

BERKSHIRE PENSION BOARD

WEDNESDAY, 14 JUNE 2017

PRESENT: Tony Pettitt (Chairman), Alan Cross (Vice-Chairman), Jeff Ford and Neil Wilcox

Officers: Andy Carswell and Kevin Taylor

INTRODUCTION AND APOLOGIES

The Chairman welcomed everyone to the meeting and introduced Jeff Ford, who was appointed to the Board at the previous meeting.

Apologies for absence were received from Alan Nash.

DECLARATIONS OF INTEREST

There were no declarations of interest.

MEMBERSHIP

ORDER OF BUSINESS

RESOLVED UNANIMOUSLY: That the order of business as detailed in the agenda be amended.

As discussed at the previous meeting, Tony Pettitt was nominated to serve as Chairman and Alan Cross was nominated to serve as Deputy Chairman. Both proposals were accepted.

RESOLVED UNANIMOUSLY: That Tony Pettitt be appointed as Chairman and Alan Cross as Deputy Chairman of the Board.

The Board was informed that Neil Wilcox had been proposed as a new member and that Members were invited to approve his nomination. The proposal was accepted and the Chairman welcomed Neil Wilcox onto the Board.

RESOLVED UNANIMOUSLY: That Neil Wilcox be elected as an Employer Representative of the Board.

MINUTES

The Minutes of the meeting held on February 9th 2017 were agreed as an accurate record.

Alan Cross noted that the Minutes of the previous meeting stated that Government departments had until June 26th 2017 to propose plans relating to Exit Cap regulations, and asked if this timescale was still applicable in light of the General Election. Kevin Taylor said that he was not aware of any changes to the timescale, and that the Department for Communities and Local Government was still noting responses to proposed changes to the Local Government Scheme Regulations. Kevin Taylor reminded the Board of the proposed changes to be consulted on, relating to the implementation of a £95,000 exit cap and changing the requirements relating to employees over the age of 55 who are made redundant.

Arising from the last set of Minutes, Alan Cross asked if the Investment Strategy Statement had been implemented by March 31st 2017. Kevin Taylor said that it had been agreed at the Pension Panel meeting of May 15th 2017 and was backdated effective from April 1st 2017.

Arising from the last set of Minutes, Alan Cross asked if the draft Funding Strategy Statement had been circulated to the Board members. Kevin Taylor said that it had not, but that the final version had been approved at the Pension Panel meeting of May 15th 2017.

SCHEME AND REGULATORY UPDATE

Kevin Taylor informed Members that there were no Regulatory updates, and updates regarding the Scheme had been covered during the discussions on the Minutes.

INVESTMENT FUND POOLING UPDATE

Kevin Taylor reminded the Board that all 89 pension funds in England and Wales were in the process of being pooled together in order to make cost savings and improvements to investments. Six British Wealth Funds had originally been proposed but it had since been agreed to create eight pools.

Kevin Taylor informed the Board that the Berkshire Pension Fund had not yet formally joined a pool, but that a letter of intent had been sent to The Local Pensions Partnership (LPP) to become a full partner alongside Lancashire County Council and the London Pension Fund Authority. As a full partner not only would investments be pooled but pension administration would be amalgamated also. Kevin Taylor informed the Board that whilst negotiations were ongoing, it was hoped that an agreement could be reached in the not too distant future and that if a full partnership arrangement is agreed it would be effective from April 1st 2018 with Berkshire Pension Fund staff being TUPE transferred to the LPP (subject to the usual staff consultation processes). It was unclear whether each of the LPP partners would continue to operate their own Pension Boards, or if the LPP would have a single Board made up of representatives of each of the three partners; however there would still be three administering authorities capable of making decisions, of which Berkshire would be one. Kevin Taylor informed Members that the new pool would be worth £13billion, and Berkshire would be an equal partner despite being the smallest Fund.

Kevin Taylor said that it had been confirmed that offices of the Berkshire Pension Fund would not close as a result of the proposed pooling, as there was a requirement to serve scheme members and employers locally. Over time, however, it maybe the case that the number of staff required locally will reduce as staff leave and recruitment is undertaken in Lancashire.

The Chairman asked if a formal request could be made to become involved in any discussions relating to a merged Board. This was agreed by Members.

Action: Tony Pettitt to liaise with Kevin Taylor over any discussions relating to a merged Board.

ACTION TRACKER

It was agreed to close Actions 10 and 14 as these were in the hands of the appropriate agents and were now out of the remit of the Board.

The Board was informed that, with regards Action 12, the Training Plan had been updated and that Jeff Ford and Neil Wilcox had both completed the necessary training frameworks. It was agreed to look at the new frameworks to see if Members needed to receive any further training updates.

