Joanna Thistlewood	cash disinvestment will not be actioned until suitable MMF accounts have been created. update 21 March 2022: £25m cash disinvestment from Global Equity portfolio actioned on 19 January 2022. £5m used to pay off existing IWC loan (28 Jan); £2.5m for Private debt investment call (24 Jan); £1.5m for Infrastructure investment call (27 Jan); £16m held in 3 x MMF accounts in pension fund name.		

IWCRMS - Service Area - Full Risk Register (28 risks)

Financial Management - Technical Finance (Pension Fund)					
Risk: Other provider risks (I10) (Id: 230) - Assigned To: Joanna Thistlewood					
Description: Other provider risks - associated with unexpected transition costs, credit default, stock lending and custody Consequence: loss of investment value and/or income; reputational risk; illiquidity issues Review Date: 28/06/2024 Closed Date:			Inherent Rating: 5 - Low	Current Rating 5 - Low (27/02/2024)	Target Rating: 5 - Low
Mitigations / Actions	% Complete	Due Date	Assigned To	Update	
Procurement timetables monitored, to ensure contract extension and/or renewal dates are managed, and reported to Committee meetings as appropriate. rolling annual mitigation.	0	28/06/2024	Joanna Thistlewood	update 9-May-22: 2022-23 workplan and committee programme includes considerations for custody, governance and investment consultancy contracts. Update 24-Mar-23: action in 2023-24 to consider extension of current investment consultancy and current governance consultancy contracts, and to begin planning for actuarial retender. Update 26-Feb-24: Actuarial tender launched 21 Feb 24, new contract starts 1 May 2024. Action in 2024-25 to re-procure investment consultancy contract (new contract July 2025) and governance consultancy contract (new contract January 2025).	
annual review of providers performance against service level agreements as part of ongoing contract management. rolling annual mitigation.	0	31/05/2024	Joanna Thistlewood	update 9-May-22: new procurement and contract management report introduced to each pension committee meeting Update 24-Mar-23: review of performance against objectives will be considered as part of extension/re-procurement decisions Update 26-Feb-24: 2023-24 reporting of contract and procurement management at each committee meeting.	
The Pension Committee has the power to replace a provider should serious concerns exist. rolling annual mitigation	75	29/03/2024	Joanna Thistlewood	update 9-May-22: new procurement and contract management report introduced to each pension committee meeting - should ensure issues are identified at a much earlier stage to prevent need to action this mitigation. update 24-Mar-23: no action required in 2022-23. update 26-Feb-24: no action required in 2023-24 to date.	
Financial Management - Technical Finance (Pension Fund)					
Risk: Investment pooling (I11) (Id: 231) - Assigned To: Joanna Thistlewood					

IWCRMS - Service Area - Full Risk Register (28 risks)

<p>Description: ACCESS (investment asset pool) fails to meet Administering Authority's objectives or needs, through lack of appropriate sub-funds, additional costs, etc.</p> <p>Consequence: investments held outside pool, regulatory compliance, potential for government intervention, reputational issues</p> <p>Review Date: 29/03/2024 Closed Date:</p>				<p>Inherent Rating:</p> <p>12 - High</p>	<p>Current Rating</p> <p>9 - Medium</p> <p>(27/02/2024)</p>	<p>Target Rating:</p> <p>5 - Low</p>
Mitigations / Actions	% Complete	Due Date	Assigned To	Update		
<p>implementation of illiquid asset solutions subject to issues with adviser (MJ Hudson). Timing of transition of investments into new real estate solutions subject to market conditions, meaning it could be a very lengthy and potentially very expensive process. Uncertainty about when work on other illiquid classes will commence due to issues with MJH.</p>	25	28/06/2024	Joanna Thistlewood	<p>update 24-Mar-23: UK real estate manager has been identified, but lack of clear understanding about the solution and transition plan is of concern. Update 13-Nov-23: Apex (successor firm to MJ Hudson) have been approved by ACCESS pool to continue work on illiquid solutions. Still no confirmation of on-boarding process for Real Estate solution. Pool has confirmed some Infrastructure funds as "pool-aligned". work has begun on private debt and private equity solutions. In the meantime, fund has selected managers outside of the pool to fulfil its increased allocations to both private debt and infrastructure. A similar approach is being followed by other members of ACCESS pool. Update 26-Feb-24: IWCPF is progressing investment in one of the "pool-aligned" infrastructure funds. alternative investment model being investigated for Private Debt and Private Equity, which may require capital investment from funds. property transition model to be confirmed</p>		
<p>Rolling annual mitigation. Attendance at, and participation in, officer working groups at least monthly - covering investment sub-funds, illiquid asset investments, governance, etc.</p>	75	29/03/2024	Joanna Thistlewood	<p>update 24-Mar-23: JMT active participation in main officer working group, EPT (for operator contract work), and Reporting sub-group (JEC). JMT attended all s151 meetings, and supported IWPF rep at all JC meetings. attendance at other working groups as and when possible. significant burden on single officer Update 13-Nov-23: agreed that JMT will step back from some working groups where activity is not a local priority (NLSG, LSG, EPT, ESG-RI) while maintaining attendance to OWG, S151 and JC meetings. JEC attending reporting subgroup meetings. Update 26-Feb-24: CONCERN re resourcing following departure of Pension Fund Manager. Added involvement required in NLSG with decisions on operating model for private equity/private debt.</p>		

IWCRMS - Service Area - Full Risk Register (28 risks)

Mitigations / Actions	% Complete	Due Date	Assigned To	Update
Rolling annual mitigation. Chair of pension committee or named deputy attendance at quarterly Joint Committee meetings.	75	29/03/2024	Joanna Thistlewood	update 9-May-22: Cllr Andre named as primary attendee for JC meetings, agreed by Cllr Jarman and monitoring officer. 2022-23 meetings: 6 Jun 22, 12 Sep 22, 5 Dec 22, 6 Mar 23 Update 9-Sep-22: Cllr Churchman now primary representative, Cllr Andre named deputy. Update 24-Mar-23: 100% participation in JC meetings. Update 13-Nov-23: 100% elected member participation in JC meetings and related calls to date in 2023-24.
as smallest fund, pressure on local budget from shared costs is greatest of all 11 ACCESS funds. Fund must be included in all governance and investment discussions to ensure our needs are reflected and our cost concerns are heard.	75	29/03/2024	Joanna Thistlewood	update 9-Sep-22: active participation in officer meetings, and representation at Joint Committee meeting ensure our voice is heard. update 24-Mar-23: 100% representation at JC meetings in 2022-23, and active participation in discussions. update 13-Nov-23: 100% representation at JC meetings in 2023-24, and active participation in discussions. Views of smallest fund are considered in working groups even when officers are not present. Update 26-Feb-24: CONCERN re resourcing following departure of Pension Fund Manager
Pool operator, Link Fund Solutions, business being sold by Australian parent group. Pool working with advisers (Hymans Robertson and Squire Patton Boggs) to ensure the proposed purchaser (Waystone Group) is suitable for ongoing relationship with underlying authorities	100	13/11/2023	Joanna Thistlewood	update 24-Mar-23: negotiations between LFS and Waystone progressing. Assurance provided by advisers that, assuming negotiations conclude satisfactorily, there should be no significant disruption for the remaining duration of the current operator contract (march 2025) Update 28-Apr-23: confirmation that agreement between LFS and Waystone signed. expectation that regulatory approval will allow transaction to be completed by 30 September 2023. Update 13-Nov-23: successful takeover of Link Fund Solutions business by Waystone Group completed in October 2023. All LFS staff transferred to new organisation, ACCESS-related processes unchanged.
monitoring of government consultations, briefings, and updates from ACCESS Support Unit to ensure that fund is up-to-date with asset pooling developments and best placed to act when required	100	02/10/2023	Joanna Thistlewood	update 9-May-22: DLUHC consultation on (among others) pooling and levelling-up expected to be issued in summer 2022. consultation will be shared with committee and board members for input. Update 24-Mar-23: Spring budget 2023 included details about potential consolidation of pools, fewer in number, larger in size. Consultation expected to be launched shortly, impact to be considered once consultation issued. Update 13-Nov-23: Response to DLUHC consultation submitted at both ACCESS and local fund level. Monitor until such time as government publishes its reply and confirms next steps.

IWCRMS - Service Area - Full Risk Register (28 risks)

Financial Management - Technical Finance (Pension Fund)					
Risk: Pay and price inflation (F1) (Id: 232) - Assigned To: Joanna Thistlewood					
Description: Pay and price inflation significantly more than anticipated Consequence: higher costs of benefits; increase in liabilities; reduction in funding level; more investment risk required; higher employer contribution rate Review Date: 29/03/2024 Closed Date:			Inherent Rating: 9 - Medium	Current Rating 8 - Medium (27/02/2024)	Target Rating: 2 - Low
Mitigations / Actions	% Complete	Due Date	Assigned To	Update	
triennial valuation process focus on real return of assets, net of price and pay increases	100	31/03/2023	Joanna Thistlewood	update 9-May-22: valuation assumptions discussed with director of finance on 5 May, to be presented to committee on 25 May.	
discussion with employers during planning for triennial valuation will ensure that fund is aware of planned salary increases, and that employers are aware of the implications of such on their employer contribution rates.	100	31/03/2023	Joanna Thistlewood	update 24-Mar-23: link to ongoing engagement with employers	
pension increase for 2023 likely to be much higher than in previous years - estimate CPI will be about 10%. Impact on cash flows - build into cash flow forecasting and monitoring.	100	31/03/2023	Joanna Thistlewood	update 24-Mar-23: April 2023 pension increase confirmed at 10.1%.	
monitoring of position between valuations gives early warning	100	31/03/2022	Joanna Thistlewood	at 31 December 2021, estimated funding level was 103%	

IWCRMS - Service Area - Full Risk Register (28 risks)

Financial Management - Technical Finance (Pension Fund)					
Risk: Longevity (F5) (Id: 236) - Assigned To: Joanna Thistlewood					
Description: Pensioners living longer, thus increasing cost to the Fund Consequence: higher cost of liabilities; inappropriate investment strategy; cash flow implications; higher employer contribution rates Review Date: 29/03/2024 Closed Date:			Inherent Rating: 8 - Medium	Current Rating 8 - Medium (27/02/2024)	Target Rating: 5 - Low
Mitigations / Actions	% Complete	Due Date	Assigned To	Update	
triennial valuation assumptions on longevity based on ClubVita statistics with adjustment for local specific experience.	100	30/11/2022	Joanna Thistlewood	9-May-22: valuation assumptions discussed with director of finance on 5 May, and to be presented at 25 May 2022 pension committee meeting. update 01-Jul-22: assumptions presented to May committee meeting were agreed. Draft IWC contribution rate meeting held with director of finance, assistant director of finance and actuaries on 21 June 2022 - a way forward has been agreed. to be presented at November committee meeting.	
participation in Hymans Robertson Club Vita, which monitors fund-specific longevity statistics against LGPS wide information	75		Matthew Collier	9-May-22: data for March 2022 valuation submitted to ClubVita on 4 May 22.	

