



Minutes

Name of meeting	LOCAL PENSION BOARD
Date and Time	WEDNESDAY 9 DECEMBER 2020 AT 10.00 AM
Venue	VIRTUAL - MS TEAMS
Board Members	T Bull (Chairman), R Barry, B Milton and T Ould
Also Present	Matthew Collier, Jo Thistlewood, Megan Tuckwell and Jo Cooke

19. Minutes

Members confirmed the minutes of the meeting held on 23 September 2020 as a true record and consideration was given to any matters arising since the last meeting. The Technical Finance Manager clarified that a lot of work was being done around employer liaison, the investment strategy, developing job descriptions and addressing resourcing issues.

Discussion took place with regards to increasing Board membership and the appointment of an additional employee representative. It was confirmed that as unions already nominate two of the scheme member representatives, the other post would be open to all staff members, and this appointment would not be exclusive to officers.

Clarification was requested with regards to the external audit; whether this was exclusively in relation to finance or whether any broader audits of the fund would take place. Information was provided with regards to the internal audit arrangements and the further audit work that could be commissioned from the internal audit service or advisers.

Discussion took place regarding Hymans being contacted to facilitate future development sessions. It was confirmed that other providers could be approached in order to gain different perspectives, but Hymans were initially chosen as they are contracted to provide governance support.

RESOLVED:

THAT the Minutes of the meeting held on 23 September 2020 be confirmed.

20. Declarations of Interest

No declarations were received at this stage.

21. Reports from the Pension Fund Committee

The Board received the minutes of the meeting held on 28 October 2020, and no comments were made at this stage. The Technical Finance Manager provided verbal feedback from the meeting held on 25 November 2020 and highlighted the following key points:

- The Funds' Annual Report and Accounts had been signed off by the external auditors and was published on the Fund's website in advance of the statutory deadline.
- The Director of Finance and Section 151 Officer was in attendance to provide an update in respect of activities to improve the fund's level of compliance with standards of governance and administration. Additional resource would be allocated to support governance matters and plans were in place for the Technical Finance Manager's role to become focused solely on pension matters.
- The committee agreed the selection of the Goldman Sachs Merchant Banking Division Broad Street Local Partners IV fund for the delivery of the fund's private debt allocation. Subsequent to this, an infrastructure manager selection day took place on 4 December 2020 where a decision was reached, which would be formally presented to and ratified by the committee at its meeting on 27 January 2021. Board members were reassured that the selection determinations had been in accordance with due process.
- The committee adopted an amended equity investment strategy in order to provide a more optimal blend of equity exposure across a number of factors and as a first step in implementing the Committee's environmental and social governance and responsible investment beliefs. The strategic changes included reduced exposure to UK equities and a split in passive and active global equities.
- The committee received an update on recent legislative changes in respect of restricting local government exit payments and agreed to follow the Scheme Advisory Board's guidance to take the 'least worse' option; to offer impacted members the opportunity to take a deferred benefit (or a fully actuarially reduced pension) and recommended that scheme employers delay the payment of a cash alternative.

RESOLVED:

THAT the updates following the meetings of the Isle of Wight Pension Fund Committee held on 28 October 2020 and 25 November 2020 was noted.

22. Membership Numbers at 31 October 2020

The Board received information from the Pensions Manager on scheme membership as at 31 October 2020. Discussion took place regarding seasonal trends and active members, and the increase in pensioners and deferred members between March and October 2020 was noted. Board members requested historical figures from the previous three years in order to gain a greater understanding of trends. It was agreed a summary would be provided.

RESOLVED:

- i. THAT the information on scheme membership at 31 October 2020 was noted.
- ii. THAT Board members be provided with membership numbers from the previous three years.

23. I-Connect Project Update

The Pensions Manager provided an update on the implementation of the I-Connect solution for electronic submission of monthly membership data from employers. It was anticipated that the project would be completed by April 2021, dependent on employer engagement in light of the pandemic. All employers had been engaged with and 22 were live on the system. Once the Isle of Wight College and the school payroll provider Strictly Education were on the system, 95% of membership would be processed through I-Connect.

