

NOTICE  
OF  
MEETING  
**BERKSHIRE PENSION BOARD**

will meet on

**TUESDAY, 2ND JUNE, 2020**

**At 2.00 pm**

**VIRTUAL MEETING - ONLINE ACCESS**

**(THE MEETING LINK WILL BE AVAILABLE ON OUR WEBSITE PRIOR TO THE MEETING  
TO VIEW THE MEETING PLEASE GO TO OUR RBWM YOUTUBE PAGE -  
[WWW.YOUTUBE.COM/CHANNEL/UCZNP1KMF3YNABN6ENZLYELQ](http://WWW.YOUTUBE.COM/CHANNEL/UCZNP1KMF3YNABN6ENZLYELQ))**

TO: MEMBERS OF THE BERKSHIRE PENSION BOARD

NIKKI CRAIG, ALAN CROSS, JEFF FORD, ARTHUR PARKER, TONY PETTITT AND  
NEIL WILCOX

Karen Shepherd – Service Lead - Governance - Issued: May 22<sup>nd</sup> 2020

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](http://www.rbwm.gov.uk) or contact the Panel Administrator **Andy Carswell** 01628 796319

**Recording of Meetings** –In line with the council's commitment to transparency the Part I (public) section of this virtual meeting will be streamed live and recorded via Zoom. By participating in the meeting by audio and/or video you are giving consent to being recorded and acknowledge that the recording will be in the public domain.

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>ELECTION OF CHAIRMAN AND VICE CHAIRMAN</u>  To elect a Chairman and Vice Chairman for the 2020/21 municipal year.	-

### STANDING ITEMS

<u>ITEM</u>	<u>SUBJECT</u>	<u>PAGE NO</u>
2.	<u>INTRODUCTION AND APOLOGIES</u>  To receive any apologies for absence.	-
3.	<u>DECLARATION OF INTEREST</u>  To receive any declarations of interest.	5 - 6
4.	<u>MINUTES</u>  To approve the Part I minutes of the meeting held on February 25 <sup>th</sup> 2020.	7 - 12
5.	<u>ACTION TRACKER</u>  To note and discuss the contents of the Action Tracker.	13 - 14
6.	<u>SCHEME AND REGULATORY UPDATE</u>  To receive a verbal update from Kevin Taylor.	Verbal Report
7.	<u>ADMINISTRATION REPORT</u>  To discuss and note the contents of the report.	15 - 24

### PART I PANEL PAPERS FOR JUNE 22 2020

<u>ITEM</u>	<u>SUBJECT</u>	<u>PAGE NO</u>
8.	<u>DATA QUALITY EXERCISE YEAR 2</u>  To note the contents of the report and provide comments.	25 - 30
9.	<u>RISK ASSESSMENT REGISTER EXCEPTIONS REPORT</u>  To note the contents of the report and provide comments.	31 - 36

## WORK PROGRAMME

<u>ITEM</u>	<u>SUBJECT</u>	<u>PAGE NO</u>
10.	<u>LOCAL PENSION BOARD WORKPLAN 2019-20</u>	-
11.	<u>REVIEW OF TERMS OF REFERENCE</u> To confirm the revised Terms of Reference.	37 - 48
12.	<u>REVIEW OF CODE OF CONDUCT</u> To confirm the revised Code of Conduct.	49 - 62
13.	<u>FUNDING STRATEGY STATEMENT</u> To confirm the revised Funding Strategy Statement.	63 - 80
14.	<u>PENSION FUND BUSINESS PLAN 2020-21</u> To note the contents of the Business Plan.	81 - 96

## EMERGING ISSUES

<u>ITEM</u>	<u>SUBJECT</u>	<u>PAGE NO</u>
15.	<u>ANY OTHER BUSINESS</u> To discuss any other items of business.	-
16.	<u>LOCAL GOVERNMENT ACT - 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 item 17 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"	-
17.	<u>LPPI INVESTMENT PERFORMANCE REPORT</u> To note and comment on the report.	To Follow



## MEMBERS' GUIDANCE NOTE

### DECLARING INTERESTS IN MEETINGS

#### **DISCLOSABLE PECUNIARY INTERESTS (DPIs)**

DPIs 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 license 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.

#### **PREJUDICIAL INTERESTS**

This is an interest which a reasonable fair minded and informed member of the public would reasonably believe is so significant that it harms or impairs your ability to judge the public interest. That is, your decision making is influenced by your interest that you are not able to impartially consider only relevant issues.

#### **DECLARING INTERESTS**

If you have not disclosed your interest in the register, you **must make** the declaration of interest at the beginning of the meeting, or as soon as you are aware that you have a DPI or Prejudicial Interest. If you have already disclosed the interest in your Register of Interests you 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' has been taken to mean a discussion by the members of the committee or other body determining the issue. You should notify Democratic Services before the meeting of your intention to speak. In order to avoid any accusations of taking part in the discussion or vote, you must move to the public area, having made your representations.

If you have any queries then you should obtain advice from the Legal or Democratic Services Officer before participating in the meeting.

If the interest declared has not been entered on to your Register of Interests, you must notify the Monitoring Officer in writing within the next 28 days following the meeting.

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# Agenda Item 4

## BERKSHIRE PENSION BOARD

TUESDAY, 25 FEBRUARY 2020

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

Officers: Andy Carswell and Kevin Taylor

### INTRODUCTION AND APOLOGIES

Apologies were received from Neil Wilcox. Barry Stratfull was attending as a substitute.

It was unanimously agreed by members that Barry Stratfull, who had completed the basic training requirements, should be formally adopted as the scheme employer substitute member.

### DECLARATION OF INTEREST

None.

### MINUTES

**RESOLVED UNANIMOUSLY: That the Part I minutes of the meeting held on November 20<sup>th</sup> 2019 be approved as an accurate record.**

Arising from the minutes, Kevin Taylor confirmed that the separation concept had been circulated. The Board was told that the second phase included the requirement for each administering authority to have a named officer for all LGPS activity. There would also be a requirement for the annual governance compliance statement to be updated, and for appropriate training to be provided to the administering authority's Section 151 officer. It was noted there would be a requirement for each Fund to produce a policy on the representation of scheme members on its committees, which explained members' voting rights. Key individuals would be required to have an appropriate level of understanding and training; there was an expectation that Board members would have a higher level of understanding compared to Panel members.

It was noted that not all members of the Board had access to the Part II minutes and agenda items. It was agreed that this would be rectified as soon as possible.

### ACTION TRACKER

Kevin Taylor suggested that the training policy be reviewed outside of the meeting. It was suggested that a more substantial action tracker might be beneficial.

There were no items to add to the tracker and its contents were noted.

### SCHEME AND REGULATORY UPDATE AND INTEGRATED RISK MANAGEMENT

Kevin Taylor introduced the item and advised members that he had recently attended a meeting at the actuary's office, where the LGA had been present to give an update and overview on the LGPS. He highlighted the main items that were discussed.

Regarding McCloud, Kevin Taylor reminded members of the background and advised that the case had recently been considered and ruled upon by the Supreme Court. As a result of their

judgement, there would be a need for all Public Service Pension Schemes to be revised with a need to revisit leavers back to April 2014 and to review pay records. Kevin Taylor advised that whilst for those employers using i-Connect much of the required data will have been received there may still be a period for which some manual research would be required. A national working party had been established and this, along with the Scheme Advisory Board, was looking into the situation. Kevin Taylor stated that how it would be dealt with needed to come from national guidance.

It had been suggested that some of the regulations needed to be updated. These included extending the two year period for payment of a death grant and the removal of the five year limit for payment of contribution refunds.

Kevin Taylor mentioned New Fair Deal, which related to groups of staff being TUPE transferred to a new private contractor but retaining their membership of the LGPS. Kevin Taylor explained that this matter was still on the agenda but not currently of high priority. Kevin Taylor also advised that national guidance on responsible investment was to be produced by the Scheme Advisory Board and MHCLG.

Members were told that a cost cap had been introduced to the scheme in 2014 which intended to keep the cost of the scheme within a two per cent tolerance either up or down. The cost cap mechanism has been put on hold pending the outcome of the McCloud remedy.

Regarding the investment and valuation update, members were told that investment returns had been good during the last valuation period. Although the Berkshire Pension Fund's funding level had improved, it was still towards the bottom end of the LA funding "league table". This was not likely to improve the Fund's position with regard to the Government Actuary's Section 13 report.

One further change to regulations concerned exit surplus payments. Kevin Taylor explained that a previous change to regulations had exposed Funds to having to make payments to exiting admission bodies where they were found to be in surplus, without taking account of any shared pension risk between the letting authority and their chosen service provider within the service contract provisions. Regulations had been amended to allow an administering authority to consider these arrangements and give discretion to the administering authority when deciding whether an exit surplus should be paid.

## ADMINISTRATION REPORT

Members were advised that the report was due to be considered at the next Panel meeting and covered the quarter up 31 December 2019. The large number of deferred members compared to active members was noted, and it was explained that this was likely due to outsourcing of services. Jeff Ford highlighted that West Berkshire Council was the largest single employer but had never been represented on the Board.

Kevin Taylor explained that the Fund had a work-plan to on-board all scheme employers to i-Connect by March 2021. It was intended to have all employers with 50-100 scheme members on-boarded by March 2020, with employers with 10-50 scheme members on-boarded by March 2021. Currently around 84 per cent of member records were administered through i-Connect.

## PART 1 MINUTES FROM PANEL MEETING 16 DECEMBER 2019

Members noted the contents of the minutes of the Panel meeting held on 16 December 2019.

## DATA QUALITY EXERCISE YEAR 2



Kevin Taylor told members that there was a requirement for Funds to review and update the quality of its data. The Berkshire Pension Fund's common data had a 99 per cent accuracy rate, and 92.4 per cent of its records had been completed without a single fault being recorded. This still meant that more than 7,000 records needed to be reviewed, with errors predominantly relating to members' home addresses. The Fund had engaged a company to track the missing records and around half of these had already been found. Kevin Taylor advised that it was not possible to compare and contrast with other councils locally, although it was hoped that a national benchmark would be produced. Kevin Taylor stated his belief that the Berkshire Pension Fund would compare favourably if this were to be done. Scheme Specific data was also of a high standard of around 99%.

## RISK ASSESSMENT REGISTER EXCEPTIONS REPORT

Members were advised that cyber security had been tested and the disaster recovery software had worked properly. Further testing was planned and the results would be known in due course.

## LOCAL PENSION BOARD WORKPLAN 2019-20

Members considered the individual sections of the workplan.

## REVIEW OF DECLARATIONS OF INTEREST

Members agreed that they would update their declarations of interest and inform the relevant officers.

## REVIEW OF TERMS OF REFERENCE

Alan Cross told members that the original Terms of Reference had got rid of the section pertaining to the individual chair of the Board; however throughout the Terms of Reference there were still some references to the chair stating they had powers to make certain decisions. Alan Cross proposed that these be deleted from the Terms of Reference.

It was also suggested that section 23 should be amended to clarify that "The Pension Board should report any concerns over a decision made by the Pension Fund Panel to the Pension Fund Panel subject to the agreement of at least 50% of voting Pension Board members providing that all voting members are present, and the 50% consensus is reached without the chairman's casting vote."

It was agreed that more work should be done on the Terms of Reference outside of the meeting, and proposals should be circulated amongst members via email.

## REVIEW OF CODE OF CONDUCT

Alan Cross stated his belief that an assessment of a Board member's suitability ought to be carried out prior to any reappointment as worded needed review. He also stated his belief that the chairman of the Board should not be allowed to be involved in any political activity, in a similar way to senior LA officers, which was agreed by the Board.

## FUNDING STRATEGY STATEMENT

Kevin Taylor advised that the Panel would consider the proposed amendments to the strategy statement at a forthcoming meeting. The actuary would need to have an input into the final report, once the figures and statistics from the triennial valuation exercise were finalised.

It was noted at table 3.25 that the deficit recovery timetables had been reduced by three years in all instances except for the one relating to colleges, which had reduced by six years.

## GOVERNANCE COMPLIANCE STATEMENT

It was suggested that bullet point iii under the heading of Structure should be amended to say "The Advisory Panel *normally* meets concurrently with the Main Panel with both Panels receiving the same information." It was also suggested that the statement should make clear that it was the Panel's responsibility to ensure that LPPI met its responsibilities.

It was agreed that the regulations regarding the makeup of the quorum of the meeting should be visited outside of the meeting. Alan Cross stated that any changes in the quorum needed to be put forward by the Board before they were confirmed at Panel. Tony Pettitt said that words to this effect were included within the Terms of Reference, but conceded that it was ambiguously worded.

## INVESTMENT STRATEGY STATEMENT

Kevin Taylor told members that any changes to the wording of the statement would be assessed by a representative from the LPPI. It was hoped that this would be done prior to the next Panel meeting.

## PENSION FUND BUSINESS PLAN 2020-21

Members were advised that the figures included in section 7 of the report needed to be updated. Nikki Craig stated that the reference to performance-related pay on page 11 should be deleted as there was no such thing at RBWM any more. She said the word 'postponed' on page 12 relating to PASA accreditation should be deleted and replaced with a date in the future; and the date of the last review on page 13 should also be removed.

## ACTUARIAL VALUATION 2019

Kevin Taylor informed members that the funding level had improved from 73 per cent to 78 per cent; the employer primary rate had increased by 1.1 per cent; and assets and liabilities had both increased. There had been a slight improvement in funding levels and contribution rates. The discount rate had been set at 5.3 per cent. However the deficit remained at £597million, the same level as in 2016. The overall picture was more favourable compared to previous years, but it was not anticipated that the Fund would be in a position to reach 100 per cent funding until 2040. Kevin Taylor advised that the Government Actuary had come to discuss the 2016 figures with the Fund and that they may do so again upon receipt of the results of the 2019 valuation.

## LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC

**RESOLVED UNANIMOUSLY:** That the motion to exclude the public for the remainder of the meeting be approved.

## MINUTES

**(Not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972**

**RESOLVED UNANIMOUSLY:** That the Part II minutes of the meeting held on November 20<sup>th</sup> 2019 be approved as an accurate record.

## LPPI INVESTMENT PERFORMANCE REPORT

**(Not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972**

The item was deferred as the LPPI had not yet sent a copy of the report.

AOB

**(Not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972**

There were no other items of business to discuss.

The meeting, which began at 1.00 pm, finished at 3.23 pm

CHAIRMAN.....

DATE.....

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**Pension Board Meetings - Action Tracking Schedule**

<b>Action No.</b>	<b>Date of meeting</b>	<b>Minute Item</b>	<b>Action Item Description</b>	<b>Comments</b>	<b>Assigned To</b>	<b>Status</b>	<b>Date</b>
12			b) Adoption of Training Plan.	Board members to inform the PSM of any training completed.	Board Members	Ongoing.	

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THE ROYAL COUNTY OF  
**BERKSHIRE**  
PENSION FUND

**ADMINISTRATION REPORT**

**QUARTER 4 – 2019/20**

**1 January 2020 to 31 March 2020**

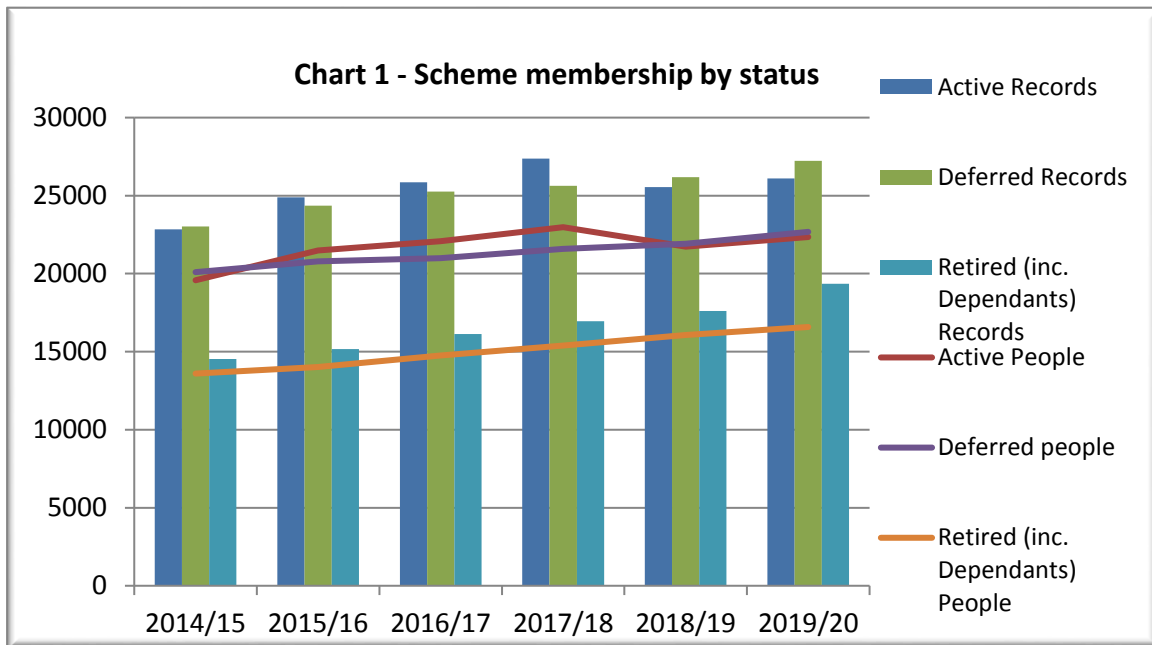
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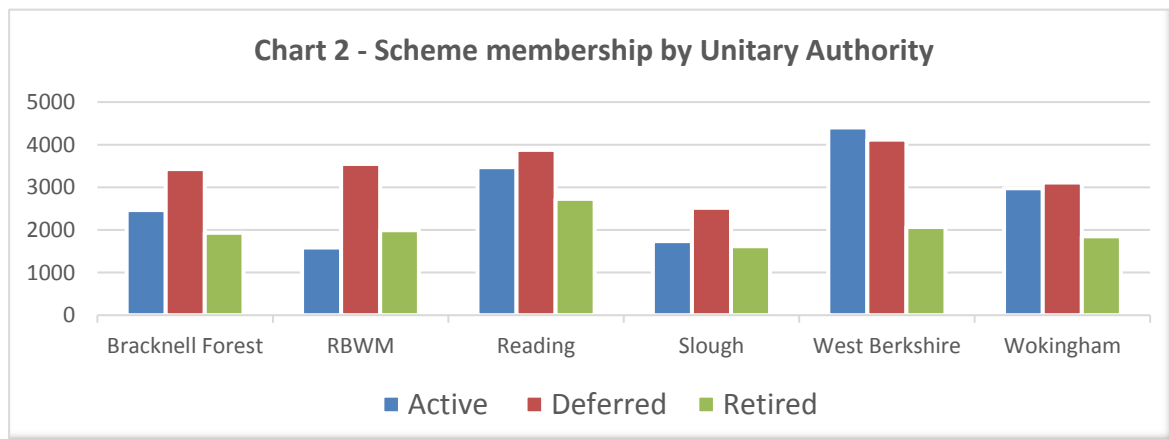
# 1. ADMINISTRATION

