



Minutes

Name of meeting	ISLE OF WIGHT PENSION FUND COMMITTEE
Date and Time	WEDNESDAY 8 FEBRUARY 2023 COMMENCING AT 10.00 AM
Venue	COUNCIL CHAMBER, COUNTY HALL, ISLE OF WIGHT
Present	Cllrs C Jarman (Chairman), A Garratt (Vice-Chairman), D Andre, V Churchman, C Critchison and I Ward
Co-opted (Non-Voting)	Steve Milford (Scheme Member Representative)
Also Present	Matthew Collier, Jo Cooke, Jo Thistlewood and Megan Tuckwell
	Martin Doyle and Trevor Ould (Local Pension Board)
Also Present (Virtual)	Paula Pickens (Hymans Robertson), Barbara Milton (Local Pension Board)
Apologies	Cllr P Brading

58. **Apologies and Changes in Membership (If Any)**

Apologies were received from Cllr Brading.

59. **Minutes**

RESOLVED:

THAT the minutes of the meeting held on 23 November 2022 be approved.

60. **Declarations of Interest**

No declarations were received at this stage.

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

No public questions were received.

62. **Structure Review - Options Report**

The Pension Fund Manager provided a verbal update on the progress with the Barnett Waddingham review of the operational structure for the pension fund. It was advised that the options paper would be presented to the Council's Corporate Management Team on 7 March 2023. No comments or questions were raised, and the update was noted.

RESOLVED:

THAT the verbal update be noted.

63. Report from the Local Pension Board

The chairman of the Local Pension Board was in attendance to present the draft minutes of the meeting held on 17 January 2023. Attention was drawn to the considerations of the Funding Strategy Statement, and the update arising from the Board's attendance at the ACCESS Joint Committee meeting on 5 December 2022 as observers. No comments or questions were raised, and the update was noted.

RESOLVED:

THAT the report from the Local Pension Board be noted.

64. External Audit Update

The Pension Fund Manager provided a verbal update on the progress with the 2021-22 audit for the pension fund accounts. It was advised that the external audit had commenced and was anticipated to be completed during February 2023. The expectation is the council and pension fund accounts will be completed in time for the Audit Committee in March 2023, with the results to be presented to the Local Pension Board in April 2023, and the Pension Fund Committee in May 2023. It was suggested that the delays would likely have a knock-on impact on future years' audits. No comments or questions were raised, and the update was noted.

RESOLVED:

THAT the verbal update be noted.

65. Annual Report and Accounts 2021-22

The Pension Fund Manager presented the draft annual report and accounts for the year ended 31 March 2022 and provided an update on the process and timeline for publication and approval. Concerns were raised regarding knowledge and skills, attendance at training sessions, and delays with the external audit. Attention was drawn to the delegation of the publication of the final document (on conclusion of the external audit) to the Pension Fund Manager to avoid further delay.

RESOLVED:

- i) THAT the draft annual report and accounts for the year ended 31 March 2022 be adopted (subject to any changes from external audit), and the publication of the draft unaudited document be approved for publication on the fund's website as soon as practical after the meeting.
- ii) THAT the committee be notified of the completion of the external audit for both the pension fund and the Council, following the Audit Committee meeting on 20 March 2023.

- iii) THAT the committee delegates authority to the Pension Fund Manager (in consultation with the Director of Finance and the chairman of the Pension Fund Committee) to update the annual report and account for any changes arising from the audit, and to publish the final annual report and accounts as soon as practical, following the Audit Committee meeting on 20 March 2023.
- iv) THAT the committee and Local Pension Board be notified of the conclusion of the pension fund's external audit and the publication of the final annual report and accounts, and a report be presented to each body at the first meeting after the conclusion of the process.

66. **Triennial Valuation Update**

The committee received a presentation from the fund's actuaries on the valuation results which included an overview of the approach, risk analysis, and rates and adjustment certificates. No comments or questions were raised at this stage.