It was agreed to close Action 19 and remove it from the Action Tracker.

With regards to Action 23, it was noted that Bracknell Forest had not nominated a new member. It was agreed to close the Action and for further discussions about nominations for a new member to take place outside the scope of the meeting.

RESOLVED UNANIMOUSLY: That Actions 10, 14, 19 and 23 be removed from the Action Tracker.

Action: Tony Pettitt and Alan Cross to review the training frameworks.

BOARD ANNUAL REPORT

The Chairman circulated the draft Pension Board Statement to Members and the meeting was temporarily paused while they read and noted its contents.

It was noted that Billy Webster was still listed as Chairman; however it was explained that the Statement covered the period up until March 2017, when he was still Chairman. It was agreed to amend the membership list to acknowledge that Tony Pettitt was Vice Chairman.

The contents of the Statement were agreed by the Board, with some small amendments to be made prior to final submission.

FUND BUSINESS PLAN

Kevin Taylor informed the Board that the Business Plan had been updated with some changes from 2016/17, after Members had raised concerns at the last meeting that it read as if it was a business plan of the Council as opposed to the Pension Fund. The Business Plan had also been updated to include Pooling as an objective.

With regards to reductions in staff absences, Members asked for clarification on what the absence rates had been in 2016/17 in order for comparisons to be drawn, and for confirmation on whether the figures recorded the number of days individual staff members were absent for or the number of separate absences. It was agreed that this would be checked and clarified.

It was noted that the overall number of staff members was higher than at any point previously, thereby increasing staff resilience. It was also noted that the number of Scheme members had increased as a result of auto-enrolment and that the number of scheme employers had increased dramatically as a result of employers outsourcing staff to independent service providers and schools converting to Academies.

It was confirmed that the figures in the table on page 9 of the document were correct; however the heading for the column marked 'Year to 31/03/17' needed to be amended to state 'actual' rather than 'forecast'. Jeff Ford asked if the other partners in LPP used i-Connect and Kevin Taylor explained that from a scheme employer perspective even if they did not use i-Connect employers would be required to submit data in the same format as required by i-Connect.

Alan Cross queried the table on page 12, which gave an increase in the number of visits to employers as a key initiative but also noted that fewer requests for visits had been received as a result of improvements in e-communications. Kevin Taylor said that the strategy was to use e-communications as much as possible. However there was also the opportunity for employees to attend one of two surgeries per year, and there were occasional presentations given to groups of scheme members. Employer self service packages, enabling them to access employee scheme details, were also in the process of being developed. The Chairman noted that the communications strategy would shortly be due for review.

Alan Cross asked about the progress of the work noted in the table on page 15 regarding credit insuring the Fund against any loss incurred by the insolvency of admission bodies. Kevin Taylor said that work on this was still ongoing.

The Board noted that the Business Plan had been authorised for publication via email at the Berkshire Pension Fund Panel meeting held on May 15th 2017.

The contents of the Business Plan was noted by the Board.

INVESTMENT STRATEGY STATEMENT

The Chairman reminded the Board that investment principles had been discussed at the last meeting. The Investment Strategy Statement was circulated to Members to remind them of the current arrangements, although these were subject to change.

The contents of the Statement were noted by the Board.

TRAINING REQUIREMENTS 2017/18

Members were asked to consider if they had any specific training requirements. Alan Cross suggested more training in relation to TPR to go beyond Unit 1. Neil Wilcox informed the Board that he had been allocated a place on a training course. The Chairman stated there was a training course available on June 28th, which the Fund had been allocated a place for.

It was agreed that Members should come back with further suggestions for training opportunities at the next meeting. It had been noted earlier in the meeting that Kevin Taylor would update the training log.

NEW OR AMENDED RISKS

The Board were informed that no new or amended risks had been identified.

IDENTIFIED OR REGISTERED BREACHES

The Board were informed that there had been no identified or registered breaches.

ANY OTHER BUSINESS

The Board noted that no dates had been set for any forthcoming meetings. It was proposed that the next one should take place in October and the following one in either January or February. It was queried if two meetings before the implementation of the proposed Investment Fund Pooling would be enough, but after some discussion the Board agreed to hold two meetings, with the proviso that additional meetings could be scheduled.

Action: For future meeting dates to be scheduled and the dates circulated to Members.

LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC

RESOLVED UNANIMOUSLY: That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the remainder of the meeting whilst discussion takes place on items 16-17 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1-7 of part I of Schedule 12A of the Act.

The meeting, which began at 1.00 pm, finished at 2.23 pm

CHAIRMAN.....

DATE.....