

Isle of Wight Pension Fund

Fund Governance Outlook – Pension Fund Committee Update

November 2023

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For and on behalf of Hymans Robertson LLP

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1 Background

This paper refers to ITEM 10A Governance Outlook presented to Isle of Wight Pension Fund Committee in September 2023.

The purpose of this paper is to provide an update on quick wins and next steps agreed by the Committee on 6 September 2023.

2 What's changed since September 2023

The Administration team has been impacted by experienced staff leaving the Fund. This has resulted in a focus on urgent support for the administration team to ensure that the Fund can fulfil its obligations to its active members, pensioners, and employers.

As a result, there has been re-prioritisation of some activities. However, this re-prioritisation aligns with the guiding principles agreed on 6 September.

3 Progress since September 2023

3.1 Quick Wins

Fund Officers identified quick wins to alleviate pressure and reduce risk. 3 areas were initially identified:

3.1.1 Data Improvement Plan

This is an area of concern for the Fund and is a strong focus for the Pension Regulator (TPR). Fund Officers have several data quality initiatives underway, which should be brought together under a Data Quality Maintenance/Improvement Plan. That plan will evidence the Fund's good work in this area.

- Action agreed September 2023: Hymans and the Fund will work together to produce a Data Quality Management Plan by end March 2024
- **Update November 2023: The start of this activity has been impacted by the resourcing challenges within the Administration team, however, remains on track for March 2024.**

3.1.2 Conflicts of Interest Policy

The Fund currently relies on IOW Council's Constitution; however, the introduction of expected [Good Governance](#) recommendations should specify that the Fund maintains its own conflicts of interest policy. Hymans have produced a template which can be tailored to Fund specifics and remove reliance on Council Constitutional documentation.

- Action agreed September 2023: Hymans and Fund Officers will work together to produce a Conflicts of Interest Policy by end September 2023.
- **Update November 2023: This activity has been impacted by the resourcing challenges within the Administration team. A proposal to adopt a tailored Conflicts of Interest policy template is with Jo for decision later this calendar year, for presentation to Committee in February 2024.**

3.1.3 System Project – Implementation of immediate payments functionality

This is an area where current subject matter expertise should be directed, to reduce effort required on a resource heavy administration task. Implementation of this functionality would allow resource to focus on more value-add tasks.

- Action agreed September 2023: Matthew to seek support to accelerate immediate payments project utilising resource due to leave the Fund by end September.
- **Update November 2023: This activity has been superseded by the implementation of “enhanced admin to pay”. This decision was taken to alleviate pressure on the administration team processes and can be implemented with the assistance of Heywood resource (the third-party admin system provider).**
- **Immediate payments functionality will move to early 2024 implementation. NOTE: There remains a dependency on Council IT resource to execute this project in the time available.**

3.2 Pinch Points

Key person dependency (Jo Thistlewood) to be alleviated by recruitment of a Governance Officer. Role profile reviewed by Hymans and has been submitted to IoW CC HR department for assessment. This should be re-advertised as soon as possible.

A heatmap of current resource demands on existing Governance resource has been created and evidence areas where additional resource will be directed to support Pension Fund Manager.

3.3 Next steps

Next steps were agreed at Septembers Pension Fund Committee. Good progress has been made and is summarised below:

Next Step agreed at September PFC	Update as at November 2023
Explore opportunities for high priority activities	See attached Plan on a Page for status
Risk assessment of medium priority activities, exploring support options Validate low priority activities Fund and Hymans meet regularly to maintain focus on delivery	Ongoing support from Hymans Robertson in place with regular meetings to track progress and outsource work where possible. Assessment of medium and low priority activities, monitoring changes in priority levels and identifying new priorities is discussed at these meetings.
Commence quick win actions	See 3.1 above for update and status
Seek clear direction or decision on structural options paper	No decision made or direction provided. Working assumption remains valid: Fund continues to function in the long term and will have a fully trained and resourced team. Resource challenges being managed.
Report progress to Pension Fund Committee	Report to November Committee prepared

Summary of high priority activities noted below. See attached document for more detail.

Status	Activities
Complete	4
In progress / on track	17
At risk	3
Not Started	7
Total	31

Key Gap

Confirmation of decision or direction with regards structural options paper. Assistance sought to progress.

4 Outlook for next Period

Continued focus on high priority activities.

Ongoing Governance support from Hymans Robertson.

Ongoing Administration support from Hymans Robertson.

Continued assessment of medium and low priority activities, monitoring changes in priority levels and identify new priorities.

Regular progress reporting to Pension Fund Committee.

5 Action Required

The Pension Fund Committee is requested to:

Note the content of this update.

Continue to support the actions and approach to Fund Governance

Support conclusion of structural options paper.

6 Plan on a page – 12-month timeline (attached)

High Priority activities August 2023 – July 2024

NOTE: These timelines remain indicative and each activity will require detailed planning and resources.