Questions were raised regarding historical issues around cheque payments and the associated non-compliance with end of month reporting and payment deadlines. It was confirmed that this employer was now submitting data through I-Connect and was no longer making cheque payments.

RESOLVED:

THAT the update on the implementation of the I-Connect project was noted.

24. The Pensions Regulator's Scheme Return 2020

Members were asked to note the progress towards the submission of the annual scheme return to the Pensions Regulator. The Technical Finance Manager welcomed any thoughts or comments prior to the submission deadline on 15 December 2020. Questions were raised regarding benchmarking, and dormant employers. It was highlighted that the Isle of Wight College's organisation type was listed as 'other' whereas other similar organisations had been categorised as 'College or education institution'. The Technical Finance Manager agreed to update this before submission.

RESOLVED:

- i) THAT the progress towards the submission of the annual scheme return to the Pensions Regulator was noted.
- ii) THAT the Technical Finance Manager amend Page 10 of the return, to update the Isle of Wight College's organisation type from 'other' to 'College or education institution'.

25. Standing Items:

26. KPI's

The Board received the administration statistics for the year 2020-21 to date (31 October 2020). Members noted that there was an up-spike in deaths in July 2020

which may have been due to the first wave of the Covid-19 pandemic, and the lag between the administration team processing deaths and receiving the information required. It was advised that progress with the Workflow project was underway with an expectation to be fully integrated by April 2021. Once completed KPI reporting to the board would be improved.

RESOLVED:

THAT the administration statistics to date 31 October 2020 was noted.

27. Employer Compliance with Administration Strategy

The Board received information on employer compliance with end of month reporting and payment deadlines for the year 2020-21 to date (31 October 2020). It was reported that despite the current circumstances, there were very low levels of non-compliance. This was attributed to the overall increase in employer engagement through the implementation of the I-Connect project and the efforts of the Employer Liaison and Data Quality Officer.

RESOLVED:

THAT the information on employer compliance with the administration strategy was noted.

28. Breaches Log and Complaints

The Pensions Manager provided an update on complaints recorded and potential breaches of the law identified since the last meeting.

It was advised that a breach had emerged as a result of the extensive data quality improvement work, where a 2017 transfer had been processed incorrectly and had resulted in the over-inflation of the benefits detailed in the scheme member's annual benefit statement. This had been rectified and the scheme member had been contacted.

Additionally, a formal complaint had been received with regards to a member's annual benefit statement. Contact has been made with the complainant and their issues had been partially resolved (as further information was required from the employer). The complainant was aware of this and was satisfied with the service provided by the admin team.

RESOLVED:

THAT the update on complaints and breaches was noted.

29. Workplan

Discussion took place regarding the work programme for forthcoming meetings of the board. The Technical Finance Manager advised that the previous annual workplan would be reviewed, to include outstanding items from previous meetings, policies which may be due for a review, and current legislative changes. A wider workplan would also be developed to include the whole committee and board cycle,

in light of council elections in May 2021 and the potential need for member induction.

The agenda for the next meeting, due to be held on 24 March 2021, would include updates on the breaches policy, resources, and board membership. As requested by the board, the Director of Finance and Section 151 Officer would be invited. Board members felt that this was too long to wait to meet with the Director of Finance and therefore agreed to seek a meeting with him outside of the formal board meeting cycle.

RESOLVED:

- i) THAT the update on the work programme for forthcoming meetings was noted.
- ii) THAT Board members meet with the Director of Finance before the next meeting due to be held on 24 March 2021.

30. Items circulated for Members Attention

Members noted the items circulated since the last meeting (23 September 2020) for information. It was noted that most work was around governance compliance activities and progress with current LGPS issues.

RESOLVED:

THAT the items circulated since the last meeting (23 September 2020) were noted.

31. Other matters for the Board's attention

No other matters were raised at this stage.

CHAIRMAN