

Minutes

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| Name of meeting | ISLE OF WIGHT PENSION FUND COMMITTEE |
| Date and time | FRIDAY 13 MARCH 2020, COMMENCING AT 10.30 AM |
| Venue | COUNCIL CHAMBER, COUNTY HALL, ISLE OF WIGHT |
| Present | Cllrs Adrian Axford (Chairman), Vanessa Churchman, Clare Mosdell, Chris Quirk |
| Also Present | Matt Collier, Jo Cooke, Jo Thistlewood, Megan Tuckwell, Craig Alexander (Hymans Robertson – via teleconference) |
| Apologies | Cllrs Barry Abraham, Paul Brading, Andrew Garratt, Christine Shaw (Employer Rep) |

69. [Minutes](#)

RESOLVED:

THAT the Minutes of the meeting held on 14 February 2020 be confirmed.

70. [Declarations of Interest](#)

No new declarations were received at this stage.

71. [Update from Pension Board](#)

In the absence of the chairman of the Pension Board, the Technical Finance Manager presented the minutes of the meeting held on 29 January 2020 and drew member's attention to key matters arising from that meeting. The internal audit report on the pensions administration service gave overall "Reasonable Assurance" and committee members were welcome to attend a development session on accounts and auditing which would take place on 17 June 2020. Members were advised that no issues had been reported regarding employer compliance with the administration strategy, and a business plan and risk register were being developed.

RESOLVED:

THAT the update be noted.

72. Triennial Valuation Completion and Funding Strategy Statement

a) [Triennial Valuation](#)

The Actuary of Hymans Robertson presented the results of the formal valuation of the fund at 31 March 2019 and gave an overview of the process for the valuation, the health check results, and the long-term funding strategy.

The purpose of the valuation was to comply with legislation, contribute to the continual 'health check' of the fund, to analyse the actual experience vs assumptions, to review the Funding and Investment Strategy, and to calculate employer contribution rates. The committee noted the completion of the triennial valuation and the valuation report.

Discussion took place regarding the whole funds health check position, and the long-term funding strategy, including the approach to setting contributions, asset and liability modelling, test contributions under thousands of economic scenarios, and what would happen should there be a shock to assets. Members considered the rates and adjustments certificate, and the committee approved the employer contribution rates for the period April 2020 to March 2023.

RESOLVED:

- i) THAT the completion of the fund's triennial valuation as at 31 March 2019, and the valuation report, be noted.
- ii) THAT the employer contribution rates for the period April 2020 to March 2023 (as set out in the rates and adjustments certificate) be approved.

b) Funding Strategy Statement

The Technical Finance Manager presented the funding strategy statement for the fund following the completion of the valuation. It was advised that the draft had been circulated to all officers and employers within the fund, and members of the Pension Fund Committee and Board, and no comments were received from any of the consulted parties. Members were asked to adopt the statement and approve its publication on the fund's website and inclusion in the fund's annual report and accounts.

RESOLVED:

- i) THAT the funding strategy statement for 2019 be adopted, and its publication on the fund's website and inclusion in the annual report and accounts be agreed.

c) Market Position

The chairman invited the Technical Finance Manager to provide a verbal update on the market position, following the spread of the coronavirus (COVID-19), which had a dramatic effect on financial markets in February 2020.

It was advised that, as of the previous close of business (12 March 2020) since 31 December 2019, the fund had lost 10.7% of its investment value (being 3.5% since 31 March 2019). Since December 2019, the UK equities portfolio had fallen by 28.5% against the benchmark (the FTSE all share index) fall of 29.9%; the global equities portfolio had fallen by 11.5%, the benchmark (the MSCI all countries world index) had fallen by 19.7%; and the diversified growth fund had fallen by 6.3%. However, the fund remained in a good position in terms of long-term funding goals, the bond portfolio had increased by 6.5%

and the property investment portfolio had remained the same. The committee were reassured that the fund's active investment managers were working to mitigate the fall as best as possible.

73. Administration Updates

Members noted the key performance indicators to the end of January 2020 and the employer compliance statistics to the end of February 2020. The Employment Services Lead Officer presented the report on the implementation of the i-connect project and advised that the new software would significantly improve data quality as employers were required to submit data through an online portal where it would be automatically validated; any discrepancies would be flagged immediately and resolved within the month.

It was advised that a project leader had been appointed and to date three employers were submitting data through the new system. To be assured that the project was being managed and monitored appropriately, the committee requested that the Pension Board be requested to monitor the project and report back to the Committee.

RESOLVED:

THAT the update be noted, and the Pension Board be requested to monitor the project and report back to the Committee.

74. Knowledge and Understanding

The Technical Finance Manager presented the output from the knowledge and understanding self-assessment exercise. Members were invited to attend a training session for the Pension Board on 17 June 2020 on accounts and auditing standards; discussion took place regarding a possible "away day" on good governance. Members were strongly encouraged to complete the Hymans Robertson LGPS National Knowledge Assessment, to be launched on 17 March 2020, as this would inform a bespoke training plan for the fund.

RESOLVED:

THAT the update be noted.

75. Items Circulated for Members Attention

The committee noted the items circulated for information since papers were published for last committee meeting on 5 February 2020. The Technical Finance Manager advised that, in accordance with the requirements of MiFID II, fund managers were required to notify investors when their investment portfolio falls in value by 10%, and thereafter a further notification is required for each additional 10% fall. Members noted that fund managers were demonstrating compliance with those regulatory requirements by reporting recent changes to members.

RESOLVED:

THAT the items circulated for members attention be noted.

76. Exclusion of Public and Press

RESOLVED:

THAT the public and press be excluded.

77. Confidential - ACCESS Update

The Technical Finance Manager presented an update on ACCESS activities since last reported, following the Joint Committee meeting held on Monday 9 March 2020. Members were advised of the proposed calendar for ACCESS joint committee meetings for 2020-21 and sought confirmation of attendance. It was noted that the meeting to be held on Monday 15 June 2020 clashed with the Isle of Wight Festival and weekend and to therefore keep in mind while making travel arrangements.

RESOLVED:

THAT the update be noted.

78. Confidential - Draft Business Plan

The committee reviewed the draft business plan for the pension fund as a whole and were invited to contribute towards its completion.

RESOLVED:

THAT the draft be noted.

CHAIRMAN