

BERKSHIRE PENSION FUND PANEL AND ADVISORY PANEL

13 JULY 2015

PRESENT: Councillors Lenton (Chairman), Hilton (RBWM), Collins (RBWM), Love (RBWM), Tickner (Reading), Brooker (Slough Borough Council), Stanton (Wokingham), Worrall (Bracknell Forest) and Law (West Berks).

Independent Adviser to the Panel: John Nestor

Officers: Mr Greenwood, Mr Taylor, Mr Brooker, Mr Pedro and Mr Cook.

PART I

69/14 APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr Hill (Cllr Collins attending as substitute) and Sue Nicholls.

70/14 DECLARATIONS OF INTEREST

John Nester, the independent advisor to the Panel, advised that he had previously worked with a partner in Astarte Capital Partners who had presented at the Investment Working Group.

71/14 MINUTES

RESOLVED UNANIMOUSLY: That the Part I minutes of the meeting of the Panel held on 24 March 2015 be approved.

72/14 RESIDENTIAL PROPERTY – UPDATE ON GLASSFORD HOUSE, ABANDON SCOTTISH LIMITED PARTNERSHIP

The Pension Fund Manager informed the Panel that the 70% purchase of Glassford House had been completed and that all the apartments had been leased.

The Panel were also informed that following the Scottish independence referendum and the possibility of tax raising powers for the Scottish Parliament it had been decided not to hold private rented residential investments in a Scottish Limited Partnership as the benefits would not outweigh any costs incurred.

RESOLVED UNANIMOUSLY: That Panel note:

- i. **The purchase of a 70% interest in Glassford House for £5.7 million had been completed**
- ii. **The Fund had advised the Royal Borough that it would not request the Council to create a Scottish Limited Partnership to hold its residential property interests.**

73/14 PENSION FUND PANEL WORKING GROUPS

The Chairman of the Pension Fund introduced the report that informed of the three working groups of the Pension Fund Panel and recommended that the terms of reference be re-affirmed.

The Panel were informed that the three working groups were:

- The Investment Working Group that currently had one vacancy.
- The Liability Working Group that has at least one vacancy.
- The Covenant Assessment Working Group was only created in March 2015 and will meet on an ad-hoc basis when required to assess the strength of employers covenant, there were currently no members.

(Cllr Tickner joined the meeting)

With regards to the Investment Working Group it was noted that Cllr Dudley would continue to attending meetings as portfolio holder for finance and Councillor Stanton agreed to fill the vacancy.

RESOLVED UNANIMOUSLY: That the:

- i. Panel reaffirmed the terms of reference of the three working groups.**
- ii. Panel confirmed the membership of the working groups and that Councillor be appointed to the IWG.**

74/14 BUSINESS PLAN 2015-16 AND MEDIUM TERM PLAN 2016-18

The Pension Fund Manager informed the Panel that the format of the business plan remained the same as last year but with the addition of a direction of travel and a review of last years performance.

The Panel were informed that the document also contained the Medium Term Plan that included objectives such as becoming the first LGPS pension fund with accreditation from the Pensions Administration Standards Association. With regards to the objective relating to the GMP obligations John Nestor recommended that policies should be in place for example to say what should be done for any overpayments.

In response to questions the Panel were informed that the outcomes from last year were contained at page 21 of the agenda and that the results from last years cash flow forecast was contained within the Stewardship Report. With regards to staff moral this was measured via the RBWM Staff Satisfaction Survey and that risks would be added to the Key Objectives section; although it was noted that with a 4% returns policy over time risk had to be accepted.

RESOLVED UNANIMOUSLY: That the Panel approves the Business Plan and Medium Term Strategy and that officers be authorised to publish it on the Fund's web-site.

75/14 STEWARDSHIP REPORT

The Deputy Pension Fund Manager introduced the report that dealt with the stewardship of the pension fund for the period to 31st May 2015. The style of the report had been changed to make it more visual and that the same report would also be presented to the Pension Board and published on the RBWM website for transparency.

The Panel were informed that section 1.1 of the report showed the pension funds key financial indicators, the 'un-smoothed' valuations showed the estimates.

In response to questions the Panel were informed that the 4% investment target was in real term whilst the 7% was in nominal terms and that the list of 'Notices of unsatisfactory performance' was new to the report and showed the list of late notifications or late contributions from employers. It was also noted that a list of 'Leavers received within 10 days from end of month' was included within the report as employers had a statutory duty to report leavers within 10 days at the end of the month. It was agreed to change the title to make this clear.

RESOLVED UNANIMOUSLY: That Members of the Pension Fund and Pension Advisory Panel note:

- **The investment performance and asset allocation of the Fund.**
- **All areas of governance and administration as reported.**
- **All key performance indicators.**

76/14 MEMBER TRAINING

The Deputy Pension Fund Manager informed the Panel that there were requirements set out in the Public Service Pensions Act 2013 and associated LGPS regulations for 'trustees' to have the appropriate knowledge to fulfil their role. The report recommended that Members committed to attending a training session and to completing the Pension Regulators TKU toolkit for the public sector.

Cllr Hilton informed that he had completed the online training and it took about one day and that it would be useful to inform Members what the training covered.

It was noted that the Pension Board had to complete the training with 6 months; but there was no time restrictions on Panel Members. It was agreed that Members be sent a copy of the training handbook.

RESOLVED UNANIMOUSLY: That Members of the Pension Fund Panel and the Pension Fund Advisory Panel commit to attending a training session concerning the governance and administration of the LGPS on a mutually agreeable date and that Members undertake to complete the Pension Regulator's on-line Public Service Pensions toolkit.

77/14 DATES OF FUTURE MEETINGS

Future meeting dates were noted.

78/14 LOCAL GOVERNMENT ACT 1972 – EXCLUSION OF THE PUBLIC

RESOLVED: 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 5-8 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of part I of Schedule 12A of the Act.