IWCRMS - Service Area - Full Risk Register (28 risks)

Financial Management - Technical Finance (Pension Fund)

Risk: Freedom and Choice (F8) (Id: 239) - **Assigned To:** Matthew Collier

<p>Description: Transfers out of the Fund into DC schemes due to introduction of 'Freedom & Choice' resulting in change in funding level.</p> <p>Consequence: cash flow implications for payment of transfer out; increased exposure to pension scams; reduction in funding level as assets depleted</p> <p>Review Date: 29/03/2024 Closed Date:</p>	<p>Inherent Rating:</p> <p>4 - Low</p>	<p>Current Rating</p> <p>4 - Low</p> <p>(27/02/2024)</p>	<p>Target Rating:</p> <p>2 - Low</p>
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Mitigations / Actions	% Complete	Due Date	Assigned To	Update
the vast majority of transfers out of the pension fund are to other public service schemes, very little call for F&C withdrawals	50		Matthew Collier	Update 31-Oct-22: The vast majority of our transfers in and out of the scheme are interfund transfers.
transfer out protocols include required checking to ensure appropriate advice has been sought by scheme member before transfer request is agreed.	75		Matthew Collier	Update 31-Oct-22: The process has been reviewed and changed to include the required protocols. Final part is to get Hyman's to review all our transfer letters.

IWCRMS - Service Area - Full Risk Register (28 risks)

Financial Management - Technical Finance (Pension Fund)

Risk: pandemic (all) (Id: 243) **Assigned To:** Joanna Thistlewood

<p>Description: Ongoing Covid-19 pandemic or impact of future pandemic type event causing possible disruption to service delivery</p> <p>Consequence: increased deaths; lack of communication with stakeholders; reduction in service standards; non-compliance with legislation, regulations and/or codes of practice.</p> <p>Review Date: 28/06/2024 Closed Date:</p>	<p>Inherent Rating:</p> <p>12 - High</p>	<p>Current Rating</p> <p>2 - Low</p> <p>(27/02/2024)</p>	<p>Target Rating:</p> <p>2 - Low</p>
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Mitigations / Actions	% Complete	Due Date	Assigned To	Update
Remote working has been very successful, teams have access to equipment to facilitate such working.	100	31/03/2022	Joanna Thistlewood	
Attendance at virtual conferences to maintain knowledge.	100	31/03/2022		
online communications with members - member self service portal; website. rolling ongoing mitigation.	100		Matthew Collier	Update 16-May-22: all communications for retirement options are pointed to MSS portal. statistics on sign up and active usage are available but cannot report on whether documents have actually been opened. Pensioner members have been asked to provide their communication preferences, which is being followed for all communications. Update 31-Oct-22: ALL ABS documents have been uploaded to MSS portal and communications have been sent to ALL pension members who have an ABS to confirm their statement is on the portal.

Financial Management - Technical Finance (Pension Fund)

Risk: Cyber security (NEW 2) (Id: 1276) **Assigned To:** Joanna Thistlewood

IWCRMS - Service Area - Full Risk Register (28 risks)

<p>Description: A Cyber Security Incident is defined as: A Breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data or confidential information or An event having an actual adverse effect on the security of or unauthorised access to or use of, inability to access, loss or theft of, or malicious infection of network and information systems that reasonably may compromise the privacy or confidentiality, integrity, or availability of confidential information or personal data or the council's operating environment, services, network and information systems</p> <p>Consequence: Complete or significant Loss of data Unlawful release of personal data held by the Council to unauthorised third parties resulting in legal action/fines Loss of Council or individual staff members money through fraudulent transactions as a result of phishing Temporary or permanent disabling of key council ICT systems Other fraudulent activity Other breaches of GDPR</p> <p>Review Date: 29/03/2024 Closed Date:</p>	<p>Inherent Rating: 15 - Very High</p>	<p>Current Rating 13 - High (27/02/2024)</p>	<p>Target Rating: 13 - High</p>
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Mitigations / Actions	% Complete	Due Date	Assigned To	Update
Pension Fund specific disaster recovery/cyber incident response plan in place to ensure back-up systems are in place within an agreed timescale. Regularly reviewed and updated.	50	28/06/2024	Joanna Thistlewood	update 28-Apr-23: no progress to date update 13-Nov-23: included in high priority work following governance outlook review and support. Hymans have indicated that they can support with training and understanding of specific requirements of TPR code, but work must be carried out by IWC staff or external data risk specialists if needed. Update 26-Feb-24: no further progress.

IWCRMS - Service Area - Full Risk Register (28 risks)

Mitigations / Actions	% Complete	Due Date	Assigned To	Update
Review TPR single code of practice requirements for cyber risk considerations and ensure compliant. (NB TPR combined code expected to be launched Sept 2022)	25	28/06/2024	Joanna Thistlewood	Update 15-Mar-23: TPR expect to launch "General Code" in spring 2023. but reviewing cyber processes against expectations set out in draft code issued for consultation. First steps = assessment of IWC and Heywood controls at board meeting on 4 April 2023 update 28-Apr-23: TPR code delayed until July 2023. Board agreed good start, needs further work on evidencing testing of controls in place. Update 13-Nov-23: TPR code still not launched. Hymans Robertson have agreed to support with training and understanding of TPR requirements in advance of launch of code. Update 26-Feb-24: General code laid before parliament 10-Jan-24. Hymans' compliance checker tool has been purchased.
IWC cyber incident response plan has been obtained. To be reviewed for compatibility with pension fund needs, then used to create pension specific plan	0	29/03/2024	Joanna Thistlewood	update 13-Nov-23: no progress to date.
Ensure appropriate training and awareness sessions provided to administration staff, other officers and members of the Pension Committee and Pension Board. monitored as part of annual PDR process and reported in pension fund annual report.	75	29/03/2024	Joanna Thistlewood	update 13-Nov-23: all finance and administration staff have completed required internal training. Hymans have offered to support future training for committee and board members. update 26-Feb-24: no further progress.
compliance with Council data security protocols and building access controls maintained. rolling annual mitigation	100	31/03/2023	Joanna Thistlewood	
Cyber risk assessment tool (AON) to be completed, and action plan developed.	100	30/12/2022	Joanna Thistlewood	update 9-Sep-22: access to tool currently blocked under IWC firewalls; incident reported to ICT 5/9/22 update 15-Mar-23: Cyber risk assessment tool completed and presented to Pension Board 26 October 2022. Actions identified to improve performance.

IWCRMS - Service Area - Full Risk Register (28 risks)

Financial Management - Technical Finance (Pension Fund)

Risk: ESG/RI and Climate Change (NEW 3) (Id: 1277) **Assigned To:** Joanna Thistlewood

<p>Description: The fund fails to consider Environmental, Social and Governance risk factors, including climate change, when considering its investment strategy, funding strategy and reporting requirements. It also fails to engage with its investment managers (including the ACCESS pool) to ensure their climate risk processes align with those of the fund.</p> <p>Consequence: loss of returns through obsolete investments and/or stranded assets; reduction in the creditworthiness of individual investee companies should they fail to address climate change implications, for example moving away from fossil fuels. reduction in funding level, higher employer contribution rates. reputational issues. non-compliance with legislation/regulations/reporting requirements.</p> <p>Review Date: 28/06/2024 Closed Date:</p>	<p>Inherent Rating:</p> <p>12 - High</p>	<p>Current Rating</p> <p>12 - High</p> <p>(27/02/2024)</p>	<p>Target Rating:</p> <p>9 - Medium</p>
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Mitigations / Actions	% Complete	Due Date	Assigned To	Update
Fund has published responsible investment beliefs, set in 2019. To be reviewed to ensure still relevant and expanded where appropriate	0	28/06/2024	Joanna Thistlewood	update 28-4-23: to be reviewed as part of TCFD reporting compliance.
ESG/RI workgroup established to review fund's current beliefs and statements to ensure fit for purpose.	25	29/03/2024	Joanna Thistlewood	2 meetings held to date update 9-May-22: no meetings held since November 2021, due to officer capacity update 13-Nov-23: no further progress.
Membership of LAPFF to improve engagement with investee companies. Reporting of engagement to be improved.	75	29/03/2024	Joanna Thistlewood	Update 28-Apr-23: LAPFF membership renewed for 2023-24. reporting of engagement to be improved. Update 13-Nov-23: membership of LAPFF continues, LAPFF communications shared with committee members as appropriate.

IWCRMS - Service Area - Full Risk Register (28 risks)

Mitigations / Actions	% Complete	Due Date	Assigned To	Update
fund commissioned ESG analysis and carbon footprint report in June 2021, which has informed some manager challenge, and will form baseline for future climate change actions.	0	29/03/2024	Joanna Thistlewood	Update 9-May-22: consideration to be given to commissioning updated report for 2022-23. cost identified as £13k. update 28-4-23: to be reviewed as part of TCFD reporting compliance. Update 13-Nov-23: proposal for work plan has been received from Hymans Robertson, although further work deferred until such time as TCFD reporting for LGPS requirements are confirmed by central government. Indication that these will not come into force until 2024-25 reporting at the earliest.
consider requirements of UK Stewardship code	0	29/03/2024	Joanna Thistlewood	
triennial valuation 2022 will model specific climate scenarios in determining likelihood of achieving funding targets, and setting contribution rates.	100	31/12/2022	Joanna Thistlewood	update 4-Jul-22: assumptions for climate modelling agreed update 15-Mar-23: draft valuation report presented to pension committee on 8 February 2023. this included sensitivity analysis of results in three different climate scenarios.
ACCESS pool developing ESG/RI guidelines which should encompass all current statements from all 11 funds. Continued involvement in the development of those guidelines at officer and elected member level	100	25/11/2022	Joanna Thistlewood	update 9-May-22: ACCESS ESG/RI guidelines were presented to elected member workshop on 27 April, with very few amendments proposed. Should be presented to 6 June 2022 JC meeting for onward recommendation. update 01-Jul-22: ACCESS JC meeting approved guidelines in principle. Next step, to build into local review of current statements. update 15-Mar-23: ACCESS JC formally recommended that guidelines be considered by local funds.
respond to DLUHC "Governance and reporting of climate change risks" consultation (issued 1 Sep. 22); develop action plan to ensure compliance with expected regulations. Reporting required for 2023-24 year, by 1 December 2024.	100	24/11/2022	Joanna Thistlewood	Update 15-Mar-23: consultation response submitted 24 November 2022. Government have not yet issued their response, nor the regulations which enforce the requirements.

