



PAPER D

Purpose: For Decision

Committee report

Committee	PENSION FUND COMMITTEE
Date	9 FEBRUARY 2018
Title	GOVERNANCE POLICY
Report of	TECHNICAL FINANCE MANAGER

EXECUTIVE SUMMARY

1. This report presents the updated Governance Policy for the Isle of Wight Council Pension Fund.
2. The policy is based on a template provided by the fund's governance consultants, Hymans Robertson LLP, and has been reviewed by the Local Pension Board.
3. The Local Pension Board recommends this policy for adoption by the Pension Fund Committee.

BACKGROUND

4. This policy, and the related governance compliance statement, outlines the governance arrangements for the Isle of Wight Council Pension Fund, as required by Regulation 55 of the Local Government Pension Scheme Regulations 2013 (the regulations)
5. Under that provision all Local Government Pension Scheme (LGPS) funds in England and Wales are required to produce a governance compliance statement, keep it under review, revise it following any material change in its delegation arrangements and publish it, following such consultation as it considers appropriate. The statement is required to set out:
 - whether the administering authority delegates their function or part of their function in relation to maintaining a pension fund to a committee, a sub-committee or an officer of the authority.
 - if they do so
 - the terms, structure and operational procedures of the delegation;
 - the frequency of any committee or sub-committee meetings;

- whether such a committee or sub-committee includes representatives of employing authorities (including authorities which are not scheme employers) or members, and if so, whether those representatives have voting rights.
 - the extent to which a delegation, or the absence of a delegation, complies with guidance given by the Secretary of State and, to the extent that it does not so comply, the reasons for not complying
 - details of the terms, structure and operational procedures relating to the local pension board established under the regulations.
6. Each administering authority is required to:
- keep the statement under review;
 - make such revisions as are appropriate following a material change in respect of any of the matters mentioned, above; and
 - if revisions are made, publish the statement as revised.
7. In reviewing and making revisions to the statement, the authority must consult such persons as it considers appropriate.

STRATEGIC CONTEXT

8. Good governance arrangements are essential to the delivery of the council's services. Having appropriate policies in place will improve the standards of governance for the pension schemes for which the council has responsibility.
9. It will also contribute to the first outcome of the latest [Corporate Plan 2017-20](#): a financially balanced and stable council.

CONSULTATION

10. Local Pension Board members have reviewed the policy and have agreed the detail contained therein.

FINANCIAL / BUDGET IMPLICATIONS

11. There are no direct financial implications in adopting this policy.

LEGAL IMPLICATIONS

12. The Public Services Pensions Act 2013 (the Act) introduced a new framework for the governance and administration of public service pension schemes. The Act has had a material impact on previous governance arrangements in the Local Government Pension Scheme (LGPS), which are enforced by changes to the LGPS regulations.
13. As a result of the Act, the Pensions Regulator has introduced codes of practice covering specific areas relating to public sector pension schemes. The changes to the LGPS regulations and introduction of the Pensions

Regulator code of practice 14 are reflected in this policy and the council's constitution.

14. As administering authority, the Isle of Wight Council is the designated statutory body responsible for administering the Isle of Wight Council Pension Fund of behalf of the constituent scheduled and admitted bodies in the relevant area. The Local Government Pension Scheme regulations specify that, in investing the fund's money, regard must be given to the need for diversification and for proper advice obtained at reasonable intervals.

EQUALITY AND DIVERSITY

15. 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.
16. Initial screening has indicated that there are no implications on any of the protected characteristics in adopting this policy.

RISK MANAGEMENT

17. It is the responsibility of the Isle of Wight Council, as administering authority for the Isle of Wight Pension Fund, to ensure that the fund is properly governed and administered in compliance with relevant regulations and other requirements. The council has delegated this function to the Pension Fund Committee, under section 101 of the Local Government Act 1972.
18. Adopting and implementing this policy relevant to all pension schemes for which the council is responsible will ensure compliance with the requirements of the Pensions Regulator.
19. Should the council fail to ensure appropriate standards of governance and administration of the pension schemes for which it has responsibility, the Pensions Regulator has the powers to issue an improvement notice under section 13 of the Pensions Act 2004. This would have reputational issues for the council.

RECOMMENDATION

20. The committee adopts the Governance Policy.

APPENDICES ATTACHED

21. [Appendix 1](#) – Governance Policy.

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