## 1.1 Scheme Membership



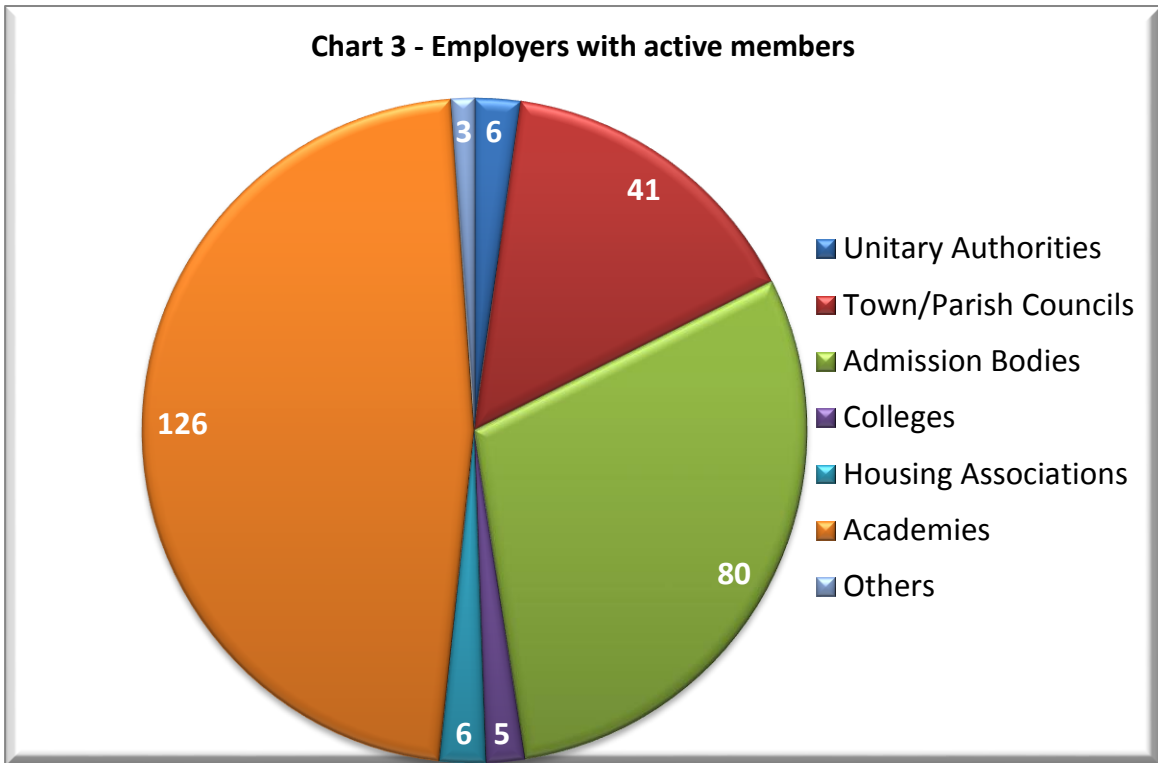
TOTAL MEMBERSHIP			
Active Records	26,108	Active People	22,357
Deferred Records	27,233	Deferred People	22,678
Retired Records	19,345	Retired People	17,255
<b>TOTAL</b>	<b>72,686</b>	<b>TOTAL</b>	<b>62,290</b>

## 1.2 Membership by Employer



Membership movements in this Quarter (and previous Quarter)						
	Bracknell	RBWM	Reading	Slough	W Berks	Wokingham
Active	+12 +67	+16 +4	+63 +51	+51 +146	+89 +434	+2 +175
Deferred	+19 -1	-13 -41	+4 -14	-2 -19	+6 +1	+23 -8
Retired	+15 +9	+25 +33	+22 +31	+8 +27	+39 +24	+26 +20

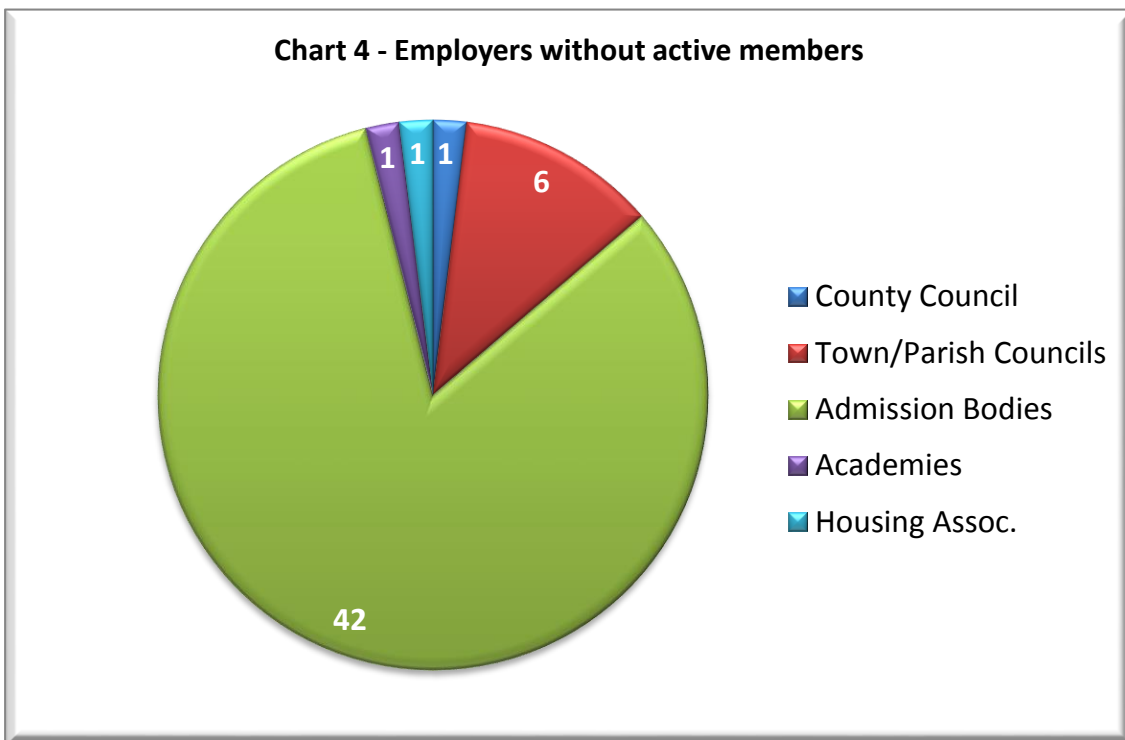
1.3 Scheme Employers



New employers since last report:

**Admission Bodies:** Energy Kidz Ltd (Katesgrove School, Reading), Horton Parish Council

**Academies:** None



**Exiting employers:** Housing Solutions

## 1.4 Scheme Employer Key Performance Indicators

<b>Table 1A – i-Connect users Quarter 4 (1 January 2020 to 31 March 2020)</b>					
<b>Employer</b>	<b>Starters</b>	<b>Leavers</b>	<b>Changes</b>	<b>Total</b>	<b>Achieved</b>
Bracknell Forest Cncl	127	115	178	420	98.95%
RBWM	150	95	202	447	99.21%
Reading BC	307	284	644	1235	98.41%
Slough BC	162	109	228	499	94.56%
West Berks Council	344	187	554	1085	98.21%
Wokingham BC	125	40	76	241	99.75%
Academy/ School	249	154	1767	2170	92.03%
Others	69	72	271	412	95.24%
<b>Totals</b>	<b>1533</b>	<b>1056</b>	<b>3920</b>	<b>6509</b>	<b>97.04%</b>

**NOTES:** Table 1A above shows all transactions through i-Connect for the fourth quarter of 2019/20. Changes include hours/weeks updates, address amendments and basic details updates.

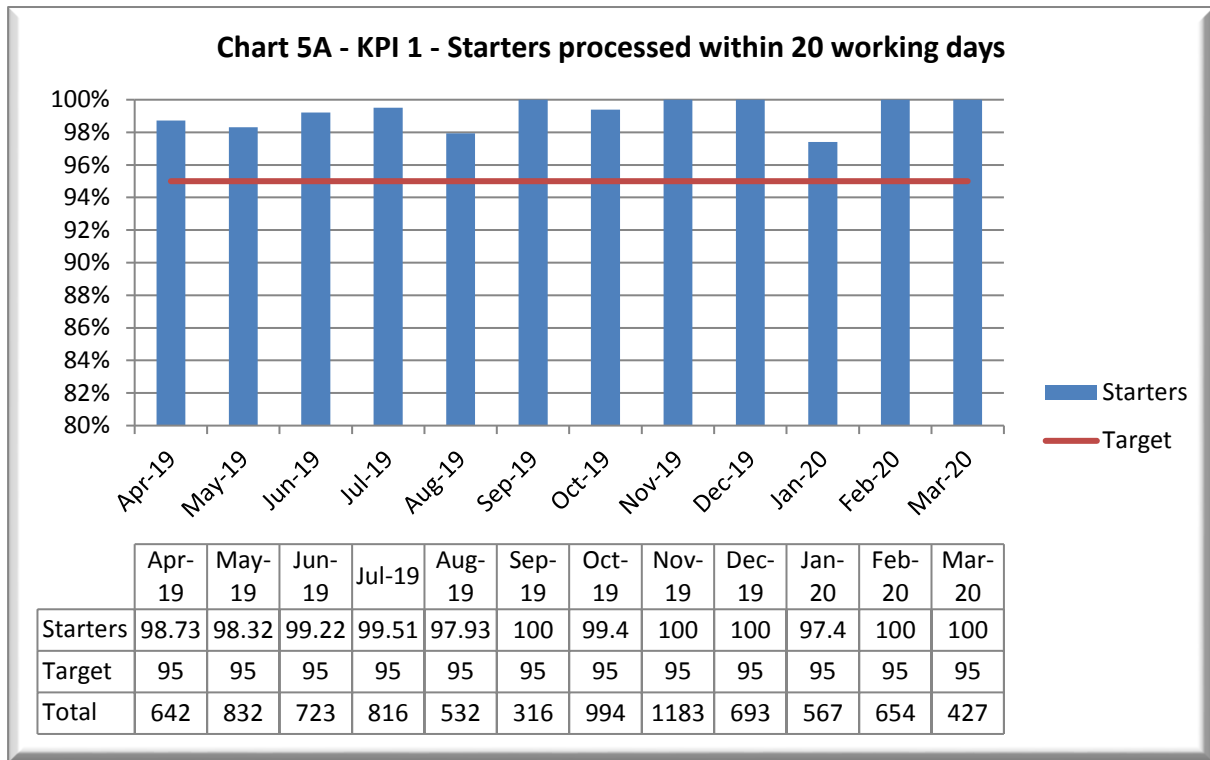
The benefits of i-Connect are:

- Pension records are maintained in ‘real-time’;
- Scheme members are presented with the most up to date and accurate information through *mypension* ONLINE (Member self-service);
- Pension administration data matches employer payroll data;
- Discrepancies are dealt with as they arise each month;
- Employers are not required to complete year end returns;
- Manual completion of forms and input of data onto systems is eradicated removing the risk of human error.

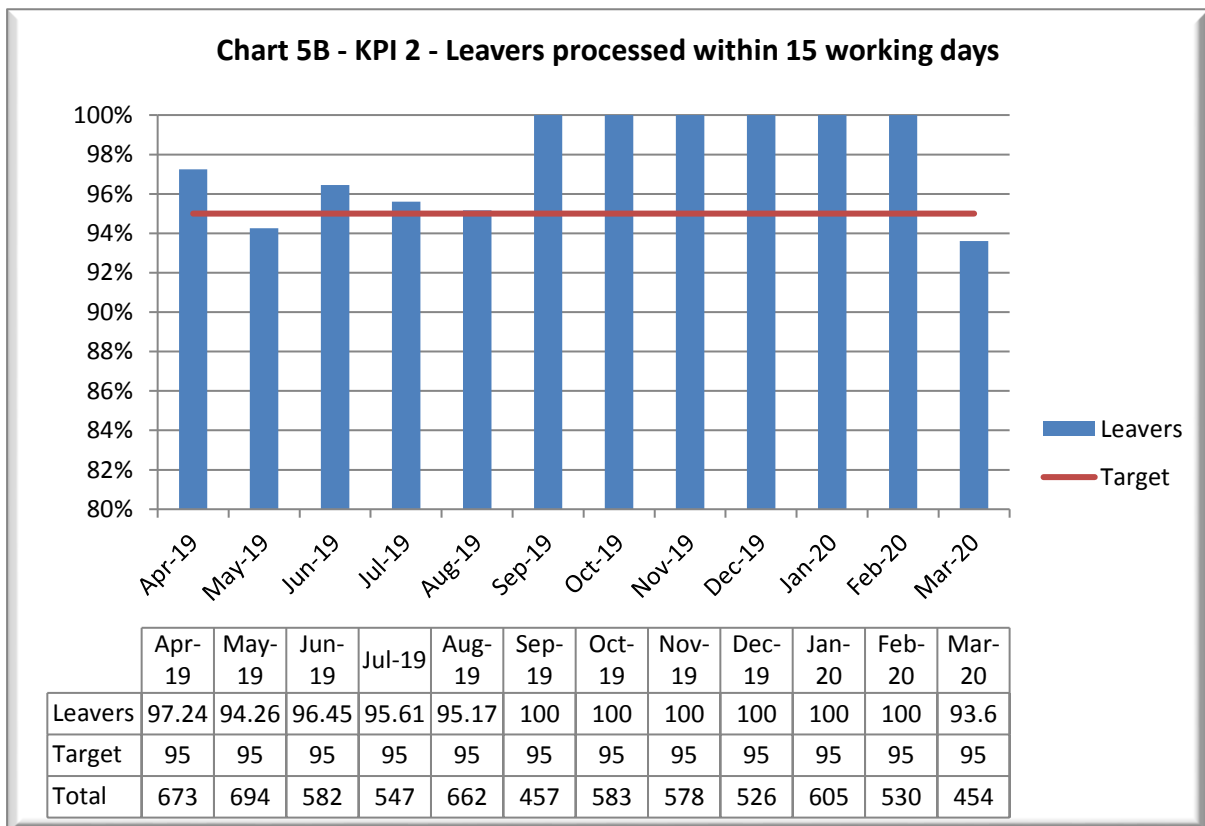
179 scheme employers are yet to be uploaded to i-Connect. It was previously reported that 57 of those would be uploaded by 31 March 2020 but unfortunately due to staffing issues and the Covid-19 pandemic it has proven impossible to meet that target.

However, the Pension Fund is committed to having all scheme employers with 10 or more scheme members uploaded to i-Connect by 31 March 2021. Scheme employers with fewer than 10 scheme members will also be given the option of using an on-line portal version of i-Connect by that date

1.5 Key Performance Indicators

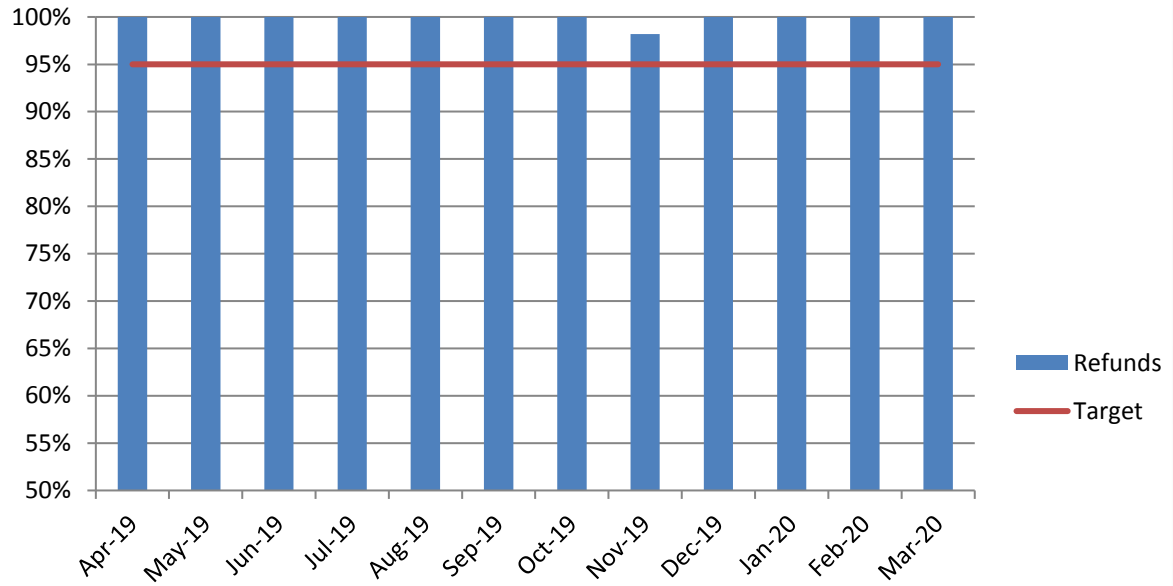


**CIPFA Benchmark:** Two months from date of joining the scheme or if earlier within one month of receiving jobholder information.



