



Committee Report

ISLE OF WIGHT COUNCIL

Meeting	ISLE OF WIGHT PENSION FUND COMMITTEE
Date	14 FEBRUARY 2024
Title	PENSION FUND RECHARGES
Report of	PENSION FUND MANAGER

Executive Summary

1. This report provides information to the committee on the recharges made to the pension fund from Isle of Wight Council in the year ended 31 March 2023.
2. Further information has been requested from the council's finance team on the basis of some of these recharges, but this work has been delayed due to pressures on that team from the council's budget setting process.
3. A further report will be provided to the committee and board as the analysis is received.

Recommendation

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| <ol style="list-style-type: none">4. That the recharges made to the pension fund from Isle of Wight Council in the year to 31 March 2023 be noted.5. That further information be requested on the basis of the recharges, in particular those in relation to corporate support service recharges. |
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Background

6. In the year ended 31 March 2023, Isle of Wight Council recharged a total of £539,161 to the pension fund. This covered direct costs of staffing in the administration and finance teams, other direct costs charged to the council's cost centres for administration and pension finance, and a number of service recharges from other council departments.

7. The breakdown of the costs charged in 2022-23 is included at appendix 1 to this report.
8. At its meeting on 13 December 2023, the Local Pension Board requested an analysis of these recharges.
9. A request was made to the Service Director – Finance and the Strategic Manager – Finance to provide details of the basis of calculation of the service recharges. This request has been acknowledged, but work will not be completed until the conclusion of the council's budget setting process for 2024-25.

Corporate Priorities and Strategic Context

10. 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

11. 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.
12. The fund has also agreed the following objectives, which are supported by information in this report:
 - (a) Act with integrity and be accountable to our stakeholders for our decisions, ensuring they are robust and evidence based.

Financial / Budget Implications

13. This report provides information on costs charged to the pension fund. Analysis is required to understand the basis on which some of these costs are recharged, to ensure value for money is being achieved for scheme members.

Legal Implications

14. 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”.
15. There are no legal implications relating to this report.

Equality and Diversity

16. 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.
17. There are no implications for any of the protected characteristics relating to information in this report.

Appendices Attached

18. Appendix 1: analysis of recharges 2022-23.
19. Contact Point: Joanna Thistlewood, Pension Fund Manager, ☎ 821000
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CHRIS WARD
*Director of Finance and
Section 151 Officer*

COUNCILLOR CHRIS JARMAN
*Chairman of the Isle of Wight
Pension Fund Committee*