



# Minutes

Name of meeting	<b>LOCAL PENSION BOARD</b>
Date and Time	<b>WEDNESDAY 6 APRIL 2022 COMMENCING AT 2.00 PM</b>
Venue	<b>VIRTUAL (MS TEAMS)</b>
Present	M Doyle (Chairman), N Cain, A Curzon, B Milton and T Ould
Also Present	Matthew Collier, Jo Thistlewood, Sarah Philipsborn and Megan Tuckwell
Apologies	Cllr M Lilley

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## 19. **Minutes**

RESOLVED:

THAT the Minutes of the meeting held on 21 July 2021 be confirmed as a true record.

## 20. **Declarations of Interest**

No declarations were received at this stage.

## 21. **Introduction**

Members of the Board received an introductory presentation on the Local Government Pension Scheme (LGPS), the Isle of Wight Council Pension Fund (IWCPF), and the role of the Board. Members asked if a single document existed that charted the changes in valuation of the Pension Fund. It was agreed that the Pension Fund Manager would circulate this information in due course. In response to a question about the geographic allocation of the fund's investments, members were reminded that it was the job of the Pension Board to scrutinize the governance arrangements, but not the individual investment decisions.

It was explained to the Board that expected "Levelling Up" Government legislation will expect 5% investment of the fund be in local projects, but that 'local' referred to the whole of the UK and not specifically the Isle of Wight. The importance of Board members undertaking required training was highlighted, and this was going to be especially significant with the impending introduction of new Regulations implementing the Scheme Advisory Board's Good Governance Project, which could include an independent assessment of each fund's governance framework.

RESOLVED:

THAT the introduction be received and noted.

**22. Board terms of reference and Board member role profile:**

**22a Terms of Reference**

The Pension Fund Manager presented the Board's terms of reference, as adopted by the Full Council in November 2021. It was explained that the terms of reference of the Pension Board were defined by the Council's Constitution. The terms of reference would be periodically assessed as part of the review of the Constitution. Any changes needed to go to Full Council to be approved. Questions were raised regarding the tenure of membership of the Board, and if the role of Board members was time limited. It was explained that Board members were appointed for a four-year term, on expiry of which, a full recruitment and selection exercise would be carried out.

RESOLVED:

THAT the terms of reference be noted.

**22b Board Member Role Profile**

The Pension Fund Manager presented the role profile for Board members, as published on the pension fund website. The duties of the Board representatives were highlighted, as were their main responsibilities. It was stated that all conflicts of interest had to be declared by Board members and that there was the expectation that members undertook any training that was provided.

RESOLVED:

THAT the Board member role profile be noted.

**23. Reports from the Pension Fund Committee:**

**23a Pension Fund Committee – 16 February 2022 Minutes (Draft)**

Consideration was given to the draft minutes of the meeting of the Pension Fund Committee held on 16 February 2022, and the decisions taken therein. Points were raised regarding the Pension Fund Committee minutes that these minutes be noted with particular attention to the decisions on the ACCESS pool. It was stated that actions had been taken so that compliance with good governance could be achieved. Board members asked whether the concerns raised by the committee over the takeover of Majedie Asset Management by Liontrust has been responded to. Members were assured that this would be addressed at the next committee meeting.

RESOLVED:

THAT the draft minutes of the meeting of the Pension Fund Committee held on 16 February 2022 be noted.

### 23b **Decision Matrix**

Consideration was given to the decision-making matrix, as adopted by the Pension Fund Committee at its meeting on 24 November 2021. It was explained that the Decision Matrix set out the roles of all parties in the decision-making process. The Chair added that LGPS legislation required certain other interested parties (e.g. scheme employers) to be consulted in the decision making process when agreeing a Fund Strategy Statement and signing off an administration strategy. The update was noted.

RESOLVED:

THAT the decision matrix, as adopted by the Pension Fund Committee at its meeting on 24 November 2021, be noted.

### 23c **Risk Management Policy**

Consideration was given to the Risk Management policy, as agreed by the Pension Fund Committee at its meeting on 24 November 2021. No questions were raised at this stage, and the update was noted.

RESOLVED:

THAT the risk management policy, as agreed by the Pension Fund Committee at its meeting on 24 November 2021, be noted.