Financial Management - Technical Finance (Pension Fund)

Risk: Investment Markets (NEW 4) (Id: 1301) - **Assigned To:** Joanna Thistlewood

IWCRMS - Service Area - Full Risk Register (28 risks)

<p>Description: Investment strategy fails to deliver returns in line with the anticipated returns underpinning the valuation of liabilities and contribution rates over the long term, due to any one or a combination of the following factors:</p> <ul style="list-style-type: none"> - Fall in risk-free returns on Government Bonds - Collapse of investment manager, or its wilful negligence, fraud or default - Active investment manager under-performance relative to benchmark - Systemic failure of several asset classes and/or investment managers - Significant allocation to any single asset category and its underperformance relative to expectation. <p>Consequence:</p> <ul style="list-style-type: none"> - significant reduction in investment values and/or investment income. - loss of assets. - reduction in funding level - potentially higher employer contribution rates - reputational damage <p>Review Date: 28/06/2024 Closed Date:</p>	<p>Inherent Rating:</p> <p>9 - Medium</p>	<p>Current Rating</p> <p>5 - Low</p> <p>(27/02/2024)</p>	<p>Target Rating:</p> <p>5 - Low</p>
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Mitigations / Actions	% Complete	Due Date	Assigned To	Update
Investment managers invited to attend pension committee meetings on a rolling cycle, which can be amended should issues with any manager arise. Managers are invited to present on current performance, actions for mitigations of poor performance (if necessary), views for the future, as well as ESG/RI issues. proposal for managers: May 23 = Partners (Infrastructure); Jul 23 = UBS (passive global); Nov23 = ACCESS/Link (pooling update); Feb24 = Baillie Gifford (DGF)	0	28/06/2024	Joanna Thistlewood	update 26-Feb-24: no investment managers were been invited to committee meetings in November 2023 and February 2024, due to other agenda priorities and officer capacity. Restart planning for 2024-25 attendance.

IWCRMS - Service Area - Full Risk Register (28 risks)

Mitigations / Actions	% Complete	Due Date	Assigned To	Update
quarterly monitoring of interim funding level reported at each pension fund committee meeting linking to review of investment performance	0	28/06/2024	Joanna Thistlewood	
Investment assets are held by custodian, in ringfenced accounts, to protect against investment manager default	0	28/06/2024	Joanna Thistlewood	
Advice will be taken from investment consultants should there be a need to transition assets from one investment manager to another, to ensure that out-of-market exposure and transition expenses are minimised.	0	31/03/2024	Joanna Thistlewood	
Investment portfolio diversified across a number of asset managers. independent investment consultants provide review of performance of portfolio as a whole, specific asset classes and individual fund managers at each committee meeting Any significant changes to the structure of the manager (including personnel, acquisitions, other activity) is reported to the committee. rolling quarterly action.	75	29/03/2024	Joanna Thistlewood	update 26-Feb-24: complete for 2023-24.

IWCRMS - Service Area - Full Risk Register (28 risks)

Mitigations / Actions	% Complete	Due Date	Assigned To	Update
pooled investment management agreements determined and monitored through ACCESS Support Unit and Link fund Solutions. monitored by officer working group and reported at each JC meeting. reported to each PFC meeting as part of performance review and reports back from ACCESS.	75	29/03/2024	Joanna Thistlewood	update 26-Feb-24: performance reports included at each ACCESS JC meeting, papers for which are shared in entirety with local committee and board. no issues identified to date
Assets invested on the basis of specialist advice, in a suitably diversified manner across asset classes, geographies, managers, etc. Annual rolling review	75	29/03/2024	Joanna Thistlewood	update 24-Mar-23: review of strategic asset allocation following 2022 valuation to be considered at 24 May 23 PFC.
Review of investment strategy linked with every triennial valuation to ensure consistency of approach	100	25/05/2023	Joanna Thistlewood	update 24-Mar-23: introduction to strategic asset allocation review presented at Nov22 PFC, high level recommendations to be complete for decision in May 2023. implementation thereafter
triennial valuation only anticipate long term returns on a relatively prudent basis to reduce risk of underperforming	100	31/03/2023	Joanna Thistlewood	update 9-May-22: valuation assumptions discussed at meeting with Director of Finance on 5 May, to be presented at committee meeting on 25 May. final discount rate (asset outperformance assumption) will be confirmed once council's contribution modelling completed. Update 1-Jul-22: meeting on 21 June discussed council's contribution rate and discount factor. no concerns, final decision can be deferred until valuation results further progressed. update 4-Oct-22: discussion of whole fund results with s151 officer included consideration of current significant market volatility. Will also be included in committee report for November. update 24-Mar-23: valuation results reflect long term returns only. Mitigation complete once valuation results published. valuation report published on fund's website 30 March 2023
Financial Management - Technical Finance (Pension Fund)				

IWCRMS - Service Area - Full Risk Register (28 risks)

Risk: Employer engagement (NEW 5) (Id: 1302) - **Assigned To:** Joanna Thistlewood

<p>Description: Administering Authority fails to engage with employers on a regular basis, meaning it is unaware of: - structural changes in employer membership (e.g. large fall in employee members, large number of retirements). - an employer closing to new entrants. - economic circumstances causing financial pressures on the employer. - outsourcing decisions from scheduled body. Employers may be unaware of impacts of changes to scheme regulations, etc.</p> <p>Consequence: - Inappropriate funding strategy set for that employer/group of employers; unaffordable contribution rates. - Employer could approach exit without notice, resulting in either significant unaffordable deficit due to the fund, or significant credit payable to employer. - Admission agreements not prepared and/or inappropriate employer contribution rates agreed. - Failure to commission cessation calculation on a timely basis. - Employer cannot meet its obligations, leading to increased risk/additional cost to other employers.</p> <p>Review Date: 28/06/2024 Closed Date:</p>	<p>Inherent Rating: 9 - Medium</p>	<p>Current Rating 8 - Medium (27/02/2024)</p>	<p>Target Rating: 5 - Low</p>
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Mitigations / Actions	% Complete	Due Date	Assigned To	Update
The actuary may revise the rates and adjustments certificate to increase an employer's contributions between triennial valuations - policy created in FSS 2023	0	31/03/2026	Joanna Thistlewood	

IWCRMS - Service Area - Full Risk Register (28 risks)

Mitigations / Actions	% Complete	Due Date	Assigned To	Update
Cessation policy included in FSS 2023. Further, more detailed, policies to be developed: Exit credits; flexibilities on exit. Formal documentation of current practice to ensure employers aware of fund policies, and their options when it comes to exit planning	0	31/03/2025	Joanna Thistlewood	
outsourced contracts, whether the Council or one of the fund's scheduled employers is letting authority, tend to have a pass through arrangement whereby employer contribution rate is fixed for the new supplier for the duration of the contract, to give certainty on contract pricing. Engagement with council's procurement team ensures fund is made aware of potential outsourcing from the council. Need to develop engagement with College and academies for this purpose.	0	28/06/2024	Joanna Thistlewood	update 26-Feb-24: very little proactive engagement during 2023-24, reactive engagement with council outsourcing and academy combinations. CONCERN re capacity to deliver this following resignation of Pension Fund Manager.
Regular contact maintained with admitted body employers with membership less than 5 to discuss planning for exit. Engagement as part of valuation process and at least every 6 months, or if membership numbers change.	0	29/03/2024	Joanna Thistlewood	update 26-Feb-24: very little proactive contact during 2023-24.

IWCRMS - Service Area - Full Risk Register (28 risks)

Mitigations / Actions	% Complete	Due Date	Assigned To	Update
Admin team to communicate with finance team if membership numbers change significantly during year. use of i-connect for monthly data submission by all employers will highlight significant changes in membership/participation, and will prompt engagement with that employer to determine circumstances.	75	29/03/2024	Matthew Collier	update 26-Feb-24: productive contact throughout 2023-24, but CONCERN re ability to maintain engagement due to capacity issues in Admin and finance/governance teams.
Employer engagement as part of triennial valuation planning, sharing of draft results at early stage, meetings with those "non-standard" employers (community admission bodies, housing associations)	100	30/12/2022	Joanna Thistlewood	update 24-Mar-23: this was completed as part of the 2022 valuation.
The Administering Authority has a close relationship with employing bodies and communicates required standards - e.g. for submission of data. rolling annual mitigation.	75		Matthew Collier	Update: 31-03-23 All data is received via i-Connect and submissions of data & payment monitored monthly and reported to LPB.

Financial Management - Technical Finance (Pension Fund)

Risk: Changes to legislation (NEW 6) (Id: 1304) - Assigned To: Joanna Thistlewood

IWCRMS - Service Area - Full Risk Register (28 risks)

<p>Description: Fund is not aware of, or fails to adequately respond to, changes arising from central government and/or HMRC, including:</p> <ul style="list-style-type: none"> - changes from public sector report (McCloud) - changed to a particular type of employer in LGPS (e.g. academies) - Climate risk reporting - TPR General code <p>Consequence:</p> <ul style="list-style-type: none"> - incorrect assessment or payment of benefits - inappropriate information provided to stakeholders - increased complaints - impact on funding strategy for particular type of employer and/or fund as a whole. - impact on investment strategy. - non-compliance with legislation, regulations and/or codes of practice - reputational damage - potential financial penalties. <p>Review Date: 29/03/2024 Closed Date:</p>	<p>Inherent Rating:</p> <p>12 - High</p>	<p>Current Rating</p> <p>9 - Medium</p> <p>(27/02/2024)</p>	<p>Target Rating:</p> <p>5 - Low</p>
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Mitigations / Actions	% Complete	Due Date	Assigned To	Update
McCloud remedy consultation delayed until early calendar year 2023.	25	29/03/2024	Matthew Collier	<p>update 9-Sep-22: Actuaries have factored in assumptions to valuation results, in line with government guidance. Data is being collected from employers - 86% of data requested has been received; 8% analysed. Project report to each LPB meeting.</p> <p>update 3-Oct-22: Data from employers now 92% received and 81% analysed. Report to LPB on 26th October 2022 confirming these figures. Update 31-Oct-22: Data from employers now 92% received and 88% analysed.</p> <p>update 13-Nov-23: fund is working with administration system providers to implement solution. Fund is in a very strong position with respect to data.</p>
The Administering Authority considers all consultation papers issued by the Government and comments where appropriate. rolling annual mitigation.	75	29/03/2024	Joanna Thistlewood	<p>update 26-Feb-24: response submitted to DLUHC consultation on Next Steps for investment.</p>

