



Minutes

Name of meeting	ISLE OF WIGHT PENSION FUND COMMITTEE
Date and Time	WEDNESDAY 28 JULY 2021 COMMENCING AT 10.00 AM
Venue	COUNCIL CHAMBER, COUNTY HALL, ISLE OF WIGHT
Present	Cllrs C Jarman (Chairman), D Andre, V Churchman, C Critchison, R Quigley, and I Ward
Also Present	Steve Milford (Employee Representative) (Non-Voting) Jo Cooke, Matt Collier, Jo Thistlewood, Megan Tuckwell Emma Garrett, David Walker (Hymans Robertson), Barry Templeton, Tom Wright (Ballie Gifford), Barbara Milton, Trevor Ould (Local Pension Board)
Apologies	Cllrs W Drew

11. **Minutes**

RESOLVED:

THAT the Minutes of the meeting held on 2 June 2021 be confirmed.

12. **Declarations of Interest**

No declarations were received.

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

No public questions were received.

14. **Reports from the Local Pension Board:**

The Committee received the minutes of the meeting of the Board held on 24 March 2021 and the draft minutes of the meeting held on 7 July 2021. No comments were made, and the minutes were noted.

The Chairman presented the Board's annual report for 2020-21 for publication in the pension fund annual report and accounts. It was noted that an updated version of the report had been agreed by the Board at its meeting on 21 July 2021 however a copy of this had not been provided. The Committee received the report presented to them, noting that it was not the final version, and therefore did not accept it for publication in the pension fund annual report and accounts.

RESOLVED:

- i) THAT the minutes of the meetings of the Local Pension Board held on 24 March 2021 and 7 July 2021 be noted.
- ii) THAT the Local Pension Board's annual report 2020-21 be noted.

15. Annual Report and Accounts 2020-21

The committee received the draft financial statements for the year ended 31 March 2021 and the Technical Finance Manager presented the reports which provided an update on the progress towards the completion of the annual report and accounts for the year ended 31 March 2021, including the timetable for audit and publication. Questions were raised in relation to the process for completion should anything be raised by the external auditors. Discussion took place regarding investment manager expenses and questions were raised in relation to employer contributions. It was requested that future reporting clarifies where employer's minimum total contribution rates as a percentage of pensionable pay are categorised as 'nil'.

RESOLVED:

- i) THAT the draft accounts for the pension fund for the year ended 31 March 2021 be approved.
- ii) THAT the progress on the completion of the annual report and accounts be noted, and the timetable for completion be confirmed.

16. Investment Position and Indicative Funding Level at 30 June 2021

The Committee received a summary report of the overall investment market performance, and a summary of the fund's investment assets for the quarter ended 30 June 2021. The Investment Consultant of Hymans Robertson provided information around the performance of the fund's investment assets for the period ending 30 June 2021 and provided an update on the indicative funding level at that date, which remains at about 102%. Discussion took place regarding EU/UK markets and inflation.

The Committee received an update on the recent personnel changes at the fund's global equities investment manager, Newton. The significance of this was noted and it was advised that the impact of this would be monitored by the research team at Hymans Robertson, and no action was required from the fund at this point.

RESOLVED:

THAT the updates provided by Hymans Robertson be noted.

17. Legislation/ Regulation Update

The Technical Finance Manager presented the reports which provided an update on legislative, regulatory, and other developments in the Local Government Pension Scheme. No comments were made, and the updates were noted. Discussion took place regarding future reporting and it was confirmed that future LGPS updates would be circulated to the Committee between meetings via email.

RESOLVED:

- i) THAT the legislation/ regulation updates be noted.
- ii) THAT future legislation/ regulation updates be circulated to the Committee between meetings via email.

18. Contract Management

The Technical Finance Manager provided a verbal update on contract management. It was advised that there were a significant number of contracts of the fund and it was confirmed that a full list would be circulated to the Committee. Key activities taking place over the upcoming year would be around benchmarking contracts, the governance consultancy contract, and the re-procurement of the administration software provider. No comments were made at this stage and the update was noted.

RESOLVED:

THAT the update on contract management be noted.

19. Knowledge and Understanding

The Technical Finance Manager provided a verbal update on knowledge and understanding. Committee members were reminded to complete the Pensions Regulator's toolkit online which provided information on public service pensions schemes. It was agreed that the link to this would be re-circulated and the Committee were strongly encouraged to complete this. Additionally, it was noted that the Hymans Robertson LGPS online learning academy was available, invites to webinars would be circulated in due course, and specific development sessions would be held between meetings.

RESOLVED:

THAT the update on knowledge and understanding be noted.

20. Fund Manager Presentation

The committee received a presentation from Baillie Gifford in respect of the fund's Diversified Growth Fund investment, which included an overview of performance, valuation, and ESG activities. Questions were raised in relation to benchmarking in comparison to other portfolios, responsible investment, offsetting carbon emissions and deadlines for becoming carbon neutral. Discussion took place regarding the investments in China and global debts.

RESOLVED:

THAT the presentation from Baillie Gifford in respect of the fund's Diversified Growth Fund investment, be noted.

21. **Workplan**

Consideration was given to the workplan for the Committee and Board for the year 2021-22. It was confirmed that the document would be updated as appropriate, and development sessions would be added for September and October. Attention was drawn to the meeting of the ACCESS Joint Committee on 6 September 2021 and it was confirmed that the Vice-Chairman would attend this meeting on behalf of the Chairman.

It was noted that at its meeting on 7 July 2021, the Board had recommended to the Committee that Barbara Milton formulate an agenda for future ESG/RI workshops in collaboration with a member Committee. The Vice-Chairman agreed to take this forward.

RESOLVED:

THAT the workplan be noted.

22. **Items circulated for Members Attention**

Consideration was given to the items circulated for information since the papers were published for the last meeting. No comments were made, and the items were noted.

RESOLVED:

THAT the items circulated since the last meeting be noted.

23. **Members' Question Time**

Cllr Quigley raised a verbal question in relation to the Fund's investments on the Isle of Wight. The Technical Finance Manager advised that investments returns were for the benefit of members of the fund and it was clarified that investment managers are delegated to look at the market as a whole to seek the best opportunities. It was noted that the fund does indirectly benefit the local economy as pensions are paid out to individuals living on the Isle of Wight.

24. **Exclusion of the Public and Press**

RESOLVED:

THAT the public and press be excluded.

25. **Employer Update (Confidential)**

The Technical Finance Manager provided a confidential verbal update on employers of the fund, including any recent changes. No questions were raised, and the update was noted.

RESOLVED:

THAT the employer update be noted.

26. **ACCESS Report (Confidential)**

The Technical Finance Manager presented the report from the ACCESS Joint Committee meeting held on 25 June 2021. Questions were raised in relation to the proportion of funds reserved from the pool and discussion took place regarding a development session on the ACCESS pool. It was agreed that a one-hour session would be arranged ahead of the next meeting of the Committee in November 2021.

RESOLVED:

- i) THAT the ACCESS update be noted.
- ii) THAT the Technical Finance Manager be formally thanked for her diligent work on behalf of the pension fund.

CHAIRMAN