**CIPFA Benchmark:** As soon as practicable and no more than two months from date of notification from scheme employer.

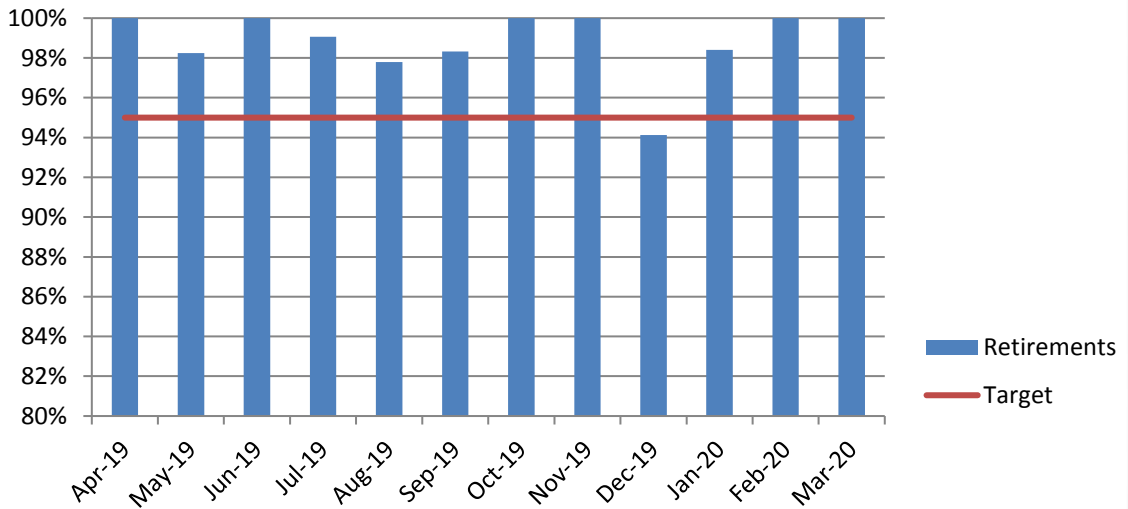
**Chart 5C - KPI 3 - Refunds processed within 10 working days**



	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Refunds	100	100	100	100	100	100	100	98.18	100	100	100	100
Target	95	95	95	95	95	95	95	95	95	95	95	95

**CIPFA Benchmark:** To be confirmed.

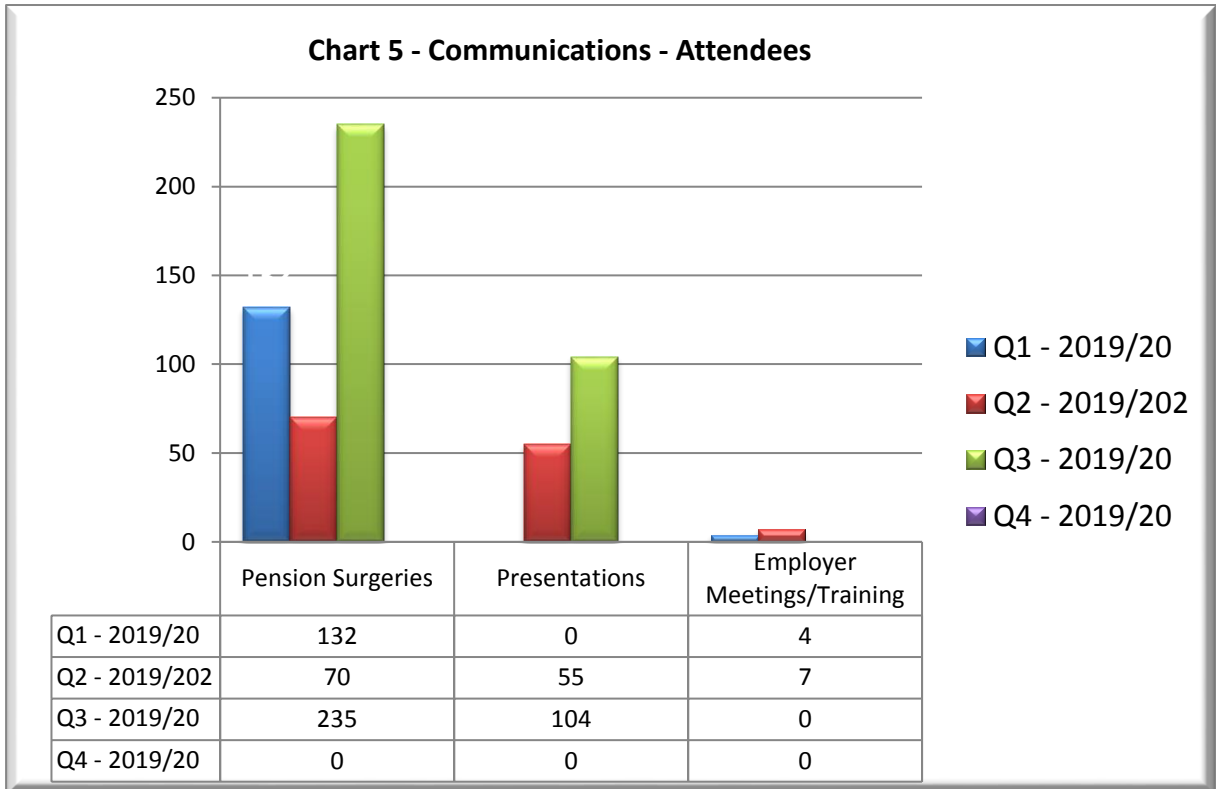
**Chart 5D - KPI 4 - Retirements processed within 5 working days**



	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Retirements	100	98.25	100	99.07	97.8	98.33	100	100	94.12	98.4	100	100
Target	95	95	95	95	95	95	95	95	95	95	95	95
Total	125	114	98	107	91	120	126	95	68	121	85	67

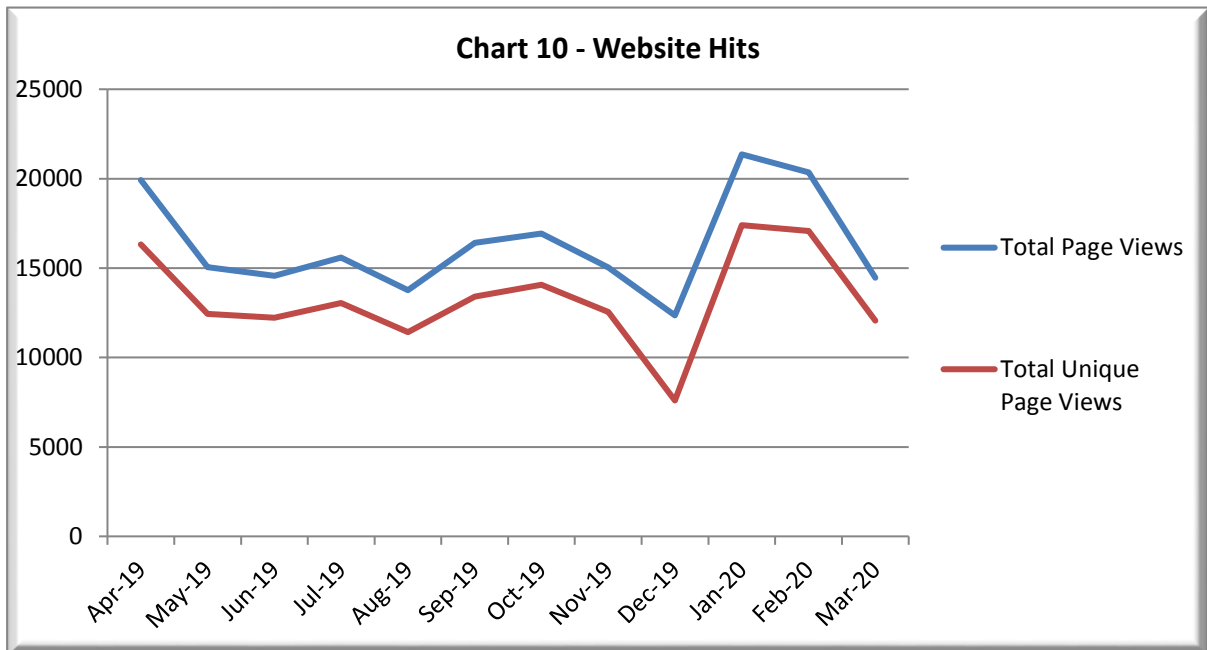
**CIPFA Benchmark:** One month from date of retirement if on or after normal pension age or two months from date of retirement if before normal pension age.

1.6 Communications



NOTE: Due to Covid-19 it has not been possible to provide surgeries/presentations during this quarter.

1.7 Website Page Views



1.8 Stakeholder Feedback

As part of the Pension Fund’s aim to achieve Pension Administration Standards Association (PASA) accreditation it is a requirement to report to Members the comments and complaints received from scheme employers and their scheme members on a periodic basis.

There is no feedback to report.

## **2 SPECIAL PROJECTS**

### *2.1 Guaranteed Minimum Pension (GMP) Reconciliation*

Following the end of contracting out in April 2016, HM Revenue & Customs (HMRC) intended to send during December 2018 a statement to all individuals affected stating the amount of Guaranteed Minimum Pension (GMP) they will receive at State Pension Age and which public or private sector pension scheme is responsible for paying it.

Ahead of this Officers had opportunity to review the GMP values held for scheme members with those calculated by HMRC to ensure that the correct values are being paid and to rectify any instances where discrepancies were identified, the outcome being that going forward the Royal Borough of Windsor & Maidenhead as the Administering Authority for the Royal County of Berkshire Pension Fund (RCBPF) is responsible for making payment of the correct GMP liabilities.

Officers completed the project in respect of pensioner and dependant scheme members in February 2018 and it was acknowledged by the Local Government Association (LGA) that the Pension Fund was the first LGPS Pension Fund to do so.

Due to the volume of queries received by HMRC from UK pension schemes a statement was not issued and unfortunately Officers have experienced significant difficulties receiving responses from HMRC to queries raised in respect of active and deferred scheme members.

The total number of queries it has been necessary for Officers to raise with HMRC is 13,424, of which 4,965 remain outstanding. This represents 10.67% of the total overall active and deferred scheme membership at 31 December 2019.

The significant difficulties are not preventing Officers from calculating and paying benefits quickly and accurately due to the availability of HMRC's online service that is readily accessible to all LGPS Pension Fund's.

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Report Title:	<b>Data Quality Exercise – Year 2</b>
Contains Confidential or Exempt Information?	YES - Part I
Member reporting:	Councillor Sharpe, Chairman Berkshire Pension Fund and Pension Fund Advisory Panels
Meeting and Date:	Berkshire Pension Fund and Pension Fund Advisory Panels 22 June 2020
Responsible Officer(s):	Philip Boyton, Pension Administration Manager
Wards affected:	None

## REPORT SUMMARY

1. This report provides Panel Members with an overview of The Pensions Regulator's requirements around data quality and accuracy.
2. It provides details of the findings from the second data quality exercise undertaken in line with the Regulator's guidance and reporting specifications.

## 1 DETAILS OF RECOMMENDATION(S)

**RECOMMENDATION:** That Panel notes the report and:

- i) **Monitors the quality of data through future administration reports, and**
- ii) **Recognises the importance placed upon the Scheme Manager (Administering Authority) in meeting the standards imposed by the Pensions Regulator.**

## 2 REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

- 2.1 Members have in the past been presented with details of the role that The Pensions Regulator (tPR) now has in overseeing Public Service Pension Schemes since the introduction of the Public Service Pensions Act 2013. All public service schemes, of which the LGPS is one, are required to keep specific data on members and beneficiaries and must be able to demonstrate that the data they hold is of the highest quality and standard.
- 2.2 tPR expects all UK pension schemes to measure the presence and accuracy of the data they hold and put plans in place to resolve discrepancies where they find them. tPR require an annual return to be completed so that they can track the progress of schemes as they incorporate the standards that tPR expect of all schemes. By measuring certain data tPR can determine behaviours which contribute to schemes being well run.
- 2.3 tPR expect Scheme Managers (Administering Authority) to measure data at least once a year and whilst enforcement action will not be taken on the basis of scores alone, tPR may, if they have concerns that legal requirements or certain standards are not being met, engage with Scheme Managers and take action where Scheme

Managers fail to demonstrate that they are taking appropriate steps to improve their records.

- 2.4 There are two types of data that tPR monitor, Common Data and Scheme Specific Data (formerly known as Conditional Data). Common Data is a subset of member and beneficiary data as set out in regulations whereas scheme-specific data refers to the rest of the data a public service scheme needs to run a scheme i.e. the remaining member and transaction fields.
- 2.5 The tPR annual return measures data accuracy as well as the presence of data. tPR expects the Scheme Manager (Administering Authority) to understand the controls their scheme administrators have put in place to ensure the quality of data, have confidence that these are sufficient for the needs of the scheme and receive regular reports on the data.
- 2.6 As previously reported, the Pension Fund has signed an initial 3-year agreement with *heywood's*, the provider of the Pension Fund's administration software, to begin a data cleansing exercise to identify any data discrepancies. This exercise will be performed annually and will demonstrate to tPR how serious the Administering Authority is with regard to holding accurate data on behalf of its scheme members and beneficiaries.
- 2.7 This report sets out at Appendix the results of the second data quality exercise recently undertaken.
- 2.8 Action is already being taken to identify the means by which the data discrepancies identified can be corrected.

### **3 KEY IMPLICATIONS**

- 3.1 The Scheme Manager (Administering Authority) is required by law to maintain the Royal County of Berkshire Pension Fund in accordance with the LGPS Regulations and all other associated legislation. Failure to do so could result in the Pensions Regulator issuing fines to the Authority where it is deemed to have failed in areas of administration.
- 3.2 The Scheme Manager (Administering Authority) has a responsibility to manage the administration of the Scheme on behalf of all Scheme members ensuring that all aspects of administration are effective, efficient and that benefits are calculated accurately in accordance with the scheme regulations.

### **4 FINANCIAL DETAILS / VALUE FOR MONEY**

- 4.1 The 3-year contract entered into with *heywood's* is valued at a cost of £5,000 per annum although the Pension Fund negotiated the service for free for the first three years. tPR may impose fines ranging from a £400 fixed penalty to a varying daily escalating penalty from £50 to £10,000. The contract cost is deemed to be good value for money.

## **5 LEGAL IMPLICATIONS**

- 5.1 The Local Government Pension Scheme Regulations 2013 (as amended) set out the statutory requirements of the Administering Authority in maintaining a Pension Fund.

## **6 RISK MANAGEMENT**

- 6.1 Fines imposed by tPR can be severe not only financially but reputationally. This risk is kept to a minimum by taking the steps necessary to annually review member data ensuring that records are maintained to the highest standard possible.

## **7 POTENTIAL IMPACTS**

- 7.1 Failure to maintain the Pension Fund in accordance with statutory legislation could result in fines being imposed by tPR and a loss of confidence in the Scheme Manager (Administering Authority).

## **8 CONSULTATION**

Not applicable.

## **9 TIMETABLE FOR IMPLEMENTATION**

- 9.1 Data quality check to be undertaken annually each September from 2018 to 2020 and then reviewed.

## **10 APPENDICES**

Appendix 1 – Overview and results of the September 2019 data quality exercise.

## **11 BACKGROUND DOCUMENTS**

- 11.1 Public Service Pensions Act 2013  
11.2 Local Government Pension Scheme Regulations 2013 (as amended)  
11.3 tPR annual return.

## **12 CONSULTATION (MANDATORY)**

<b>Name of consultee</b>	<b>Post held</b>	<b>Date issued for comment</b>	<b>Date returned with comments</b>
Cllr Julian Sharpe	Chairman – Berkshire Pension Fund Panels		
Adele Taylor	Director of Resources and Section 151 Officer		

## APPENDIX 1

### LOCAL GOVERNMENT PENSION SCHEME DATA QUALITY REPORT

This report is split into two sections, Common Data and Scheme Specific Data. In both cases a benchmark has been applied to the results based on the following categories and thresholds:

Category	Pass Threshold
Blue	Pass rate $\geq$ 98%
Green	95% $\leq$ Pass rate $<$ 98%
Amber	90% $\leq$ Pass rate $<$ 95%
Red	Pass rate $<$ 90%

These benchmarks are illustrated in the background of the results graph.

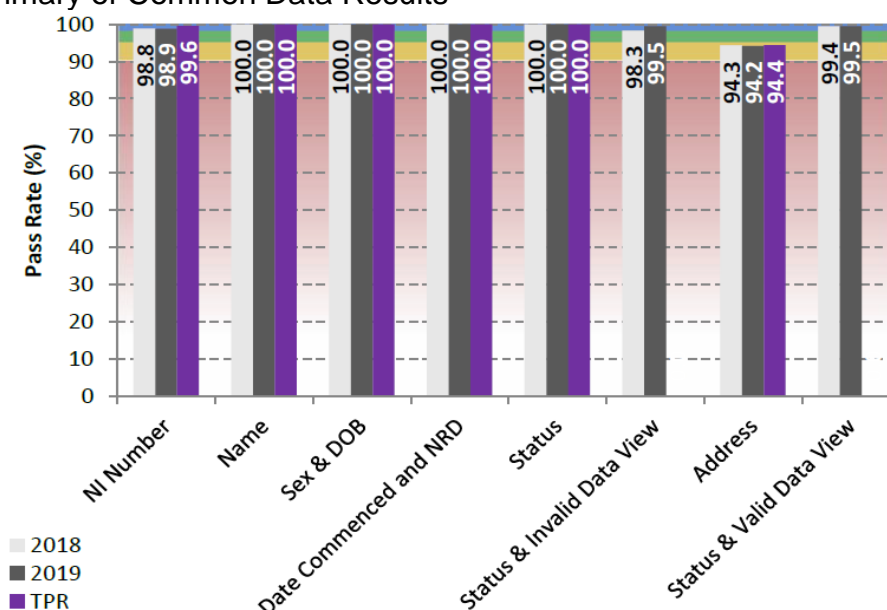
The 2019 tests were conducted across 90,580 scheme member records, an increase of 2,931 on the 2018 tests.

