



Purpose: For Decision

Committee report

Committee	ISLE OF WIGHT PENSION FUND COMMITTEE
Date	27 JANUARY 2021
Title	ACCESS UPDATE
Report of	TECHNICAL FINANCE MANAGER

EXECUTIVE SUMMARY

1. This report presents information from the most recent Joint Committee meeting of the ACCESS pool, held on 13 January 2021, including a recommendation for adoption of the 2021-22 business plan and budget for the pool.
2. In addition, it includes information about the Isle of Wight Council Pension Fund's investments which have been transitioned into the pool.
3. The Committee is asked to note the report, and to adopt the business plan and associated budget for the pool for the year ended 31 March 2022.

CONFIDENTIAL / EXEMPT ITEMS

4. This covering report and the information presented in three of the four appendices to the report may be published with the agenda for the meeting.
5. However, one appendix (the internal briefing note prepared for the Isle of Wight representative at the joint committee meeting) and any discussion arising from the report of the proceedings of the joint committee meeting itself are deemed to be exempt from disclosure by virtue of paragraph 3 of part 1 of schedule 12A of the Local Government Act 1972 (as amended) as it "relates to financial or business affairs of any particular person", (including the authority holding that information). The public interest in maintaining confidentiality outweighs the public interest in disclosing it. Disclosing the information could place the council at risk of legal challenge from individuals or other bodies identified in the report.
6. For information, these items are deemed exempt by the ACCESS Joint Committee.

JOINT COMMITTEE MEETINGS

7. The joint committee meeting on 12 November 2020 was attended by Cllr Churchman, as was the meeting on 13 January 2021.

8. The minutes from the 12 November 2020 meeting are presented as appendix 1 to this report. These were published by Kent County Council as part of the public meeting pack for the 13 January 2021 meeting.
9. The agenda for the 13 January 2021 meeting is presented at appendix 2 to this report. This summarises the items to be discussed at the meeting, including information on those items to be presented after the exclusion of members of the public and press.
10. Appendix 3 contains a briefing note prepared for Cllr Churchman by the Technical Finance Manager. This is deemed to be exempt from publication by the Isle of Wight Council, as outlined in paragraph 5 above, as it contains details of the items considered exempt from publication by the ACCESS pool.
11. Any discussion of items considered at the joint committee meetings, other than the business plan and budget for 2021-22, detailed below, must be considered by the committee after the exclusion of members of the public and press from this meeting.
12. A verbal report from the 13 January 2021 joint committee meeting will be presented by the Technical Finance Manager.
13. Members are asked to note that the next joint committee meeting, will be held virtually, on Zoom and MS Teams, on Monday 8 March 2021. Confirmation is sought as to the elected member who will attend this meeting.

ACCESS POOL BUSINESS PLAN AND BUDGET

14. Appendix 4 to this report contains the report presented to the January 2021 joint committee on the business plan and budget for 2021-22. The budget for 2021-22 has been reviewed by the section 151 officers in December 2020 and is recommended for adoption by the joint committee.
15. The 2020-21 forecast expenditure has decreased to £0.97 million, from £1.08 million originally budgeted. The Isle of Wight Council Pension Fund has already paid £98,000 as its share of the 2020-21 ACCESS budget; it is expected that the underspend (amounting to approximately £10,000 per authority) will be carried forward to reduce the contribution required from each authority in respect of the forthcoming financial year.
16. The budget for 2021-20 has been proposed at £1.25 million in total, requiring a gross contribution of £113,000 from each fund.
17. A verbal update will be presented to the committee meeting on the joint committee's recommendation for adoption of the business plan and budget by this committee.
18. Appendix 4 also includes a high level summary of the risks identified by the ACCESS Support Unit in the operation of the pool. Further information on those risks can be provided at the meeting.

STRATEGIC CONTEXT

19. 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.

20. The ACCESS pool will support the fund's investment strategy by ensuring that appropriate investment sub-funds are available to fulfil the fund's strategic investment requirements, generating savings in investment manager fees without compromising investment performance.
21. Robust governance arrangements within the ACCESS pool will be reflected in the governance and reporting arrangements for each of the participating pension funds.

FINANCIAL / BUDGET IMPLICATIONS

22. The budget for the ACCESS pool is managed by Essex County Council, as host authority for the ACCESS support unit.
23. Regular reports on the ACCESS budget are presented to joint committee meetings.
24. Costs for the setup of the ACCESS pool, and ongoing costs of the ACCESS Support Unit, are shared equally between the 11 participating funds.
25. The cost of the operator and the investment sub-funds will be shared by the participating funds in proportion to their assets under management.
26. The Isle of Wight Council Pension Fund's share of all the cost of the ACCESS pool will be borne by the pension fund, rather than the council's budget.

LEGAL IMPLICATIONS

27. The 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".
28. The Pension Fund Committee is a committee under section 101 of the Local Government Act 1972, with delegated authority to discharge the council's statutory duties in respect of the LGPS.
29. Throughout the ACCESS project, the 11 participating funds have been advised by Squire Patton Boggs, to ensure that appropriate legislative requirements are followed.
30. The council's monitoring officer and section 151 officer have also been engaged in the project as required.

EQUALITY AND DIVERSITY

31. 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.

32. There are no implications for any of the protected characteristics as a result of participation in the ACCESS pool.

RISK MANAGEMENT

33. A detailed risk register is maintained by the ACCESS Support Unit, and is presented for review at each Officer Working Group meeting and discussed at each joint committee meeting.
34. Included within appendix 4 to this report is a summary of the key risks for the ACCESS project, specifically those risks which have an amber or red status.

RECOMMENDATION

35. That the committee note this report and the appendices.
36. In addition, subject to the recommendation from the joint committee, that the committee:
- (a) adopt the ACCESS business plan and budget for 2021-22.

APPENDICES ATTACHED

37. Appendix 1: Minutes of Joint Committee meeting held on 12 November 2020.
38. Appendix 2: Agenda of Joint Committee meeting 13 January 2021.
39. Appendix 3: (CONFIDENTIAL) Briefing note in advance of joint committee meeting 13 January 2021.
40. Appendix 4: ACCESS business plan and budget 2021-22.

Contact Point: Jo Thistlewood, Technical Finance Manager, ☎ 821000
e-mail jo.thistlewood@iow.gov.uk

CHRIS WARD
*Director of Finance
and Section 151 Officer*

COUNCILLOR ADRIAN AXFORD
Chairman of Pension Fund Committee