

NOTICE
OF
MEETING

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BERKSHIRE PENSION FUND PANEL

will meet on

MONDAY, 18TH DECEMBER, 2017

at

4.30 pm

In

COUNCIL CHAMBER - TOWN HALL, MAIDENHEAD,

TO: MEMBERS OF THE BERKSHIRE PENSION FUND PANEL

COUNCILLORS JOHN LENTON (CHAIRMAN), DAVID HILTON (VICECHAIRMAN), GEOFF HILL AND RICHARD KELLAWAY.

ADVISORY MEMBERS: SUNYIA SARFRAZ, MARK BUTCHER, CLLR GLENN DENNIS, CLLR STANTON, CLLR WORRALL, CLLR LAW, PATRICK FULLER AND ASIA ALLISON.

Karen Shepherd – Service Lead Democratic Services
Issued: 08/12/2017

Members of the Press and Public are welcome to attend Part I of this meeting.

The agenda is available on the Council's web site at www.rbwm.gov.uk or contact the Panel Administrator

Fire Alarm - In the event of the fire alarm sounding or other emergency, please leave the building quickly and calmly by the nearest exit. Do not stop to collect personal belongings and do not use the lifts. Congregate in the Town Hall Car Park, Park Street, Maidenhead (immediately adjacent to the Town Hall) and do not re-enter the building until told to do so by a member of staff.

Recording of Meetings – The Council allows the filming, recording and photography of public Council meetings. This may be undertaken by the Council itself, or any person attending the meeting. By entering the meeting room you are acknowledging that you may be audio or video recorded and that this recording will be available for public viewing on the RBWM website. If you have any questions regarding the council's policy, please speak to the Democratic Services or Legal representative at the meeting.

AGENDA

PART I

| <u>ITEM</u> | <u>SUBJECT</u> | <u>PAGE NO</u> |
|-------------|--|--------------------|
| 1. | <u>APOLOGIES</u> To receive any apologies for absence. | |
| 2. | <u>DECLARATIONS OF INTEREST</u> To receive any declarations of interest. | 5 - 6 |
| 3. | <u>MINUTES</u> To approve the Part I minutes of the meeting held on 13 November 2017. | 7 - 10 |
| 4. | <u>INTERNAL AUDIT REPORT - PENSION GOVERNANCE 2017-18</u> To consider the report. | To Follow |
| 5. | <u>GOVERNANCE COMPLIANCE STATEMENT</u> To consider the report. | To Follow |
| 6. | <u>PENSION POOLING</u> To consider the report. | To Follow |
| 7. | <u>LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC</u> To consider passing the following resolution:- "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 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." | |

PART II - PRIVATE MEETING

| <u>ITEM</u> | <u>SUBJECT</u> | <u>PAGE NO</u> |
|-------------|---|--------------------|
| 8. | <u>MINUTES</u> To approve the Part II minutes of the meeting on 13 November 2017. <i>(Not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)</i> | 11 - 14 |
| 9. | <u>PENSION POOLING</u> To consider the report. <i>(Not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)</i> | To Follow |
| 10. | <u>PENSION OVERPAYMENTS</u> To consider the report. <i>(Not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)</i> | To Follow |

MEMBERS' GUIDE TO DECLARING INTERESTS IN MEETINGS

Disclosure at Meetings

If a Member has not disclosed an interest in their Register of Interests, they **must make** the declaration of interest at the beginning of the meeting, or as soon as they are aware that they have a DPI or Prejudicial Interest. If a Member has already disclosed the interest in their Register of Interests they are still required to disclose this in the meeting if it relates to the matter being discussed.

A member with a DPI or Prejudicial Interest **may make representations at the start of the item but must not take part in discussion or vote at a meeting.** The term 'discussion' means a discussion by the members of meeting. In order to avoid any accusations of taking part in the discussion or vote, Members should move to the public area or leave the room once they have made any representations. If the interest declared has not been entered on to a Members' Register of Interests, they must notify the Monitoring Officer in writing within the next 28 days following the meeting.

