

Pension Advisory Board

15 November 2021

Review of Pension Fund Policy Documents

Report by Director of Finance and Support Services

Summary

It has been agreed that the Pension Advisory Board review relevant policy documents as part of its ongoing agenda.

Recommendations

- (1) That the Board note the register of Policy Documents
 - (2) That the Board provide feedback on the policy documents presented at the meeting in respect of their compliance with regulations and guidance.
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Proposal

1 Background and context

- 1.1 The Pension Fund is required by law to keep and maintain a number of policy documents. A list of all Pension Fund Policy Documents is included at Appendix A. It is proposed that as policies are reviewed by officers they will be presented to the Board for review against Regulations or Guidance. This is in line with the Boards role in assisting the Scheme Manager to secure compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme.
- 1.2 In addition, the Pension Regulators Code of Practice 14 requires that "Pension board members must be conversant with their scheme rules ... and documented administration policies currently in force for their pension scheme". By reviewing policy documents on a regular basis the Board will be fulfilling their role in supporting the Scheme Manager by ensuring compliance with regulations. This would also assist members in ensuring they have the relevant knowledge and understanding of the Scheme.

2 Breaches Policy

- 2.1 The Breaches Policy covers identifying, managing and, where necessary, reporting breaches of the law.
- 2.2 The Policy was last reviewed by the Pension Advisory Board in November 2019.

- 2.3 It has subsequently been reviewed by officers in terms of its compliance with the Pensions Regulator Code of Practice no 14 Governance and administration of public service pension schemes (the Code of Practice) and in terms of best practice (i.e.. other Authorities policy). The relevant excerpt from the Code of Practice has been appended as guidance (Appendix B). No amendments have been made to the Policy because of this review. The current Breaches Policy is provided in Appendix C for review by the Board against Regulations and Guidance.

3 Internal Dispute Resolution Procedure (IDRP)

- 3.1 The Internal Dispute Resolution Procedure (IDRP) sets out the formal complaint procedure where a member, or prospective member, is not satisfied with any decision affecting their pension benefits, or if a decision should have been made by an employer or administering authority, but it has not been.
- 3.2 The Pension Board last reviewed the IDRP in November 2018.
- 3.3 It has been reviewed in terms of its compliance with the Pensions Regulator Code of Practice and best practice (ie other Authorities procedures). The relevant excerpt from the Code of Practice has been appended as guidance (Appendix D). The procedure has been amended to make the document more user friendly (including reference to the wider complaints process) and making timescales clearer.
- 3.4 The draft IDRP is provided in Appendix E for review by the Board against Regulations and Guidance.

4 Conflict of Interest Policy

- 4.1 One of the recommendations of the Scheme Advisory Board Good Governance project is that:

Each fund must produce and publish a conflicts of interest policy which includes details of how actual, potential and perceived conflicts are addressed within the governance of the fund, with specific reference to key conflicts identified in the Guidance.

The SAB have asked The Department for Levelling Up, Housing and Communities (DLUHC) to set the requirement as part of statutory guidance which will cover the recommendations of the project.

- 4.2 Currently the Fund relies on the Council Code of Conduct to fulfil the Pensions Regulator requirements regarding conflict of interest. However, it is understood that this will not be sufficient once the recommendations from the SAB are put into statutory guidance by DLUHC.
- 4.3 In anticipation of this officers have drafted an initial Conflicts of Interest Policy (Appendix F). In the absence of statutory guidance, this is aligned with the Council's own Code and draws on a review of a number of other Fund policies in place across the LGPS.
- 4.4 The Board is invited to provide feedback on the initial draft.

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Appendices

Appendix A – Register of Policy Documents

Appendix B – Extract from tPR Code of Practice 14

Appendix C – Breaches Policy

Appendix D - Extract from tPR Code of Practice 14

Appendix E – Internal Disputes Resolution Procedure

Appendix F – Draft Conflict of Interest Policy

Background papers

None