



Minutes

Name of meeting	ISLE OF WIGHT PENSION FUND COMMITTEE
Date and time	FRIDAY, 24 NOVEMBER 2017 COMMENCING AT 10.30AM
Venue	COUNCIL CHAMBER, COUNTY HALL, NEWPORT, ISLE OF WIGHT
Present	Cllrs Adrian Axford (Chairman), Barry Abraham, Paul Brading, Vanessa Churchman, Andrew Garratt, Shirley Smart, Ian Stephens
Representatives	Steve Milford, Unison Representative
Employer Representatives	Christine Shaw, Island Roads
Independent Advisor	Sam Wreford - Mercers
Fund Managers	James Mowat - Majedie Mark Hepburn - Majedie
Pension Board members	Barbara Milton Paul Wilkinson
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

1. [Minutes](#)

RESOLVED :

THAT the Minutes of the meeting held on [6 October 2017](#) be confirmed, subject to Minute 9 (b) being altered to amend Cllr Churchman's name.

2. [Declarations of Interest](#)

Councillor Shirley Smart declared an interest as she was in receipt of an Isle of Wight Council pension.

Councillor Ian Stephens declared an interest as he was a member of the LGA Fire Service Management Committee, Fire Forum and Joint National Committee.

3. **Members Question Time**

A written question from Cllr Michael Lilley was submitted regarding the pension funds investment in fossil fuels. The Chairman advised that a written response would be provided ([MQ 09/17](#)).

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

(a) **Reporting Breaches of Law to the Pensions Regulator Policy**

The Technical Finance Manager advised the Committee that the policy for reporting breaches of the law to the Pensions Regulator was relevant to both the Local Government Pension (LGPS) and Firefighters pension scheme. A Recommendation had been made to the Pension Fund Committee from both the LGPS and Firefighters Pension board for the policy to be adopted by the Committee.

Training for the policy would be provided following the adoption of the policy for all Committee and board members, as well as council officers and other stakeholders, to ensure they are all aware of their responsibilities under the policy.

The Committee was advised that they would retain responsibility for maintaining membership records, setting the investment strategy and governance arrangements once the transition of the fund's investments to the ACCESS pool was completed.

RESOLVED:

- (i) THAT 7.4 be amended to read 30 calendar days
- (ii) THAT the Reporting Breaches of the Law to the Pensions Regulator Policy be adopted.

(b) **Complaints and Internal Dispute Resolution Process**

The report sets out how complaints from pension scheme members regarding their pension decisions would be dealt with and nominated the monitoring officer to be the stage two disputes adjudicator.

Both the LGPS and Firefighters boards had discussed the process and the stage two adjudicator and recommended it to be adopted by the Pension Fund Committee.

The process would be launched to all scheme members and employers via the council's website, and communications would be undertaken with scheme employers to ensure they are all aware of and comply with the process once it had been adopted.

The Committee suggested that a page on the website outlining what categories would be accepted and were advised that this would be investigated as part of the governance review.

RESOLVED:

- (i) THAT the Complaints and Internal Dispute Resolution Process (IDRP) be adopted
- (ii) THAT the Committee confirmed the monitoring Officer (or deputy) be appointed as the adjudicator of stage two disputes.

(c) [Governance Compliance Action Plan](#)

The Technical Finance Manager explained that the report was a summary position of where the Pension fund was at 31 March 2017. Key areas where the fund was non-compliant were not a surprise, although significant progress had been and continued to be made.

The outcomes allowed officers, Committee members and the board to focus on areas of non-compliance in developing a work plan. A new governance policy for the fund would be provided to the board for recommendation to the Committee. Once this had been adopted by the Committee compliance would be monitored against the new policy.

The Committee were advised that 2016-17 was the first year where compliance was reported against the enhanced governance standards contained in the Pension Regulator's governance code of practice. The criteria had been broken down which resulted in a higher number of non-compliance areas.

Questions were raised regarding the impact the new General Data Protection Regulations (GDPR) regulations that came into force in May 2018 would have on the pension fund. Members were advised the council's corporate information unit were leading on this project, and members would be briefed on the new regulations at a future committee meeting.

Officers reassured the Committee that adequate resources for the pension fund were in place and internal discussions had taken place to ensure it remained so. It was also noted that the pension fund financed its own resources and there would be no budget implication on the authority.

RESOLVED:

- (i) THAT the GDPR co-ordinator be asked to provide the Committee with a presentation on the new guidance
- (ii) THAT the report be noted

(d) [Changes to governance arrangements](#)

It was noted that arrangements for the working group to consider the possibility of merging the Pension Committee and Pension Board together had not yet commenced although reassurance was given that a meeting would be arranged with all those concerned.

RESOLVED:

THAT the update be noted

(e) [Issues Logs](#)

The Committee were provided with the issues logs for both the LGPS and Fire Pension. Each log was discussed and monitored by the relevant board.

An officer group had been set up to monitor the logs, which were used as an action plan, the chairman of the Fire Pension Board already joined the group and an invitation to the Chairman of the LGPS board had been recently been made.

RESOLVED:

THAT both the Fire Pension and Local Government Pension issues log be noted

(f) [Half year financial update](#)

Sam Wreford from Mercer Limited provided an overview of investment performance, and advised that, given the volatile markets, all the fund managers looked like they were being cautious with investments.

The Technical Finance Manager presented the report of the financial performance of the Isle of Wight Pension Fund for the six months to 30 September 2017.

A summarised income and expenditure statement and balance sheet had been provided to members which outlined information regarding membership numbers and contributions received.

Officers advised that the pension's team was in communication with employers who failed to pay their contributions on time and had investigated ways to reduce the number of late payments.

RESOLVED:

THAT the report be noted

(g) Fund Managers reports

(i) Baillie Gifford

An informal pre-pooling arrangement had been entered into with Baillie Gifford with another authority to combined two holdings for management fee calculating purposes. Part of the agreement was that Baillie Gifford would attend one meeting for both funds. The first meeting had taken place and officers were awaiting a date for the next meeting. The committee indicated that they were content with officers attending these meetings without representation from elected members.

(ii) Majedie

James Mowat and Mark Hepburn from Majedie Investment Management provided an update on the performance of their portfolio, which was valued at £131 million at the end of September 2017.

The Committee were advised that Majedie had cautiously positioned the investment, overall performance had been good and there had been a slight shift in the portfolio balance towards retail, telecommunication and gold. When investing in businesses management structures are looked at and investment made on small companies who had been working to improve.

RESOLVED:

THAT the presentations be noted

5. Exclusion of Public and Press

RESOLVED :

THAT, under Section 100(A) (4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business, namely Minute number 6 and 7 on the grounds that there was likely to be disclosure of exempt information as defined in paragraphs 1 and 2 of Part 1 of Schedule 12A (as amended) as it, "related to financial or business affairs of any particular person", (including the authority holding that information). The public interest in maintaining confidentiality is outweighed by the public interest in disclosing it. Disclosing the information could place the Council at risk of legal challenge from individuals or other bodies identified in the report.

6. **Procurement updates**

The Technical Finance Manager updated the committee on a number of procurement projects relating to the pension fund.

RESOLVED:

THAT the update be noted

7. **ACCESS Update**

The Committee were provided with an update regarding ACCESS group.

RESOLVED:

THAT the Committee today accept the Joint Committee's recommendation of the preferred supplier for the ACCESS pool operator, and delegate to the Director of Finance and Section 151 Officer, in consultation with the chairman of the committee and the Technical Finance Manager, to sign the contract on behalf of the Isle of Wight Pension Fund.

CHAIRMAN