



Minutes

Name of meeting	ISLE OF WIGHT PENSION FUND COMMITTEE
Date and time	FRIDAY, 3 MARCH 2017 COMMENCING AT 10.00 AM
Venue	COUNCIL CHAMBER, COUNTY HALL, NEWPORT, ISLE OF WIGHT
Present	Cllrs Ivor Warlow (Chairman), Reg Barry, David Eccles, Stuart Hutchinson, Gordon Kendall
Representatives	Steve Milford, Unison Representative
Employer Representatives	Christine Shaw, Island Roads
Independent Advisor	David Morton - Mercers
Actuary	Craig Alexander - Hymans Robertson
Fund Managers	Geoff Day – Schroder Investment Management Ltd Olivia Pember – Schroder Investment Management Ltd
Officers	Marie Bartlett, Democratic Services Officer Jo Cooke, Pension Fund and Treasury Management Accountant Kerry Huddleday, Strategic Manager - Finance

26. [Minutes](#)

RESOLVED :

THAT the Minutes of the meeting held on [18 November 2016](#) be confirmed.

27. [Declarations of Interest](#)

Councillor Reg Barry, Gordon Kendall and Ivor Warlow declared an interest as they were contributing members of the Isle of Wight Pension Fund or in receipt of a pension from the fund.

28. [Fund Manager Presentation – Schroder Investment Management Ltd](#)

Geoff Day and Olivia Pember provided an update on the performance of the portfolio held by Schrodgers Investment Management Ltd. The portfolio was valued at £136.538 million at the end of December 2016.

The Committee was advised that Brexit negotiations and the US Presidential elections had impacted on performance. There is some concern that if people were spending savings that the high spend seen recently would not continue.

New areas of investment were being investigated which included residential land partnership and continuous property investments. Property investments were in areas which would outperform, properties would include those that would add potential and add value to the investment.

RESOLVED :

THAT the presentation be noted.

29. **Triennial Valuation Progress**

Craig Alexander from Hymans explained the progress that had been made since the IW Pension Fund Committee meeting in November 2016. The Triennial Valuation would be ready for submission on 31 March 2017 and was almost complete. A meeting to discuss employer rates had been successful in establishing the level of contributions to the fund. Academies and the IW College had been consulted on the level of contributions they would pay they have all responded in a positive way.

The Section 151 Officer was in receipt of a letter from the IW Society for the blind. The implications were being worked through and the S151 Officer would report back to the committee in due course.

RESOLVED :

- (I) THAT the S151 Officer will report back to the committee following on from the letter from the Isle of Wight Society for the blind.
- (II) THAT the progress be noted.

30. **Investment Strategy Statement**

David Morton from Mercers advised the Committee that there is a requirement of all funds to produce the Investment Strategy Statement, which replaced the Investment Strategy Principles. The Investment Strategy Statement was drafted by Mercers, and is believed to be more reader friendly which enabled people to understand what the fund was trying to achieve, and how it also explained the associated risks. Pooling was included as an additional element.

The Committee questioned the impact pooling arrangements would have on the strategy statement and were advised that each Pension Fund would be responsible for their own benefit allocations within the pool.

The Committee discussed the way the process followed to formally adopt the Strategy, it was currently adopted before the Pension Board had discussed the item. The Pension Fund Committee suggested that the board was involved at the preliminary stages of the process.

A proposal was made to approve the Investment Strategy Statement and a named vote was taken, the result of which was as follows:

For (5)

Cllrs Reg Barry, David Eccles, Stuart Hutchinson, Gordon Kendall, Ivor Warlow

RESOLVED :

THAT the Investment Strategy Statement be approved.

31. **Pension Fund Pooling – Inter Authority Agreement**

The chairman advised the Committee that he had attended a number of meetings with the ACCESS group following a response from the minister. The legality of the response would be investigated. The Committee had previously signed a Memorandum of Understanding which would be replaced by the Inter Authority Agreement.

Concerns were raised regarding the level of funding by each fund, they were advised that an initial set up fee would be paid and additional funding would be shared dependant on the size of each fund.

A proposal was made to include the incorporation of a named vote into the Terms of Reference for the Joint Committee and endorse and recommend to full council and a named vote was taken, the result of which was as follows:

For (5)

Cllrs Reg Barry, David Eccles, Stuart Hutchinson, Gordon Kendall, Ivor Warlow

RESOLVED :

- (I) THAT the request of a named vote be considered by the S151 Officer for inclusion in the Terms of Reference for the Joint Committee be included.
- (II) THAT delegated authority be given to the Director of Finance, in consultation with the Chairman of the Pension Fund Committee to agree the approach to pooling (CIV or Collaborative Joint Procurement) that the Council will take, based upon the Government's responses to the two options put forward by the ACCESS Pool and the views of the local authorities that make up the ACCESS Pool.
- (III) THAT the Director of Finance, in consultation with the Chairman of the Pension Fund Committee agrees to adopt pooling based on the use of a CIV Operator, then authority is delegated to the Director of Finance in consultation with the Chairman of the Pension Fund Committee to finalise and agree the terms of the IAA in order to implement this model

of Pooling, and the Council resolves to delegate the functions to the joint committee as specified in Appendix 2 with effect from the date of execution of the IAA.

- (IV) THAT the Director of Finance, in consultation with the Chairman of the Pension Fund Committee agrees to adopt pooling based on Collaborative Joint Procurement, then authority is delegated to Director of Finance in Consultation with the Chairman of the Pension Fund Committee to finalise and agree the terms of an IAA to implement this model of pooling and the Council resolves to delegate the functions to the joint committee as specified in Appendix 3 with effect from the date of execution of the IAA.
- (V) THAT the authority is delegated to the Head of Legal Services and Monitoring Officer to make consequential amendments to the Council's Constitution to reflect the agreed approach to pooling and the creation of the Joint Governance Committee. Any amendments to the Constitution will be reported to a future meeting of the Council.

CHAIRMAN