



# Minutes

Name of meeting	<b>EXTRA-ORDINARY MEETING OF THE ISLE OF WIGHT PENSION FUND COMMITTEE</b>
Date and time	<b>6 OCTOBER 2017 COMMENCING AT 10.30 AM</b>
Venue	<b>COUNCIL CHAMBER, COUNTY HALL, NEWPORT, ISLE OF WIGHT</b>
Present	Cllrs Adrian Axford (Chairman), Paul Brading, Vanessa Churchman, Andrew Garratt, Ian Stephens
Employee Representative	Steve Milford, Unison
Employer Representative	Christine Shaw, Island Roads
Local Pension Board Representative	Barbara Milton
Fire Pension board Representative	Nigel Probert (chairman of board)
Officers	Marie Bartlett, Democratic Services Officer Matthew Collier, Pension/Payroll Lead Officer Jo Cooke, Pension Fund and Treasury Management Accountant Jo Thistlewood, Technical Finance Manager Helen Miles, Head of Legal Services
Apologies	Cllr Barry Abraham

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7. [Minutes](#)

RESOLVED :

THAT the Minutes of the meeting held on [14 July 2017](#) be confirmed.

8. [Declarations of Interest](#)

No declarations of interest were received at this stage.

## 9. Reports of the Technical finance Manager

### (a) [Revised Terms of Reference](#)

#### (I) Isle of Wight Pension Fund Committee

The Technical Finance Manager advised the Committee that the Pension Board, who had responsibility for advising the Pension Fund Committee on governance arrangements, had considered the revised Terms of Reference for the committee at its meeting in July 2017, and would be reviewing the committee's discussions at their meeting on 17 October.

The committee recommended only one change to the draft terms of reference presented, removing the words "and length" from the heading of section 5.

It was noted that the Committee would make the final recommendation of the changes to full council.

#### RESOLVED:

- (i) THAT The Committee considered the revised terms of reference and recommended any additional items to be included
- (ii) THAT the Committee authorised the chairman to meet with the chairman of the pension board following the board's meeting on 17 October 2017, to consider any further changes to the terms of reference which the board may propose
- (iii) THAT the Committee authorised the chairman of the Committee in discussion with the section 151 officer and the monitoring officer, to make any final amendment to the terms of reference, if necessary.
- (iv) THAT the Committee recommends the final version of the terms of reference to Full Council on 15 November 2017 for adoption in the council's constitution.

#### (II) [Fire Pension Board](#)

The Isle of Wight Council as the fire authority had set up a fire Pension Board which met for the first time in September 2016. The board had looked at the Terms of Reference and made suggested changes to tighten up process.

There was some discussion regarding the political proportionality of the board and officers advised that the board was not political and therefore political proportionality was not required and the employer representatives were made at full council.

The draft regulations published in January 2015 had stated that employee representatives would be active members, in the final regulations published in April 2015 it had been changed to include active, deferred and retired members and the terms of reference needed to be updated to include this.

The committee recommended a change to clause 1.3 x) to include reference to co-opted members on the board itself as well as any sub-committee of the board.

It was noted that the board would consider the Terms of Reference at its next meeting on Thursday, 12 October 2017 and the Chairman of the Pension Fund Committee and Fire Pension Board would meet, if necessary, to discuss any issues prior to the recommendation being made to full council.

RESOLVED:

- (i) THAT the Committee considered the revised terms of reference and recommend any additional items to be included
- (ii) THAT the Committee authorised the chairman of the Firefighters' Pension Board following the fire board's meeting on 12 October 2017, to consider any further changes to the terms of reference which the fire board may propose
- (iii) THAT the committee authorised the chairman of the committee, in discussion with the section 151 officer and the monitoring officer, to make any final amendment to the terms of reference, if necessary
- (iv) THAT the committee recommended the final version of the terms of reference to Full Council on 15 November 2017 for adoption in the council's constitution.

(III) LGPS Pension Board

The Technical Finance Manager explained that the board had discussed their terms of reference at length at their meeting in July 2017 where the board and officers had submitted alternative proposed terms of reference. Subsequently the fund's governance advisers, Hymans Robertson LLP, were commissioned to review the terms of reference. Their comments and recommendations had been incorporated into the proposed terms of reference presented to the committee.

Questions were raised regarding the level of liability insurance for the board members officers advised that they were currently checking with insurers the level of cover. The Committee was informed that there were very few instances when the board might be fined, for example, if the board had been aware of an issue and hadn't reported it or raised concerns with the Committee. Policies were being updated

which would strengthen the governance framework which would also reduce the risk to the board.

The committee recommended a change to clause 1.3 xii) to include reference to co-opted members on the board itself as well as any sub-committee of the board.

It was noted that the board would consider the Terms of Reference at its next meeting on Tuesday, 17 October 2017 and the Chairman of the Pension Fund Committee and Pension Board would meet to discuss any issues prior to the recommendation being made to full council.

RESOLVED:

- (i) THAT the issues regarding insurance would be investigated and reported to the board
- (ii) THAT the committee considered the revised terms of reference and recommend any additional items to be included
- (iii) THAT the committee authorised the chairman to meet with the chairman of the Local Pension Board following the board's meeting on 17 October 2017, to consider any further changes to the terms of reference which the board may propose
- (iv) THAT the committee authorised the chairman of the committee, in discussion with the section 151 officer and the monitoring officer, to make any final amendment to the terms of reference, if necessary
- (v) THAT the committee recommends the final version of the terms of reference to Full Council on 15 November 2017 for adoption and inclusion in the council's constitution

(b) [Consideration of changes to Pension Fund Governance Arrangements](#)

The Committee was advised that the Public Services Pensions Act 2013 made requirements for Local Authorities to establish a local pension board. The Isle of Wight agreed to create a separate board to advise and support the pension fund committee on its governance arrangements.

The board has been in operation for two years, and it is an opportune time to review the format and operation of the governance framework for the Isle of Wight Council Pension Fund. Under the LGPS regulations, there is the option to apply to the secretary of state to combine the Pension Fund Committee and the board together. Hampshire County Council and London Borough of Haringey had both applied for joint board and committee structure and officers asked for the Committee's permission to investigate the option further.

Officers believed that combining the two would strengthen governance arrangements, the Committee would have access to the knowledge of board members at the meeting and more resource would be available as there would be no requirement for two sets of papers to be produced as it would be one meeting.

Concern was raised that investment performance would be affected by the proposed changes; assurance was provided that it would not be affected, it was felt it would generate a greater depth of discussion and improve decisions.

Cllrs Churchill and Garratt and the UNISON representative volunteered to be part of the working group to consider this further.

RESOLVED:

THAT the investigation into the combination of the committee and the board, establishing a working group of officers, committee and board members, and report back to future committee meetings be investigated.

CHAIRMAN