

BERKSHIRE PENSION BOARD

TUESDAY, 2 JUNE 2020

PRESENT: Nikki Craig, Alan Cross, Jeff Ford, Arthur Parker, Tony Pettitt and Barry Stratfull

Officers: Andy Carswell and Kevin Taylor

ELECTION OF CHAIRMAN AND VICE CHAIRMAN

Tony Pettitt nominated Alan Cross for the role of Chairman. This was seconded by Arthur Parker and unanimously agreed by members.

It was proposed by Alan Cross that Barry Stratfull should become a full-time member of the Board, with Neil Wilcox becoming the employer substitute member. This was seconded by Tony Pettitt and unanimously agreed by members. Alan Cross then nominated Barry Stratfull for the role of Vice Chairman. This was seconded by Jeff Ford and unanimously agreed by members.

INTRODUCTION AND APOLOGIES

Members introduced themselves and explained their roles, as the Board was being streamed live on YouTube for the first time.

There were no apologies for absence.

DECLARATION OF INTEREST

There were no declarations of interest.

MINUTES

RESOLVED UNANIMOUSLY: That the minutes of the meeting held on February 25th be approved as an accurate record, subject to a small amendment to the item on the Terms of Reference to state that a majority should be reached without the Chairman's casting vote, in relation to the Board referring a decision back to Panel.

Arising from the minutes, it was acknowledged that more work needed to be done regarding Section 151 officer training. This was a recommendation in a recent national report concerning governance in the LGPS, with guidance expected to be issued later this year. It was also agreed that it would be desirable to appoint additional reserve members, although it was accepted that this may have to wait due to the current climate.

ACTION TRACKER

Kevin Taylor stated that there was still a need to revise and update training plans for members, although it had not been possible to develop these since the last meeting. It was agreed that this would be looked into as soon as possible.

The contents of the Action Tracker was noted.

SCHEME AND REGULATORY UPDATE

Kevin Taylor advised the Board that since the lockdown restrictions were implemented due to Covid19, all Pensions staff were now working at home. Staff had been provided with the necessary systems to maintain the same levels of performance and service. Workloads had not increased or decreased, but were being managed in a different way to previously. Staff were following the lead from RBWM as to when it would be safe to return to work in the office. It had been necessary for one member of staff to go into the office to print payslips and P60 forms. March and April payrolls were able to be completed; members were reminded that these were particularly important given the pension increases being applied. Some annual benefit statements had already been made available for online access. Kevin Taylor said there was a deadline of August 31st to complete this for all members, and said he was confident this would be achieved.

Kevin Taylor said a Covid19 webpage had been created, and Q&As from the LGA and Scheme Advisory Board giving assurances around security had been circulated. Advice to employers wishing to defer contributions had been published; Kevin Taylor said that although there had been some enquiries, nobody had formally asked to defer their contributions. All employers had been contacted requesting that they provide details to the Fund of all their employees who were in the process of retiring.

Barry Stratfull and Nikki Craig both confirmed that no major difficulties had been experienced during the transfer over to home working for staff at their respective councils.

ADMINISTRATION REPORT

The Board noted that this report, the next two, and the last two reports on the agenda were all draft reports for the Panel.

Kevin Taylor told members that figures relating to membership and employer numbers had remained consistent. There had been a target to have employers with membership numbers in excess of 100 using the iConnect system by the end of the 2019/20 financial year, but due to the current crisis this had not been achieved. However the aim was still to have all employers using the system by the end of the current (20/21) financial year with employers with fewer than ten scheme members optionally accessing their records using an online portal, rather than having to download files each month.

Kevin Taylor advised that the information in table 5C of the report had now been updated in time to be presented to Panel. It was noted that 877 refunds had been completed in the last year; of these, 172 had been in March 2020. Figures relating to surgery attendees and attendance at employer training sessions were also now included in the updated report to go to Panel.

DATA QUALITY EXERCISE YEAR 2

Members were reminded that a data quality exercise had been carried out just over a year ago, as a requirement by the Pension Regulator. The subsequent report contained some good figures relating to quality of the Fund's data. Kevin Taylor explained that the report included in this agenda provided an update to the second year of the data quality exercise. Members were told that 1.5 million data checks had been carried out across the various data records.