#### 1.0 COMMON DATA

##### 1.1 Common Data items

In total there are 11 items of Common Data that all UK pension schemes are expected to hold for all their current and former scheme members'.	
Address	Last Status Event
Current Membership Status	NI Number
Date of Birth	Normal Pension Age
Date Pensionable Service Started	Postcode
Forename(s) or Initial(s)	Surname
Gender	

##### 1.2 Summary of Common Data Results



### 1.3 Analysis

DATA ITEMS	TOTAL ITEMS 2019	MEMBER RECORDS WITHOUT A SINGLE FAILURE 2019
Conditions tested	724,640	-
Conditions passed	717,455	-
Conditions failed	7,185	-
<b>Pass percentage</b>	<b>99.00% (+0.16%)</b>	<b>92.40% (+1.1%)</b>

### 1.4 Data Correction Plan

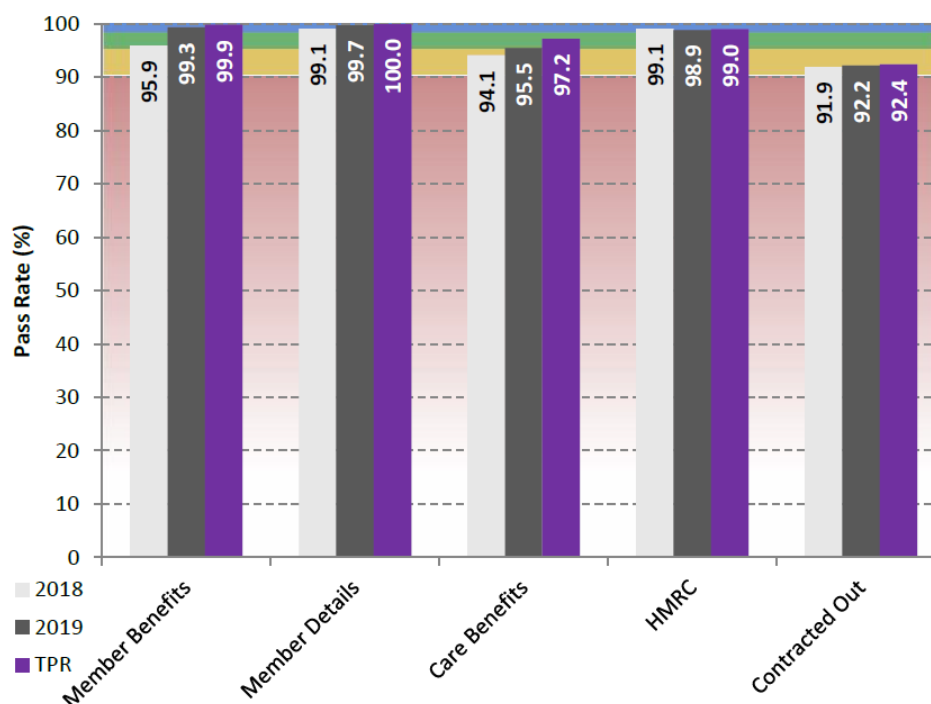
CATEGORY	PRIORITY				Total
	Very high	High	Medium	Low	
NI Number	-	-	-	996	<b>996</b>
Name	-	-	-	-	<b>0</b>
Sex/ Date of Birth	-	10	-	-	<b>10</b>
Date Commenced and NRD	-	1	-	-	<b>1</b>
Status	-	-	-	-	<b>0</b>
Status and Invalid Data View	-	487	-	-	<b>487</b>
Address	-	-	5,247	-	<b>5,247</b>
Status and Valid Data View	6	-	-	438	<b>444</b>
<b>Total</b>	<b>6</b>	<b>498</b>	<b>5,247</b>	<b>1,434</b>	<b>7,185</b>

## 2.0 SCHEME SPECIFIC DATA

### 2.1 Scheme Specific items

In total there are 60 items of Scheme Specific Data that tPR are measuring across all Local Government Pension Funds. A selection of these items is provided below.	
Annual Allowance	Post 1 April 2014 Career Pay
Date Contracted Out	Post 1 April 2014 Career Pay Revaluation
Date Joined Scheme	Pre 6 April 1988 Guaranteed Minimum Pension (GMP)
Date of Leaving	Post 6 April 1988 Guaranteed Minimum Pension (GMP)
Employee and Employer Additional Pension Contributions History	Scheme Year Benefit Crystallisation Event
Employee and Employer Basic Pension Contributions History	Total Original Deferred Benefit
Employer Name	Tranches of Original Deferred Benefit
Lifetime Allowance	Total Gross Annual Pension
Membership History	Tranches of Total Gross Annual Pension
NI Contributions/ Earnings History	Total Gross Dependant Annual Pension
Pension Sharing Order (PSO)	Tranches of Total Gross Dependant Annual Pension
Pre 1 April 2014 Final Pay	Transfer In Details

## 2.2 Summary of Scheme Specific Data Results



## 2.3 Analysis

DATA ITEMS	TOTAL ITEMS 2019	MEMBER RECORDS WITHOUT A SINGLE FAILURE 2019
Conditions tested	848,270	-
Conditions passed	835,211	-
Conditions failed	13,059	-
<b>Pass percentage</b>	<b>98.46% (+0.88%)</b>	<b>91.3% (+5.2%)</b>

## 2.4 Data Correction Plan

CATEGORY	PRIORITY				Total
	Very high	High	Medium	Low	
Member Benefits	59	720	-	-	<b>779</b>
Member Details	369	864	-	180	<b>1,413</b>
CARE Benefits	-	2,310	-	-	<b>2,310</b>
HMRC	-	542	383	34	<b>959</b>
Contracted Out	-	3,589	4,009	-	<b>7,598</b>
<b>Total</b>	<b>428</b>	<b>8025</b>	<b>4392</b>	<b>214</b>	<b>13,059</b>

Report Title:	<b>Risk Assessment Register- Exceptions Report</b>
Contains Confidential or Exempt Information?	YES - Part I
Member reporting:	Councillor Julian Sharpe, Chairman Berkshire Pension Fund and Pension Fund Advisory Panels
Meeting and Date:	Berkshire Pension Fund and Pension Fund Advisory Panels – 22 June 2020
Responsible Officer(s):	Kevin Taylor, Pension Services Manager
Wards affected:	None

## REPORT SUMMARY

1. This report provides Members with an exceptions report from the Risk Assessment Register.
2. Medium and high risks are identified for review at every Panel meeting.

## 1 DETAILS OF RECOMMENDATION(S)

### RECOMMENDATION: That Panel

- i) **Considers and notes the Risk Exception Report and puts forward any suggested amendments as may be felt necessary;**
- ii) **Authorises Officers to update the Risk Assessment Register as agreed by Panel; and**
- iii) **Approves publication of the final version on the Pension Fund website.**

## 2 REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

2.1 The Scheme Manager (The Royal Borough as the administering authority for the Fund) has a legal duty to establish and operate internal controls. Failure to implement an adequate and appropriate risk assessment register could lead to breaches of law and where the effect and wider implications of not having in place adequate internal controls are likely to be materially significant the Pension Regulator must be notified in accordance with the Scheme Manager's policy on reporting breaches of the law.

2.2 Currently there are no high risks but 5 medium risks have been identified:

2.2.1. PEN 004: Failure to maintain a high quality member database: Remains a medium risk whilst the Pension Team continues with its strategy to have all scheme employers using i-Connect by March 2021.

2.2.2. PEN 011: Loss of key staff: There is always a risk that key staff could leave but a potential risk has been identified in 2023. An appropriate succession plan will be developed and discussed between senior managers in the coming months.

- 2.2.3. PEN 017: Inability to return the Funding Level to 100%: The Government Actuary's Section 13 report red flagged the Berkshire Pension Fund's funding level at the last triennial valuation in 2016.
- 2.2.4. PEN 025: Inability of Scheme employers to meet their obligations: The Panel agreed to enter into a risk management contract with LPPI at its meeting on 14 January 2019. Results were reported at the Panel meeting of 16 December 2019 and officers have committed to discussing funding options with the Scheme employers identified as being most at risk.
- 2.2.5. PEN030: Cyber-attack. The Pension Fund uses a third-party supplier for its pension software packages, Aquila Heywood. Systems are hosted off-site at 2 separate locations and backed-up every evening. At the Panel meeting of 16 December 2019, Members received information from Aquila Heywood setting out their approach to Information Security and Quality, and were supplied with their Certificates of Compliance with industry standards and Summary Penetration Test Report.
- 2.2.6. Please note a request has been made to the Borough's Head of HR, Corporate Projects and ICT for equivalent evidence to be provided with regard to the Pension Fund's reliance on Borough ICT systems. Once received a further report will be presented to Panel.

### 3 KEY IMPLICATIONS

- 3.1 This is a statutory policy requiring review by Panel. Failure to do so could lead to a loss in confidence.

### 4 FINANCIAL DETAILS / VALUE FOR MONEY

- 4.1 Failure to monitor identified risks and to implement appropriate strategies to counteract those risks could lead to an increased Fund deficit resulting in employers having to pay more.

### 5 LEGAL IMPLICATIONS

- 5.1 The Administering Authority is required to govern and administer the Pension Scheme in accordance with the Public Service Pensions Act 2013 and associated Local Government Pension Scheme Regulations. Failure to do so could lead to challenge.

### 6 RISK MANAGEMENT

**Table 1: Risk Analysis**

<b>Risks</b>	<b>Uncontrolled Risk</b>	<b>Controls</b>	<b>Controlled Risk</b>
Pension Scheme not governed in line with legislation	Medium	Internal and External Audits	Low



## **7 POTENTIAL IMPACTS**

- 7.1 Failure to comply with Pension legislation could result in the Administering Authority being reported to the Pensions Regulator where failure is deemed to be of a material significance.

## **8 CONSULTATION**

- 8.1 Not Applicable.

## **9 TIMETABLE FOR IMPLEMENTATION**

- 9.1 Immediate.

## **10 APPENDICES**

- 10.1 Not applicable.

## **11 BACKGROUND DOCUMENTS**

- 11.1 Local Government Pension Scheme Regulations 2013 (as amended)  
11.2 Public Service Pensions Act 2013  
11.3 The Pensions Regulator's Code of practice No. 14

## **12 CONSULTATION (MANDATORY)**

<b>Name of consultee</b>	<b>Post held</b>	<b>Date issued for comment</b>	<b>Date returned with comments</b>
Cllr Julian Sharpe	Chairman – Berkshire Pension Fund Panel		
Adele Taylor	Director of Resources and Section 151 Officer		

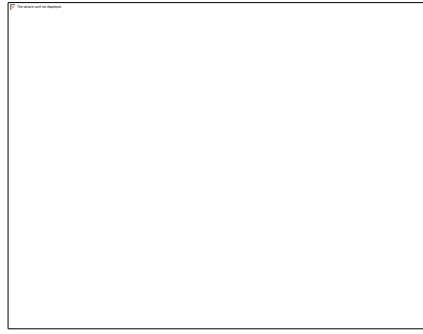
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## Royal County of Berkshire Pension Fund – Risk Assessment Register Exceptions Report

Ref	Risk	Risk Category	Cause	Impact	Risk owner	Controls in place to manage the risk	Current risk rating				Further actions necessary to manage the risk	Risk action owner	Date Complete	Target risk rating				Next Review Date
							I m p a c t	L i k e l i h o o d	S c o r e	Level of risk				I m p a c t	L i k e l i h o o d	S c o r e	Level of risk	
PEN 004	Failure to maintain a high quality member database.	Operational	Poor or non-existent notification of member data by Scheme employers.	Incorrect records, incorrect benefit estimates, potentially incorrect pension benefits being paid. Scheme members access wrong information via self-service. Loss of reputation, more complaints, poor performance.	Director of Resources and s151 Officer	Fund continues to work with employers to improve data quality. Pro-active checks when benefits are calculated. Membership information is checked as part of year-end processing	4	2	8	Medium	Key aim of the Pension Administration Strategy is to engage employers in the use of i-Connect.	Kevin Taylor Philip Boyton	March 2021	4	1	4	Low	March 2020
PEN 011	Loss of key staff.	Operational	The specialist nature of the work means some staff have become experts in the LGPS regulations and investment policies.	If someone leaves or becomes ill a big knowledge gap is left behind.	Director of Resources and s151 Officer	In the event of a knowledge gap external consultants and independent advisors can help in the short-term.	4	2	8	Medium	Loss of key staff in 2023 has been highlighted at an early stage in order to consider appropriate succession planning.	Kevin Taylor	Ongoing	2	2	4	Low	March 2020
PEN 017	Inability to return the Funding Level to 100%.	Strategic	Lack of proper strategy to achieve 100% funding level. Actual investment returns fail to meet expected returns.	Fund remains underfunded and employer contribution rates increase.	Director of Resources and s151 Officer	Fund has published Funding Strategy Statement. Deficit recovery plan implemented following 2010 valuation. Fund regularly monitors investment returns and the Actuary provides a funding update each month.	4	2	8	Medium	Regular performance updates received from LPPI Ltd.	Kevin Taylor	Ongoing	4	1	4	Low	March 2020
PEN 025	Inability of Scheme employers to meet their obligations.	Strategic	When a Scheme employer no longer has any active members a cessation valuation is triggered and an exit payment required if a funding deficit exists to meet future liabilities.	Failure to collect cessation payments means the cost of funding future liabilities will fall to the Fund and therefore all Scheme employers that remain in it meaning a potential increase in employer contributions.	Director of Resources and s151 Officer	The Pension Fund Panel has authorised officers to take appropriate steps to review employer covenants and take the necessary action to mitigate the impact that the failure of one Scheme employer can have on all other Scheme employers.	3	2	6	Medium	LPPI Ltd assessing risks.	Kevin Taylor	Ongoing	3	1	3	Low	March 2020

## Royal County of Berkshire Pension Fund – Risk Assessment Register Exceptions Report

Ref	Risk	Risk Category	Cause	Impact	Risk owner	Controls in place to manage the risk	Current risk rating				Further actions necessary to manage the risk	Risk action owner	Date Complete	Target risk rating				Next Review Date
							I m p a c t	L i k e l i h o o d	S c o r e	Level of risk				I m p a c t	L i k e l i h o o d	S c o r e	Level of risk	
PEN 030	Cyber attack	Strategic	Systems not protected from unauthorised access or being otherwise damaged or made inaccessible.	Complete breakdown of services with potential permanent loss of personal data.	Director of Resources and s151 Officer	System provider has robust accredited solutions in place to ensure any cyber-attack can be identified and prevented.	4	2	8	Medium	Aquila Heywood continuously monitor and test systems to ensure compliance with expected standards.	Kevin Taylor Philip Boyton	Ongoing	4	1	4	Low	March 2020



## TERMS OF REFERENCE FOR PENSION BOARD MEMBERS

### 1 *Introduction*

This document sets out the Terms of Reference of the local Pension Board of the Royal Borough of Windsor & Maidenhead (the 'Administering Authority') a scheme manager as defined under Section 4 of the Public Service Pensions Act 2013. The local Pension Board is established in accordance with Section 5 of that Act and under regulation 106 of the Local Government Pension Scheme Regulations 2013 (as amended).

The Pension Board is established by the Administering Authority and operates independently of the Pension Fund Panel and Pension Fund Advisory Panel. Relevant information about its creation and operation are contained in these Terms of Reference.

The Pension Board is not a committee constituted under Section 101 of the Local Government Act 1972 and therefore no general duties, responsibilities or powers assigned to such committees or to any sub-committees or officers under the constitution, standing orders or scheme of delegation of the Administering Authority apply to the Board unless expressly included in this document.

The Pension Board has been constituted separately to the Pension Fund Panel and the Pension Fund Advisory Panel and regulation 106(2) of the Local Government Pension Scheme Regulations 2013 (as amended) does not apply.

### 2 *Interpretation*

The following terms have the meanings as outlined below:

<b>'the Act'</b>	The Public Service Pensions Act 2013.
<b>'the Administering Authority'</b>	means the Royal Borough of Windsor & Maidenhead.
<b>'the Code'</b>	means the Pension Regulator's Code of Practice No. 14, governance and administration of public service pension schemes.
<b>'the Pension Fund'</b>	means the Royal County of Berkshire Pension Fund managed and administered by the Administering Authority.
<b>'the Pension Fund Panel'</b>	means the 'committee' who has delegated decision making powers for the Pension Fund in accordance with Section 101 of the Local Government Act 1972.
<b>'the Regulations'</b>	means the Local Government Pension Scheme Regulations 2013 (as amended), the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended) including any earlier regulations

as defined in these regulations to the extent that they remain applicable and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016~~09~~ (as amended).

**‘Relevant legislation’**

means relevant overriding legislation as well as the Pension Regulator’s Codes of Practice as they apply to the Administering Authority and the Pension Board notwithstanding that the Codes of Practice are not legislation.

**‘the Scheme’**

means the Local Government Pension Scheme in England and Wales.

**3 Statement of Purpose**

The purpose of the Pension Board is to assist the Administering Authority in its role as a scheme manager of the Scheme. Such assistance is to:

- a) Secure compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme and requirements imposed by the Pension Regulator in relation to the Scheme; and
- b) ~~To e~~Ensure the effective and efficient governance and administration of the Scheme.
- c) Include consideration of any relevant matter referred to the Pension Board by the Pension Fund Panel.

**4 Duties of the Pension Board**

The Pension Board should, at all times, act in a reasonable manner in the conduct of its purpose. In support of this duty, Pension Board members should be subject to and abide by the code of conduct for Pension Board members.

**5 Establishment**

The Pension Board is established in accordance with the Administering Authority’s Constitution as approved at a meeting of the Constitution Sub-Committee on 20 February 2015. ~~Subsequent to its establishment t~~he Pension Board may establish sub-committees.

**6 Membership**

In accordance with section 5(4)(c) of the Public Service Pensions Act 2013 the Pension Board is required to include employer representatives and member representatives in equal numbers.

The Pension Board shall consist of;

- 3 Scheme Member Representatives; and
- 3 Scheme Employer Representatives

~~These representatives shall normally be selected annually from the nominees obtained by the Administering Authority, by a majority vote of the outgoing Board members. Where a majority decision is not obtained, the Chairperson shall have the casting vote.~~

Members in all categories will only be appointed to the Pensions Board if they meet the knowledge and skills requirements set out in the relevant regulations and guidance, or commit to doing so within three months of the appointment date.

The Member and Employer Representatives shall have voting rights, ~~while other representatives, where required from time to time, are not entitled to vote.~~

For clarity, “Scheme Employer Representatives” means persons appointed to the Board for the purpose of representing Scheme employers for the Scheme and “Scheme Member Representatives” means persons appointed to the Board for the purpose of representing members of the Scheme.

Members of the Pension Board will commit to attending all scheduled meetings. Attendance records will be maintained (and published) ~~in line with a schedule set out in Appendix 4 of this handbook.~~

A chairperson and vice chairperson will be elected annually by a majority vote by the Board members. Where a majority decision is not obtained, the outgoing Chairperson, if available shall have the casting vote, and if unavailable the Chairman of the Pension Fund Panel will make the decision from the candidates put to him/her by the Board.

