



Minutes

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| Name of meeting | LOCAL PENSION BOARD |
| Date and Time | WEDNESDAY 26 OCTOBER 2022 COMMENCING AT 2.00 PM |
| Venue | COUNCIL CHAMBER, COUNTY HALL, ISLE OF WIGHT |
| Present | M Doyle (Chairman), N Cain, L Kingston, M Lilley and B Milton, and A Curzon (Virtual) |
| Also Present | Matthew Collier, Jo Cooke, Jo Thistlewood and Megan Tuckwell Cllr Christopher Jarman, Jeff Houston (Barnett Waddingham) |
| Apologies | T Ould |

14. **Minutes**

RESOLVED:

THAT the minutes of the meeting held on 15 June 2022 be approved.

15. **Declarations of Interest**

No declarations were received at this stage.

16. **Structure Review Update**

Consideration was given to the report which summarised the process for the appointment of Barnett Waddingham to undertake the review of the fund's operational structure in light of current and future work requirements. The lead consultant from Barnett Waddingham was in attendance to provide an overview of the project. Questions were raised and discussion took place regarding fund comparators, information gathering, shared strategic governance and administration resources, local investments, performance, and risk. It was confirmed that options would be brought forward in a paper to be presented to the Council's Corporate Management Team in early 2023.

RESOLVED:

THAT the report and presentation from Barnett Waddingham be noted.

17. **Reports from the Pension Fund Committee:**

17a **Draft Minutes of the Pension Fund Committee - 27 July 2022**

Consideration was given to the draft minutes of the meeting of the Pension Fund Committee held on 27 July 2022, and the decisions taken therein. No comments or questions were raised.

RESOLVED:

THAT the draft minutes of the meeting of the Pension Fund Committee held on 27 July 2022 be noted.

17b **Update on Scheme Member Representation at ACCESS Joint Committee Meetings**

The Pension Fund Manager presented the report which confirmed the process by which scheme member representatives could attend ACCESS Joint Committee meetings as observers. It was confirmed that Isle of Wight Council Pension Fund had been invited to send two representatives to the ACCESS Joint Committee meeting in London on 5 December 2022, and it was confirmed that this would be one scheme member representative (Barbara Milton) and the independent chairman (Martin Doyle).

RESOLVED:

- i) THAT the approach to scheme member representation at ACCESS Joint Committee meetings be noted.
- ii) THAT Barbara Milton and Martin Doyle attend the ACCESS Joint Committee meeting on 5 December 2022 in London.

18. **Governance Compliance Statement 2021-22**

The Board received the draft annual Governance Compliance Statement for consideration and approval for presentation to the Pension Fund Committee for inclusion in the annual report and accounts for the year ended 31 March 2022. Consideration was given to the proposed action plan which had been developed to address areas of non-compliance. With regards to policy development, it was suggested that copies of existing policies (on knowledge and skills and conflict of interests) could be requested from the South East UNISON Forum. Questions were raised regarding internal controls processes, reporting oversight, complaints, the administration strategy, and compliance with cyber security and fraud requirements.

Cllr Michael Lilley declared an interest as the vice-chairman of the Audit Committee.

RESOLVED:

- i) THAT the draft governance compliance statement be recommended to the Pension Fund Committee for adoption and publication in the fund's annual report and accounts.

- ii) THAT the action plan for rectification of areas of non-compliance be agreed, and progress reports be presented to all future Board meetings.

19. **Risk Management**

The Board received and reviewed the updated risk register for its onward presentation to the Pension Fund Committee. Attention was drawn to the closure of ten risks, the creation of three new risks, and the reduction in risk score of four risks. Comments were made in relation to inflation and funding risks (in light of current market volatility) and the potential impact on the valuation. Clarification was provided around the long-term investment strategy, cashflow projections, and risk mitigation.

RESOLVED:

THAT the updated risk register (including the closure of ten risks, the creation of three new risks, the reduction in risk score of four risks, and the unchanged score of the remaining 34 risks) be agreed; and be recommended to the Pension Fund Committee for adoption.

20. **Climate Change/ ESG Activities**

Consideration was given to the fund's draft response to the Local Government Pension Scheme (England and Wales): Governance and reporting of Climate Change Risks consultation issued on 1 September 2022. Comments were made around the role of investment managers in providing information and metrics, and the role of the fund's ESG/RI working group. It was suggested that any further considerations which may be useful to include in the response be sent to the Pension Fund Manager by 7 November 2022, to be finalised for presentation to the Pension Fund Committee on 24 November 2022.

RESOLVED:

THAT the consultation document and the proposed response be accepted, and any further considerations to include in the response to be sent to the Pension Fund Manager by 7 November 2022.

Following discussion, the Board adjourned for a five-minute comfort break.

21. **Cyber Risk**

The Pension Fund Manager presented the initial outcome of the AON Cyber assessment questionnaire and the requirements of the Pension Regulator's single code of practice in respect of cyber risk awareness. Discussion took place regarding the steps required to improve the fund's cyber controls (including the development of a cyber risk policy) and questions were raised whether there was a fund-specific disaster recovery plan. It was advised that a progress report would be presented to the next meeting.

RESOLVED:

THAT the report be noted.

22. Report from the Pensions Administration Team

The Pensions Manager presented the report on administration statistics, employer compliance with end of month reporting and payment deadlines for the year 2021-22 to date, complaints recorded, and breaches of the law identified. Attention was drawn to key updates relating to i-Connect, McCloud, tracing procurement, and employer compliance. Questions were raised regarding school academisation and employer non-compliance. It was agreed the full breaches log would be presented to the Board at future meetings.

RESOLVED:

THAT the report be noted.

23. Triennial Valuation

The Pension Fund Manager presented the triennial valuation progress update against the agreed timetable. It was advised that everything was on track and progressing well. No comments or questions were raised, and the update was noted.

RESOLVED:

THAT the progress update be noted.

24. Communications Strategy Review

The Board received and reviewed the proposed revisions to the fund's Communications Policy (including its sufficiency against the requirements of the Pension Regulator's code of practice) for recommendation to the Pension Fund Committee. Discussion took place regarding the protocols for member media communications; it was advised that these are developed and enforced by the Council.

RESOLVED:

THAT the revised Communications Policy be recommended to the Pension Fund Committee for adoption.

25. Knowledge and Understanding

The Pension Fund Manager presented the report on levels of knowledge and understanding and advised on the training programme created to support both members of the Committee and the Board. Board members were asked to complete the recommended training, including the Hymans Robertson National Knowledge Assessment. No comments or questions were raised, and the update was noted.

RESOLVED:

THAT the summary of attendance and training be noted.

26. **Workplan**

Consideration was given to the work programme for forthcoming meetings of the Committee and Board. It was noted that alternative dates for the next meeting, currently scheduled for 21 December 2022, would be circulated. No comments or questions were raised, and the update was noted.

RESOLVED:

THAT the workplan be noted.

27. **Items circulated for Members Attention**

The committee noted the items circulated for information since the last meeting. No comments or questions were raised at this stage.

RESOLVED:

THAT the items circulated for attention be noted.

28. **Other matters for the Board's attention**

No other matters were raised.

CHAIRMAN