



# Committee Report

Committee	<b>ISLE OF WIGHT LOCAL PENSION BOARD</b>
Date	<b>13 DECEMBER 2023</b>
Title	<b>GOVERNANCE SUPPORT UPDATE</b>
Report of	<b>PENSION FUND MANAGER</b>

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## 1. Executive Summary

- 1.1 As previously reported, the fund has engaged Hymans Robertson LLP to support in identifying work priorities, develop a sensible work plan and identify the areas where further support may be required.
- 1.2 This report encloses the update on activities undertaken since the last report, including progress against the previously identified high priority actions.

## 2. Recommendation(s)

- 2.1 That the Fund Governance Outlook update report, and related appendix, from Hymans Robertson be noted.
- 2.2 That the board continue to support the actions and approach to fund governance.
- 2.3 That the board supports the committee in continuing to pursue the conclusion of the Barnett Waddingham Structure options report.

## 3. Background

- 3.1 This report was presented to the pension fund committee at its meeting on 22 November 2023.

## 4. Corporate Priorities and Strategic Context

- 4.1 There is nothing contained in this report which directly contributes to the priorities contained in the [Corporate Plan 2021 – 2025](#).

## Pension Fund Strategic Aims

- 4.2 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.
- 4.3 The fund has also agreed the following objectives and beliefs, which are supported by information in this report:
  - 4.3.1 Effective governance not only ensures appropriate levels of control over the fund but can add value through correct resourcing and improved decision making.
  - 4.3.2 External advice from parties such as an investment consultant helps planning, risk management and decision making.
  - 4.3.3 Ensure compliance with the LGPS Regulations, other relevant legislation and the Pensions Regulator's Codes of Practice

## 5. Financial / Budget Implications

- 5.1 The ongoing costs from Hymans Robertson in providing this support for the fund are charged rates consistent with those set out in the submission document when the governance consultancy contract was originally awarded in 2018.
- 5.2 To date, no other external costs have been incurred, with work being delivered through the fund's existing financial and staffing resources, or through Hymans Robertson.

## 6. Legal Implications

- 6.1 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".
- 6.2 Maintaining business as usual activities, including the payment of pensioner benefits, implementing the investment strategy and maintaining accounting records, will ensure compliance with existing regulatory and legislative requirements.
- 6.3 Proper planning for future improvements in the governance framework will ensure the fund is prepared to comply with forthcoming changes including McCloud, the Pensions Regulator's General Code, and the outcomes of the Good Governance project.

## 7. Equality And Diversity

- 7.1 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.
- 7.2 There are no implications for any of the protected characteristics arising from items covered in the report.

## 8. Appendices Attached

- 8.1 Appendix 1: Hymans Robertson report – Fund governance outlook update November 2023
- 8.2 Appendix 2: high priority activities progress update

## 9. Background Papers

- 9.1 Isle of Wight Pension Committee 6 September 2023. Governance Support <https://iow.moderngov.co.uk/documents/s12526/ITEM%209a%20Governance%20Support.pdf>

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