



Minutes

Name of meeting	ISLE OF WIGHT PENSION FUND COMMITTEE
Date and Time	WEDNESDAY 28 OCTOBER 2020 COMMENCING AT 10.30 AM
Venue	VIRTUAL (MS TEAMS)
Present	Cllrs A Axford (Chairman), B Abraham, D Andre, V Churchman, A Garratt, and G Perks Steve Milford (Employee Representative)
Also Present	Cllr Reg Barry, Tracy Bull, Barbara Milton (Board Members), Emma Garrett, David Walker (Hymans Robertson), Jo Cooke, Jo Thistlewood, Megan Tuckwell
Apologies	Cllr P Brading

20. **Minutes**

RESOLVED:

THAT the Minutes of the meeting held on 2 September 2020 be confirmed.

21. **Declarations of Interest**

No new declarations were received at this stage.

22. **Public Question Time - 15 Minutes Maximum**

No public questions were received.

23. **Governance Compliance Statement 2019-2020**

The Technical Finance Manager presented the Governance Compliance Statement for the year ended 31 March 2020, which included a comparison of compliance with previous reports. The committee were asked to adopt the statement on recommendation from the Isle of Wight Pension Board. It was advised that the overall level of compliance with governance standards had improved, with the fund deemed to be 60% fully compliant, and 36% partially compliant, against the required standards of the criteria assessed. Members acknowledged the work undertaken by officers to achieve this.

The Committee recognised that the fund was non-compliant in three of the criteria assessed, being; the lack of a formal induction programme, the absence of a specific learning and development policy, and the failure to maintain a formal risk

register. Members wished to actively support officers in working towards full compliance, and concerns were raised regarding resources, officer capacity and support for the Technical Finance Manager. Members requested that the officer with the statutory responsibility to ensure the Fund was appropriately governed and administered come before the Committee to explain the extent to which they had assessed officer capacity to ensure full compliance. This view was supported by members of Committee and members of the Isle of Wight Pension Board.

RESOLVED:

- i) THAT the Governance Compliance Statement for the year ended 31 March 2020 be approved; and its publication within the Fund's annual report and accounts and on the Fund's web pages be authorised.
- ii) THAT, with the aim of ensuring full compliance, the Director of Finance and Section 151 Officer be requested to attend the meeting of the Committee to be held on 25 November 2020 to explain the extent to which officer capacity had been assessed.

24. Annual Report and Accounts 2020

The Technical Finance Manager presented the Fund's annual report and accounts for the year ended 31 March 2020. It was advised that by approving the Fund's annual report and accounts, subject to the completion of the external audit process, the Committee ensures that the statutory publication timetable can be adhered to.

Discussion took place regarding financial assumptions, flexible retirement, and premises expenses. Questions were raised regarding the Newport Harbour accounts and the Chairman of the Audit Committee agreed to seek clarification around why those accounts had been objected to. It was confirmed that the pension fund accounts would form part of the accounts of the Isle of Wight Council which were due to be presented to the Audit Committee for approval on 23 November 2020.

RESOLVED:

- i) THAT subject to the completion of the external audit, the pension fund accounts for the year ended 31 March 2020 be approved for inclusion in the Isle of Wight Council statement of accounts.
- ii) THAT subject to the completion of the external audit, the pension fund's annual report and accounts for the year ended 31 March 2020 be approved for publication on the fund's website.

25. Investment Performance to 30 September 2020

The Investment Consultant of Hymans Robertson presented the report on the fund's investment portfolio performance for the quarter ended 30 September 2020, including the outcome of rebalancing activity undertaken in the quarter, and the indicative funding levels at that date. Members received an update on the outcome of the rebalancing transaction undertaken on 24 September 2020, moving £13 million from the fund's global equity allocation within the ACCESS pool into the

directly held Schroder bond portfolio. Discussion took place regarding the Fund's property portfolio and it was advised that Schrodgers would attend the next meeting of the Committee to discuss this matter further.

RESOLVED:

THAT the update be noted.

26. **Investment Strategy Implementation**

The Technical Finance Manager presented the report which set out the process for the procurement, the selection of investment solutions, and the appointment of appropriate fund managers to deliver the new asset classes of private debt and infrastructure within the fund's strategic asset allocation.

Emphasis was placed on selection panels due to take place on the 6 November 2020 and 4 December 2020, where the panel would receive presentations from each private debt manager on their proposed investment solution and, following interview, make a final selection. It was confirmed that the panels would be supported by Hymans Robertson Investment Consultants in addition to the Director of Finance and Section 151 Officer, the Technical Finance Manager, and the Pension Fund & Treasury Management Accountant. Due to the importance of this process members were strongly encouraged to confirm their attendance in order for arrangements to be finalised.

RESOLVED:

THAT the process and timetable for the procurement, selection, and appointment, of fund managers to deliver the selected investment solutions for private debt and infrastructure, be agreed.

27. **Items circulated for Members Attention**

The committee noted the items circulated for information since papers were published for last committee meeting on 19 August 2020. Attention was drawn to the upcoming ACCESS Joint Committee dates which were circulated on 25 September 2020. Members were invited to identify the dates which they could attend and notify the Chairman and Technical Finance Manager in order for arrangements to be finalised. Discussion took place regarding exit cap regulations and was confirmed that the Technical Finance Manager would provide a written update to the next meeting.

RESOLVED:

THAT the items circulated for member's attention be noted.

28. **Members' Question Time**

No member's questions were received.

29. **Exclusion of the Public and Press**

RESOLVED:

THAT the public and press be excluded.

30. **Investment Strategy Implementation (Confidential)**

The Committee were reminded that at its meeting in July 2020, it was agreed that the Fund should seek to make new 5% allocations to both Infrastructure and Private Debt as part of a new strategic allocation to Income focussed mandates. Members received and discussed a confidential report from Hymans Robertson, setting out their recommendations of the shortlisted investment solutions for private debt and infrastructure asset classes. It was agreed that Hymans Robertson would review the proposed selection questions and would issue a revised selection panel pack for members in the early part of the following week, before the first selection day.

RESOLVED:

THAT the proposed manager shortlists, the Selection Panel interview process and key the dates for the selection process, be noted and agreed.

31. **ACCESS Update (Confidential)**

The Technical Finance Manager presented the confidential report which provided an update on recent ACCESS activities. Due to time constraints, no comments were made at this stage and the report was noted. Members were asked to contact the Technical Finance Manager if they had any detailed questions about the report.

RESOLVED:

THAT the update be noted.

CHAIRMAN