

# Minutes

Name of meeting	<b>LOCAL PENSION BOARD</b>
Date and Time	<b>WEDNESDAY 13 DECEMBER 2023 COMMENCING AT 2.00 PM</b>
Venue	<b>CONFERENCE ROOM 4, COUNTY HALL, NEWPORT, ISLE OF WIGHT</b>
Present	M Doyle (Chairman), T Jayston, L Kingston, B Milton and T Ould
Also Present	Catherine Boulter, Matthew Collier, Jo Cooke and Jo Thistlewood, C Jarman (Virtual)

10. **Minutes**

RESOLVED:

THAT the minutes of the meeting held on 13 September 2023 be approved.

11. **Declarations of Interest**

No declarations were received.

12. **Report from the Pension Fund Committee**

The Board was provided with a verbal update following the meeting of the Pension Fund Committee on 22 November 2023.

A discussion was held around the Risk Register and the recent investment manager selection processes.

The Pension Fund Manager confirmed that Board members were not expected to attend the Pension Fund Committee meetings but were welcome to attend as observers.

RESOLVED:

THAT the verbal update be received and noted.

13. **Breakdown of Costs Recharged from IWC**

Consideration was given to the costs recharged to the pension fund from Isle of Wight Council.

Individual line items were discussed and it was agreed that further clarification from the Isle of Wight Council Finance team was required for some of them.

RESOLVED:

THAT the verbal update be received and noted.

THAT a breakdown and clarification of recharges be provided to the Board and also reported to the Pension Fund Committee in February 2024.

**14. External Audit Results Report 2021-22**

The Pension Fund Manager presented the external audit results report on the Pension Fund accounts for the year ended 31 March 2022, as presented to the Audit and Governance Committee on 25 September 2023, and confirmed that that Isle of Wight Council's audit was completed shortly thereafter. No areas of concern were identified on the pension fund accounts.

The Pension Fund Manager shared highlights of the report which included that the data was reported to be of great quality and there was currently no need for a data improvement plan.

The Pensions Manager confirmed to the Board that all employers in the fund were now submitting their monthly data via the i-connect portal, and this has improved the data quality.

The Pensions Fund Manager confirmed that the external audit for the 31 March 2023 accounts had been started and was almost complete. It was anticipated that the next internal audit review of the Pensions Administration Team was expected in 2024-25.

RESOLVED:

THAT the external audit results report be received and noted.

**15. External Audit Planning Report 2022-23**

The Pension Fund Manager presented the external audit planning report for the Pension Fund's audit for the year ended 31 March 2023. This was shared at the Audit and Governance Committee on 11 December 2023. No issues or concerns were raised and no comments were made by that Committee.

The Pension Fund Accountant shared that the statutory deadline for publishing the annual report and accounts for the year ended 31 March 2023 was 1 December 2023. It was confirmed that the draft annual report was published online on 13 December 2023.

It was advised that the pension fund's annual report and accounts could not be completed until the external audit for Isle of Wight Council has concluded. At that time, the annual report and accounts will be completed and re-published. Repercussions for a late publication were reputational and it was shared that this Pension Fund was not alone in publishing its report late.

RESOLVED:

THAT the report be received and noted.

**16. Draft Governance Compliance Statement**

The Pension Fund Manager provided the Board with the draft governance compliance statement for the year ended 31 March 2023, as presented to the Pension Fund Committee on 22 November 2023.

Discussion was held around the three areas of non-compliance that need to be improved and how this would happen: Knowledge and Understanding, Conflicts of Interest, and Disputes and Resolution. The Pension Fund Manager reported to the Board that they were working with Hymans to address these non-compliance issues. It was advised that draft policies were to be made ready for the next Board meeting in March 2024 and were to be put to the Pension Fund Committee for adoption in May 2024.

Further discussion was had around the Board's Terms of Reference and the need for them to be reviewed. It was agreed this would be discussed at the next Board meeting in March 2024 along with reviewing board member attendance.

The Pension Manager updated the Board that the tracing service was working well and over half of the "gone away" members have now been identified. Using a monthly mortality report has also meant that payments were stopped immediately by payroll so there were fewer incidents of overpayments.

RESOLVED:

THAT the report be received and noted.

THAT the action plan for non-compliant areas be agreed and can be recommended to the Pension Fund Committee at its next meeting on 14 February 2024.

THAT the draft policies be developed and presented to the Board at the next meeting on 6 March 2024.

**17. Report from the Pensions Administration Team**

The Pensions Manager presented the report on the administration statistics for the year 2023-24 to date and advised of any complaints recorded and potential breaches of the law identified since the last meeting.

Staff recruitment and retention issues in the Pension Administration Team were discussed. The Board were advised that this was a major concern due to the negative impact on KPI results and Hymans were supporting the team by providing a senior pension officer and a technical support link.

Digitalisation of all paper documents held in storage was reported to being an on-going project and was going well.

Consideration was given to the potential breach in law that the Full Council has failed to nominate a replacement elected member employer representative to the Board since May 2023. The Pension Fund Manager reported it was raised repeatedly as a governance issue with the Chief Executive, the Monitoring Officer, and the Pension Fund Committee. It was agreed that if no elected member joins the Board following the next Full Council Meeting on 17 January 2024 it would be discussed at the next meeting if the breach was to be reported to the Pensions Regulator.

The Pension Manager reported that there were no reported issues with employer compliance and that no verbal or written complaints were received.

RESOLVED:

THAT the report from the Pensions Administration Team be received and noted.

THAT the Board will further consider the outcome of the potential breach in law at their next meeting on 6 March 2024.

#### 18. **Governance**

The Pension Fund Manager provided an update on governance support activity since the last meeting. This was the same report as presented to the Pension Fund Committee on 22 November 2023.

RESOLVED:

THAT the report be received and noted.

#### 19. **Risk Register Update**

The Pension Fund Manager provided a verbal update on the current risk register and amendments that have been made since the last meeting.

Discussion took place around the 28 identified risks. Two risks were combined as they were felt to be duplicated. Two remained as a very high risk – resilience and capacity. Cyber Security and Environmental, Social and Governance (ESG) were both to remain as a red risk.

The Board were advised that the Governance Compliance role was out for recruitment and interviews scheduled for 10 January 2024.

RESOLVED:

THAT the verbal update be received and noted.

THAT the Board agree to the changes to Risk register and this to reviewed at their next meeting on 6 March 2024.

20. **Knowledge and Understanding**

The Pension Fund Manager provided an update of the record of Board members' training and an update on any training events, meetings, including development sessions and fund manager presentations.

It was agreed that the board members would complete the Knowledge Progress Assessment so that knowledge gaps would be identified and the training plan to be updated accordingly.

RESOLVED:

THAT the report be received and noted.

THAT all board members to complete the Knowledge Progress Assessment.

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

The Board discussed organising informal meetings between members. The Pensions Fund Manager requested that any topics raised and discussed at these meetings were shared at Board meetings.

The Chairman and board member Barbara Milton attended the ACCESS Joint meeting on 4 December 2023 and a verbal update was given on this.

CHAIRMAN