RESOLVED:

- i) THAT presentation from Hymans Robertson be noted.
- ii) THAT the draft valuation report at Appendix 1, and the employer contribution rates as set out in the rates and adjustments certificate on page 31 of Appendix 1, be approved.
- iii) THAT the requirement for the completion of the valuation process by 31 March 2023 be noted, and the committee delegates authority to the Pension Fund Manager (in consultation with the Director of Finance and the chairman of the Pension Fund Committee) to make minor amendments to the appendices prior to publication on or before 31 March 2023.

67. **Funding Strategy Statement**

The Pension Fund Manager presented the Funding Strategy Statement arising from the 2022 valuation (following consultation with scheme employers and the Local Pension Board) for adoption and publication on the fund's website. No comments or questions were raised at this stage.

RESOLVED:

- i) THAT the process for the review of the Funding Strategy Statement, including the consultation with interested parties, be noted.
- ii) THAT the Funding Strategy Statement, including the newly created contribution review policy and cessation policy, be adopted.
- iii) THAT the publication of the Funding Strategy Statement 2023 on the fund's website be approved.

68. Knowledge and Understanding Update

The Pension Fund Manager presented the output report from the Hymans Robertson National Knowledge Assessment and provided an update on the next steps for action, including the development of a learning portal (in conjunction with the council's learning and development team) and a knowledge and understanding policy. The committee were invited to share thoughts on the priorities for training and it was recommended that future sessions could cover business planning, cyber risk, and the accounts and audit. Following very helpful discussions, the committee expressed a preference for concise, face-to-face training sessions delivered on the same day as formal committee meetings to encourage participation.

RESOLVED:

THAT the update be noted.

69. Investment Performance and Funding Level

69a Investment assets as at 31 December 2022

69b Hymans Robertson December 2022 Investment Manager Report

69c UK Equity Transition Progress (Verbal Update)

Consideration was given to the reports for the quarter ended 31 December 2022, which included investment assets and a summary of market returns, capital market outlook, asset allocation, fund performance, and fund manager analysis. No significant issues with any asset classes or investment managers were highlighted. The Pension Fund Manager presented a verbal update on the progress with the delivery of the UK equity transition from Liontrust to BlackRock and advised that this was intended to be completed before 31 March 2023. It was noted that BlackRock had reduced its allocation to tobacco due to short-term industry and regulatory uncertainty.

RESOLVED:

THAT the updates be noted.

70. Items circulated for Members Attention

The committee noted the items circulated for information since the last meeting. It was confirmed that there was no update on regulatory changes for climate change reporting, the McCloud remedy, and dashboards.

RESOLVED:

THAT the items circulated for attention be noted.

71. Members' Question Time

No members questions were received.

72. Exclusion of the Public and Press

RESOLVED:

THAT the public and press be excluded.

Following discussion, the committee adjourned for a 5-minute comfort break.

73. ACCESS Updates:

73a ACCESS Update

The Pension Fund Manager presented the confidential report on ACCESS pool activities since the last meeting and provided feedback on the ACCESS Joint Committee meeting held on 5 December 2022. Consideration was given to the ACCESS Pool's 2023/24 business plan, as recommended by the Joint Committee. No comments or questions were raised at this stage.

RESOLVED:

THAT the update be noted, and the ACCESS Pool's 2023/24 Business Plan (as recommended by the Joint Committee) be approved.

73b Re-procurement of the Pool's Operator

Consideration was given to the confidential report which outlined the process for the re-procurement of the pool's operator, in planning for the end of the current contract, including the approval of delegations.

RESOLVED:

- i) THAT the update on Link Fund Solutions be noted.
- ii) THAT the recommendations presented in the report be approved.

74. Procurement and Contract Management Update

The Pension Fund Manager presented the confidential update on procurement and contract management activities since the last meeting. No comments or questions were raised at this stage.

RESOLVED:

- i) THAT the contract management and procurement activity undertaken since the last report in November 2022, be noted.
- ii) THAT the submission of the CMA compliance statement on 11 January 2023 be noted.
- iii) THAT the extension of the investment consultancy contract for a further 12 months to 1 January 2024 be confirmed.

iv) THAT the procurement activity required in 2023-24 be noted.

CHAIRMAN

DRAFT