## **7 Scheme Member Representatives**

Scheme member representatives will be appointed from the overall scheme membership including active, deferred and retired members, following a transparent recruitment process open to all Scheme members and approved by the Administering Authority.

They should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.

## **8 Scheme Employer Representatives**

Scheme employer representatives shall be office holders or senior employees of the employers with active members. It is expected that the majority of scheme employer representatives will come from the Unitary Authorities in Berkshire as they represent the majority of the Scheme membership. No officer responsible for the discharge of any function of the Administering Authority under the Regulations may serve as a member of the Pension Board.

Scheme employer representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.

## **9 Substitutes**

A substitute ~~must~~should be named and nominated by a full Board member and should have sufficient knowledge and understanding to enable full participation at Board meetings. At any time the board may have up to 3 employer and 2 member substitutes. The board will normally formally approve substitutes after they have completed the basic training requirements. Where a vote may be required a substitute can act as a proxy for the full Board member on behalf of whom they are acting. Proxy voting nominations should be confirmed in advance of a meeting with the Chair. Substitute members are encouraged to attend and reasonably participate in board meetings, even if they do not need to vote, as in the first instance, unless there are good reasons to do otherwise and board vacancies that arise may be filled from the available substitutes as appropriate.

## **10 Ending Representation**

Persons appointed to the Pensions Board can be removed, through resolution of the Board, on grounds of non-attendance, breach of code, non-participation of training or where they become ineligible.

## **11 Duties of the Chair**

The Chair to the Pension Board:

- a) Shall ensure the Pension Board delivers its purpose as set out in these Terms of Reference;
- b) Shall ensure that meetings are productive and effective and that opportunity is provided for the views of all members to be expressed and considered; ~~and~~
- c) Shall seek to reach consensus and ensure that decisions are properly put to a vote when it cannot be reached and shall have the casting vote (except in the circumstances set out in Section 23 below). Instances of failure to reach a consensus position will be recorded and published.
- d) Shall formulate the Board's strategy for discharging its statutory duties in liaison with the Pension Fund Manager and Chairman of the Pension Fund Panel as necessary;
- e) Shall encourage high standards of propriety and promote efficient and effective use of resources;
- f) Shall ensure that the Board, in reaching decisions, takes proper account of statutory legislation, guidance issued by the Pensions Regulator and guidance provided by relevant officers for the administering authority;
- g) Shall represent the views of the Board to the Pension Fund Panel, all relevant stakeholders and the wider general public;
- h) On request shall provide an assessment of the performance of individual Board members, on request, when they are considered for re-appointment to the Board or for the appointment of new Board members upon application.
- i) Shall at least annually consider the composition of and effectiveness of the board and the need to recruit additional substitute members or members to fill actual or prospective vacancies.

## **12 Notification of Appointments**

When appointments to the Pension Board have been made the Administering Authority shall publish the names of the Pension Board members, the process followed in the appointment together with the way in which the appointments support the effective delivery of the purpose of the Pension Board.

## **13 Terms of Office**

The term of office for Pension Board members is initially 1 year but unless specifically terminated within that first year will run indefinitely until either the member resigns or the member is removed by the Board.-

~~Extensions to terms of office may be made with the agreement of the Pension Board.~~

Pension Board membership may be terminated during the initial 1 year term of office or subsequent ongoing period prior to the end of the term of office due to:

- a) A Scheme member representative appointed on the basis of their membership of the Scheme no longer being a member of the LGPS in Berkshire;



- b) A Scheme member representative no longer being a ~~Scheme member~~ in any capacity. or a representative of the body on which their appointment relied;
- c) A Scheme employer representative no longer holding ~~the office or employment or being a member of the~~ within an employer body ~~participating in the Fund~~ which their appointment relied;
- d) A Pension Board member no longer being able to demonstrate to the Administering Authority their capacity to attend and prepare for meetings and to participate in required training;

~~The representative being withdrawn by the nominating body and a replacement identified;~~

- e) A Pension Board member has a conflict of interest which cannot be managed in accordance with the Pension Board's conflict policy;
- f) A Pension Board member who is an officer of the Administering Authority becomes responsible for the discharge of any function of the Administering Authority under the Regulations.

#### **14 Conflicts of Interest**

All members of the Pension Board must declare to the Administering Authority on appointment and at any such time as their circumstances change, any potential conflicts of interest arising as a result of their position on the Pension Board.

A conflict of interest is defined as a financial or other interest which is likely to prejudice a person's exercise of functions as a member of the Pension Board. It does not include a financial or other interest arising merely by virtue of that person being a member of the Scheme.

On appointment to the Pension Board and following any subsequent declaration of a potential conflict by a Pension Board member, the Administering Authority shall ensure that any potential conflict is effectively managed in line with both the internal procedures of the Pension Board's conflict policy and the requirements of the Code.

#### **15 Knowledge and Understanding (including Training)**

Knowledge and understanding must be considered in light of the role of the Pension Board to assist the Administering Authority in line with the requirements outlined in paragraph 3 above. The Pension Board shall establish and maintain a Knowledge and Understanding Policy and Framework to address the knowledge and understanding requirements that apply to Pension Board members under the Act. That policy and framework shall set out the degree of knowledge and understanding required as well as how the knowledge and understanding is acquired, reviewed and updated.

Pension Board members shall attend and participate in training arranged in order to meet and maintain the requirements set out in the Pension Board's knowledge and understanding policy and framework.

Pension Board members shall participate in such personal training needs analysis or other processes that are put in place in order to ensure that they maintain the required level of knowledge and understanding to carry out their role on the Pension Board.

## 16 Meetings

The Pension Board will meet at least biannually and up to 4 times each year at an agreed location.

~~Meetings shall normally take place between~~ during normal office hours. ~~at the offices of the Royal County of Berkshire Pension Fund.~~

As part of each meeting the Board will decide the need or otherwise for non-members to be invited to future meetings of the Board to give advice or guidance on matters arising from issues raised during the course of Pension Board meetings.

The Chair of the Pension Board with the consent of at least two of the members of the Pension Board membership may call additional meetings. Urgent business of the Pension Board between meetings may, in exceptional circumstances, be conducted via communication between members of the Pension Board including telephone, or video -conferencing and emails. Such business will be recorded in the minutes of the next available meeting of the Pension Board.

## 17 Quorum

A meeting is only quorate when at least 50% of Board members are present and at least one ~~both~~ Scheme member and one Scheme employer representatives are in attendance. For actions to be agreed the Chair or Vice Chair of the Pension Board must be in attendance. A meeting that becomes inquorate may continue but any decisions will be non-binding. Such decisions should be reviewed at the next quorate meeting of the Pension Board.

## 18 Sub-groups

There may be occasion to undertake sub-group meetings to complete a specific piece of work, or where data or preparation needs to be undertaken by a specific section of the Board. Any formed sub-groups will report to the main Pension Board who will agree and lead on the strategic direction of the activity being undertaken.

## 19 Board Administration

An officer employed in the Democratic Services department of the Administering Authority shall provide all secretarial services to the Pension Board.

The Chair of the Pension Board will agree an agenda prior to each meeting which, along with supporting papers, will be issued at least 10 working days (where practicable) in advance of the meeting except in the case of matters of emergency.

Each Pension Board member will provide an email address for circulation of all Pension Board documents all of which will be provided electronically wherever possible and only in paper format upon request.

Draft minutes of each meeting including all actions and agreements will be recorded and circulated to all Pension Board members within 10 working days (where practicable) after the meeting. These draft minutes will be subject to formal agreement by the Pension Board at their next meeting. Any decisions made by the Pension Board should be noted in the minutes and in addition where the Pension Board was unable to reach a decision such occasions should also be noted in the minutes.

The minutes may with the agreement of the Pension Board, be edited to exclude items on the grounds that they would either involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act and/or they represent data covered by the General Data Protection Regulations Act 2018 ~~Data Protection Act 1998~~.

The Chair of the Pension Board shall ensure that Pension Board members meet and maintain the knowledge and understanding as determined in the Pension Board's Knowledge and Understanding Policy and Framework and other guidance and legislation.

The Chair of the Pension Board shall arrange such advice as is required by the Pension Board subject to such conditions as are listed in these Terms of Reference for use of the budget set for the Pension Board.

The Chair of the Pension Board shall ensure an attendance record is maintained along with advising the Administering Authority on allowances and expenses to be paid under these terms.

The Pension Board Secretary shall liaise with the Chair of the Pension Board and the Administering Authority on the requirements of the Pension Board, including advance notice for officers to attend and arranging dates and times of Pension Board meetings.

## **20 Public access to Pension Board meetings and information**

The Pension Board meetings are open to the general public (unless there is an exemption under relevant legislation which would preclude part (or all) of the meeting from being open to the general public).

The following will be entitled to attend Pension Board meetings in an observer capacity:

- a) Members of the Pension Fund Panel or Pension Fund Advisory Panel;
- b) Any person requested to attend by the Pension Board.

Any such attendees will be permitted to speak at the discretion of the Chair.

In accordance with the Act the Administering Authority shall publish information about the Pension Board to include:

- a) The names of Pension Board members and their contact details;
- b) The representation of Scheme employers and Scheme members on the Pension Board;
- c) The role of the Pension Board;
- d) These Terms of Reference.

The Administering Authority shall also publish other information about the Pension Board including:

- a) Agendas and minutes;
- b) Training and attendance logs;
- c) An annual report on the work of the Pension Board to be included in the Pension Fund's own annual report.

All or some of this information may be published using the following means or other means as considered appropriate from time to time:

- a) On the Pension Fund's own website;

b) As part of the Pension Fund's Annual Report and Accounts;

c) As part of the Governance Compliance Statement.

Information may be excluded on the grounds that it would either involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act and/or they represent data covered by the Data Protection Act 1998.

## **21 Expenses and Allowances**

The Pension Fund may meet the expenses of the Pension Board with the administering authority's policy on expenses.

## **22 Budget**

The Pension Board is to be provided with adequate resources to fulfil its role. In doing so, the budget for the Pension Board will be met from the Pension Fund. The Pension Board will seek approval from the Administering Authority for any items of expenditure over and above the normal expenses and allowances set out in paragraph 21 above.

The Pension Board will access all shared information and have certain resources made available through the Berkshire Pension Fund website as maintained and facilitated by the scheme manager.

## **23 Reporting**

The Pension Board should in the first instance report its requests, recommendations or concerns to the Pension Fund Panel. In support of this any member of the Pension Board may attend a meeting of the Pension Fund Panel as an observer.

The Pension Board should report any concerns over a decision made by the Pension Fund Panel to the Pension Fund Panel subject to the agreement of at least 50% of ~~voting~~ Pension Board members providing that all ~~voting~~ members are present. If not all ~~voting~~ members are present then the agreement should be of at least three, and a majority of all ~~voting~~ members who are present (with the Chairperson not having a casting vote), where the meeting remains quorate.

On receipt of a report from the Pension Board setting out concerns over a decision they have made, the Pension Fund Panel should, within a reasonable period, consider and respond to the Pension Board.

Where the Pension Board is not satisfied with the response received it may request that a notice of its concern be placed on the Pension Fund's website and in the Pension Fund's annual report.

Where the Pension Board is satisfied that there has been a breach of regulation which has been reported to the Pension Fund Panel and has not been rectified within a reasonable period of time it is under an obligation to escalate the breach.

The appropriate internal route for escalation is to the Chief Financial Officer or Monitoring Officer of the Administering Authority, as appropriate.

The Pension Board may report concerns to the LGPS Scheme Advisory Board for consideration subsequent to, but not instead of, using the appropriate internal route for escalation.

The first function of the Pension Board is to assist the Administering Authority in securing compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme and requirements imposed by the Pensions Regulator in relation to the Scheme. Within this extent of this core function the Pension Board may determine the areas that it wishes to consider including, but not restricted to:

- a) Review regular compliance monitoring reports which shall include reports to and decisions made under the Regulations by the Pension Fund Panel;
- b) Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, relevant legislation and in particular the Code;
- c) Review the compliance of Scheme employers with their duties under the Regulations and relevant legislation;
- d) Assist with the development of and continually review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles;
- e) Assist with the development of and continually review Scheme member and Scheme employer communications as required by the Regulations and relevant legislation;
- f) Monitor complaints and performance on the administration and governance of the Scheme;
- g) Assist with the application of the Internal Disputes Resolution Procedures;
- h) Review the complete and proper exercise of Pensions Ombudsman cases;
- i) Review the implementation of revised policies and procedures following changes to the Scheme;
- j) Review the arrangements for the training of Pension Board members and those elected members and officers with delegated responsibilities for management and administration of the Scheme;
- k) Review the complete and proper exercise of Scheme employer and Administering Authority discretions;
- l) Review the outcome of internal and external audit reports;
- m) Review draft accounts and Pension Fund annual report;
- n) Review the compliance of particular cases, projects or processes on request of the Pension Fund Panel;
- o) Any other area within the statement of purpose (i.e. assisting the Administering Authority) the Pension Board deems appropriate.

The second core function of the Pension Board is to ensure the effective and efficient governance and administration of the Scheme. Within this extent of this core function the Pension Board may determine the areas it wishes to consider including but not restricted to:

- a) Assist with the development of improved customer services;
- b) Monitor the performance of administration, governance and investments against key performance targets and indicators;
- c) Review the effectiveness of processes for the appointment of advisors and suppliers to the Administering Authority;
- d) Monitor investment costs including custodian and transaction costs;
- e) Monitor internal and external audit reports;
- f) Review the risk register as it relates to the Scheme manager function of the Administering Authority;
- g) Assist with the development of improved management, administration and governance structures and policies;
- h) Review the outcome of actuarial reporting and valuations;
- i) Assist in the development and monitoring of process improvements on request from the Pension Fund Panel;
- j) ~~Assist in the development of asset voting and engagement processes and compliance with the UK Stewardship Code;~~ [Assist in ensuring compliance with the UK Stewardship Code.](#)
- k) Any other area within the statement of purpose (i.e. ensuring effective and efficient governance of the Scheme) the Pension Board deems appropriate.

In support of its core functions the Pension Board may make a request for information to the Pension Fund Panel with regard to any aspect of the Administering Authority's function. Any such request should be reasonably complied with in both scope and timing.

In support of its core functions the Pension Board may make recommendations to the Pension Fund Panel which should be considered and a response made to the Pension Board on the outcome within a reasonable period of time.

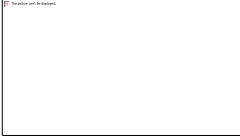
## **25 Review of Terms of Reference**

These Terms of Reference shall be reviewed on each material change to those parts of the Regulations and statutory guidance covering local Pension Boards and may be amended, varied or modified in writing after consultation and agreement by Board members. They will be reviewed annually to ensure continuing regulatory compliance and ongoing development of the Board members.



Date: ~~1 December 2017~~

.....  
Signed on behalf of the Administering Authority  
(Cllr. ~~Julian Sharpeohn Lenton~~ – Chairman to the Berkshire Pension Fund Panel and  
Advisory Panel)



Date: ~~1 December 2017~~

.....  
Signed on behalf of the Pension Board  
(~~Alan CrossTony Pettitt~~ - Chair of the Pension Board)

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## CODE OF CONDUCT FOR PENSION BOARD MEMBERS

### *Introduction*

The Pension Board for the Royal County of Berkshire Pension Fund is established under Section 5 of the Public Service Pensions Act 2013 and in accordance with regulation 106 of the Local Government Pension Scheme Regulations 2013 as inserted by The Local Government Pension Scheme (Amendment) (Governance) Regulations 2015 (S.I. 2015 No. 57).

This document sets out a code of conduct for members of the Board and applies to all members and any other invited regular attendees at Board meetings from all organisations.

### *Contents*

- 1 Public service values
- 2 The role of the chair
- 3 Statutory responsibilities of Board members
- 4 Delegation
- 5 Responsibilities of individual Board members
- 6 Political activity
- 7 Conflicts of interest
- 8 Personal liability of Board members
- 9 Openness and responsiveness
- 10 Accountability for public funds

Schedule A	The seven principles of public life
Schedule B	Managing conflicts of interest
Schedule C	The register of Board members' interests: declaration form

Approved by Board: ~~23 March 2015~~ ~~6 November 2015~~ ~~2015~~

~~Last reviewed: 24 November 2016~~

Next due for review: ~~March 2017~~ ~~November 2017~~

## 1 *Public Service Values*

Members of the Pension Board will at all times:

- Observe the highest standards of propriety involving impartiality, integrity and objectivity in relation to the stewardship of public funds as held by the Pension Fund and the management of these funds with regard to all of the stakeholders that the Pension Board represents;
- Maximise value for money through ensuring that services are delivered in the most economical, efficient and effective way, within available resources, and with independent validation of performance achieved wherever practicable;
- Be accountable to the administering authority, all Pension Fund stakeholders and Pension Fund staff for the activities undertaken by the Pension Board in its stewardship of public funds and the extent to which its performance and objectives have been met;
- Ensure that the Pension Board is at all times compliant with statutory pension legislation and requirements imposed by the Pensions Regulator in relation to the Local Government Pension Scheme.

## 2 *The Role of the Chair*

The Chair has particular responsibility for providing effective strategic leadership and carrying out the duties set out in the Board's Terms of Reference~~on matters such as:~~

- ~~Formulating the Board's strategy for discharging its statutory duties;~~
- ~~Encouraging high standards of propriety and promoting efficient and effective use of resources;~~
- ~~Ensuring that the Board, in reaching decisions, takes proper account of statutory legislation, guidance issued by the Pensions Regulator and guidance provided by relevant officers for the administering authority;~~
- ~~Representing the views of the Board to all relevant stakeholders and the wider general public;~~

~~Providing an assessment of the performance of individual Board members, on request, when they are considered for re-appointment to the Board or for the appointment of new Board members upon application.~~

The Chair will ensure that the Board meets at regular intervals throughout the year and that the minutes of meetings accurately record the decisions taken and, where appropriate, the views of individual board members.

