

BERKSHIRE PENSION BOARD

MONDAY, 22 FEBRUARY 2016

PRESENT: PEARCE (CHAIRMAN) SCHEME EMPLOYER REPRESENTATIVES:
CROSS AND WEBSTER
SCHEME MEMBER REPRESENTATIVES PETTIT, DHAK AND SOUTHWELL

OFFICERS: KEVIN TAYLOR AND DAVID COOK

APOLOGIES FOR ABSENCE

Apologies for absence were received by Alan Nash, Terry Baldwin and Andy Walker.

DECLARATIONS OF INTEREST

There were no declarations of interest received.

MINUTES

The minutes of the meeting held on 26 November 2016 be approved as a true record subject to 'authorities' on page 9 be changes to authority's.

Under matters arising from the minutes the following points were made:

- The Board were reminded to send their biographies to the Deputy Fund Manager.
- The Board were reminded to send their training plan to the Deputy Fund Manager.
- The Board were reminded to send their register of interests to the Deputy Fund Manager.
- The Board were informed to email the Deputy Fund Manger receipt of the link to the Handbook on the Pension Funds website.

The Chairman requested that all governance issues be concluded by 15 March 2016.

The Chairman asked for an update on the implementation of I-Connect and was informed that RBWM were due to go live at the end of the month and then the Deputy Fund Manager would contact be meeting with the unitary authority's about lessons learnt and possible implementation.

Resolved : that the Deputy Fund Manager agree dates in the diary to meet the Berkshire Unitary Authority's by the of March 2016 and that progress on I-Connect be added to the Stewardship Report.

With regards to the External Audit Report and the action point on page 10 it was noted that the RBWM S151 officer was retiring at the end of March, the Chairman agreed to produce a note on the action point for the Deputy Pension Fund Manager to circulate to S151 officers.

It was noted that the internal audit of the Fund had been completed and the Audit Plan was an agenda item; the Deputy Fund Manager said he would circulate the auditors report when available.

SCHEME, LEGAL AND REGULATORY UPDATE

The Board were informed that the report had been produced to help them keep up to date with issues that may impact on the Royal Borough of Windsor and Maidenhead in

its role as administering authority to the Berkshire Pension Fund. This included reviewing and maintaining an awareness of statutory scheme changes and consultation documents issued by the Government and other statutory bodies.

The Following issues were discussed by the Board:

Public Sector Exit Cap a Government consultation to be passed through Parliament as part of the Enterprise Bill which proposed a restriction on exit payments with a cap of £95k being introduced in the later part of 2016

Public Sector Exit Payment Recovery Regulation another consultation were if an employee went back into public sector employment earning above £85k after redundancy then payments could be recovered.

Strengthening the incentive to save: a consultation on pensions tax relief a Government consultation there had been no response from the scheme manager as he was awaiting further guidance.

Survey of ill health provisions and IDRPs processes this was an LGA and the Fund was awaiting further guidance.

Pooled Investments and draft new Investment Regulations. Discussed at Panel and the Fund had submitted its initial response informing that it would comply with the intention to 'pool' and that there had been initial discussions with the London Pension Fund Authority and Lancashire County Council. Other options had also been explored.

In response to questions the Board was informed that it was expected there would be 6 'Pools' and one for Wales. The Board raised concerns about investing in infrastructure and the risk of low returns; they were informed that this was being driven by the Government.

Changes to State Pension and NI contributions the Board were informed that this was a statutory amendment being introduced April 2016.

Resolved that the Board Members note the update.

THE PENSIONS REGULATOR'S GOVERNANCE AND ADMINISTRATION SURVEY

The Board considered the report that showed the results of a recent survey undertaken by the Pensions Regulator with regard the governance and administration of the LGPS at a national level. RBWM did not take part in the survey and the Board were asked if they had any questions.

The Chairman mentioned that it was disappointing that RBWM did not respond, although there were mitigating reasons. He said he would encourage the Fund to reply next survey.

The Chairman mentioned that agenda page 96 showed results for areas of good administration and governance areas and that the Berkshire Pension Fund compared favourably. The Board were informed that benchmarking exercises had been undertaken in the past and the administration of the Fund came highly placed.

It was noted that the Board could assess compliance against the code and regulations via the Stewardship Report and bring any issues back to the Board by exception reporting.

Resolved that the Board note the update.

REVIEW OF BERKSHIRE PENSION FUND PANEL MEETINGS OF 18 JANUARY 2016 AND 9 FEBRUARY 2016 INCLUDING STEWARDSHIP REPORT

The Board had previously received the Berkshire Pension Fund Panel agenda and the minutes were attached to this agenda item. There were no questions arising from the Panel agenda and minutes.

