

BERKSHIRE PENSION BOARD

THURSDAY, 28 APRIL 2016

Present: Scheme Employer Representatives: Alan Cross, Billy Webster (substitute: Surjit Nagra).

Scheme Member Representatives: Peter Southwell and Tony Pettitt.

Also in attendance: Cllr Glenn Dennis (Reading)

Officers: Kevin Taylor and David Cook

APPOINTMENT OF CHAIRMAN

Billy Webster was appointed as chairman and Tony Pettitt was appointed as the Vice-Chairman.

The Chairman thanked Mr Pearce for his work as Chairman and guiding the Board during its first year of existence.

APOLOGIES

Apologies for absence were received from Inderpal Dhak, Terry Baldwin and Alan Nash.

DECLARATIONS OF INTEREST

There were no declarations of interest received.

MINUTES

The minutes of the meeting on 22nd February 2016 were approved as a true and correct record subject to on page 11, review of the Pension Panel meeting, employees be replaced with employers.

PENSION BOARD MEETINGS ACTION TRACKING SCHEDULE

The Board considered the report that informed of the establishment of an action tracker schedule monitoring actions identified at previous meetings.

In response to questions it was agreed to add a target date and status to the tracker. The actions attributed to the previous chairman would need to be changed and it was agreed that the Chairman and Deputy Fund Manager would meet to discuss the tracker and how to report actions arising from the minutes.

Resolved unanimously: That the report be noted and that the Chairman and Deputy Fund Manager discuss amendments and actions arising from minutes.

SCHEME, LEGAL AND REGULATORY UPDATE

The Board considered the report which was a standing item providing an update on current scheme and regulatory issues regarding the LGPS.

Current issues highlighted in the report were:

- Public Sector Exit Gap. Expected to be introduced in October 2016 and would restrict payments to £95k with some employer discretion.
- Public Sector Exit Payment Recovery Regulations. Item linked to the exit gap and was regarding recovering over payments and payments if the employee is re-employed.
- Pooled Investments. It was noted that the Berkshire Pension Fund was in negotiations to join the Local Pensions Partnership (LPP).

The Chairman requested that future links to consultations be circulated to the Board and it was noted that there had been a good response the consultations listed in the report.

It was requested that details of the LPP, how they fund their investments and what the new structure would look like if we joined be circulated to the Board when available and have as a future agenda item.

It was noted that 100% of the Fund would be invested with Berkshire retaining its own investment strategy and the LPP implementing it.

Resolved unanimously: That the current LGPS issues be noted.

REVIEW OF BERKSHIRE PENSION FUND PANEL MEETING OF 11 APRIL 2016

The Board considered the minutes and agenda of the Berkshire Pension Panel meeting of 11th April 2016. The Board were asked to email any issues / questions they wished raised at this meeting; none were received.

The agenda item also contained the Stewardship Report that deals with the stewardship of the Pension Fund for the period 1 December 2015 to 31 January 2016. Section 2.2 showed Scheme Employers with the additional text showing new employers since last report. Future reports will show employers who have left since last reporting. It was noted that Woodley Age Concern had gone into receivership and officers were working with the receiver to claim any outstanding payments and the cessation deficit payment.

With regards to notices of unsatisfactory performance it was noted that since RBWM had started using I-Connect the transfer of data was much better and there were ongoing discussions with other authorities regarding implementation. To aid employers meet their obligations officers would be introducing a performance dashboard and looking at introducing quarterly meetings.

It was agreed that going forward the report would benefit from having the number of employees each employer had, reference section 2.2 table 4.

The Board noted the report.

RISK REGISTER

The Board considered the Funds Risk Register and were asked if they wished to review it at every meeting or by exception.

The Chairman replied that the register was owned by the administrating authority but the Board should maintain an overview to ensure risks are being managed, he felt the report should be viewed quarterly showing changes between reporting cycles.

The Board were informed that the report was currently reviewed by the Berkshire Pension Fund Panel on a quarterly basis but this may change to every 6 months as they were meeting more frequently to discuss Pooling.

The previous Board Chairman had emailed the following comments on the Risk Register:

'Pension Board failure - my considered professional opinion is this risk has now increased and will continue until the LPB is led by and has access to independent specialist advice and technical expertise separate from the advisory machinery of the BPF. The Government proposals for converting all schools to academies is a new risk as is future Government intervention on investing in UK infrastructure and divesting from specific countries or sectors of the global economy.'

The Risk Register was noted.

TRAINING UPDATE

Board Members were requested to update their training logs and identify future training needs. A training log for each member to complete was attached as appendix A and would be held on the website for transparency.

It was noted that the logs would need to be updated on a regular basis and would be emailed to members before being published.

