



Purpose: For Noting

Committee report

Committee	LOCAL PENSION BOARD
Date	24 MARCH 2021
Title	SCHEME DOCUMENTATION
Report of	TECHNICAL FINANCE MANAGER

EXECUTIVE SUMMARY

1. This report presents a list of the key policies, strategic documents and other documentation that are considered best practice for the Local Government Pension Scheme (LGPS).
2. It sets out those which the Isle of Wight Council Pension Fund (the fund) currently has in place, with the date of the most recent version and the scheduled review dates.

BACKGROUND

3. The key documents listed in appendix 1 was provided by the fund's governance consultants, Hymans Robertson LLP, in 2019, to support the assessment of the fund's governance framework.
4. The list has been supplemented by information provided by other pension funds within the ACCESS pool, including reference to the relevant legislation, regulation or other requirement for the document. It is acknowledged that this list is not exhaustive, and there may be some gaps, as well as some documents which are no longer required.
5. Hymans Robertson have been asked to review the list to confirm whether there are any other documents to be include. It is hoped this will be available for the board meeting.
6. It is acknowledged that there are some documents on this list which the fund does not currently have in place, as well as some which are overdue for review. The purpose of this report is to help identify those documents which need to be addressed as a matter of priority.

MANDATORY DOCUMENTS

7. The nine documents currently identified as being mandatory, i.e. required by statute, are all in place, and are all within the currently prescribed period for review.

HIGHLY RECOMMENDED DOCUMENTS

8. Of the 12 documents identified as highly recommended, there are four which are not in place: training strategy; risk register, record keeping policy; contributions escalation policy.
9. In addition, the current conflicts of interest policy is not specific to the pension fund, being contained within the council's Constitution, and not relevant to members of the pension board. The Scheme Advisory Board (SAB) Good Governance project recommends that funds develop a stand-alone conflicts of interest policy for the pension fund.
10. Three of the documents which are currently in place are overdue for review: administration strategy, internal dispute resolution policy and reporting breaches of the law to the Pensions Regulator policy.

RECOMMENDED DOCUMENTS

11. There are five documents currently classed as recommended, none of which the fund currently has in place as separate policies.

OTHER DOCUMENTS

12. The list at appendix 1 contains a further 19 documents which may be considered good practice to maintain.

STRATEGIC CONTEXT

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 governance objective: to ensure compliance with the LGPS Regulations, other relevant legislation and the Pensions Regulator's Codes of Practice.
15. Maintaining the required documentation will assist in delivering this objective.

FINANCIAL / BUDGET IMPLICATIONS

16. Officers will work with other LGPS funds to identify and adapt examples of best practice in reviewing and implementing local policies. Advice will be sought from professional advisers where needed.
17. The cost of such advice will be charged to the pension fund accounts and will not have a direct impact on the council's revenue position.

18. One key area identified as missing from the fund's documentation is a budget and business plan. However, costs incurred in managing the fund are monitored informally to ensure best value is obtained.

LEGAL IMPLICATIONS

19. The Public Service Pensions Act 2013 introduced a framework for the governance and administration of public service pension schemes, including the Local Government Pension Scheme (LGPS).
20. The council, as administering authority for the Isle of Wight Council Pension Fund, must comply with the various legal requirements relating to the governance, management and administration of the LGPS.

EQUALITY AND DIVERSITY

21. 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.
22. As the required documentation is reviewed, updated and in some cases introduced, equality impact assessments (EIA) will be completed where appropriate.

RECOMMENDATION

23. The Board is asked to note the report and support the review of the fund's required documentation.

APPENDICES ATTACHED

24. Appendix 1: list of required documentation.

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