



# Minutes

Name of meeting	<b>LOCAL PENSION BOARD</b>
Date and Time	<b>WEDNESDAY 7 JULY 2021 COMMENCING AT 10.00 AM</b>
Venue	<b>VIRTUAL (MS TEAMS)</b>
Board Members	T Bull (Chairman), B Milton and T Ould
Also Present	Megan Tuckwell

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## 1. **Review of Minutes**

### **1.1 Approval of Minutes of the meeting held on 24 March 2021**

RESOLVED:

THAT the Minutes of the meeting held on 24 March 2021 be confirmed as a true record, subject to the following amendments:

- i) Minute Item 35 – The minute did not reflect the comments made and concerns raised regarding the Investment Strategy Implementation. In relation to the appointment of a Private Debt Solution Provider, the Board did not feel it was accurate to minute ‘the Board had noted that due process had been followed and due diligence had been carried out as to the suitability of the fund’, as it was unclear on what they were supposed to be monitoring against.
- ii) Minute Item 36 – The minute reflected comments of the Committee at its meeting on 27 January 2021 rather than comments from the Board, particularly where reference was made to due process. In relation to the selection of the UBS Climate Aware Fund, the Board did not feel it was accurate to record that due process had been followed in making the selection by the ACCESS pool, as it was unclear on what the board were supposed to be monitoring against. It was added that at the virtual presentation delivered by UBS on 27 January 2021, one board member was unable to use their microphone and asked questions via the chat bar. The answer given was not satisfactory and they were not given an opportunity to ask a supplementary question due to time constraints. There were concerns that this was a greenwashing fund which does not meet or contribute to ESG/RI strategy and policy.
- iii) Minute Item 44 – In relation to board operation, the minute did not reflect that there was some conflict of opinion in how meetings should be ran. It was believed that the terms of reference should dictate how the board should operate and not the administering authority.

## **1.2 Matters arising from the minutes of the meeting held on 24 March 2021**

Discussion took place regarding the content of the minutes of the last meeting, including the process for composition, publication, and subsequent approval. The following points were raised as matters arising in relation to the minutes:

- a) It was felt that there should be a clear distinction between required and optional attendance at future meetings. It was suggested that future agendas should state who is required, including any relevant officers.
- b) Minute Item 42 - The Board did not believe they had been invited to contribute at the meeting of the Committee on 2 June 2021.
- c) Minute Item 44 - Comments were made regarding contact with the Section 151 Officer and the Monitoring Officer. It was advised that there had been no interaction with the new Monitoring Officer and the Board felt it was appropriate to make an informal approach to The Pensions Regulator in light of their concerns. It was requested that the Monitoring Officer attend the next meeting of the Board.

RESOLVED:

- i) THAT future agendas for the Local Pension Board should list all required attendees, including officers.
- ii) THAT the Monitoring Officer be requested to attend the next meeting of the Board on 21 July 2021.

## **2. Declarations of Interest**

No declarations were received at this stage.

## **3. Risk Register**

The Chairman advised that the Board had been asked to monitor the risk register. The Board were concerned that this was not in place despite being requested for some time. An initial draft risk register had been prepared by the Board and this would continue to be updated ahead of the next meeting on 21 July 2021. The following areas were highlighted as areas of concern;

### **a) Risk Monitoring**

The Board were mindful of resourcing issues and noted that a risk register was not a statutory requirement. The Board did however feel that they had been in breach of best practice and it was suggested that internal audit be asked to look into this.

### **b) Cyber Security**

The Board believed that the Scheme Advisory Board and The Pensions Regulator both advise that Fund's should take responsibility for their cyber security. It was noted that there was no service level agreement in place with

the ICT department but were reliant on their advice that there had been no breaches (or attempted breaches). It was noted that this reporting did not account for smaller cyber-attacks (such as phishing emails) and it was suggested that internal audit be asked to look into this.

