



Minutes

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| Name of meeting | ISLE OF WIGHT PENSION FUND COMMITTEE |
| Date and time | WEDNESDAY 2 SEPTEMBER 2020, COMMENCING AT 10.30 AM |
| Venue | <u>VIRTUAL – MICROSOFT TEAMS LIVE EVENT</u> |
| Present | Cllrs Adrian Axford (Chairman), Barry Abraham, Debbie Andre, Paul Brading, Vanessa Churchman, Andrew Garratt, Graham Perks Steve Milford (Employee Representative) |
| Also Present | Cllr Reg Barry, Tracy Bull, Barbara Milton (Board Members) Emma Garrett (Hymans Robertson) Jo Cooke, Jo Thistlewood, Megan Tuckwell |

11. Minutes

RESOLVED:

THAT the Minutes of the meeting held on 22 July 2020 be confirmed.

12. Declarations of Interest

No new declarations were received at this stage.

13. Governance Policy Annual Review

The Technical Finance Manager presented the report which outlined the proposed amendments to the Fund's governance policy. Members received the update and were asked to adopt the revised version on recommendation from the Pension Board.

RESOLVED:

THAT the governance policy be approved for publication on the fund's website, and for inclusion in the fund's annual report and accounts.

14. Isle of Wight Pension Board Annual Report

Various board members were in attendance to present the annual report from the Isle of Wight Pension Board for the year ended 31 March 2020. Discussion took place regarding board membership and the process for recruiting additional members, and the committee were advised that activities had been delayed due to the Covid-19 pandemic but this was an area that would be explored.

RESOLVED:

THAT the Isle of Wight Pension Board Annual Report be noted.

15. ACCESS Annual Report

The Technical Finance Manager presented the annual report from the ACCESS pool for the year ended 31 March 2020, which had been written and prepared by the Chairman of the ACCESS Joint Committee. Members were asked to adopt the report and to approve its publication in the Fund's annual report and accounts. Questions were raised regarding the Fund's working relationships with the other authorities, with particular regards to input in the pool's environmental, social and governance (ESG) and responsible investment (RI) policies. It was agreed that it had been beneficial for all committee members to attend a Joint Committee meeting as it helped members gain a deeper knowledge and understanding of the pool.

RESOLVED:

THAT the ACCESS Annual Report for the year ended 31 March 2020 be adopted and be approved for publication in the Fund's annual report and accounts.

16. Annual Report and Accounts 2020

The Technical Finance Manager presented the report which outlined the process for the approval of the pension fund's annual report and accounts, which was due to take place at the next meeting of the Committee on 28 October 2020. Members were asked to agree to receive the documents forming part of the annual report prior to the next meeting, and comment on them where appropriate, with a view to ensure the approval of the full report at the next committee meeting.

RESOLVED:

- i) THAT the process for the completion and approval of the pension fund annual report and accounts for the year ended 31 March 2020 be confirmed.
- ii) THAT members agree to receive and comment, where appropriate, on the following documents forming part of the annual report between the committee meetings on 2 September and 28 October.
 - Investment policy and performance report – for information.
 - Actuarial statement – for information.
 - Governance compliance statement, in sections – for comment.
 - Knowledge & skills compliance statements – for comment.
 - Risk management statement – for comment.

17. Scheme Changes

The Technical Finance Manager presented the report which provided an update on the recent developments in legislative requirements, statutory guidance and requirements of the Pensions Regulator. Members received an update with regards to the McCloud Remedy, and questions were raised regarding the timeframe for a resolution and the resource impact this may have on the Administration team. Members were advised that, although a detailed analysis was required to specifically identify impacted

members, very early estimates suggest that approximately 4,000 members of the Fund could fall within the scope of the remedy. Changes would be retrospective and would apply to any scheme members who had left, retired or died, and did not meet the old underpin criteria but do meet the new one. In some cases, this would mean retrospectively recalculating benefits for pensioners and paying arrears and interest. An update was provided with regards to the Cost Control Mechanism, the process introduced across public sector pension schemes where the benefit structure (including member contributions) is periodically revisited to ensure that the cost of benefits remains within a cost cap envelope.

RESOLVED:

THAT the update on the recent developments in legislative requirements, statutory guidance and requirements of the Pensions Regulator be noted, and that future information be provided on all items as implementation actions are developed.

18. Investment Strategy Update

The Investment Consultant from Hymans Robertson presented the report which set out a timeline covering all actions arising and work required to implement the changes agreed as part of the investment strategy review exercise. Alternative options were discussed, including the exploration of subgroups to enable members to undertake deep dives into areas such as RI/ESG. However, it was agreed (and recommended by the Investment Consultant) that all members should attend all offered training for the purposes of fully informed decision making.

RESOLVED:

THAT the future workplan be noted, and the schedule for proposed workshops to progress the implementation of the revised investment strategy be agreed.

19. Items Circulated for Members' Attention

The committee noted the items circulated for information since papers were published for last committee meeting on 22 July 2020.

RESOLVED:

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

CHAIRMAN