## 24. **Report from the Pensions Administration Team**

The Pensions Manager presented the report on administration statistics, employer compliance with end of month reporting and payment deadlines for the year 2021-22 to date, complaints recorded, and potential breaches of the law identified. It was stated to the Board that it was a very busy time for pensions administration. It was explained that i-Connect was the employer portal and where membership data was uploaded and validated on a monthly basis. The majority of employers are now using this portal, with only one outsourced school payroll provider currently outstanding. The Board's attention was drawn to the Pensions Administration Strategy, which was overdue for review following the introduction of i-Connect, and would be updated to allow the fund to recover costs from non-compliant employers. Regarding McCloud and the age discrimination issue, it was stated that 60% of the Fund's employers had engaged with the request for additional membership data, which had been provisionally analysed ready for uploading. It was highlighted that the administration team were going to need additional resource for the McCloud remedy. The procurement of a new administration system was underway, with bids due to be received by 19 April 2022. It was stated that there was the deadline of 29 April 2022 for payslip P60s to be online would be achieved. All pensioners that had agreed would now receive online payslips and P60s. It was explained that KPIs were being reviewed to ensure that they remained relevant in reporting the performance of the administration team. When asked about delays in putting pensions into payment as a result of the employer not providing information on a timely basis, members were reminded of the difference between employer functions and pension administration functions, and that the fund was not responsible for delays caused by employer fault. The topic of trivial commutation was raised, and it was confirmed that the pension fund did not offer trivial commutation, but this would

be reviewed at the same time as all other administering authority discretions. The request for trivial commutation from a scheme member will be removed from the breaches log as it is not a breach of law. The small issue last year preventing 55 Annual Benefit Statements from being issued has been resolved for this year. It was confirmed that there had been no breaches of the law to date in 2022. Members were assured that the cessation debt arising from the exit of Planet Ice from the fund subsumed by the Council as an employer.

RESOLVED:

THAT the report from the Pensions Administration Team be noted.

## 25. **Knowledge and Understanding**

Consideration was given to the record of Board members' training. It was stated that a summary record of training undertaken was kept, and an update on online learning modules completed by Board members would be appreciated. If Board members could email the Pension Fund Manager after completing a module, this would enable a contemporary record of learning. It was suggested that useful reading could be found in the Pension Professional, which was a free subscription, available in both print and an online format.

RESOLVED:

- i. THAT the report on knowledge and understanding be noted.
- ii. THAT The Pension Fund Manager to undertake the future maintenance of the record of board members' training.

## 26. **Risk Management**

The Pension Fund Manager presented the draft risk register for discussion and recommendation to the Pension Fund Committee for adoption in May 2022. Members of the Board were asked to review the Risk Register and to provide comments for incorporation into a report to the next Pension Fund Committee for the formal adoption of the Risk Register. Changes to the format of the report were proposed, and these would be taken into account in the next iteration. Comments were made that although the Risk Register was a long document, it was not so daunting when only considering the risks colour coded in red and amber. The Risk Register was defined as constantly evolving and a work in progress. The area of cyber risk was highlighted as an area of great importance for all pensions providers and it was explained that the Pensions Regulator expects Pension Funds to no longer rely on the host Council's data security arrangements as the pension fund had to be responsible for its own data security arrangements. Climate change and decarbonisation were deemed as of high importance when assessing risks. With regard to social, environmental or corporate governance considerations, the Local Pension Board's views can be taken into account by the administering authority when making an investment decision based on these non-financial factors.

RESOLVED:

- I. THAT the Board praised the Pension Fund Manager and previous members of the Board for their comprehensive work on assessing risks.

- II. THAT the Board review the risk register and provide further comments to the Pension Fund Manager by the end of April.

27. **Governance Compliance Statement 2021-22**

The Pension Fund Manager explained that the draft governance compliance statement for the year ended 31 March 2022 would be circulated for comment, before its first presentation to the Pension Fund Committee in May 2022.

RESOLVED:

THAT the progress with the Governance Compliance Statement was noted.

28. **Workplan**

Consideration was given to the work programme for forthcoming meetings of the Committee and Board. Attention was drawn to the cycle of the Pension Fund Committee meetings and that Board meetings were to be held 6 weeks before the committee meetings. It was agreed that 2pm on Wednesday was the best time for future Board meetings.

RESOLVED:

THAT the workplan be noted.

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

Board members were invited to raise any other matters. The number of meetings per annum was raised and whether holding more meetings would be beneficial. In response, it was stated that four was a high number of meetings and most funds wouldn't have more than four formal meetings. Single item briefing sessions in-between formal Board meetings may be announced if there is a sufficient need and will also depend upon the availability of fund officers

RESOLVED:

THAT the other matters be noted.

CHAIRMAN