

# APPENDIX 3

## ISLE OF WIGHT PENSION FUND COMMITTEE

### 1. Terms of Reference

- 1.1. To carry out the council's statutory functions as administering authority<sup>i</sup> of the Isle of Wight Pension Fund under the Local Government Pension Scheme (LGPS) Regulations and associated legislation under sections 7, 12 and 24 of the Superannuation Act 1972. This includes dealing with all matters arising that relate to the Isle of Wight Pension Fund<sup>ii</sup>, including the management and investment of the fund.
- 1.2. To ensure the proper governance and administration of the fund in accordance with the Pensions Regulator's *Code of Practice on Governance and Administration of Public Service Pension Schemes*.<sup>iii</sup>
- 1.3. To exercise all discretionary functions as scheme manager for the firefighters' pension schemes.
- 1.4. To undertake the training necessary to acquire and maintain the appropriate level of expertise, knowledge and skills as set out in the *CIPFA Pensions Finance Knowledge and Skills Framework*<sup>iv</sup>.
- 1.5. To develop a work programme for the Isle of Wight Pension Board to receive appropriate assurance on compliance with legislation, regulation and guidance.

### 2. Membership

Seven elected members, appointed on a political proportionality basis.  
One non-voting employee representative nominated by UNISON.  
One non-voting representative nominated by external employers of the fund.

#### 2.1. In Attendance

Chief executive (or his nominated representative)  
Leader of the council can attend as necessary  
One representative from investment consultants  
One administrative support  
One representative from actuaries (as required e.g. to consider annual report and after triennial fund valuations)  
Representatives from pension fund investment managers (as required)

### 3. Proceedings

- 3.1. The procedure rules for the regulation of proceedings shall apply to meetings of the Isle of Wight Pension Fund Committee.

### 4. Quorum

- 4.1. The quorum for the Committee is three elected members.

### 5. Meeting Frequency and Length

- 5.1. The committee will meet quarterly, but additional meetings will be arranged with the approval of the chairman of the committee, if required.

## 6. Access to information

- 6.1. All meetings of the committee shall be held in public unless there are grounds for excluding the press and public, as set out in the access to information procedure rules or in accordance with legislation.

## 7. Agenda

- 7.1. The agenda for the committee will be determined by the Proper Officer in consultation with the chair of the committee.

## 8. Voting

- 8.1. Any vote shall be by show of hands. A simple majority prevails and in the event of a tied vote the chairman has a casting vote.

## 9. Officer contact

- 9.1. Democratic Services – 01983 821000 email: [Democratic.Services@iow.gov.uk](mailto:Democratic.Services@iow.gov.uk)

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<sup>i</sup> The responsibilities of the administering authority include:

- collecting and accounting for employer/employee contributions and transfer values
- investing monies not required for payment benefits, transfers and administration costs
- paying pension benefits and transfer values, and ensuring cash is available to meet the fund's future liabilities
- maintaining an accurate data base
- managing the fund valuation process
- preparing and maintaining the statutory statements
- monitoring and managing all aspects of the fund's performance
- managing communications with employers, members and pensioners
- setting up and maintaining individual member records
- administering and managing records and member decisions
- appointing a person for the scheme's internal dispute resolution procedure (IDRP)
- appointing an additional voluntary contribution provider
- providing assistance to employers on the pension implications of outsourcing services and on dealing with bulk transfers of pension rights.

<sup>ii</sup> The responsibility of a pensions committee may include:

- ensuring all investment activity complies with the requirements of current regulations and best practise
- approving the investment strategy statement, funding strategy statement, communications strategy and governance policy
- reviewing and taking action on actuarial valuations
- appointing investment managers, a fund actuary, custodian(s) and professional advisors
- agreeing asset allocation strategies following asset liability modelling and a policy for investment in different assets with the investment managers
- agreeing a rebalancing strategy between different portfolios when asset allocations change due to different market movements of different sectors
- regularly reviewing investment managers' performance and expertise against agreed benchmarks and determining any action required
- ensuring that the fund investments are sufficiently diversified and that the fund is investing in suitable investments
- monitoring budgets for the fund ensuring there is adequate budgetary control
- promoting the fund within the authority
- ensuring the administration of the fund is appropriately resourced, is effective and meets performance standards.

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<sup>iii</sup> <http://www.thepensionsregulator.gov.uk/codes/code-governance-administration-public-service-pension-schemes.aspx>

<sup>iv</sup> The key areas of knowledge and skills expected are:

- pensions legislative and governance framework
- pensions accounting and auditing standards
- financial services procurement and relationship management#
- investment performance and risk management
- financial markets and product knowledge
- actuarial methods, standards and practices

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