IWCRMS - Service Area - Full Risk Register (28 risks)

Mitigations / Actions	% Complete	Due Date	Assigned To	Update
Take advice from Fund actuary on impact of changes on the Fund and amend strategies as appropriate. rolling annual mitigation.	75	29/03/2024	Joanna Thistlewood	
participation in networking events, webinars, subscriptions to professional organisations, liaison with advisers to ensure kept up to date with latest developments. rolling annual mitigation.	75	29/03/2024	Joanna Thistlewood	update 27-Mar-23: participating throughout 2022-23. restart reprogress for 2023-24 update 26-Feb-24: participating throughout 2023-24. restart progress for 2024-25
business plan for pension fund includes these changes as they become apparent, with resource allocated as required. annual rolling mitigation.	0	29/03/2024	Joanna Thistlewood	update 26-Feb-24: still not formal business plan for pension fund
Record of development activity and progress with learning toolkits will be presented at each board and committee meeting, and will be included in annual report, at member level.	75	29/03/2024	Joanna Thistlewood	update 27-Mar-23: included in all meetings 2022-23. renewed focus in 2023-24 update 26-Feb-24: included in all meetings 2023-24. renewed focus in 2024-25, following output of KPA.
Administration staff resources and technical support programme agreed with Hymans Robertson, for period of three months, to cover gaps following staff resignations, while service redesign work is completed. Following redesign, recruitment to new structure can begin.	75	07/03/2024	Matthew Collier	Update 13-Nov-23: questions on support contract raised by HR, Corporate Information Unit, and Procurement, has delayed the implementation of this contract - which was scheduled to start on 30 October 2023 for a period of three months. Expect to sign contract before 17 November 2023. Update 1-Dec-23: contract signed, support contract in place Update 26-Feb-24: administration service is being fully supported by Hymans Robertson. Review of additional support required/available following resignation of another pension officer - information expected w/c 26 Feb.

IWCRMS - Service Area - Full Risk Register (28 risks)

Mitigations / Actions	% Complete	Due Date	Assigned To	Update
training and development plans in place for all pension administration staff, identifying external events as well as in-house training. as part of annual PDR process.	100	30/06/2022	Matthew Collier	update 16-May-2022: all administration staff have bespoke training plans in place, which are monitored as part of regular 1-2-1 meetings.

Appendix 2 - Risk Prioritisation Matrix

Likelihood/Probability	4 V. Likely	7 Medium	11 Medium	14 High	16 <u>VERY HIGH</u>
	3 Likely	4 Low	8 Medium	12 High	15 <u>VERY HIGH</u>
	2 Unlikely	2 Low	5 Low	9 Medium	13 High
	1 Remote	1 Low	3 Low	6 Low	10 Medium
	Scale	1 Low	2 Medium	3 High	4 Major
Impact/Severity					

15 - 16	Red	V. high risk
12 - 14	Red	High risk
7 - 11	Amber	Medium risk
1 - 6	Green	Low risk

Likelihood/Probability Criteria

FACTOR	SCALE	THREATS - DESCRIPTION	INDICATORS
Very likely	4	More than 75% chance of occurrence	Regular occurrence Circumstances frequently encountered - daily/weekly/monthly
Likely	3	40% - 75% chance of occurrence	Likely to happen at some point within the next 1-2 years Circumstances occasionally encountered (few times a year)
Unlikely	2	10% - 40% chance of occurrence	Only likely to happen 3 or more years
Remote	1	Less than 10% chance of occurrence	Has happened rarely/never before

Impact/Severity Criteria

Factor	Scale	Effect on Service	Embarrassment/reputation	Personal Safety	Personal privacy infringement	Failure to provide statutory duties/meet legal obligations	Financial	Effect on Project Objectives/Schedule Deadlines
Major	4	Major loss of service, including several important areas of service and /or protracted period. Service Disruption 5+ Days	Adverse and persistent national media coverage Adverse central government response, involving (threat of) removal of delegated powers Officer(s) and/or Members forced to resign	Death of an individual or several people	All personal details compromised/revealed	Litigation/claims/fines from Departmental £250k + Corporate £500k +	Costing over £500,000	Complete failure of project/ extreme delay – 3 months or more
High	3	Complete loss of an important service area for a short period Major effect to services in one or more areas for a period of weeks Service Disruption 3-5 Days	Adverse publicity in professional/municipal press, affecting perception/standing in professional/local government community Adverse local publicity of a major and persistent nature	Major injury to an individual or several people	Many individual details compromised/revealed	Litigation/claims/fines from Departmental £50k to £125k Corporate £100k to £250k	Costing between £50,000 and £500,000	Significant impact on project or most of expected benefits fail/ major delay – 2-3 months
Medium	2	Major effect to an important service area for a short period Adverse effect to services in one or more areas for a period of weeks Service Disruption 2-3 Days	Adverse local publicity /local public opinion aware Statutory prosecution of a non-serious nature	Severe injury to an individual or several people	Some individual details compromised/revealed	Litigation/claims/fines from Departmental £25k to £50k Corporate £50k to £100k	Costing between £5,000 and £50,000	Adverse effect on project/ significant slippage – 3 weeks–2 months
Low	1	Brief disruption of important service area Significant effect to non-crucial service area Service Disruption 1Day	Contained within section/Unit or Directorate Complaint from individual/small group, of arguable merit	Minor injury or discomfort to an individual or several people	Isolated individual detail compromised/revealed	Litigation/claims/fines from Departmental £12k to £25k Corporate £25k to £50k	Costing less than £5,000	Minimal impact to project/ slight delay less than 2 weeks



Purpose: For Discussion

Committee Report

ISLE OF WIGHT COUNCIL

Meeting	ISLE OF WIGHT LOCAL PENSION BOARD
Date	6 MARCH 2024
Title	KNOWLEDGE PROGRESS ASSESSMENT REPORT
Report of	PENSION FUND MANAGER

Executive Summary

1. This is the same report that was presented to Pension Fund committee on 14 February 2024.
2. During December 2023, the pension fund promoted the Hymans Robertson Knowledge Progress Assessment survey, to support the development of a training programme for committee and board members.
3. This report presents the output from this exercise, summarising areas where additional focus may be required to support the development of committee and board members' understanding.
4. It also presents an initial training plan for discussion and agreement.

Recommendation

- | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none">5. That the report from the Knowledge Progress Assessment is noted.6. That the initial training plan is considered and priorities for development are agreed. |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Background

7. The Hymans Robertson Knowledge Progress Assessment was designed to provide information on how members' collective knowledge levels are progressing since the last assessment in 2022, and to support the development of a training plan to continue improvement.

8. Committee members will be aware of both the Department of Levelling up, Housing and Communities and the Pension Regulator's push for appropriate levels of knowledge and skills for the Funds decision-making body (Committee) and oversight board (Pension Board). It is expected that the Fund can provide clear evidence of actions in this area, primarily through a Fund training strategy, training plan, training activities and ongoing assessment.
9. The survey ran locally from 5 December 2023 until Friday 19 January 2024, and was open to all committee and board members. Following several reminders, the survey was completed by three (out of eight) committee members and five (out of seven) board members.
10. The output report from the survey is presented at appendix 1 to this report.
11. Since the 2022 assessment was completed there have been a number of changes in membership of both the committee and board, so to some extent a comparison of understanding levels between surveys maybe irrelevant.
12. Despite the relatively low level of participation, particularly from committee members, the results demonstrate a good base level of collective understanding for both board and committee KPA participants and highlight a number of key areas for future development.
13. Based on the outcome of the survey, an indicative training plan has been prepared by Hymans Robertson, which is attached at appendix 2 to this report. This plan is for consideration and agreement by the committee and board but will form the basis of initial discussions between the Pension fund Manager and the council's Learning and Development Team to formalise a plan and develop a learning programme for committee and board members.

Corporate Priorities and Strategic Context

14. There is nothing contained in this report which directly contributes to the priorities contained in the Isle of Wight Council [Corporate Plan 2021 – 2025](#).

Pension Fund Strategic Aims

15. The primary objective of the fund is to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before or after retirement, for their dependents, in accordance with the Local Government Pension Scheme (LGPS) regulations and statutory provisions. The committee aims to operate the fund in such a manner that, in normal market conditions, all accrued benefits are fully covered by the value of the fund's assets and that an appropriate level of contributions is agreed by the employer to meet the cost of future benefits accruing.
16. The fund has also agreed the following objectives, which are supported by information in this report:
 - (a) Ensure compliance with the LGPS Regulations, other relevant legislation and the Pensions Regulator's Codes of Practice.

- (b) Ensure Fund is managed, and its services provided, by people with the appropriate knowledge and understanding.

Local Pension Board View

- 17. The Local Pension Board will consider this report and their knowledge and understanding requirements at its meeting on 6 March 2024.

Financial / Budget Implications

- 18. The total cost of participating in the Knowledge Progress Assessment survey and the provision of the report and outline training plan as presented was £5,000.
- 19. The costs for the delivery of the training programme will be determined by both the method of delivery and the presenters of that training. As the training plan is developed a formal budget will be established and monitored.

Legal Implications

- 20. Isle of Wight Council is the administering authority for the Isle of Wight Council Pension Fund. An administering authority is defined in the Local Government Pension Scheme Regulations 2013 as “a [local authority] required to maintain a pension fund under the local government pension scheme regulations”.
- 21. The Public Service Pensions Act 2013 introduced the requirement for local pension boards to be established for all public service pension schemes. The Local Government Pension Scheme Regulations 2013 (as amended) enacted this legislation.
- 22. The Pensions Act 2004 specifies the knowledge and understanding requirement for local pension board members but does not implicitly state the same requirements for pension committee members.
- 23. The government’s response to the Department for Levelling Up, Housing and Communities consultation “LGPS (England and Wales) Next steps on investments” stated that there will be an expectation that knowledge and understanding requirements for pension committee members will align with those for local pension board members.

Equality and Diversity

- 24. The council as a public body is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations between people who share a protected characteristic and people who do not share it. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

25. There are no implications for any of the protected characteristics arising from this report.
26. Any future training programme will be designed to meet, as far as possible, the individual learning preferences of all committee and board members, to encourage participation and engagement.

Appendices Attached

27. Appendix 1: Hymans Robertson 2023 Knowledge Progress Assessment Isle of Wight Pension Fund.
28. Appendix 2: Draft initial training plan.
29. Appendix 3: LOLA Progress Report
30. Contact Point: Joanna Thistlewood, Pension Fund Manager, ☎ 821000
e-mail jo.thistlewood@iow.gov.uk

CHRIS WARD
Director of Finance

COUNCILLOR CHRIS JARMAN
*Isle of Wight Pension Fund Committee
Chair*

2023 LGPS Knowledge Progress Assessment

Isle of Wight Pension Fund

Overview

This Knowledge Progress Assessment (KPA) allows a direct insight into the knowledge and skills of the key decision makers and oversight body of the Isle of Wight Pension Fund.