~~The chair will ensure that all members of the Board are at all times compliant with the responsibilities and duties required of them and will promote training for all members of the Board and encourage attendance of these sessions. Furthermore the chair will ensure an induction programme is organised for all new Board members to attend.~~

Approved by Board: ~~23 March~~6 November 2020~~15~~

~~Last reviewed: 24 November 2016~~

Next due for review: ~~March~~November 2021~~7~~

### 3 *Statutory Responsibilities of Board members*

Members of the Board have statutory responsibility for assisting the administering authority in securing compliance with the Local Government Pension Scheme regulations, any other legislation relating to governance and administration of the Scheme and any requirements imposed by the Pensions Regulator in relation to the Scheme.

Board members must:

- Ensure that high standards of governance and administration are observed and maintained at all times;
- Ensure that the Board operates within the limits of its statutory authority and any other conditions laid down by the Pensions Regulator;
- Ensure that, in reaching decisions, the Board has taken into account any guidance issued by the appropriate professional advisor;
- Ensure that all policies and practices upon which the Board advises meet with key strategic objectives of the administering authority.

The chair and other members of the Board should each have copies of, or have easy access to:

- The Pension Board member's Handbook (including this Code of Conduct);
- The Local Government Pension Scheme Regulations 2013 (and associated legislation);
- All Pension Fund governance and administration policies;
- The Pension Fund's current Business Plan;
- ~~The Pension Fund's Business Continuity Plan;~~
- The latest version of the Pension Fund's Annual Report and Accounts;
- The most recent Actuarial Valuation Report.

### 4 *Delegation*

To the extent permitted by the Public Service Pension Act 2013, the Superannuation Act 1972 and current Local Government Pension Scheme regulations, responsibility for the day-to-day management and administration of the Scheme is delegated to officers of the Royal Borough of Windsor & Maidenhead.

The Royal Borough has a written Constitution as required by section 37 of the Local Government Act 2000. Section D of Part 6 of the Constitution sets out the delegated powers under which the Pension Board may operate with regard to Pension Fund ~~investments~~ and the functions delegated to officers involved in managing the Pension Fund.

Approved by Board: ~~23 March~~ ~~6 November 2020~~ ~~15~~

~~Last reviewed: 24 November 2016~~

Next due for review: ~~March~~ ~~November 2021~~ ~~7~~

Decisions taken by individual members or sub-committees of the Board under delegated powers will be recorded in written minutes available to the Board as a whole.

## **5 Responsibilities of Individual Board members**

Individual Board members should be aware of their wider responsibilities as members of the Board. Like others who serve the public, they should follow the Seven Principles of Public Life set out by the Committee on Standards in Public Life and which is replicated in Schedule A to this Code of Conduct. Board members must:

- Ensure that high standards of probity are observed at all times;
- Undertake on appointment to comply at all times with this Code of Conduct and with rules relating to the use of public funds;
- Play a full and active role in the work of the Pension Board and act in good faith and in the best interests of the Pension Board;
- Respect the principle of collective decision-making and statutory responsibility and once the Board has made a decision, members should support that decision;
- Deal with all stakeholders fairly, efficiently, promptly, effectively and sensitively and not act in a way that unjustifiably favours or discriminates against particular individuals or interests;
- Not misuse information gained in the course of their public service for personal gain or for political purpose, nor seek to use the opportunity of public service to promote private interests or those of connected persons, firms, businesses or other organisations;
- Declare to the chair any private interests which may be perceived to conflict with their public duties;
- Not misuse official resources (including facilities, equipment, stationery, telephony and other services) for personal gain or for political purposes;
- Comply with any statutory or administrative requirements relating to membership of the Board;
- Ensure that they comply with the requirements of Confidentiality, Disclosure of Information and Data Protection regulations both whilst a member of the Board of once having left the Board.

## **6 Political Activity**

Whilst there is no restriction placed on members of the Pension Board with regard to political activity members of the Board should:

- Be conscious of their responsibilities and seek to abide by the Seven Principles of Public Life (set out in Schedule A – selflessness; integrity; objectivity, accountability, openness, honesty, leadership);

Approved by Board: ~~23 March~~~~6 November~~ 20~~20~~~~15~~

Last reviewed: ~~24 November 2016~~

Next due for review: ~~March~~~~November~~ 20~~21~~~~17~~

- Exercise a proper discretion in relation to the work of the Pension Board and agree not to make political speeches or engage in other political activities that relate directly to pension policy or pension regulations;
- Remain alert to the possibility of a conflict between their political interests and their role on the Pension Board and declare such conflicts as they may arise.

All Board members are expected to:

- Consult the Chair of the Board if they have any queries or doubts in relation to these requirements;
- Inform the Chair of the Board before undertaking any significant political activity; and
- Understand that their appointment as a Board member may be terminated if, in the view of the Chair of the Board, the positions are incompatible.

## **7 Conflicts of Interest**

Board members are entitled to manage their own affairs in privacy. However, their work for the Board must be carried out in an environment that is free from any suggestion of improper influence. Those providing information must be confident that it will be properly handled and conflicts of interest must be identified immediately they arise and be properly managed.

Board members must take steps to ensure that any conflict of interest which they may be subject to does not affect a decision taken by the Pension Board.

The chair and other Board members are expected to declare any personal or business interests which may conflict with their responsibilities as Board members.

There are two key requirements:

- 1 to declare any potential conflict of interest which arises in the course of their work as a Board member, whenever it becomes relevant;
- 2 to complete a declaration of interests annually.

Guidance on these requirements is set out in Schedule B with a declaration form for the registration of Board member interests found in Schedule C.

## **8 Personal Liability of Board members**

The Government has indicated that individual members of the boards of public bodies who have acted honestly and in good faith will not have to meet out of their own personal resources any personal civil liability which is incurred in execution or purported execution of their board functions, save where the person has acted recklessly.

## **9 Openness and Responsiveness**

The administering authority is subject to a number of legal requirements in relation to the information it holds including the Public Service Pension Act 2013, the Freedom of Information Act 2000 and the Data Protection Act 1998. Subject to these requirements, Board members

Approved by Board: ~~23 March~~ ~~6 November~~ 20~~15~~<sup>2015</sup>

Last reviewed: ~~24 November~~ 2016

Next due for review: ~~March~~ ~~November~~ 20~~17~~<sup>2017</sup>

are expected to conduct all their dealings in an open and responsible way. This should include:

- Making publicly available annual reports;
- Where practical and appropriate, holding open meetings;
- Releasing minutes or summary reports of meetings;
- Following best practice in making available information to all stakeholders and the public in general through the Berkshire Pension Fund website;
- Maintaining well publicised and easy-to-use complaints procedures.

## **10 Accountability for Public Funds**

Board members have a duty to ensure the safeguarding of public funds and the proper custody of assets which have been publicly funded. They must carry out their fiduciary responsibilities effectively and at all times conduct its operations as economically and efficiently as possible with full regard the relevant statutory provisions set out by the Public Service Pensions Act 2013 and the Local Government Pension Scheme Regulations 2013.

The Board should ensure that it can demonstrate that its resources are used to good effect, with propriety, and without grounds for criticism that public funds are being used for private, partisan or political purposes.

**Approved by Board Members:** ~~26 November 2015~~ 23 March 2020

**Reviewed:** ~~24 November 2016~~

**Next due for review:** March 2021~~November 2017~~

Approved by Board: 23 March~~6 November 20~~2015

~~Last reviewed: 24 November 2016~~

Next due for review: March~~November~~ 2021~~7~~

## ***SCHEDULE A – The seven principles of public life***

### **Selflessness**

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

### **Integrity**

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that influence them in the performance of their official duties.

### **Objectivity**

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merits.

### **Accountability**

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

### **Openness**

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

### **Honesty**

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

### **Leadership**

Holders of public office should promote and support these principles by leadership and example.

Approved by Board: ~~23 March 2015~~ 6 November 2015  
~~Last reviewed: 24 November 2016~~  
Next due for review: ~~March 2017~~ November 2017



## ***SCHEDULE B – Managing conflicts of interest***

This schedule provides guidance as follows:

- 1 What is a conflict of interest?
- 2 The register of Board members' interests;
- 3 Definition of terms used in this schedule;
- 4 Definition of terms used in the register of interests declaration form.

### ***1 What is a conflict of interest?***

A conflict of interest arises when the work carried out on behalf of the Pension Board could be affected by a personal interest or personal association. It becomes significant if an independent third party might reasonably take the view that there is a risk that a Board member's resultant actions (or those of a personal associate) might be affected, whether or not they are affected.

Conflicts of interest may arise for example as a result of:

- A direct or indirect financial interest;
- A direct or indirect financial interest held by a commercial undertaking with which the Board member has connections;
- A significant relationship with those affected or likely to be affected by the matter;
- The interests of a connected person;
- An expectation of future interest (for example, future employment);
- In some cases, a previous association on the matter;
- An interest arising from a common interest grouping, such as a trade association, trades union membership or other private society.

The common law requires:

- That members of public bodies should not participate in the discussion or determination of matters in which they have a direct pecuniary interest; and
- That when an interest is not of a direct pecuniary kind, members should consider whether participation in the discussion or determination of a matter would suggest a real danger of bias. This should be interpreted in the sense that members might either unwittingly or otherwise unfairly regard with favour or disfavour the case of a party to the matter under consideration. In considering whether a real danger of bias exists in relation to a particular decision, members should assess whether they, or connected persons, are likely to be affected more than the generality of those affected by the decision in question.

Approved by Board: ~~23 March~~ ~~6 November~~ 20~~15~~

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Where, in accordance with the above, members do not participate in the discussion or determination of a matter, they should withdraw from the meeting, even if held in public, when requested to do so by the chair of the meeting. This is because the continued presence of someone who has declared an interest might be thought likely to influence the judgement of other members present.

Whether or not Board members are able, in light of the consideration above, to participate in the discussion or determination of a matter, they should declare as soon as practicable after a meeting begins if they have an interest, pecuniary or other, in a matter being considered. They should also disclose any interests in it which they are aware on the part of connected persons and persons living in the same households as the Board member. In addition, Board members should consider whether they need to disclose relevant interests of other persons or organisations which members of the public might reasonably think could influence the member's judgement.

In addition to the disclosures in the register of interests, Board members also have a duty to declare to the chair any potential conflict of interest which arises in the course of their work whenever it becomes relevant.

## **2      *Personal dealings in shares and related investments***

Board members are expected to observe the highest standards in relation to their personal dealings –and should declare any conflicts of interest that they feel may arise as a result of carrying out their work for the Pension Board.

All information relating to these arrangements will be treated as confidential.

## **3      *The register of board members' interests***

The purpose of this register is to ensure that the administering authority has a record of Board members' declarations of interest. It provides a mechanism whereby possible conflicts of interests can be identified. The existence of the register does not remove the obligation on Board members to declare interests as they arise in the course of the Board's work.

The register will list all interests that stakeholders and members of the public in general might reasonably think could influence Board members' judgement:

- Direct pecuniary interests;
- Indirect pecuniary interests (indirect pecuniary interests arise from connections with bodies which have a direct pecuniary interest or from being a partner of, or being employed by, a person with such interests);
- Non-pecuniary interests that relate closely to the Pension Fund's activities.

The register will be held by the administering authority. A summary of the register will be published and may be disclosed to the internal auditor, the administering authority's complaints adjudicator or the Secretary of State in the event that a complaint is raised concerning the conduct or judgement of a Board member.

Board members are expected to ensure their register of interests declaration is kept up to date.

Approved by Board: ~~23 March~~~~6 November~~ 20~~20~~~~15~~

Last reviewed: ~~24 November~~ 2016

Next due for review: ~~March~~~~November~~ 20~~21~~~~17~~

## 4 Definitions

### 4.1 Terms used in Schedule B

**Dealings** includes purchase, sales, subscriptions, acceptance of take-over and other offers and all other methods of acquiring or disposing of shares and related investments or any rights or interests in shares and related investments.

**Significant relationship** means a relationship which an independent third party might reasonably consider could affect the actions taken or the actions taken by a personal associate (whether or not it does actually affect the actions taken).

**Connected persons** means spouses and partners, children and step-children under the age of 18, persons for whom Board members take significant financial decisions and trusts of which a Board member is a 'trustee'.

**Share and related investments** there is no requirement to seek permission to deal or to declare an interest in relation to collective investment schemes (such as unit trusts and OEICS including any held in a general PEP or ISA) and other investments where the Board member has no direct influence on the management of the investment.

**Relevant organisation** means those companies or any company within the same group of companies, either seeking to be or currently listed in the UK and/or quoted and/or regulated in the UK as appropriate and includes those seeking clearance, or the subject or monitoring, enforcement or any other regulatory intervention by the Pensions Regulator.

### 4.2 Terms used in the register of interests declaration form

**Current employment or office** refers to any post, other employment or fiduciary positions held by a Board member or held by a Board member in the past five years in connection with a relevant organisation.

**Directorships** means remunerated directorships of companies, public or private, other remunerated posts and public appointments currently held by a Board member or connected persons and which come within the Pension Fund's sphere of operation.

**Non-profit organisation** refers to offices held by a Board member in non-profit making organisations or trade associations or bodies whose activities could come within the Pension Fund's sphere of operations and responsibilities.

Approved by Board: ~~23 March 2015~~ ~~6 November 2015~~ 2020

Last reviewed: ~~24 November 2016~~

Next due for review: ~~March 2017~~ ~~November 2017~~

**Consultancies and sponsorships** refers to any current professional clients of a Board member whose business interests could come within the sphere or work of the Pension Fund.

**Declarable shareholdings** means the names of companies or other bodies in which a Board member has a beneficial interest or shareholding. This does not include shareholdings through collective investment schemes (e.g. unit trusts) or other arrangements where the member has no influence on financial management of the investment.

**Occupational pension schemes** means the names of any occupational pension scheme of which a Board member or connected person is a scheme member or 'trustee' or in which they hold office.

**Personal/stakeholder pensions** refers to the names of providers of personal or stakeholder pensions held by a Board member or a connected person.

**SCHEDULE C – Register of Board members’ interests**

**Declaration Form**

Name	
Education/Professional Qualifications/Decorations	
Trade or Profession	
Current employment or office	
Directorships	
Non-profit organisations with a link to the Berkshire Pension Fund	
Consultancies and sponsorships	
Trades union membership	
Occupational pension schemes	
Personal or stakeholder pensions	

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

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# FUNDING STRATEGY STATEMENT





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# 1 INTRODUCTION

1.1 This is the Funding Strategy Statement (“FSS”) for the Royal County of Berkshire Pension Fund (“the Fund”) which is administered by The Royal Borough of Windsor and Maidenhead (“the Administering Authority”). It has been prepared in accordance with Regulation 58 of the Local Government Pension Scheme Regulations 2013.

1.2 This statement should be read in conjunction with the Fund’s Investment Strategy Statement (“ISS”) [and has been prepared with regard to the guidance \(\*Preparing and Maintaining a funding strategy statement in the LGPS 2016 edition\*\) issued by the Chartered Institute of Public Finance and Accountancy \(CIPFA\).](#)<sup>[k1]</sup> <sup>[BM2]</sup>

## *Purpose of the Funding Strategy Statement*

1.3 The purpose of the FSS is to explain the Fund’s approach to meeting the employer’s pension liabilities and in particular:

- To establish a clear and transparent Fund-specific strategy which will identify how employers’ pension liabilities are best met going forward;
- To take a prudent longer-term view of funding those liabilities; and
- To support the regulatory framework to ensure the solvency of the Fund and the long-term cost efficiency of the Scheme, and where possible to maintain as nearly constant Scheme employer contribution rates as possible.

1.4 The purpose of the Fund is to:

- Collect monies in respect of employee and employer contributions, transfer values and investment income;
- Facilitate payment of Local Government Pension Scheme (LGPS) benefits, transfer values, costs, charges and expenses; and
- Accumulate and invest money received and facilitate the management of this.



## *Funding Objectives*

1.5 Contributions are paid to the Fund by Scheme members and Scheme employers to provide for the benefits which will become payable to Scheme members when they fall due.

1.6 The funding objectives are to

- Set levels of employer contributions that will build up a fund of assets that will be sufficient to meet all future benefit payments from the Fund and ensure the solvency of the Fund;

- Set contributions which maximise the long-term cost efficiency. Broadly, this means that paying contributions as soon as possible so that any deficit is addressed quickly is preferable;
- Build up the required assets in such a way that produces levels of employer contributions that are as stable as possible;
- Minimise the risk of employers leaving with unpaid deficits, which then fall to the other employers;
- Ensure effective and efficient management of employer liabilities; and
- Allow the return from investments to be maximised within reasonable risk parameters.

## 2 KEY PARTIES

- 2.1 The parties directly concerned with the funding aspect of the Pension Fund are contained in this section of the FSS. A number of other key parties, including investment managers and external auditors also have responsibilities to the Fund but are not key parties in determining funding strategy.

### *The Administering Authority*



The Administering Authority for the Royal County Berkshire Pension Fund is the Royal Borough of Windsor & Maidenhead. The main responsibilities of the Administering Authority are as follows:

- Operate the Fund in accordance with the LGPS Regulations
- Collect and account for employee and employer contributions;
- Pay the benefits to Scheme members and their dependants as they fall due;
- Invest the Fund's assets ensuring sufficient cash is available to meet the liabilities as and when they become due;
- Take measures as set out in the regulations to safeguard the Fund against the consequences of employer default;
- Manage the Actuarial valuation process in conjunction with the Fund Actuary;
- Prepare and maintain the FSS and also the ISS (Investment Strategy Statement) and after consultation with other interested parties;
- Monitor all aspects of the Fund's performance and funding to ensure that the FSS and the ISS are updated as necessary; and
- Effectively manage any potential conflicts of interest arising from its dual role as both Fund administrator and Scheme employer.

### *Scheme employers*

2.3 The responsibilities of each individual Scheme employer which participates in the Fund, including the Administering Authority in its capacity as a Scheme employer, are as follows:

- Collect employee contributions and pay these together with their own employer contributions as certified by the Fund Actuary within the statutory timescales;
- Promptly notify the Administering Authority of any new Scheme members and any other membership changes in accordance with the pension administration service level agreement;
- Promptly notify the Administering Authority of any Scheme member who leaves or retires from their employment in accordance with the pension administration service level agreement;
- Promptly notify the Administering Authority of all Scheme member data and information required by the Administering Authority in accordance with the pension administration service level agreement so that the Administering Authority is able to accurately calculate the value of benefits payable to each Scheme member;
- Exercise any discretions permitted under the Scheme Regulations and to produce, maintain and publish a policy statement with regard to the exercise of those discretions;
- Meet the costs of any augmentations or other additional costs such as Pension Fund strain costs resulting from decisions to release early Scheme members' retirement benefits in accordance with Scheme regulations and agreed policies and procedures;
- Pay any exit payments due on ceasing participation in the Fund;
- Provide any information as requested to facilitate the Actuarial valuation process.



