



# Minutes

Name of meeting	<b>PENSION BOARD</b>
Date and time	<b>THURSDAY, 8 DECEMBER 2016 COMMENCING AT 10:00 AM</b>
Venue	<b>CONFERENCE ROOM 4, COUNTY HALL, NEWPORT, ISLE OF WIGHT</b>
Scheme Member Representatives	Paul Wilkinson, Barbara Milton
Employer Representatives	Cllr Roger Whitby-Smith, Anne Wildeman
Officers	Jo Thistlewood, Technical Finance Manager Jennifer Beresford, Democratic Services Officer

---

**13. Election of a Chairman for the day**

RESOLVED :

THAT Mr Paul Wilkinson be elected Chairman for the day.

**14. [Minutes](#)**

RESOLVED :

THAT the Minutes of the meeting held on [11 August 2016](#) be confirmed.

**15. [Declarations of Interest](#)**

Paul Wilkinson declared an interest as he was in receipt of a pension from the fund.

Anne Wildeman declared an interest as a representative of an employer responsible for contributions to the fund.

Barbara Milton declared an interest as she was a member of the fund.

**16. Reports of the Technical Finance Manager**

(a) [Progress with The Pension Regulator Toolkit](#)

Discussion took place regarding the Pension Regulator Toolkit which was designed to give the board an idea of the responsibilities of managing public pensions, demonstrate areas of understanding and

highlight where understanding was lacking to help develop training.

Members had yet to complete the toolkit as agreed in the August 2016 meeting and were reminded that according to regulations a member of the Pension Board must have knowledge and understanding of:

- The law relating to pensions
- The Pension Regulator's code of practice, and
- Any other matters which are prescribed in regulations.

It was important the board identified its own training needs as the compliance checklist indicated a member of the board would be responsible for overseeing the training needs, training log and training plan of both the board and the Isle of Wight Pension Fund Committee (IWPFCC).

Concern was expressed regarding the time commitment needed to complete the tool from unpaid board members. It was expected each section would take between 10 and 90 minutes to complete. It was agreed that the link, along with details of which sections were relevant for the board, would be recirculated.

Alternative methods for establishing the board's level of understanding and training needs were discussed. It was agreed the Technical Finance Manager would speak to ACCESS colleagues whose boards were more established regarding their assessment methods and training programme. In addition, the UNISON representative would share information relating to Pension Board training.

During conversation regarding compliance, it was agreed that the Chairman of the board would provide a report to each future IWPFCC meeting, detailing actions since the last meeting, further actions of the board and concerns and recommendations to the committee.

RESOLVED :

- (i) THAT member's would complete the relevant sections of the Pension Regulator Toolkit following redistribution of the link.
  - (ii) THAT the Technical Finance Manager speak to ACCESS colleagues regarding their assessment methods and training programme and the UNISON representative share information relating to Pension Board training
- (b) [Local Government Pension Scheme Issues log](#)

The board considered the Isle of Wight Pension Fund's issue log. Clarification was provided that the items listed were not risks, therefore the status was flexible. For example, if an item was amber because activities were planned on a particular date it would return to red if they were not completed. The log was updated before each Isle of Wight Pension Fund Committee (IWPFCC) but would be included in

discussions when the Chairs of the board and IWPFPC met. Significant progress had been made in many of the issues. The following updates were received:

- **Communication and Transparency:**  
Members were advised a templated web solution was being considered to resolve issues around transparency and linking administration and governance. Quotes were being reviewed by ICT and finance.
- Conversations were underway regarding an operational budget for the fund. Currently, the fund was recharged for costs incurred including staffing but had no financial plan.
- Members were advised that Issue 21, the Declaration of Compliance had been completed by 21 November 2016. Following issues obtaining data needed for the process from external schools payroll providers, the council would be meeting with Capita and Strictly Education to reconfirm the obligations of their service level agreements and create an administration strategy which set out clear deadlines.
- Reassurance was sought regarding Issue 20, the Technical Finance Manager's capacity to support the full range of LGPS pension issues. Members were advised that the IWPFPC concerns around capacity had been acknowledged by Senior Officers. Conversations were underway to remove the Head of Internal Audit responsibilities from the Technical Finance Manager and additional resource around governance would be provided.

