

## BERKSHIRE PENSION BOARD

THURSDAY, 28 JULY 2016

SCHEME EMPLOYER REPRESENTATIVES: ALAN CROSS, ALAN NASH, BILLY WEBSTER (CHAIRMAN).

SCHEME MEMBER REPRESENTATIVES: TONY PETTITT.

OFFICERS: KEVIN TAYLOR AND DAVID COOK

### APOLOGIES

Apologies for absence were received from Inderpal Dhak, Surjit Nagra and Peter Southwell.

### DECLARATION OF INTEREST

There were no declarations of interest received.

### MINUTES

The minutes of the meeting held on 28<sup>th</sup> April 2016 were approved as a true and correct record.

### SCHEME AND REGULATORY UPDATE

The Board considered a briefing note on proposed changes to the 2013 Regulations. The Board were informed that the draft LGPS (Amendment) Regulations 2016 introduced 'New' Fair Deal for Staff Pensions for those who were compulsorily transferred to another company.

The Board was informed that independent service providers will be obliged to enter into an admission agreement so that transferred employees could retain their eligibility to have a LGPS. Currently, the alternative is for the new service provider to offer access to a broadly comparable pension scheme as certified by the Government Actuary but within Berkshire there are no instances where this had not been done as it is difficult to achieve. Admission agreements could still be agreed on an open or closed basis.

The Chairman mentioned that this looked to formalise arrangements already in place and asked if the Fund would be responding to the consultation. The Board were informed that as this was something already in place there was no intention of responding.

### INVESTMENT FUND POOLING UPDATE

The Board were informed that the need for investment pooling was imposed on the LGPS by the Government initially with the view to increased investment in large scale infrastructure projects. Although the need to invest into infrastructure seems no longer to be a driving requirement Pooling was still being forced through.

The Government required all Local Authority Pension Fund's to submit, by 15th July 2016, their intentions to join one of the 8 proposed pools. The Berkshire Pension Fund has submitted a letter of intent to become a full partner in the Local Pensions Partnership (LPP). As there had been a change in Government there may be a change in direction with regard to Pooling. However, the Government currently expects Pools to have assets of £25 billion each; although the LPP and Welsh pools as currently proposed would not meet this.

In response to questions the Board were informed that 6 out of the 8 Pools met the £25 Billion limit, that a local Berkshire presence would be maintained if we became a full partner with LPP and that no compulsory redundancies were expected.

It was noted that the ultimate deadline to have joined a Pool was 1st April 2018 and that it was unclear of the role of the Pension Board as there may be a joint Board with the LPP. West Berkshire Council's Advisory Board Member had also mentioned at the last Panel meeting that there remained the option of judicial review.

The update was noted.

## PENSION PANEL MINUTES

The minutes of the Berkshire Pension Panel were noted.

## UPDATED TERMS OF REFERENCE

The Board considered the revised terms of reference (TOR) for the Pension Board, the revisions had been suggested after a review of the existing TOR and after reviewing other Board's TOR. It was noted that the Board was independent of the Berkshire Pension Panel.

During consideration of the proposed amendments the following points were made / noted:

- The Board would last for one year with the outgoing Board voting on the selection of new Board members.
- The Chairman was keen to maintain public meetings with major employers being able to send observers if they wish.
- Academies would be approached about membership as they were becoming the size of a small unitary authority.
- There was a training requirement for new members that could be met via the online toolkit. The Board could remove membership if training had not been completed.
- It was recommended that the Board should be able to respond to consultations and this could be added as a core function.
- The TOR would be reviewed on an annual basis.

**Resolved unanimously: that the Terms of Reference be approved.**

## MEMBERSHIP

The Chairman informed that there would be a need to review the Membership of the Board as Peter Southwell and Alan Nash would be leaving the Board.

The Board were informed that the replacement for Peter's position would be advertised in the Funds newsletter and Bracknell Forest would have to nominate a replacement for Alan Nash.

The Chairman mentioned that under the new terms of reference it was a Board decision on who becomes a member and that an email should be sent to all employers asking if they wish to submit a nominee for Board membership and a substitute. It was mentioned that proposed Board members should have the required skill set.

## APPROACH TO TRAINING

The Chairman reported that it was important that Board members received the appropriate training. At a recent Cipfa event it was mentioned that this Board's training had been good but as Chairman he was keen that this training be refreshed with additional training facilitated by the administering authority.

It was mentioned that there could be short training sessions prior to Board meetings on appropriate topics included in that meetings agenda; this training should be no more than one hour.

The training framework could be used to pick up any training requirements and there was still a role for joint training sessions with the Pension Panel. Consideration could also be given to having network sessions with other Pension Boards.

### CHANGES TO AGENDA AND MEETINGS

The Chairman announced that he was proposing changing the agenda template so that we had standing items, items for information only and items on the Boards work programme. As the Pension Panel Agenda and IWG minutes were circulated before Board meetings members could ask for any issues to be added to the Board agenda.

The proposal to change the agenda was approved.

### PROPOSED WORK PROGRAMME

The Chairman informed that the proposed work programme had been established by reviewing the previous Chairman's work programme, by looking at work programmes of other Pension Boards and by reviewing the terms or reference to ensure the Board was compliant. The work programme would be split into quarters for those meetings so there was a purposeful agenda for each quarter.

It was recommended that internal and external audits also be added to the work programme and noted that this was a working document so any suggestions could be emailed outside the meeting.

It was recommended that the Board meets at 12.30 for training with the Pension Board meeting starting at 1.30pm.

### NEW OR AMENDED RISKS

The Chairman reported that this would be a standing agenda item to monitor if there are any emerging issues or new risks, if there had been no change to the Risk register then there would be no need to discuss the agenda item.

### IDENTIFIED OR REGISTERED BREACHES

The Board were informed that there had been no registered breaches and that Internal Audit had made some recommendations on changes to procedure with the reporting officer being either the S151 officer or the Monitoring Officer.

### AUDIT RESPONSE TO CODE OF PRACTICE

The Deputy Pension Fund Manager informed that the Board had requested that Internal Audit review compliance with the TPR code of practice number 14. The draft finding of this review was circulated and showed that there was good compliance with only minor actions required.

The Chairman recommended that the findings be circulated to the Board members with the aim of introducing an action plan to address any identified issues. Some of the actions were covered by items on this agenda with plans in place covering the other actions. It was agreed that this item could be done via email outside the meeting.

### ANY OTHER BUSINESS

I-Connect - the Board were informed that Reading seemed keen to adopt but were waiting for funding, Bracknell Forest were keen to adopt but resource was an issue due to the HR phase 2 work being undertaken, Wokingham had an issue that they had two different pay role systems and discussions were taking place with their external provider and both West Berkshire and Slough had indicated they would like to implement the system. RBWM had implemented the system.

Annual Report – the Board were informed that it was time to start production of their annual report, however the Chairman questioned if this was required as no other Pension Board seemed to produce one. It was suggested that the Board could have a section in the Funds annual report rather than one of its own.

The Chairman reported that there was a one day training course run by Cipfa on 20<sup>th</sup> September 2016, it would be funded by the Pension fund.

The Chairman reported that he attended an event looking at Pension Boards after their first year of being introduced, it was well attended with about 30 to 40 attendees. There was a common theme of the working relationship not being as good as it should be between Pension Panels and Pension Boards and he had shared how the Board had overcome this.

LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC

The meeting, which began at 12.45 pm, finished at 3.00 pm

CHAIRMAN.....

DATE.....