



Committee report

COMMITTEE	ISLE OF WIGHT PENSION FUND COMMITTEE
DATE	08 FEBRUARY 2019
TITLE	ANNUAL REVIEW OF GOVERNANCE POLICY
REPORT OF	TECHNICAL FINANCE MANAGER

EXECUTIVE SUMMARY

1. This report presents the revised governance policy for the Isle of Wight Pension Fund, amended following the scheduled annual review.
2. Members are asked to adopt the revised governance policy and approve it for publication on the fund's website.

BACKGROUND

3. This policy, and the related governance compliance statement, outlines the governance arrangements for the Isle of Wight Pension Fund (the fund), as required by Regulation 55 of the Local Government Pension Scheme Regulations 2013 (the LGPS regulations).
4. The committee adopted the existing governance policy at its meeting on 9 February 2018, which included provision for the policy to be reviewed on an annual basis.
5. As a result of the governance review undertaken by Hymans Robertson LLP in February 2018, it was agreed to double the number of meetings of the committee to ensure that all business was given equal focus – covering investment, funding, governance and administration.
6. This change forms the most significant portion of the amendments proposed to the governance policy of the fund.
7. A summary statement of changes made to the governance policy is included at Appendix 1 to this report, with the revised governance policy presented in full as Appendix 2.

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. The original governance policy was drafted from a template provided by the fund's governance advisers, Hymans Robertson LLP, and was discussed and agreed by the pension board, and recommended to the committee by the board.
11. The proposed amendments to the governance policy, as presented within this report, will be discussed by the pension board at an informal meeting to be held on 1 February 2019.
12. The outcome of those discussions will be reported to the committee meeting, and any further proposed amendments to the policy will be presented for consideration.

FINANCIAL / BUDGET IMPLICATIONS

13. There are no direct financial implications in adopting the amendments to this policy.

LEGAL IMPLICATIONS

14. Under Regulation 55 of the Local Government Pension Scheme Regulations 2013, 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.
15. The regulations set out the contents of the governance policy, and the process by which it should be reviewed and revised, and how such revisions should be consulted upon.

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 on any of the protected characteristics arising from the proposed changes to the Governance Policy.

RISK MANAGEMENT

18. 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.
19. Adopting the revisions to this policy, relevant to all pension schemes for which the council is responsible, will ensure continued compliance with the requirements of the Pensions Regulator.
20. 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

21. Subject to any further amendments proposed by the pension board, the committee adopts the revised governance policy and approves its publication on the fund's website.

APPENDICES ATTACHED

22. [Appendix 1: Statement of changes made to the Governance Policy](#)
23. [Appendix 2: Isle of Wight Pension Fund Governance Policy 2019](#)

BACKGROUND PAPERS

24. [Isle of Wight Pension Fund Governance Policy 2018.](#)

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