RESOLVED :

THAT the log be noted.

(c) [Governance policy and compliance statement](#)

Members reviewed the Isle of Wight Pension Fund's Governance Policy and draft Compliance Statement. The template for the document had been bought from Hyman's Robertson. Completed, it would provide the board's assurance to the scheme manager (the Isle of Wight Council) that governance was compliant with regulations.

There was general consensus that the statement could not be completed in isolation and that the Isle of Wight Pension Fund Committee's (IWPFPC)'s Terms of Reference would need to be revised. The IWPFPC were aware of the changes the board were proposing.

Following a discussion regarding the council's committee arrangements, the timelines for completion of the statement and revisions to the Terms of Reference were agreed. The Technical

Finance Manager would complete the statement and circulate it mid-December 2016 and comments would be returned by 23 December 2016. Final approval from board members would be provided virtually in early January 2017 to allow the agreed statement to be presented to the IWPFPC at its February 2017 meeting.

Discussion took place regarding administration issues and a lack of experience in the pension administration team which had been brought to the attention of both the scheme member and employer representatives on the board. Members agreed, since it was the board's responsibility to ensure efficiency and effectiveness of administration, they should escalate the concerns. A letter would be written to representatives of the scheme manager; the Isle of Wight Council's Chief Executive, Section 151 Officer and the Chairman of IWPFPC regarding the matter.

RESOLVED :

THAT the Chairman of the board write to scheme managers representatives escalating concerns regarding the administration of the scheme.

(d) [Pension Regulator compliance check list](#)

The Technical Finance Manager presented the Pensions Regulator Public Service Self-Assessment tool which provided a high level overview of compliance with the Pensions Regulator's code of practice.

The three key areas assessed were Governing your Scheme, Managing Risks and Issues and Administration. Members noted that in the majority of areas the Isle of Wight Pension Fund was rated as amber in its compliance to the code: whilst not yet compliant, plans were in place which would satisfy the Pension Regulator who wanted to see plans for improvement.

Clarification was provided that the Isle of Wight Pension Fund Committee (IWPFPC) was aware work was needed to ensure there was compliance with the code.

RESOLVED :

THAT the completed checklist be noted and be monitored for future developments.

(e) [Pension Board status, budget, liability insurance and autonomy](#)

Members considered the board's status budget, liability insurance and autonomy.

Discussion took place regarding resource available to ensure the fund was administered and governed effectively. Currently, costs were rebilled but there was no budget allocated. There was agreement that

the fund should have a clear budget to facilitate effective administration of the scheme and resource it's governance.

Following anecdotal evidence from an employer and scheme member representative, concerns were raised that the resource allocated to the fund by the Isle of Wight Council was insufficient to facilitate effective governance and administration. There was consensus that while financial constraints had resulted in cuts across the council, they should not be impacting on the fund as the scheme, rather than the council, financed those activities. The increasing complexities of the scheme, such as freezes in benefits each time the regulations were changed and ACCESS pooling agenda meant more resources would be required.

Members suggested that being convened as a committee of the council compromised the independence of the board and therefore its effectiveness. Following discussion of the opinion of James Goudie, Queens Counsel's, that a Pension Board is not a local authority committee, members agreed the board should not be constituted as such. Furthermore, the Chairman would write to representatives of the scheme manager, the Isle of Wight Council's Chief Executive, the Section 151 Officer and the Chairman of Isle Wight Pension Fund Committee requesting arrangements be made that the board not be constituted as a committee of the council moving forward. Members were advised the National Advisory Scheme could support them regarding such a change but agreed that they would approach the scheme manager before seeking advice.

Members noted that the issue of liability insurance had been resolved and was in place.

RESOLVED :

THAT the Chairman of the board to write to scheme managers representatives notifying them of opinion of James Goudie, Queens Counsel's that the Pension Board was not a local authority committee and requesting arrangements be made that the board not be constituted as such moving forward.

CHAIRMAN