Participants answered a series of questions covering a broad spectrum of topics, for which they should be familiar to effectively perform their role. Based on participants' answers, a score is recorded for each member, and also collectively for both the Committee and Board.

This information can be incredibly valuable in helping shape and plan training sessions at both group and individual level.

This assessment sits alongside the LGPS National Knowledge Assessment (NKA). Unlike the NKA, there is no benchmarking provided against the results of all other participating Funds. The results focus solely on your Fund.

Background

The Isle of Wight Pension Fund agreed to participate in the KPA using our online assessment. This is in addition to having completed the 2022 NKA.

This report provides an overview of the participants' results broken down into 8 key areas, noted in the section below.

The online assessment opened in December 2023, and there were weekly progress updates provided to the Fund confirming participation levels.

Each participant received their individual results report following completion of the assessment.

The questions posed in the assessment are split into 3 categories:

- Technical questions
- Roles and responsibilities
- Decision making

Technical questions, made up around two thirds of the questions. The remaining questions were split between the categories of Roles and Responsibilities as well as Decision Making. This helps to provide more in-depth analysis of the results and provides further context to the proposed training plans.

The Knowledge Progress Assessment is a challenging multiple-choice assessment of participants' knowledge and understanding of key pension areas. There was no expectation that participants would score 100% on each subject area tested. Rather, the goal was to gain a true insight into members' knowledge in the areas covered by the CIPFA Knowledge and Skills Framework and the Pensions Regulator's (TPR) Code of Practice.

Why Does this Matter?

While fund officers may deal with the day-to-day running of the funds, members of the Committee play a vital role in the scheme as decision makers.

To execute their roles effectively, Committee members must be able to address all relevant topics such as investment matters, issues concerning pension funding, pension administration and governance.

All topics which require a level of knowledge and understanding from the Committee. Similarly, the Pension Board members must have a sound knowledge of these topics in order to be able to offer critical challenge in the oversight of Committee decisions.

The Assessment

The members of the Isle of Wight Pension Fund Committee and Board were invited to complete an online knowledge assessment. In total there were 3 respondents from the Committee and 5 respondents from the Board.

Each respondent was given the same set of 48 questions on the 8 areas below:

Section	Names
Section 1	Committee Role and Pensions Legislation
Section 2	Pensions Governance
Section 3	Pensions Administration
Section 4	Pensions Accounting and Audit Standards
Section 5	Procurement and Relationship Management
Section 6	Investment Performance and Risk Management
Section 7	Financial Markets and Product Knowledge
Section 8	Actuarial Methods, Standards and Practices

Under each subject heading, there were 6 multiple choice questions to answer. Each question had 4 possible answers, of which one answer was correct.

Participants were also given the option of selecting “I have no knowledge of this area”, where they were unsure.

This allows us to build a picture of the knowledge levels of each individual member in each of the topics, but crucially to help inform you of the overall levels of knowledge in each area.

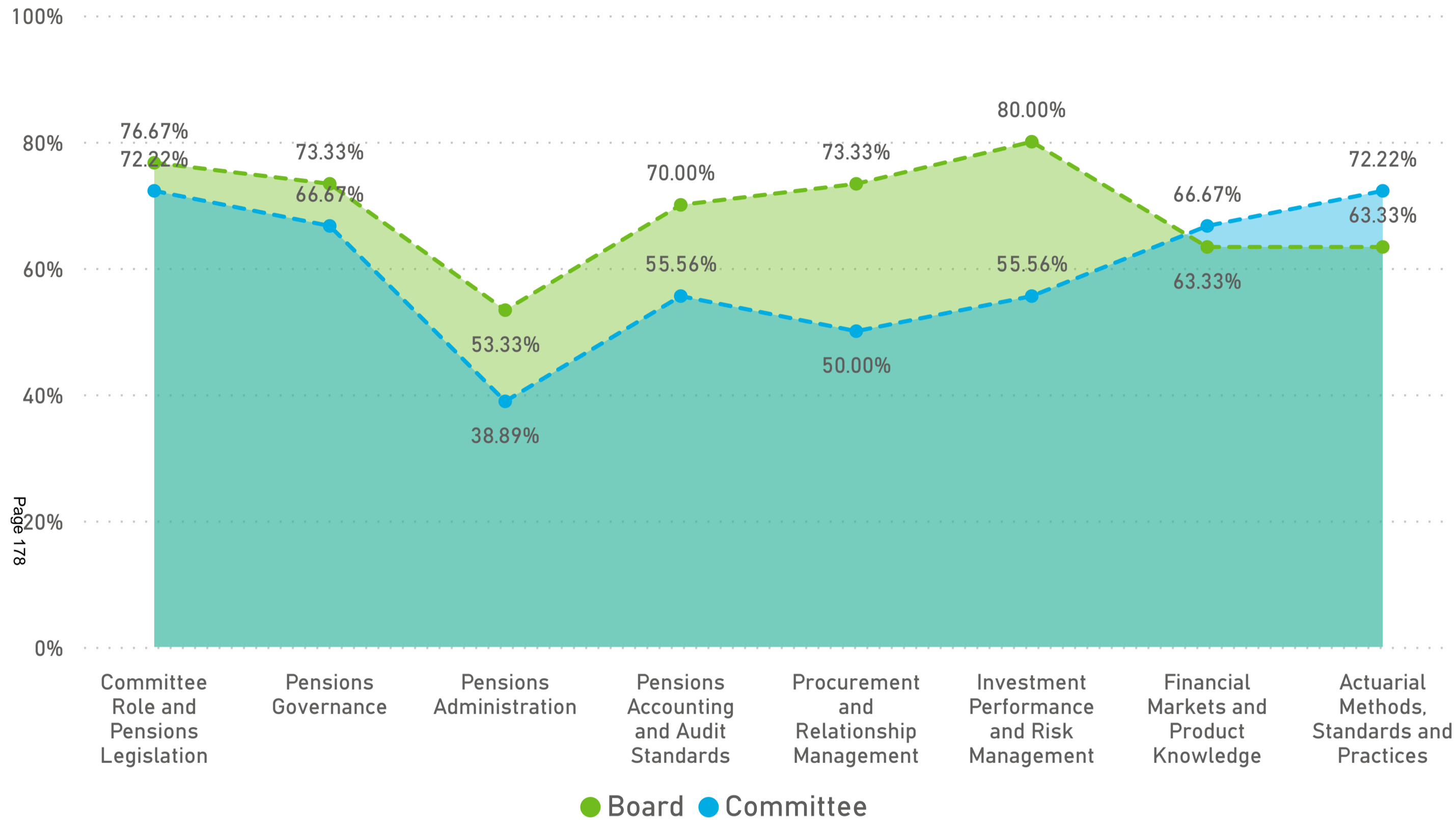
Results

The responses for all members who participated have been collated and analysed. For each section we have shown:

- The average score for each of the 8 subject areas, for both the Committee and Board.
- Results split by the categories of “**technical**”, “**roles and responsibilities**” and “**decision making**”.
- Each score compared with the results of the previous assessment taken by the fund, to show growth or regression in each area.
- Engagement levels for both the Committee and Board and how these levels rank against other LGPS funds.
- The most requested topics for training.

Based on the results and the responses received from participants, we have proposed some “next steps” to consider.

Average Score for Board & Committee



For each of the assessment's 8 areas we have shown the results of both the Committee and Board.

These have been shown in the order in which the sections appeared in the survey.

There is also a summary showing the average scores across all sections for the Committee and Board.

- The performance of the Board (average overall score of 69.2 %) was stronger than that of the Committee (average overall score of 59.7 %).
- The performance for the Committee and Board diverged the most in the Investment Performance and Risk Management section, when Board were 24.4% higher than the Committee.
- The Committee performed most strongly in the areas of Committee Role and Pensions Legislation and Actuarial Methods, Standards and Practices.
- The Board areas of strongest knowledge were Investment Performance and Risk Management and Committee Role and Pensions Legislation.

Commentary on results

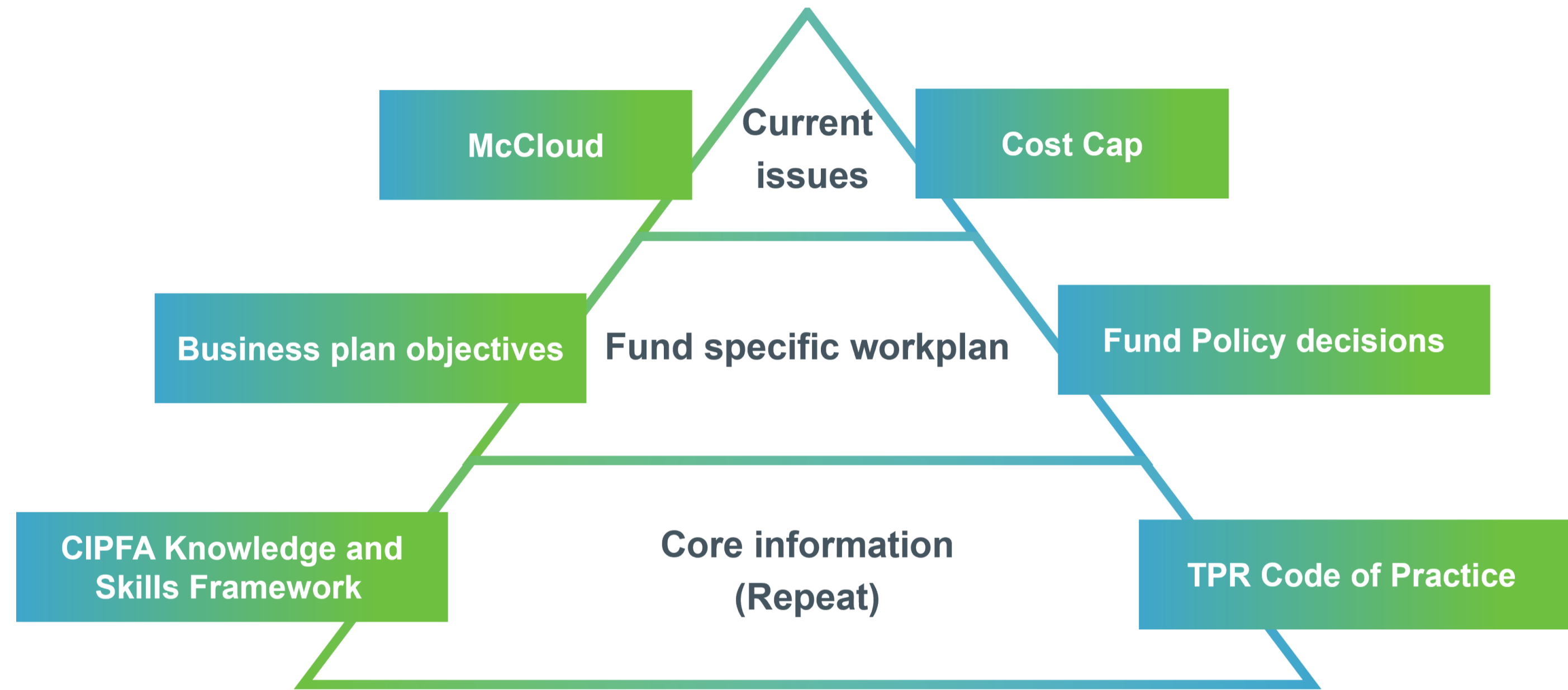
It's encouraging that 8 participants from your Fund took part in the assessment. Overall, the results were positive and it's clear that there are areas of greater knowledge levels as well as areas in which knowledge should be developed over time.