**c) Investment Strategy, and the ESG/RI Policy**

It was advised that a recent PSLA conference highlighted the willingness by other local authorities to share best practice and the Board felt that active involvement in the ESG/RI policy should be looked at strategically. The Board felt that the fund was not operating on a big enough scale to navigate this matter alone and consideration was given to the possibility of entering a partnership with another local authority to 'share' a dedicated Responsible Investment Officer.

Concerns were raised in relation to the terminology used in the Investment Strategy Statement, particularly with regard to its definition of medium and long-term fund. Discussion took place around local investments and subsequent potential conflicts of interests.

Discussion took place with regards to future ESG/RI workshops, and Barbara Milton offered to lead on an agenda for future ESG/RI workshops in collaboration; ideally jointly with a member of the Isle of Wight Pension Fund Committee.

**RESOLVED:**

- i) THAT officers be asked to look into the feasibility of entering a joint partnership with another local authority to share a Responsible Investment Officer.
- ii) THAT the Board recommends to the Committee that Barbara Milton formulate an agenda for future ESG/RI workshops in collaboration with a member of the Isle of Wight Pension Fund Committee.

**4. Skills and Knowledge**

It was agreed that best practise would be to have a Board member lead on skills and knowledge. It had been previously agreed that a training log would be developed, although this had not yet been received. Discussion took place regarding a shared directory for training documentation to be stored and it was noted that the Fund's website should facilitate a private portal for the Board to share information.

**RESOLVED:**

- i) THAT the Technical Finance Manager circulate the skills and knowledge log.
- ii) THAT the option for a shared directory on the Fund's website for board members to share training documentation be explored.

## 5. AOB

### a) Board Expenditure

Clarification was sought with regards to the £1,200 expenditure for development training. It was unclear what this was for and it was noted that there were separate budgets for the Board and the Committee. It was requested that this be clarified by the Technical Finance Manager.

RESOLVED:

THAT the Technical Finance Manager be asked to clarify the Board's £1,200 expenditure.

### b) Board Vacancy

The Board queried whether it was yet known who would fill the Board's employer representative vacancy. It was advised that this was not yet known and would be confirmed at the meeting of the Full Council on 21 July 2021.

### c) Board Job Description

The draft role profile for board members had been circulated by the Technical Finance Manager. It was felt that the job role should be more detailed, and that the time consideration element (a minimum of eight days) should be amended to more accurately reflect the actual time commitments required. Discussion took place regarding the possibility of remuneration to attract a wider pool of applicants and it was advised that other Boards were increasingly offering remuneration. The Board felt that £100 per month was an appropriate amount and appeared to be in line with others nationally, and it was agreed that the Committee would be asked to consider remuneration to Board members.

RESOLVED:

THAT the Isle of Wight Pension Fund Committee be asked to consider offering remuneration for Local Pension Board members, at £1,200 per annum.

### d) Board Annual Report

The draft annual report had been circulated by the Chairman and Board members were invited to make comments. It was noted that the Scheme Advisory Board's website contained other annual reports, and some appeared to be much more narrative. It was agreed that a link to this would be circulated, alongside a link to other Board's terms of reference.

RESOLVED:

THAT links to the Scheme Advisory Board's website for other Board's terms of reference (<https://lqpsboard.org/index.php/schemedata/local-boards>) and

annual reports (<https://lgpsboard.org/index.php/schemedata/scheme-annual-report>) be circulated.

**e) Frequency of meetings**

It was felt that the Board should meet formally eight times per year, alternating between meetings which would consider written reports and meetings which would allow for more open discussion. Board members expressed disappointment that the Committee was scheduled to meet only four times per year, in contrast to the additional meetings held previously. The Board were keen to collaborate more with the committee and it was suggested that the Committee may choose to explore the use of sub-committees or working groups.

RESOLVED:

THAT the frequency of board meetings be increased from four to eight per year.

**f) Future Meetings**

It was agreed that the next meeting would be held virtually. Going forward meetings would be held face-to-face. It was advised that the future approach could be flexible due to the introduction of equipment which could facilitate hybrid meetings.

CHAIRMAN