### *Fund Actuary*

2.4 The Fund Actuary for the Royal County of Berkshire Pension Fund is Barnett Waddingham LLP. The main responsibilities of the Fund — Actuary are to:

- Prepare the Actuarial Valuation having regard to the FSS and the Scheme Regulations;



- Prepare annual FRS102/IAS19 (accounting standards) reports for all Scheme employers requiring such a report for their annual report and accounts;
- Advise interested parties on funding strategy and completion of Actuarial valuations in accordance with the FSS and the Scheme Regulations;
- Prepare advice and calculations in connection with bulk transfers and the funding aspects of individual benefit-related matters such as pension strain costs, ill-health retirement costs, compensatory added years costs, etc;
- Provide advice and valuations on the exiting of employers from the Fund;
- Provide advice and valuations relating to new employers, including recommending the level of bonds or other forms of security required to protect the Fund against the financial effect of employer default;
- Assist the administering authority in assessing whether employer contributions need to be revised between valuations as permitted or required by the Regulations;
- Advise on other actuarial matters affecting the financial position of the Fund.

### 3 FUNDING STRATEGY

3.1 The funding strategy seeks to achieve (via employee and employer contributions and investment returns) two key objectives:

- A funding level of 100% as assessed by the Fund's appointed Actuary, triennially, in accordance with the Scheme Regulations;
- As stable an employer contribution rate as is practical.

3.2 The funding strategy recognises that the funding level will fluctuate with changing levels of employment, retirements, actuarial assumptions and investment returns and that the employer contribution has to be adjusted to a level sufficient to maintain the Pension Fund's solvency and to achieve a funding level of 100% over the longer term.

3.3 The Actuarial valuation process is essentially a projection of future cash-flows to and from the Fund. The main purpose of the triennial valuation is to determine the level of employers' contributions that should be paid over an agreed period to ensure that the existing assets and future contributions will be sufficient to meet all future benefit payments from the Fund.

3.4 The last Actuarial valuation was carried out as at 31<sup>st</sup> March 2019~~6~~ with the assets of the Fund found to be 78~~3~~3% of the accrued liabilities for the Fund.

#### *Funding Method*

3.5 The funding target is to have sufficient assets to meet the accrued liabilities for each Scheme employer in the Fund. The funding target may, however, also depend on certain Scheme employer circumstances and will, in particular, have regard to whether a Scheme employer is an "open" employer (which allows new recruits access to the Fund) or a "closed" employer (which no longer permits new employees access to the Fund). The expected period of participation by a Scheme employer in the Fund may also affect the chosen funding target.

- 3.6 For all Scheme employers the Actuarial funding method adopted considers separately the benefits in respect of service completed before the Valuation date (“past service”) and benefits in respect of service expected to be completed after the Valuation date (“future service”). This approach focuses on:
- The past service funding level of the Fund. This is the ratio of accumulated assets to liabilities in respect of past service after making allowance for future increases to members’ pay and pensions in payment. A funding level in excess of 100% indicates a surplus of assets over liabilities whereas a funding level of less than 100% indicates a deficit.
  - The future funding rate i.e. the level of contributions required from the individual Scheme employers which together with employee contributions are expected to support the cost of benefits accruing in the future.
- 3.7 For “open” Scheme employers, the Projected Unit method is used which, for the future service rate, assesses the cost of one year’s benefit accrual.
- 3.8 For “closed” Scheme employers the funding method adopted is known as the Attained Age Method. This gives the same results for the past service funding level as the Projected Unit Method but for the future cost it assesses the average cost of the benefits that will accrue over the remaining working lifetime of the active Scheme members.

#### *Valuation Assumptions and Funding Model*

- 3.9 In completing the Actuarial valuation it is necessary to formulate assumptions about the factors affecting the Fund’s future finances such as inflation, pay increases, investment returns, rates of mortality, early retirement and staff turnover etc.
- 3.10 The assumptions adopted at the valuation can therefore be considered as:
- The statistical assumptions which generally speaking are estimates of the likelihood of benefits and contributions being paid; and
  - The financial assumptions which generally speaking will determine the estimates of the amount of benefits and contributions payable and their current or present value.

#### *Future Price Inflation*

- 3.11 The base assumption in any triennial valuation is the future level of price inflation. This is derived by considering the average difference in yields from conventional and index linked gilts during the 6 months straddling the valuation date using a point from the Bank of England RPI Inflation Curve. This gives an assumption for Retail Prices Index (RPI) inflation, which is then adjusted to get an assumption for Consumer Prices Index (CPI) inflation. At the 2019<sup>6</sup> valuation, CPI was assumed to be 1.00-9% per annum lower than RPI, giving a CPI inflation assumption of 2.64% per annum.



#### *Future Pay Inflation*



3.12 As benefits accrued before 1<sup>st</sup> April 2014 (and in the case of some protected members after 31<sup>st</sup> March 2014) are linked to pay levels at retirement it is necessary to make an assumption as to future levels of pay inflation. The assumption adopted in the 2019~~6~~ valuation is that pay increases will, on average over the longer term, exceed CPI by 1.05% per annum. ~~In the short term in anticipation of Government policy, it has been assumed that pay increases for the 4 year period to 31 March 2020 would be limited to CPI.~~

### *Future Pension Increases*

3.13 Pension increases are assumed to be linked to CPI.

### *Future Investment Returns/Discount Rate*

3.14 To determine the value of accrued liabilities and derive future contribution requirements it is necessary to discount future payments to and from the Fund to present day values.

~~3.15 The discount rate adopted depends on the funding level target adopted for each Scheme employer.~~



3.1~~56~~ For “open” Scheme employers the discount rate applied to all projected liabilities reflects a prudent estimate of the rate of investment return that is expected to be earned from the underlying investment strategy by considering average market yields and indicators in the 6 months straddling the valuation date. This discount rate so determined may be referred to as the “ongoing” discount rate.

~~The level of prudence at the 2019~~6~~ valuation differed between the major councils and the remaining employers, to reflect the difference in covenant strength was set to be 0.7% p.a. This gave a discount rate of 5.37% per annum for the unitary authorities (and the employers pooled with them) and of 5.5% per annum for the other employers for all employers.~~

3.1~~67~~ For “closed” employers an adjustment may be made to the discount rate in relation to the remaining liabilities once all active members are assumed to have retired if at that time (the projected “termination date”) the Scheme employer either wishes to leave the Fund or the terms of their admission requires it.

3.1~~78~~ The Fund Actuary will incorporate such an adjustment after consultation with the Administering Authority.

3.1~~89~~ The adjustment to the discount rate is essentially to set a higher funding target at the projected termination date so that there are sufficient assets to fund the remaining liabilities on a “minimum risk” rather than on an ongoing basis to minimise the risk of deficits arising after the termination.

### *Asset Valuation*

3.1~~920~~ The asset valuation is a market value of the accumulated Fund at the triennial valuation date adjusted to reflect average market conditions during the 6 months straddling the triennial valuation date.

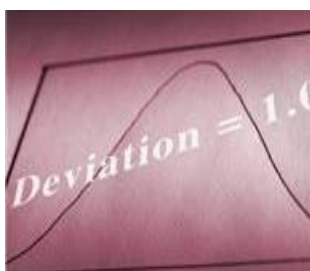


## Statistical Assumptions

3.204 The statistical assumptions incorporated into the triennial valuation such as future rates of mortality etc are based on national statistics but then adjusted where deemed appropriate to reflect the individual circumstances of the Fund and/or individual Scheme employers. For the 20169 valuation, the Fund received a bespoke analysis of the pensioner mortality and the results of this analysis were used to aid in setting a suitable assumption for the Fund.

### Deficit Recovery/Surplus Amortisation Periods

3.221 Whilst one of the funding objectives is to build up sufficient assets to meet the cost of benefits as they accrue it is recognised that at any particular point in time, the value of the accumulated assets will be different to the value of accrued liabilities depending on how the actual experience of the Fund differs to the actuarial assumptions. Accordingly the Fund will normally either be in surplus or in deficit.



3.23 Where the Actuarial valuation discloses a significant surplus or deficit then the levels of required Scheme employers' contributions will include an adjustment to either amortise the surplus or fund the deficit over a period of years. At the 20196 valuation, a deficit was revealed and contributions were set to recover this deficit over a period no longer than 214 years.

3.224 The period that is adopted for any particular Scheme employer will depend upon:

- The significance of the surplus or deficit relative to that Scheme employer's liabilities;
- The covenant of the individual Scheme employer and any limited period of participation in the Fund; and
- The implications in terms of stability of future levels of Scheme employers' contributions.

3.235 At the 20196 triennial valuation the period adopted to recover the deficit was:

Type of Scheme Employer	Maximum Length of Recovery Period
Unitary Authorities and Associated Employers	214 years
Housing Associations	114 years
Colleges (excluding the University of West London)*	814 years
Academies	127 years
Community Admission Bodies	114 years (for the majority of employers, but this may differ for some depending on individual circumstances)
Transferee Admission Bodies	Future working life of current employees or contract period whichever is the shorter period

3.246 Where a Scheme employer's contribution has to increase significantly then the increase may be phased in over a period not exceeding 36 years although this may

only be allowed for some Scheme employer types or if the increase in contributions would increase the risk of an employer insolvency, leaving an unpaid deficit and adversely affecting other employers' contributions and the solvency of the Fund as a whole.

### *Pooling of Individual Scheme employers*

3.257 The policy of the Fund is that each individual Scheme employer should be responsible for the costs of providing pensions for its own employees who participate in the Fund. Accordingly contribution rates are generally set for individual employers to reflect their own particular circumstances.

3.268 However, certain groups of individual Scheme employers may be pooled for the purposes of determining contribution rates to recognise common characteristics or where the number of Scheme members is small.

3.279 Currently, other than Scheme employers that are already legally connected, there are the following pools:

- Colleges (with the exception of the University of West London)\*
- Academies
- 'Community' Admission Bodies



#### • Housing Associations

3.2830 The main purpose of pooling is to produce more stable Scheme employer contribution levels in the longer term whilst recognising that ultimately there will be some level of cross subsidy of pension cost amongst pooled Scheme employers.

~~\*The University of West London is a closed employer whose membership and liability profile no longer makes it a viable employer for inclusion within the college pool.~~

3.29 At the 2016 valuation we also had a pool for the Housing Associations in the Fund. However, this has been disbanded due to only two employers being left in the pool following one employer ceasing to exist in the Fund, and another employer leaving the pool.

\*The University of West London is a closed employer whose membership and liability profile no longer makes it a viable employer for inclusion within the college pool.

### *New employers joining the Fund*

3.30 Admission bodies - Generally, when a new admission body joins the Fund, they will become responsible for all the pensions risk associated with the benefits accrued by transferring members and the benefits to be accrued over the contract length. This is known as a full risk transfer. In these cases, it may be appropriate that the new admission body is allocated a share of Fund assets equal to the value of the benefits transferred, i.e. the new admission body starts off on a fully funded basis. This is calculated on the relevant funding basis and the opening position may be different when calculated on an alternative basis (e.g. on an accounting basis).

However, there may be special arrangements made as part of the contract such that a full risk transfer approach is not adopted. In these cases, the initial assets allocated to the new admission body will reflect the level of risk transferred and may therefore not be on a fully funded basis or may not reflect the full value of the benefits attributable to the transferring members.

The contribution rate may be set on an open or a closed basis. Where the funding at the start of the contract is on a fully funded basis then the contribution rate will represent the primary rate only; where there is a deficit allocated to the new admission body then the contribution rate will also incorporate a secondary rate with the aim of recovering the deficit over an appropriate recovery period.

Depending on the details of the arrangement, for example if any risk sharing arrangements are in place, then additional adjustments may be made to determine the contribution rate payable by the new admission body. The approach in these cases will be bespoke to the individual arrangement.

To mitigate the risk to the Fund that a new admission body will not be able to meet its obligations to the Fund in the future, the new admission body may be required to put in place a bond in accordance with Schedule 2 Part 3 of the Regulations, if required by the letting authority and administering authority.

If, for any reason, it is not desirable for a new admission body to enter into a bond, the new admission body may provide an alternative form of security which is satisfactory to the administering authority.

3.31 New Academies - When a school converts to academy status, the new academy (or the sponsoring multi-academy trust) becomes a Scheme employer in its own right. On conversion to academy status, the new academy will be allocated assets based on the active cover of the relevant local authority at the conversion date. The active cover approach is based on the funding level of the local authority's active liabilities, after fully funding the local authority's deferred and pensioner liabilities. The new academy will join the existing academy pool.

The contribution rate for a new academy will be in line with the rate paid by the other academies in the academy pool, as calculated at the most recent actuarial valuation.

### *Cessation Valuations*

3.3234 On the cessation of a Scheme employer's participation in the Fund, the Actuary will be asked to make a termination assessment. Any deficit in the Fund in respect of the Scheme employer will be due to the Fund as a termination contribution, unless it is agreed by the Administering Authority and the other parties involved that the assets and liabilities relating to the Scheme employer will transfer within the Fund to another participating Scheme employer.

~~The Fund and Actuary are formulating a policy with regards to exit credits following the latest amendment to the Regulations. Once agreed this will be reflected in the FSS.~~

3.3332 In assessing the deficit on termination, the Actuary may adopt a discount rate based on gilt yields or other lower risk assets and adopt different assumptions to those used at the previous triennial valuation to protect the other Scheme employers in the Fund from having to fund any future deficits from the liabilities that will remain in the Fund.

## Exit Credit policy

Following the recent Regulations coming into force on 20 March 2020 which are effective from May 2018, the Fund has set out their exit credit policy as follows.

- Any employer who cannot demonstrate that they have been exposed to underfunding risk during their participation in the Fund will not be entitled to an exit credit payment. This will include the majority of "pass-through" arrangements and any employer that is participating in the Fund where the ceding employer is the deemed employer. This is on the basis that these employers would not have not been asked to pay an exit payment had a deficit existed at the time of exit.
- Exit credits will only be paid if the ceasing employer has a surplus on the minimum risk basis at the cessation date. Allowance will be made for additional liabilities incurred as a result of redundancies.
- Any exit credit payable will be the lower of the surplus on the minimum risk basis above and the actual employer contributions paid into the Fund. Where risk sharing arrangements are in place, any contributions made or required to be made to meet additional liabilities incurred as a result of redundancies, ill health retirement strains, excessive salary increases or anything else covered in the risk sharing agreement will not be included in the calculation of any exit credit payable.
- The administering authority does not need to enquire into the precise risk sharing arrangement adopted by an employer but it must be satisfied that the risk sharing arrangement has been in place before it will pay out an exit credit. The level of risk that an employer has borne will be taken into account when determining the amount of any exit credit. It is the responsibility of the exiting employer to set out why the arrangements make payment of an exit credit appropriate.
- The administering authority will pay out any exit credits within six months of the cessation date where possible. A longer time may be agreed between the administering authority and the exiting employer where necessary. For example if the employer does not provide all the relevant information to the administering authority within one month of the cessation date the administering authority will not be able to guarantee payment within six months of the cessation date.
- Under the Regulations, the administering authority has absolute discretion to take into account any other relevant factors in the calculation of any exit credit payable and they will seek legal advice where appropriate.

## *Early Retirement Costs*

3.343 The Actuary's funding basis makes no allowance for premature retirement except on grounds of permanent ill health. Scheme employers are required to pay additional contributions whenever an employee retires before attaining the age at which the triennial valuation assumes that benefits are payable. The calculation of these costs is carried out with reference to a calculation approved by the Actuary to the Fund.



3.354 The Fund monitors each Scheme employer's ill health experience on an ongoing basis. If the cumulative number of ill health retirements in any financial year exceeds the allowance at the previous triennial valuation by a statistically significant amount, the Scheme employer may be charged additional contributions on the same basis as apply for non-ill health cases.

### *Triennial Valuation*

3.365 The next triennial valuation is due as at 31<sup>st</sup> March 20249.

## **4 LINKS WITH THE INVESTMENT STRATEGY STATEMENT (ISS)**

4.1 The main link between the FSS and the ISS relates to the discount rate that underlies the funding strategy as set out in the FSS and the expected rate of investment return which is expected to be achieved by the underlying investment strategy as set out in the ISS.

4.2 As explained above the ongoing discount rate adopted in the Actuarial valuation is derived by considering the expected return from the underlying investment strategy and so there is consistency between the funding strategy and the investment strategy.

## **5 RISKS AND COUNTER MEASURES**

5.1 Whilst the funding strategy attempts to satisfy the funding objectives of ensuring sufficient assets to meet pension liabilities and stable levels of Scheme employer contributions, it is recognised that there are a number of risks that may impact on the funding strategy and hence the ability of the strategy to meet the funding objectives.

5.2 The major risks for the funding strategy are financial risks although there are external factors including demographic risks, regulatory risks and governance risks.

### *Financial Risks*

5.3 The main financial risk is that the actual investment strategy fails to produce the expected rate of investment return (in real terms) that underlies the funding strategy. This could be due to a number of factors including market returns being less than expected and/or chosen fund managers who are employed to implement the chosen investment strategy failing to achieve their performance targets. The triennial valuation results are most sensitive to the real discount rate. Broadly speaking an increase/decrease of 0.1% per annum in the real discount rate will decrease/increase the liabilities by 2% and decrease/increase the required Scheme employer contribution by around 0.54-0% of payroll.

5.4 The Pension Fund Panel regularly monitor the investment returns achieved by the fund managers and seek advice from Officers and independent advisors on investment strategy. In the inter-valuation period 20163 to 20196 such monitoring activity saw investment returns ~~slightly lower~~ higher than assumed in the 20163 valuation.



- 5.5 In addition the Fund Actuary provides monthly funding updates between triennial valuations to check whether the funding strategy continues to meet the funding objectives.