We would fully expect there to be gaps in the knowledge of all members, no matter their role on the Committee/Board, their tenure or indeed their background in terms of pensions experience.

The most important thing to emphasise is that not everybody needs to be an expert in all areas, rather there should be a spread of knowledge across your Committee and Board which is supported by advice from officers and professional advisors.

Just as important as gaining the relevant knowledge and understanding expected of a Pension Committee or Board, is the application of that knowledge and understanding, including the utilisation of an individual's own background and perspective.

Many funds have implemented training plans that follow the pyramid diagram of LGPS training areas. Fundamentally, a plan based on this example pyramid would provide a LGPS fund with a robust training program for its Committee and Board.



Committee

The results show that Committee Role and Pensions Legislation and Actuarial Methods, Standards and Practices have the highest levels of knowledge. But the areas to focus any specific training on might be Pensions Administration for the Committee.

In general, the Committee's performance was reasonably strong. There are areas which could be improved on with focused training.

Local Pension Board

The results show that Investment Performance and Risk Management and Committee Role and Pensions Legislation have the highest levels of knowledge, but the areas to focus any specific training on might also be Pensions Administration for the Board.

The next step would be to try and develop the knowledge of the lower scoring areas. You might already have a training plan in place, in which case you could use these results to tailor the specific training and with the knowledge of these results, ensuring it aligns with your priorities.

Further Analysis

In order to gain further insight into the knowledge and understanding, the questions posed covered 3 distinct areas. These were:

- **Technical** – 66% of questions
- **Decision Making** – 17% of questions
- **Roles and responsibilities** – 17% of questions

The purpose of this was to drill deeper into the collective understanding of these categories, and to provide further analysis on which areas to target when creating training plans. The following chart shows the average score for each of these sections, for the Committee and Board combined.



Page 181

From this chart, the lowest scoring area was Technical. Bearing this in mind, a particular focus could be put on this over the coming months.

Some next steps to consider are:

Decision making – A review of the Fund's decision-making procedures, and updating/creating a decision-making matrix, and sharing this with the Committee and Board to ensure visibility of the role of each group in across a broad spectrum of potential decisions.

Roles and responsibility – A specific training session covering the roles and responsibilities of different stakeholders within different points in the annual cycle of the Fund. This could include preparation of annual report, annual benefit statements, business planning and investment performance reviews for example. It would also be good to cover more niche topics such as the IDRP process, review of suppliers and cyber risk.

Technical – The majority of questions in the assessment were technical and related to core areas of knowledge and skills for Committees and Boards. We would expect the Fund's training strategy and training plan to reflect requirements here.

Collective Knowledge

It is not just the overall average scores which are important, we realise that you need to be aware of the collective knowledge of your members. All Committee and Board members will bring different experience and perspectives, and will feel more comfortable providing challenge in areas they are more knowledgeable in. As such, the spread of detailed knowledge in each subject is important for the robust governance of the Fund.

For this reason we feel it is important to understand how many members scored highly in each of the topics, to provide an insight into the breadth of knowledge. Where a Committee or Board have individuals with high knowledge levels in each of the topics, you can feel more assured that members will be able to provide challenge or guidance as and when required.

A well rounded Committee or Board will have a number of members scoring highly in each topic. To measure this, we have analysed:

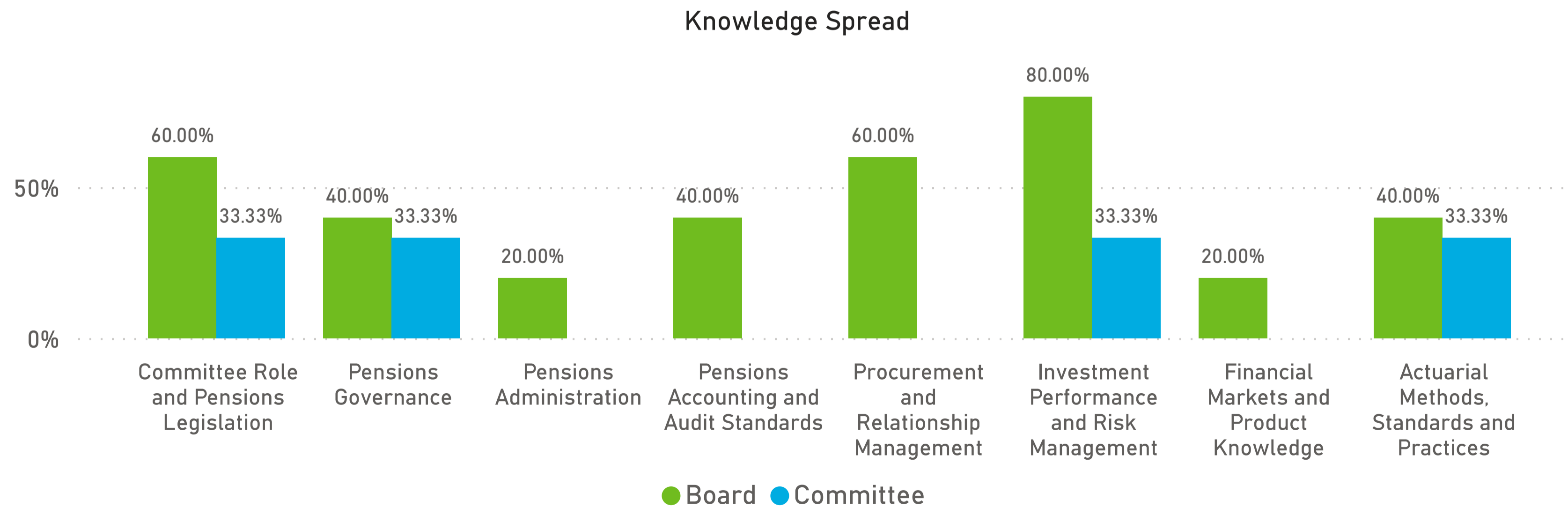
- the number of members who correctly answered at least 5 of the 6 questions in each topic.

It is also important that it is not just the same individuals who score highly in each topic. A spread of individuals with detailed knowledge across different topics, is more likely to create an effective committee or board.

We have analysed the number of members who correctly answered 5 or 6 questions in at least one topics. This gives an indication of the spread of knowledge. The chart below shows the respondents who correctly answered 5 or 6 questions in each particular section.

- For the Committee there were 2 of members who scored highly in at least 1 topic.
- There were 4 Board members who scored highly in at least 1 topic.

This is a positive result for the Board, as you would hope that most members would have specialist, detailed knowledge in at least one subject area.



Comparison with previous results

The Isle of Wight Pension Fund also took part in a previous Assessment. The results for each of the 8 topics can be compared to measure progress in each area.

This is shown in the following chart.

The average score for each topic this year is compared with that from the previous assessment. This has been broken down to show the results for the Committee and Board separately.

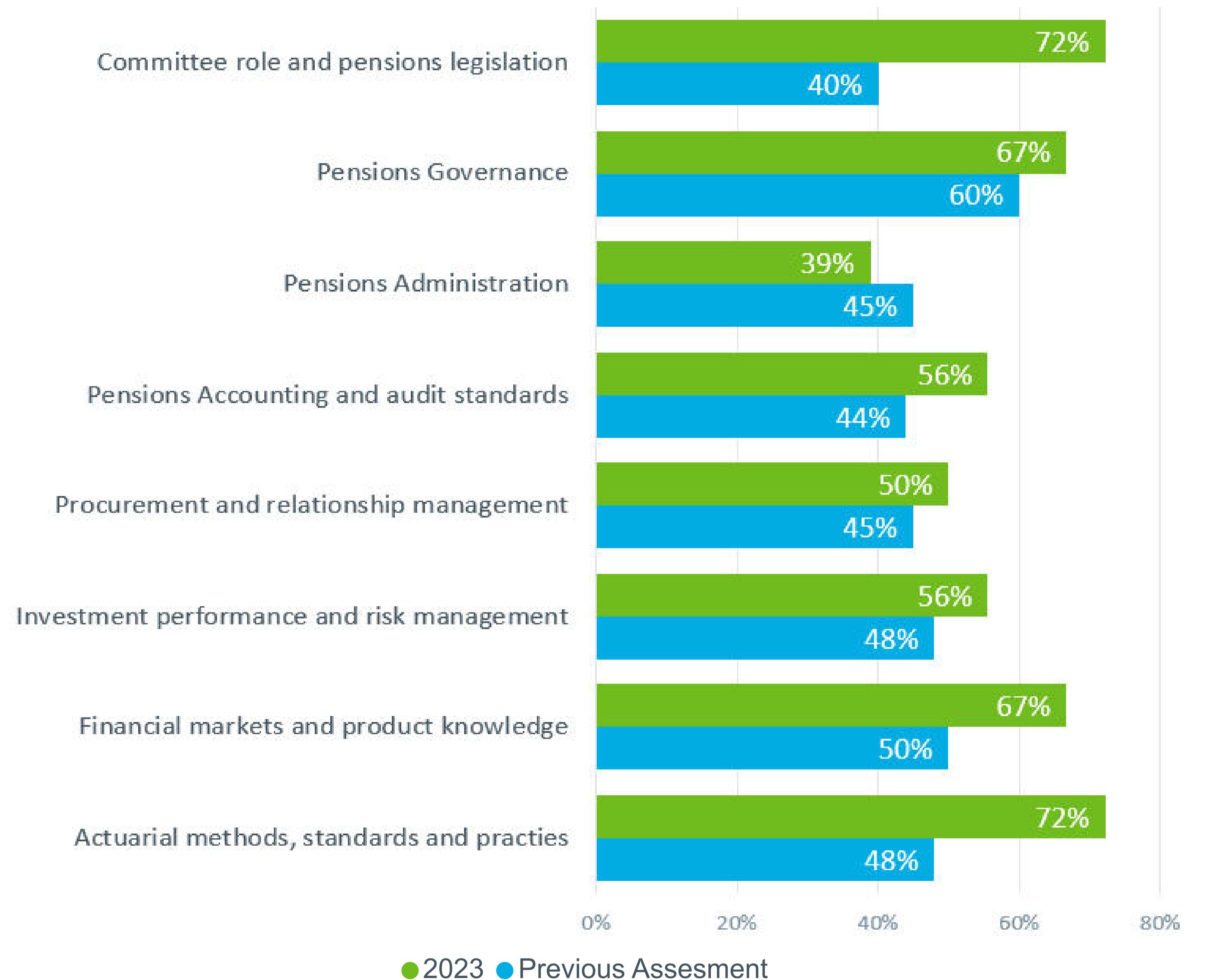
It's worth noting that while there will be differences in the members who actually participated in each assessment, it's the collective knowledge of each group which is important.