In general the data accuracy rate was over 95 per cent. The main area of concern related to missing addresses, usually of members with deferred benefits. Kevin Taylor told the Board that of the 7,185 failed conditions to have been identified, 4,318 had been put right. There were 1,871 addresses which needed tracking, which was being looked at through a partnership with a company called ITM Ltd. Many of the missing addresses were as a result of deferred payments. HMRC had been informed regarding the area of missing NI numbers but the Fund had been told by HMRC they were not in a position to be able to assist and Fund staff would have to make their own enquiries. There were a total of 13,059 data items found to have failed various tests, of which 4,100 had been corrected since the time of the report being

completed. The remainder related to GMP reconciliation and these needed to be checked with HMRC to ascertain if the details were correct.

RISK ASSESSMENT REGISTER EXCEPTIONS REPORT

Kevin Taylor advised the Board that bullet point 2.2.3 of the report had been updated, as the 2019 actuarial valuation had been completed. The funding level had increased from its 2016 value of 73 per cent to 78 per cent, and it was hoped that this would give reassurances that the Fund was moving in the right direction in terms of returning the funding level to 100 per cent. Regarding bullet point 2.2.4, Kevin Taylor informed the Board that further discussions were needed with some employers perceived to be at risk in relation to their ability to meet liabilities. These talks were making good progress.

Nikki Craig told members that the cyber security policy would be going to the Corporate Leadership Team and it was hoped that it would be approved by the end of June. The policy could then be shared with members once approval had been given. Internal and external tests had been completed, and tests of system had been completed from Heywood's perspective. Nikki Craig suggested that Kevin Taylor should liaise with Simon Arthur, the Strategic Lead for IT services, in order to discuss the relevant data and the testing that was required.

It was noted that the date of the next review listed in the report appendix needed to be amended to 2021.

Regarding returning the funding level to 100 per cent, it was noted that more than a third of the current investment period had elapsed already. The actuary had made assumptions about future performance prior to the Covid19 pandemic, and it was yet to be seen what impact this would have on the funding level. However, returns would be at risk of falling short of the assumed level.

LOCAL PENSION BOARD WORKPLAN 2019-20

Members discussed the individual items listed under the work plan.

REVIEW OF TERMS OF REFERENCE AND CODE OF CONDUCT

Alan Cross reminded members that the Terms of Reference and Code of Conduct had been reviewed at the previous meeting and some alterations suggested, primarily relating to the role of the Chairman. Some of the references to the Chairman were outdated and related to a time when the Chairman was independent from the remainder of the Board. These alterations had now been agreed between Alan Cross, Kevin Taylor and the Chairman of the Panel, Cllr Julian Sharpe.

The Board approved the Terms and Code.

FUNDING STRATEGY STATEMENT

Members were informed that the version of the statement included in the agenda pack contained a number of amendments, which had been made by the actuary following the triennial valuation. These were not being contested and it was agreed by members that the amended document would be put forward to Panel at their next meeting.

PENSION FUND BUSINESS PLAN 2020-21

Members were informed that the Business Plan document had been due to go to Panel in March, but this meeting had been postponed. It was due to be considered by Panel at its June meeting; a couple of small amendments had been made to the document in the intervening period. It had been agreed that the document should be made available to view online.

Responding to a question from Tony Pettitt about collating member feedback, Kevin Taylor said there was an ongoing governance review being undertaken and recommendations from this would be taken forward. Nikki Craig advised that she had discussed the corporate plan with Kevin Taylor and this would be updated and incorporated into next year's business plan.

It was noted that the table relating to cashflow needed to be amended to show that 2019's figures were actuals and not forecasted. Jeff Ford noted the high number of transfers out reported in 2018; Kevin Taylor explained that there was a particularly high number of block transfers to a different pension group that year.

Members unanimously agreed that the report be passed to Panel for approval.

ANY OTHER BUSINESS

There were no other items of business for discussion, and the draft Part II papers for Panel were not available to review.

The meeting, which began at 2.10 pm, finished at 3.05 pm

CHAIRMAN.....

DATE.....