It was agreed to send a reminder to Board members regarding their responsibilities to complete the log.

PENSION FUND BUSINESS PLAN 2016-17

The Board considered the report that presented the Pension Fund Business Plan for 2016/17 and medium term strategy as approved by the Pension Fund Panel on 11th April 2016.

The Board felt that for next year it would be useful to see a draft version of the report before being approved so they could feed into the strategy, it was felt that the Risk Register should be added as an appendix and it would have benefited having additional information on the workforce of the Fund. It was also recommended that it should be a five year plan.

It was questioned why the Plan linked to the RBWM Strategic Plan and the Board were informed that this was because they were the administering authority of the Fund with the Pension Panel comprising of RBWM elected Members. The Chairman questioned the inclusion of RBWM's visions and objectives as they did not relate to the Fund.

Resolved unanimously: That the Board noted the Business Plan.

PENSION FUND EXTERNAL AUDIT PLAN 2016-17

The Board considered the RBWM External Audit Plan and was informed that although not specific to the Fund there were elements relating to it within the report. It was noted that KPMG would be reviewing longevity hedging.

The Chairman referred to the comments made by his predecessor and a draft letter he had circulated regarding contacting the new RBWM S151 officer and cc the Chair of the Pensions Panel regarding how the annual reports and financial statements of the Fund were prepared and audited in 2016.

Resolved unanimously: That the report be noted.

PENSION FUND COMPLIANCE WITH TPR GOVERNANCE AND ADMINISTRATION SURVEY 2015

The Board were informed that they had previously reviewed the results of a survey undertaken by the Pensions Regulator regarding governance and administration of LGPS at a national level. Although the Berkshire Pension Fund did not take part in the survey the Board had asked officers to review how compliant we were with the requirements set out in the survey.

With regards to record keeping the Chairman asked if we had policies dealing with this as we were recording as being compliant. The Board were informed that policies were in place and published on the Funds website and Board members were welcome to spend time in the office to see what we did and achieved.

The Chairman reported that the review showed that if tested we would be shown to be compliant with the questions asked by the survey. Moving forward it was important that the Board be reassured that compliance is maintained.

Resolved unanimously: That the report be noted.

PENSION FUND COMPLIANCE WITH TPR CODE OF PRACTICE NO. 14

The Board considered the report that provided an update on work being undertaken to ensure compliance with the Pensions Regulator's Code of Practice No. 14. The Board noted the requested that they ask internal audit to undertake a review of compliance and draft terms of reference of the review were circulated to the Board.

Resolved unanimously: That the Board recommended that internal audit undertakes an independent review of compliance with the Pensions Regulator's Code of Practice No. 14.

PENSION FUND COMMUNICATION STRATEGY

The Board were informed that Regulation 61 of the Local Government Pension Scheme Regulations 2013 referred to 'Statements of policy concerning communications with members and Scheme employers'. An Administering Authority was required to prepare, maintain and publish a written statement setting out its policy concerning communications with members, representatives of members, prospective members and Scheme employers.

The report contained the Funds communication strategy and members were informed that it was published on the website. The Funds communication strategy was effective and updates on activities were provided to the Panel via the Stewardship Report.

Resolved unanimously: That the report be noted.

PENSION BOARD ANNUAL REPORT 2016

The Board were informed that they needed to produce an annual report and consideration on headline items was required. The Chairman mentioned that his predecessor had provided an overview of this and he asked Board members to email him any ideas. It was recommended that comments from the previous Chairman be included with the new Chairman adding additional comments.

PENSION BOARD KEY PERFORMANCE INDICATORS

The Board were asked to consider and email any comments on if the Board should have its own set of key performance indicators (KPI). It was questioned if other Pension Board had KPI's.

PENSION BOARD WORK PLAN AND FORWARD LOOK OF PENSION BOARD BUSINESS

The Chairman reported that he would be meeting with the Deputy Pension Fund Manager to discuss the future Board items and standing items on future agendas. In response to questions he informed that the Board's Terms of Reference and membership should be reviewed annually.

HOW DID WE DO

The Chairman reported that updates and progress had been discussed throughout the agenda and he thanked the Deputy Pension Fund Manager for all his work over the last year. Foundations had been set for progress over the coming year.

It was recommended that there be fewer agenda items but more in depth reviews and that there was a need to have a better working relationship with the Panel. The Chairman agreed that a lot of the work undertaken could be done via email.

DATES OF FUTURE MEETINGS

It was noted that the Board would next meet at 12.30 on 28th July 2016 and 24th November 2016.

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 10.30 am, finished at 1.15 pm

CHAIRMAN.....

DATE.....