Disclosable Pecuniary Interests (DPIs) (relating to the Member or their partner) include:

- Any employment, office, trade, profession or vocation carried on for profit or gain.
- Any payment or provision of any other financial benefit made in respect of any expenses occurred in carrying out member duties or election expenses.
- Any contract under which goods and services are to be provided/works to be executed which has not been fully discharged.
- Any beneficial interest in land within the area of the relevant authority.
- Any licence to occupy land in the area of the relevant authority for a month or longer.
- Any tenancy where the landlord is the relevant authority, and the tenant is a body in which the relevant person has a beneficial interest.
- Any beneficial interest in securities of a body where:
 - a) that body has a piece of business or land in the area of the relevant authority, and
 - b) either (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body **or** (ii) the total nominal value of the shares of any one class belonging to the relevant person exceeds one hundredth of the total issued share capital of that class.

Any Member who is unsure if their interest falls within any of the above legal definitions should seek advice from the Monitoring Officer in advance of the meeting.

A Member with a DPI should state in the meeting: ***'I declare a Disclosable Pecuniary Interest in item x because xxx. As soon as we come to that item, I will leave the room/ move to the public area for the entire duration of the discussion and not take part in the vote.'***

Or, if making representations on the item: 'I declare a Disclosable Pecuniary Interest in item x because xxx. As soon as we come to that item, I will make representations, then I will leave the room/ move to the public area for the entire duration of the discussion and not take part in the vote.'

Prejudicial Interests

Any interest which a reasonable, fair minded and informed member of the public would reasonably believe is so significant that it harms or impairs the Member's ability to judge the public interest in the item, i.e. a Member's decision making is influenced by their interest so that they are not able to impartially consider relevant issues.

A Member with a Prejudicial interest should state in the meeting: ***'I declare a Prejudicial Interest in item x because xxx. As soon as we come to that item, I will leave the room/ move to the public area for the entire duration of the discussion and not take part in the vote.'***

Or, if making representations in the item: 'I declare a Prejudicial Interest in item x because xxx. As soon as we come to that item, I will make representations, then I will leave the room/ move to the public area for the entire duration of the discussion and not take part in the vote.'

Personal interests

Any other connection or association which a member of the public may reasonably think may influence a Member when making a decision on council matters.

Members with a Personal Interest should state at the meeting: ***'I wish to declare a Personal Interest in item x because xxx'. As this is a Personal Interest only, I will take part in the discussion and vote on the matter.***

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Agenda Item 3

BERKSHIRE PENSION FUND PANEL

MONDAY, 13 NOVEMBER 2017

PRESENT: Councillors John Lenton (Chairman), David Hilton (Vice-Chairman) and Richard Kellaway.

Advisory Members: Councillor Worrall, Councillor Dennis, Councillor Law, Councillor Stanton, Mark Butcher

Also in attendance: Inder Dhingra

Officers: Philip Boyton, David Cook, Kevin Taylor, Pedro Pardo, Rob Stubbs, Alison Alexander and Nikki Craig.

APOLOGIES

Apologies for absence were received by Cllr Hill and the Pension Fund Manager.

DECLARATIONS OF INTEREST

The Deputy Pension Fund Manager declared that all Pension Fund officers could be affected by pooling with LPP.

MINUTES

The Part I minutes of the meeting held on 11 September 2017 were approved as a true and correct record.

It was noted that on page 7 of the agenda pack minutes that the Head of Finance had agreed to seek further details regarding why the costs of supplies and services had increased so much and circulate to Panel Members.

APPROVAL OF PENSION FUND ANNUAL REPORT AND FINANCIAL STATEMENTS 2016/17

The Panel considered the Pension Fund Annual Report and Financial Statements 2016/17. Members were informed that the Annual Report and Accounts had been reviewed at the Panel meeting on 11 September 2017 and two queries were raised; these were addressed in the covering report.

Resolved unanimously: that the Panel approves publication of the final version of the Fund's Annual report and Financial Statements.

STEWARDSHIP REPORT

The Deputy Pension Fund Manager introduced the report that dealt with the stewardship of the Pension Fund for the period 1 July 2017 to 30 September 2017.

Members were directed to agenda pack page 157 where the Key Performance indicators in Table 2.3 showed Scheme Employer Key Performance Indicators. It was noted that the percentage achieved in respect of the academies being below 90% regarding I-Connect was a result of a change in academy conversion dates. Where a delay in converting to an academy occurred this changed the final pay period and therefore monthly i-connect submission date. There were currently 113 academies in the scheme as separate employers and numbers continued to grow.