As part of their deliberations the Panel had discussed the Stewardship Report and this had been brought to the Board for consideration. The report detailed the stewardship of the Pension Fund for the period 1 September to 31 November 2015. At its previous meeting the Pension Board had recommended that historical trend analysis be added to the report and where applicable this had been done.

In response to questions about the employer KPI's at appendix 2 the Board were informed that the introduction of I-Connect would improve performance as it improves the transfer of data.

It was questioned if the administration went back to employees regarding to performance against their KPIs and the Board were informed that officers were looking at introducing quarterly meetings as well as individual performance reports for employees.

The Chairman reported that when looking at Code 14 there may be items to be added to the Stewardship Report.

Resolved that the Deputy Pension Fund Manager action reporting back to employees.

MEMBER HANDBOOK

The Board agreed that this item would also be considered in conjunction with agenda item 8.

The Board were informed that the handbook had been put on the Fund's website for members to access and went through areas of compliance required with the Governance and administration of public service pension schemes code.

To assure that we have compliance with the code it was suggested that there be self assessment and then consider an independent compliance review. It was recommended that options and costs of an independent assessment be explored and how other funds assure self assurance.

To be continued under agenda item 8.

TRAINING ITEM – TPR CODE OF PRACTICE NO.14

The Board continued their deliberations from agenda item 7 and were shown how to access and how the training manual had been placed on the Fund's website. Section 3 showed the compliance with the TPR code. The Board went through the manual and where a risk via the code was highlighted compliance was shown.

During discussion it was recommended that for Risk Assessment it could be added that the Board had reviewed the current risk register and the Deputy Pension Fund Manager was

confident that the manual showed our compliance. It was recommended that an independent test of compliance be considered.

Resolved that the Board note the update and that options for an independent assessment of compliance be explored.

TRAINING PROGRESS

The Board were informed that a training template had been produced and circulated, returns would be held by the Deputy Pension Fund Manager and put on the website. Board members were reminded that they were required to complete the on-line training modules. Any other training relating to the Fund should also be added.

Resolved that Board members complete the TPR training by 31 March 2016 and email the Deputy Pension Fund Manager their training log.

RISK REGISTER

The Board considered the report that detailed the Pension Funds current Risk Register. The Risk Register had been discussed at the Boards previous meeting and updated. The register was based on the RWM Risk Register.

The Chairman reported that there was one 'Red' and three 'Amber' indicators that had mitigating actions. It was recommended that the register be reviewed each quarter.

The Red indicator related to the failure to maintain accurate records and this risk would be resolved by the introduction of I-Connect.

Resolved that the Board note the Risk Register.

ADMINISTERING AUTHORITY DISCRETIONS POLICY

The Board considered the report that detailed the Administering Authority's discretions policy with regard to 45 occasions on which Scheme Regulations require an Administering Authority decision. The discretions had been discussed and approved by the Berkshire Pension Fund Panel.

The annex to the report set out each of the individual regulations where an administering authority decision was required along with a brief explanation of what each regulation meant, policy options and details of the decision made by the Panel.

The Board reviewed and noted the report.

AUDIT PLAN 2016/17

The Board considered the report that requested they review the Draft Internal Audit Plan for 2016/17, the draft External Audit Plan for 2016/17 and the Management Action Plan resulting from the most recent internal audit. An updated version of the Management Action was circulated at the meeting.

The Board went through the action plan and it was noted that any actions allocated to the Board had either been completed or in the process of being completed. Any outstanding actions to be emailed to the Board for compliance by the end of the year.

Resolved that the Board reviewed and noted the report.

HOW DID WE DO?

The Chairman asked how members felt how the Board was doing and it was agreed that this meeting had been information. In response to a question on how well the Chairman felt the Board were doing compared to other he said that the RBWM Pension Board was doing well with getting information on the web and training but other Board were more advanced at looking at data quality. It was felt that the Board had made good progress in its first year.

FORWARD LOOK OF PENSION BOARD BUSINESS

The Chairman reported that at their last meeting they had looked at a spreadsheet of potential discussion topics. At the next meeting it was proposed to have regulations update, Berkshire Pension Fund Panel minutes, Stewardship Report as standing items.

The Chairman also proposed that the Board look at the extended audit plan, an outline of the Board's annual report, compliance code, governance compliance statement and the Funds communication strategy.

DATES OF FUTURE MEETINGS AND AOB

It was agreed that the Board should meet on:

- 28th April 2016 at 10.30pm
- 28th July 2016 at 12.30pm
- 24th November 2016 at 12.30pm

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.

The meeting, which began at 12.30 pm, finished at 3.10 pm

CHAIRMAN.....

DATE.....