The area in which knowledge appears to have developed most for the Committee is Committee Role and Pensions Legislation which is encouraging.

On the other hand, knowledge levels seem to have regressed in Pensions Administration

Page 183

Committee Results



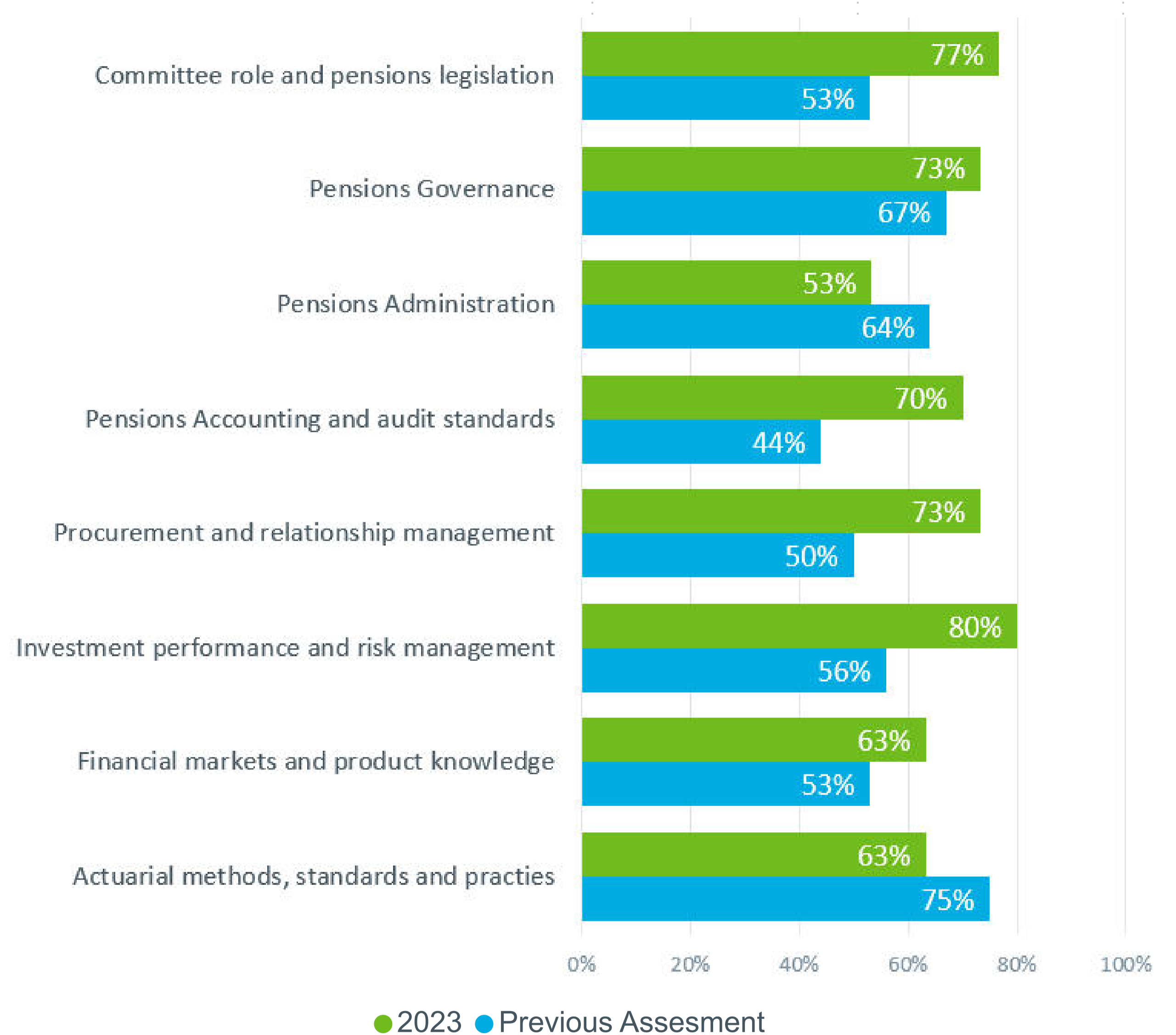
The same comparison can be made for the Board. The chart on the right shows these results.

The area in which knowledge appears to have developed most for the Board is Pensions accounting and audit standards which is encouraging. On the other hand, knowledge levels seem to have regressed in Pensions Administration and Actuarial Methods, Standards and Practices.

It's worth noting that the underlying questions have changed between both assessments.

This might account for some small differences in the results.

Board Results



Engagement

One of the key areas that we recommend funds focus on is Committee and Board training engagement.

With the ever-increasing pace of change in the pensions and investments world, Committee and Board engagement is critical to maintaining strong collective knowledge. There is an expectation that they need not only be willing, but keen to develop their knowledge and understanding across the raft of topics upon which they will need to make, or ratify, decisions.

One measure of the engagement of members is their willingness to participate in training. As such, we have used the participation level of this survey to measure the engagement of your Committee and Board members.

The chart below shows the breakdown of the total number of participants from the Isle of Wight Pension Fund, as a proportion of those who could have responded.

Page 185

Role	Participants	Possible Participants	Participation Rate
Board	5	6	83.3%
Committee	3	8	37.5%

That 8 participants from your Fund took part in the assessment is encouraging. With the number of changes to the LGPS in recent years, it is vital that Committee and Board members remain abreast of the latest developments and feel confident that they have the knowledge required to make the decisions required of them.

Their level of engagement is a key driver of this. Overall engagement seems to be strong with Board members, but low with Committee members. Given the increased governance expectations of both the Department for Levelling Up, Housing and Communities and TPR, the Fund will have to consider how to improve engagement.

The move to online learning and tackling topics in bitesize chunks can help.

The way in which information is shared with the Committee and Board can also promote engagement.

There have been moves by some funds to issuing short timely bulletins and newsletters to increase training knowledge and engagement, which we very much encourage.

Training Feedback from Participants

One of the final sections of the survey asked participants to indicate which topics they would like to receive training on.

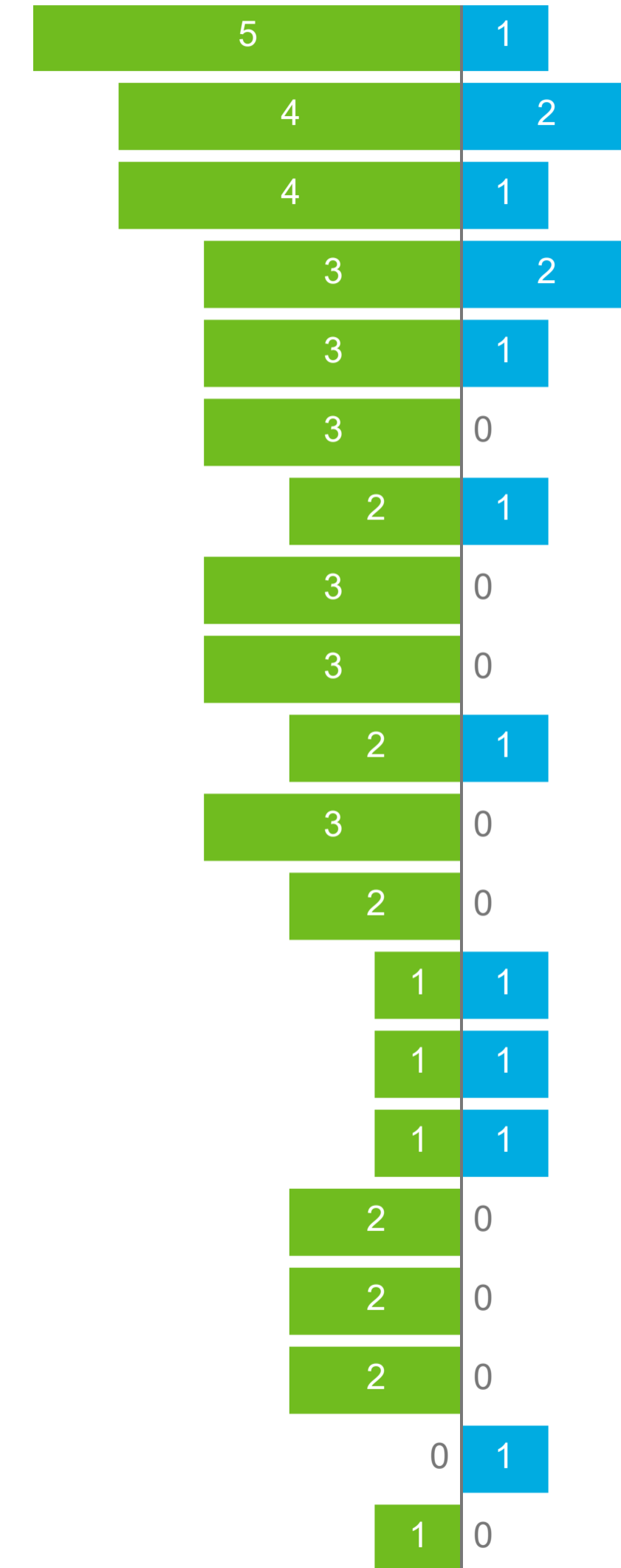
There was a list of options available, covering a broad spectrum of the topics we believe are most relevant to allowing Committee and Board members to effectively perform their roles. Members were also given the option to indicate any other areas in which they would benefit from further training.

The table on the right summarises the areas in which members indicated training would be beneficial.