The Pension Administration Manager informed the Panel that agenda pack page 161 provided details of special projects currently being undertaken, these were:

GMP Reconciliation – it was noted that the deadline by when all Pension Funds must complete their reconciliation was 31 December 2018 with any under / overpayments being applied.

i-Connect – RBWM had piloted the scheme and there were currently 31 scheme employers submitting monthly data via i-Connect which represented 30% of the current active scheme membership, it was anticipated that this would increase to 50% next year.

Pension Administration Standards Association – the Fund were looking to achieve accreditation for its administration team with standardised procedures in place.

Employer Self Service – this went live in October 2017 and was a fully auditable system that allowed scheme employers to view and update their own scheme members' data. It also allowed scheme employers to calculate early retirement estimates for their own scheme members.

ABAKA – it had been decided not to proceed with the member self-service addition at this time as officers would be looking for better value for money. It was noted that users would have to add data to the tool and thus were liable for their results.

The Chairman mentioned that page 151 of the agenda pack showed that the Funding Level (Unsmoothed) had moved to 78%.

Resolved unanimously: that the Panel notes:

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

PENSION POOLING MEMORANDUM OF UNDERSTANDING

The Panel considered the report that requested they approve the signing of the Memorandum of Understanding with the Local Pensions Partnership as appended.

The Head of Finance informed that in 2015 the government had informed of the intention that all LGPS Funds in England and Wales should join an approved 'pool'. This should be done by April 2018. The signing of the Memorandum of Understanding demonstrated commitment from both parties to work together to reach a successful conclusion in respect of the Berkshire Pension Fund joining LPP.

The Panel Advisory Members representing the other local authorities in attendance said that they would have to explain to their Councils why the Berkshire Pension Fund was proposing joining LPP, what other options had been considered and what would happen if we did not agree to be pooled. Members would have to explain why we were agreeing to pool when this would increase costs.

The Panel were informed that there had been discussions with the other pools and it had been agreed that LPP was the best option for the Fund especially as it would be a partnership.

The RBWM Managing Director informed that the Panel / Advisory Panel had been kept abreast of pooling and that Berkshire Leaders, Berkshire Chief Executives and S151 officers had received briefing notes and updates at their meetings.

The Panel Advisory Members requested a briefing note be produced that they could take back to their Council Members. It was mentioned that this process had been underway for over 15 months and there had never been a single consolidated report and that it would be useful to have a summary of the business case.

The RBWM Managing Director mentioned that there would be a summary of the business case in the report due to be considered at the Panel's next meeting and a pack of progress / decisions taken could be provided.

It was mentioned that a briefing note would be required prior to the next Panel meeting on 18th December 2017 so Members could be briefed. Other Council's would want to know what options had been considered and what were the consequences if we did not pool.

The Chairman mentioned he had offered to discuss pooling with the other local authorities but there had been no up take.

The RBWM Managing Director agreed that a summary would be circulated to the Panel / Advisory Panel before the meeting in December 2017.

The Chairman mentioned that the Panel had executive authority to make the final decision for the Fund and a briefing note would be produced. He did not wish sanctions to be imposed on the Fund and the Government forcing us to pool. The Memorandum of Understanding was not a binding commitment. The Chairman also mentioned that the Panel had never gone against the wishes of the Advisory Panel.

Cllr Law mentioned that there had been a meeting with LPP in August where the Memorandum of Understanding had been available. The Panel were informed that the appendix before them was different and that at the Panel meeting following the LPP meeting it had been agreed to send them a letter of intent.

Cllr Stanton mentioned that the report said that LPP would get 100% of the Funds' assets. The Panel were informed that the Panel would remain in control of our strategies such as maintaining local investment.

Cllr Hilton mentioned that the Fund already maintained local investments and that it would be some time before 100% went to LPP. It was important to know how these assets would be managed before LPP get 100% of the Funds' assets. The Chairman mentioned that the assets would remain with the Fund but would be managed by LPP.

Concern was raised that a press release was due to be released prior to the briefing note being made available. It was mentioned that there had already been many references of pooling in the public domain. It was agreed that the press release would make it clear that there would be no impact on the Funds' members and that the Memorandum of Understanding was not a formal agreement.

Resolved unanimously: that the Panel approve the signing of the Memorandum of Understanding with Local Pensions Partnership.

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 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 4.00 pm, finished at 7.05 pm

CHAIRMAN.....

DATE.....

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Agenda Item 8

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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