Training requirements

● Board ● Committee

Cyber security	5	1
Environmental, Social and Governance / Res...	4	2
Pension Regulator Code of Practice	4	1
Task Force on Climate-related Financial Discl...	3	2
Levelling up and impact investing	3	1
Good Governance	3	0
Investment Performance and Risk Managem...	2	1
LGPS Code of transparency	3	0
Pensions Accounting and Audit Standards	3	0
Pensions Administration	2	1
Pensions Dashboards	3	0
Actuarial Methods, Standards and Practices	2	0
Committee Role and Pensions Legislation	1	1
Financial Markets and Product Knowledge	1	1
Illiquid asset training	1	1
Pensions Governance	2	0
Procurement and Relationship Management	2	0
Section 13	2	0
McCloud impacts	0	1
Pension Scams	1	0



Next Steps

Based on the results, we would suggest that there should be consideration to the following next steps:

- This report should be **reviewed** by the Fund's officers and results shared with the Committee and Board.
- Set up a **structured training plan** or adjust the existing training plan for the next 18 months covering the main areas highlighted in this report.
- Plan for the **delivery** of training over the immediate 6-month period following these results and communicate that intention with the Committee and Board.
- Consider the most **pressing** training requirements in the coming months. Importantly, look at the **frequency** of training engagement with your Committee and Board.
- **Assess** the tools available to the Fund to assist with training, and whether any new methods should be deployed.
- Consider ways of **maintaining** and **increasing** the engagement of both the Board and Committee. This could include providing them with more information, training materials, briefing notes etc.
- Ensure that the Fund's training strategy is up to date and **appropriate** for purpose.

If you wish to discuss the contents of this report further, please get in touch.

Prepared by Hymans Robertson LLP.

Andrew McKerns



Senior LGPS Governance, Administration and Projects (GAP) Consultant

Alan Johnson



LGPS Governance, Administration and Projects (GAP) Consultant

Reliances and Limitations

This report has been prepared for the Isle of Wight Pension Fund.

This report must not be released or otherwise disclosed to any third party except with our prior written consent, in which case it should be released in its entirety.

Hymans Robertson LLP do not accept any liability to any party unless we have expressly accepted such liability in writing.

This report has been prepared by Hymans Robertson LLP, based upon its understanding of legislation and events as of January 2024.

Isle of Wight Pension Fund Training Plan 2024/2025 – 2025/2026

	Q1 2024/2025		Q2 2024/2025		Q3 2024/2025		Q4 2024/2025		Q1 2025/2026	
	1 April 2024 – 30 June 2024		1 July 2024 – 30 September 2024		1 October 2024 – 31 December 2024		1 January 2025 – 31 March 2025		1 April 2025 – 30 June 2025	
1 Core CIPFA requirement	Pension Administration (module 3)	Pension Accounting & Auditing Standards (module 4)	Pension Legislation (module 1)	Pension Governance (module 2)	Pension Services Procurement & Relationship Management (module 5)	Investment Performance & Risk Management (module 6)	Financial Markets & Product Knowledge (module 7)	Actuarial Methods, Standards & Practices (module 8)	Pension Administration (module 3)	Pension Accounting & Auditing Standards (module 4)
Outline of content	Providing a general understanding of best practice in pensions administration, together with Fund policies and discretionary powers, in line with CIPFA Knowledge & Skills Framework	Providing a general understanding of the Accounts and Audit Regulations and the role of internal and external audit, in line with CIPFA Knowledge & Skills Framework	Providing a general understanding of the legislative framework as it applies to the LGPS, in line with CIPFA Knowledge & Skills Framework	Providing a general understanding of the LGPS governance structure and a "who's who" of scheme governance, in line with CIPFA Knowledge & Skills Framework	Providing a general understanding of the public procurement requirement as they apply to the LGPS, in line with CIPFA Knowledge & Skills Framework	Providing a general understanding of the relationship between assets and liabilities, the Myners principles and the structure, operation and purpose of investment pooling arrangements, in line with CIPFA Knowledge & Skills Framework	Providing a general understanding of the risk and return characteristics of the main asset classes, the workings of the financial markets and available investment vehicles and the importance of the Fund's ISS and investment strategy decisions, in line with the CIPFA Knowledge & Skills Framework	Providing a general understanding of the role of the Fund actuary and the formal valuation process (including the FSS and inter-valuation monitoring) and the treatment of new and ceasing employers (including employer covenant) in line with the CIPFA Knowledge & Skills Framework	Providing a general understanding of best practice in pensions administration, together with Fund policies and discretionary powers, in line with CIPFA Knowledge & Skills Framework	Providing a general understanding of the Accounts and Audit Regulations and the role of internal and external audit, in line with CIPFA Knowledge & Skills Framework
Scheduled delivery date	(either exact date or specified quarter)	(either exact date or specified quarter)	(either exact date or specified quarter)	(either exact date or specified quarter)	(either exact date or specified quarter)	(either exact date or specified quarter)	(either exact date or specified quarter)	(either exact date or specified quarter)	(either exact date or specified quarter)	(either exact date or specified quarter)
Method of delivery	LOLA training videos (primary) / face to face (only where required)	LOLA training videos (primary) / face to face (only where required)	LOLA training videos (primary) / face to face (only where required)	LOLA training videos (primary) / face to face (only where required)	LOLA training videos (primary) / face to face (only where required)	LOLA training videos (primary) / face to face (only where required)	LOLA training videos (primary) / face to face (only where required)	LOLA training videos (primary) / face to face (only where required)	LOLA training videos (primary) / face to face (only where required)	LOLA training videos (primary) / face to face (only where required)
Delivered by	LOLA	LOLA	LOLA	LOLA	LOLA	LOLA	LOLA	LOLA	LOLA	LOLA
Committee	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Board	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2 Business plan relevant	TPR - General Code of Practice	DLUHC consultation response - Levelling up and impact investing	Cyber Security	McCloud update	Responsible Investment	2025 Valuation - preparation training	TBD	TBD	TBD	TBD
Outline of content	Ensuring members understand the expectations set by TPR and the compliance levels of the IOW PF	Assessment of impact to IOW PF of DLUHC recent Investment consultation and future plans	Ensure the Committee and Pension Board are advised of this threat and what it means for the Fund	Ensuring members are up to date in understanding of the Fund's response to the McCloud judgement. Opportunity to enhance Committee administration knowledge	Ensure Committee and Board are presented with appropriate knowledge and skills on this area	Training session preparing Committee and Board with upcoming Valuation details and key milestones	TBD	TBD	TBD	TBD
Scheduled delivery date	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc
Method of delivery	Briefing notes/ webinar/video conference/face to face/meeting papers/training video/webinar	Briefing notes/ webinar/video conference/face to face/meeting papers/training video/webinar	Briefing notes/ webinar/video conference/face to face/meeting papers/training video/webinar	Briefing notes/ webinar/video conference/face to face/meeting papers/training video/webinar	Briefing notes/ webinar/video conference/face to face/meeting papers/training video/webinar	Briefing notes/ webinar/video conference/face to face/meeting papers/training video/webinar	Briefing notes/ webinar/video conference/face to face/meeting papers/training video/webinar	Briefing notes/ webinar/video conference/face to face/meeting papers/training video/webinar	Briefing notes/ webinar/video conference/face to face/meeting papers/training video/webinar	Briefing notes/ webinar/video conference/face to face/meeting papers/training video/webinar
Delivered by	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc
Committee	Yes /No	Yes /No	Yes /No	Yes /No	Yes /No	Yes /No	Yes /No	Yes /No	Yes /No	Yes /No
Board	Yes /No	Yes /No	Yes /No	Yes /No	Yes /No	Yes /No	Yes /No	Yes /No	Yes /No	Yes /No
3 Current issues and ongoing training	TCFD/TNFD (example)	Key LGPS current issue (2)	Key LGPS current issue (3)	Key LGPS current issue (4)	Key LGPS current issue (5)	Key LGPS current issue (6)	Key LGPS current issue (7)	Key LGPS current issue (8)	Key LGPS current issue (9)	Key LGPS current issue (10)
Outline of content	Ensure the Committee and Pension Board understand the LGPS requirements of TCFD/TNFD and what it means for the Fund	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Scheduled delivery date	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc
Method of delivery	Briefing notes/ webinars video conference/face to face reading material training videos	Briefing notes/ webinars video conference/face to face reading material training videos	Briefing notes/ webinars video conference/face to face reading material training videos	Briefing notes/ webinars video conference/face to face reading material training videos	Briefing notes/ webinars video conference/face to face reading material training videos	Briefing notes/ webinars video conference/face to face reading material training videos	Briefing notes/ webinars video conference/face to face reading material training videos	Briefing notes/ webinars video conference/face to face reading material training videos	Briefing notes/ webinars video conference/face to face reading material training videos	Briefing notes/ webinars video conference/face to face reading material training videos
Delivered by	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc
Committee	Yes /No	Yes /No	Yes /No	Yes /No	Yes /No	Yes /No	Yes /No	Yes /No	Yes /No	Yes /No
Board	Yes /No	Yes /No	Yes /No	Yes /No	Yes /No	Yes /No	Yes /No	Yes /No	Yes /No	Yes /No
4 Current issues and ongoing training	TPR toolkit Training videos Webinars Conferences	TPR toolkit Training videos Webinars Conferences	TPR toolkit Training videos Webinars Conferences	TPR toolkit Training videos Webinars Conferences	TPR toolkit Training videos Webinars Conferences	TPR toolkit Training videos Webinars Conferences	TPR toolkit Training videos Webinars Conferences	TPR toolkit Training videos Webinars Conferences	TPR toolkit Training videos Webinars Conferences	TPR toolkit Training videos Webinars Conferences
Outline of content										
Scheduled delivery date	Throughout the year	Throughout the year	Throughout the year	Throughout the year	Throughout the year	Throughout the year	Throughout the year	Throughout the year	Throughout the year	Throughout the year
Method of delivery	As appropriate	As appropriate	As appropriate	As appropriate	As appropriate	As appropriate	As appropriate	As appropriate	As appropriate	As appropriate
Delivered by	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc
Committee	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No
Board	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No

Page 10 of 10

Appendix 2

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Hymans Robertson - LGPS Online Learning Academy
 Progress report as at 22 February 2024

LGPS Role Pension Board

Count of Course Progress (%)	Column Labels			Grand Total	completion %
Row Labels	Completed	Enrolled	In Progress		
Barbara Milton	8	1	1	10	80%
Liz Kingston	5	4	1	10	50%
Martin Doyle		10		10	0%
Neil Cain		10		10	0%
Tonya Jayston	2	8		10	20%
Trevor Ould	3	5	2	10	30%
Grand Total	18	38	4	60	

Status % 30% 63% 7%

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