### *Demographic Risks*

- 5.6 Allowance is made in the funding strategy via the actuarial assumptions of continuing improvement in life expectancy. However, the main risk to the funding strategy is that it might underestimate the continuing improvement in mortality. For example an increase in 1 year to life expectancy of all members in the Fund will reduce the funding level by around 2%.
- 5.7 The actual mortality of retired members in the Fund is, however, monitored by the Fund Actuary at each Actuarial valuation and assumptions kept under review.
- 5.8 The liabilities of the Fund can also increase by more than has been planned as a result of early retirements (including redundancies).
- 5.9 However, the Administering Authority monitors the incidence of early retirements and procedures are in place that require individual Scheme employers to pay additional amounts to the Fund to meet any additional costs arising from early retirements thereby avoiding unnecessary strain on the Fund.

### *Regulatory Risks*

- 5.10 The benefits provided by the Scheme and employee contribution levels are set out in Statutory Regulations as determined by central Government. The tax status of the invested assets is also determined by central Government.
- 5.11 The funding strategy is therefore exposed to the risks of changes in the Statutory Regulations governing the Scheme and changes to the tax regime which increase the cost to individual Scheme employers of participating in the Scheme.
- 5.12 The Administering Authority actively participates in any consultation process of any change in Regulations and seeks advice from the Fund Actuary on the financial implications of any proposed changes

5.13- The 2016 national Scheme valuation was used to determine the results of HM Treasury's (HMT) employer cost cap mechanism for the first time. The HMT cost cap mechanism was brought in after Lord Hutton's review of public service pensions with the aim of providing protection to taxpayers and employees against unexpected changes (expected to be increases) in pension costs. The cost control mechanism only considers "member costs". These are the costs relating to changes in assumptions made to carry out valuations relating to the profile of the Scheme members; e.g. costs relating to how long members are expected to live for and draw their pension. Therefore, assumptions such as future expected levels of investment returns and levels of inflation are not included in the calculation, so have no impact on the cost management outcome.

The 2016 HMT cost cap valuation revealed a fall in these costs and therefore a requirement to enhance Scheme benefits from 1 April 2019. However, as a funded Scheme, the LGPS also had a cost cap mechanism controlled by the Scheme Advisory Board (SAB) in place and HMT allowed SAB to put together a package of proposed benefit changes in order for the LGPS to no longer breach the HMT cost



cap. These benefit changes were due to be consulted on with all stakeholders and implemented from 1 April 2019.

However, on 20 December 2018 there was a judgement made by the Court of Appeal which resulted in the government announcing their decision to pause the cost cap process across all public service schemes. This was in relation to two employment tribunal cases which were brought against the government in relation to possible discrimination in the implementation of transitional protection following the introduction of the reformed 2015 public service pension schemes from 1 April 2015. Transitional protection enabled some members to remain in their pre-2015 schemes after 1 April 2015 until retirement or the end of a pre-determined tapered protection period. The claimants challenged the transitional protection arrangements on the grounds of direct age discrimination, equal pay and indirect gender and race discrimination.

The first case (McCloud) relating to the Judicial Pension Scheme was ruled in favour of the claimants, while the second case (Sargeant) in relation to the Fire scheme was ruled against the claimants. Both rulings were appealed and as the two cases were closely linked, the Court of Appeal decided to combine the two cases. In December 2018, the Court of Appeal ruled that the transitional protection offered to some members as part of the reforms amounts to unlawful discrimination. On 27 June 2019 the Supreme Court denied the government's request for an appeal in the case. A remedy is still to be either imposed by the Employment Tribunal or negotiated and applied to all public service schemes, so it is not yet clear how this judgement may affect LGPS members' past or future service benefits. It has, however, been noted by government in its 15 July 2019 statement that it expects to have to amend all public service schemes, including the LGPS.

At the time of drafting this FSS, it is not yet known what the effect on the current and future LGPS benefits will be. As the remedy is still to be agreed the cost cannot be calculated with certainty, however, the Fund Actuary has reduced the discount rate assumption by 0.1% to allow for the possible impact.

5.14 As part of the restructuring of the state pension provision, the government needs to consider how public service pension payments should be increased in future for members who accrued a Guaranteed Minimum Pension (GMP) from their public service pension scheme and expect to reach State Pension Age (SPA) post-December 2018. In addition, a resulting potential inequality in the payment of public service pensions between men and women needs to be addressed. Information on the current method of indexation and equalisation of public service pension schemes can be found here.

On 22 January 2018, the government published the outcome to its *Indexation and equalisation of GMP in public service pension schemes* consultation, concluding that the requirement for public service pension schemes to fully price protect the GMP element of individuals' public service pension would be extended to those individuals reaching SPA before 6 April 2021. HMT published a Ministerial Direction on 4 December 2018 to implement this outcome, with effect from 6 April 2016. Details of this outcome and the Ministerial Direction can be found here.

The 2019 valuation assumption for GMP is that the Fund will pay limited increases for members that have reached SPA by 6 April 2016, with the government providing the remainder of the inflationary increase. For members that reach SPA after this date, it is assumed that the Fund will be required to pay the entire inflationary increase.

## Governance

- 5.13 Several different Scheme employers participate in the Fund. Accordingly it is recognised that a number of Scheme employer specific events could impact on the funding strategy including:
- Structural changes in an individual Scheme employer's membership;
  - An individual Scheme employer deciding to close the Scheme to new employees;
  - A Scheme employer ceasing to exist without having fully funded their pension liabilities; and
  - New Scheme employers being created out of existing Scheme employers.
- 5.14 The Administering Authority monitors the position of Scheme employers participating in the Fund particularly those that may be susceptible to the aforementioned events and takes advice from the Fund Actuary when required.
- 5.15 In addition the Administering Authority keeps in close touch with all individual Scheme employers participating in the Fund and regularly holds meetings with Scheme employers to ensure that, as Administering Authority, it has the most up to date information available on individual Scheme employer situations and also to keep individual Scheme employers fully briefed on funding and related issues.

## 6 MONITORING AND REVIEW

- 6.1 This FSS is reviewed formally, in consultation with the key parties, at least every three years to tie in with the triennial valuation process.
- 6.2 The Administering Authority also monitors the financial position of the Fund between triennial valuations and may review this FSS more frequently if deemed necessary.

Approved by the Berkshire Pension Fund Panel: [11 March 2019](#)

Next Review date: March 202~~1~~<sup>0</sup>





## **BUSINESS PLAN 2020-21**

**And**

## **MEDIUM-TERM STRATEGY 2021/2024**





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## 1.0 INTRODUCTION

This document is intended to outline how the Royal County of Berkshire Pension Fund will deal with its key responsibilities during 2020/21 and the over the medium-term from 2021 to 2024. The Administering Authority to the Royal County of Berkshire Pension Fund is the Royal Borough of Windsor & Maidenhead (RBWM).

The Business Plan will be used to guide and direct the Fund, provide clarity and alignment on goals and objectives and establish key initiatives for the forthcoming year. In addition, it is available to all stakeholders to better understand what the Fund is planning to do to provide an efficient service across the County of Berkshire whilst supporting the overall corporate aims of RBWM as the Administering Authority to the Pension Fund.

This Business Plan will be updated annually and presented to the Pension Fund Panel for adoption. The plan will also review the previous year's plan and detail whether the objectives therein were met.

## 2.0 STRATEGIC INTENT – MISSION STATEMENT

The Royal County of Berkshire Pension Fund aims:

*To deliver an efficient pension service to all stakeholders in the Fund that:*

- *Is cost effective, high quality, innovative and fit for purpose;*
- *Ensures that Scheme members receive the right benefits at the right time;*
- *Ensures Scheme members are kept informed about their benefits and changes in regulations which will affect them;*
- *Recognises that pensions are an important part of employees' reward packages which assists employers to deliver their strategic goals;*
- *Provides staff in the Pension Fund team with a satisfying work environment and career development path.*

## 3.0 BUSINESS OBJECTIVES

The business objectives for the Pension Fund team are directly aligned to the Council's corporate aims, as follows:

<b>Business Aim</b>	<b>Business Objective</b>
<b><i>Stakeholder Satisfaction</i></b>	To deliver an effective pension service that meets the expectations of Scheme members and other stakeholders as measured by a low number of complaints and adherence to agreed KPIs.
<b><i>Value for Money</i></b>	To set an investment strategy that achieves the medium-term investment return objective. Achieve value for money in all contracts. Manage all other direct Fund costs associated with the Fund and paying pension benefits.

	To ensure we always remain compliant with legislative and regulatory requirements, avoiding any financial penalties or negative publicity, identifying and reducing business risks and minimising any negative internal and external audit comments and feedback.
<b><i>Equip Ourselves for the Future</i></b>	<p>To manage staff effectively in order to deliver high levels of morale, ensuring all staff are effectively performance managed and developed.</p> <p>To transform, develop and improve the Pension Team through creating an evidence-based continuous improvement culture and ensuring that all agreed projects and other initiatives are delivered to time and budget and achieve the expected benefits.</p>
<b><i>Delivering Together</i></b>	To work together with Elected Members to deliver the goals and objectives of the Pension Fund Panel, to be measured by positive feedback from Lead Members.

#### 4.0 VALUES

The CREATE values of RBWM have been cascaded throughout the team and translated into local values and behaviours. In the spirit of the behaviours adopted by the Royal Borough of Windsor & Maidenhead, the Pension Team will adopt the following values and behaviours:

- There will be no ‘ambushing’ or surprises - discuss first before raising in public;
- We will always be realistic when negotiating timescales and be considerate of other’s priorities and time;
- Everyone’s view matters and we will always give credit where it is due;
- We will share information, be inclusive and supportive and back each other up;
- We will always consider Scheme members and other stakeholders in everything we do;
- We will always look to do something rather than find ways not do it and we will always look to support a reasonable request;
- We will accept being challenged and only challenge ideas not people;
- We will always deal with issues and not let them fester;
- We will always lead by example;
- We will use electronic/digital forms of communication wherever possible but will always use a stakeholder’s preferred method of contact where possible whether that be face to face, via telephone or email;
- We will always respect each other and work together to meet the Fund’s objectives;

- We will promote and celebrate success;
- We will take full responsibility for our actions.

## 5.0 BUSINESS TARGETS 2020/21

<b>Pension Team Business Objective</b>	<b>2020/21 Target</b>
To deliver an effective pensions service that meets the expectations of members and other stakeholders as measured by a low number of complaints and adherence to agreed KPIs.	All annual benefits statements to be issued on time.  95% of critical service standards achieved (stretch 100%).  90% of non-critical service standards to be achieved (stretch of 95%).
To ensure we always remain compliant with legislative and regulatory requirements, avoiding any financial penalties or negative publicity, identifying and reducing business risks and minimising any negative internal and external audit comments and feedback.	Positive feedback from internal and external auditors that controls are better than in previous years.  To maintain robust business continuity, disaster recovery and emergency plans for all areas.  Reduce risk profile of the Pension Fund.
To incorporate Integrated Risk Management into the management of the Fund	Develop a Risk Dashboard with Local Pensions Partnership and identify at risk scheme employers.
To manage staff effectively in order to deliver high levels of morale, ensuring all staff are effectively performance managed and developed by ensuring sickness rates are low, aligned objectives are set for all staff, performance appraisals are undertaken and poor performers are dealt with appropriately.	All staff appraisals to be undertaken within required deadlines and areas for improvement identified with relevant objectives being set and monitored by managers.
To transform, develop and improve the pension teams through creating an evidence-based continuous improvement culture and ensuring that all agreed projects and other initiatives are delivered to time and budget and achieve the expected benefits.	Deliver 90% of tasks within the pension teams' operational plan (stretch of 95%).  Deliver all agreed programmes and projects to time and budget.
To work together with Elected Members to deliver the goals and objectives of the Pension Fund Panel, to be measured by positive feedback from Lead Members.	Positive feedback from Lead Members on performance and engagement.
To work with the Fund's Investment Manager, (LPPI) to ensure the Investment Strategy is successful.	Investment aims are met and in line with the Investment Strategy Statement and Asset Allocation requirements.

## 6.0 KEY ASSUMPTIONS AND RISKS

The following are the key business assumptions used in the compilation of the 2020/21 budget:

- Sufficient staff resources are available and committed to deliver business as usual and agreed projects, with key posts filled if they become vacant;
- The gap between benefits payable and contributions received will grow in the medium-term thereby requiring the investment portfolio to generate a level of investment income sufficient to meet that gap to avoid the need to sell investments at an inopportune time;
- Staff turnover is as expected otherwise the Pension Team will struggle to meet its obligations to stakeholders;
- That performance targets remain as agreed;
- That central support resources are available to support the Pension Team;
- Changes to legislation do not adversely impact on the operation of the Pension Fund;
- Training and development resources are available;
- The new change management model is fully embedded and effective in managing and prioritising projects;
- FOI and DPA requests will not increase;
- Number of schools converting to academies and the number of new employers admitted to the Fund will remain in-line with previous years' experience.

## 7.0 CASH-FLOW SUMMARY

A summary of the forecast cash-flow for the Pension Fund is shown below:

	Year to 31/03/18 (actual) £'000's	Year to 31/03/19 (forecast) £'000's	Year to 31/03/20 (forecast) £'000's
Contributions – employees	26,650	26,400	26,400
Contributions – employers normal	61,089	57,963	74,954
Contributions – employers deficit	18,602	16,251	29,523
Transfers In	13,403	6,600	6,600
Employers additional contribution for early retirements	2,250	1,800	1,800
Investment Income via Custodian	37,734	34,700	32,500
Pensions Paid (Gross)	-86,959	-85,902	-87,800
Retirement Lump Sums	-20,428	-21,200	-21,200
Transfers Out	-10,184	-6,500	-6,500
Investment Management Costs	-7,816	-7,363	-7,484
Employee & Other Costs	-1,388	-1,300	-1,300
<b>Net Cash Flow</b>	<b>32,953</b>	<b>21,499</b>	<b>47,493</b>



## 8.0 KEY INITIATIVES 2020/21

<b>Business Objective</b>	<b>Key Initiatives</b>
<p>To deliver an effective pensions service that meets the expectations of members and other stakeholders as measured by a low number of complaints and adherence to agreed KPIs.</p>	<p>Ensure that Pension Administration Software is kept up to date.</p> <p>To continue to work with Scheme employers to increase the percentage of member records administered via i-Connect from 85% at March 2020 to 100% at 31 March 2021.</p> <p>Annual review of the Pension Administration Strategy.</p> <p>Annual review of Communications Policy with the continuing aim to provide Scheme information digitally wherever possible.</p> <p>Keep members up to date via newsletters and Scheme employers up to date via bulletins.</p> <p>Run Pension Surgeries at least twice annually for each Unitary Authority and at least once a year for other Scheme employers upon request.</p> <p>Continue to provide training and literature for Scheme employers to assist them in administering the Scheme on behalf of their employees.</p> <p>Continue to provide presentations and literature for Scheme members to provide greater understanding of their Scheme.</p> <p>Maintain the Pension Fund website to the highest standards ensuring that all information is current and accurate.</p> <p>Ensure the continued development and best use of Member Self Service to the highest possible standard primarily in line with scheme and pension software supplier changes but also endeavouring to reduce printing and postal costs.</p> <p>Continue the promotion and development of Employer Self Service (ESS) to enable Scheme employers to access the pension details of their own employees.</p>

	Continue to improve data quality in line with tPR recommendations in respect of Common and Scheme Specific data.
To set an investment strategy in such a way as to achieve the medium-term investment return objective with minimal loss of capital, achieve value for money in all contracts and manage all other direct costs in managing the fund and paying benefits.	Continue to be an Investment Client of Local Pensions Partnership Investment Limited (LPPI) and ensure they implement the Investment Strategy as agreed by the Pension Fund Panel.  Ensure that no fire-sale of assets is required to meet benefit payments.
To ensure we always remain compliant with legislative and regulatory requirements, avoiding any financial penalties or negative publicity, identifying and reducing business risks and minimising any negative internal and external audit comments and feedback.	Produce Annual Financial Statements so they can be published by 1 December 2020.  Complete contributions reconciliation.  Achieve a clean audit.  Complete Year End procedures in advance of 31 August 2020 to enable prompt issue of annual benefit statements.  Annual Benefit Statements (Active and Deferred members) to be issued by 31 August 2020.  Apply Pensions Increase and HMT Revaluation Orders.  Issue P60's and payslips by 31 May 2020 in line with statutory legislation.  Service the Berkshire Pension Board to ensure they receive the information they require to discharge their obligations.  Ensure that all Pension Fund policies are current.  Ensure continuing compliance with the Pensions Regulator's Code of Practice number 14.  Ensure continued compliance with General Data Protection Regulation (GDPR).  Complete GMP Reconciliation in respect of Active and Deferred scheme members by 31 March 2021.

<p>To manage staff effectively in order to deliver high levels of morale, ensuring all staff are performance managed with aligned objectives being set for all staff.</p>	<p>Monitor staff requirements to ensure a high-quality service is provided to stakeholders.</p>
<p>To transform, develop and improve the Pensions Team through creating an evidence based continuous improvement culture and ensuring that all agreed projects and other initiatives are delivered to time and budget and achieve the expected benefits.</p>	<p>Ensure that staff receive appropriate training internally and from external providers.</p>
<p>To work together with Elected Members to deliver the goals and objectives of the Pension Fund Panel, to be measured by positive feedback from Lead Members.</p>	<p>Ensure Pension Fund Panel, Pension Fund Advisory Panel and Pension Board members receive appropriate training.</p> <p>Ensure that Pension Fund Panel, Pension Fund Advisory Panel and Pension Board members understand the Fund's strategy.</p>

## 9.0 REVIEW OF 2019/20 KEY INITIATIVES

In 2019/20 we said that we would:

Business Objective	Key Initiatives	Outcome
<p>To deliver an effective pensions service that meets the expectations of members and other stakeholders as measured by a low number of complaints and adherence to agreed KPIs.</p>	<p>Ensure that Pension Administration Software is kept up to date.</p>	<p>Achieved</p>
	<p>Apply for PASA accreditation by April 2018 and to become fully accredited by December 2018.</p>	<p>Not achieved. To be reviewed by 31 March 2021 with an aim to achieve by 31 March 2023.</p>
	<p>To continue to work with Scheme employers to increase the percentage of member records administered via i-Connect from 70% at March 2019 to 85% by March 2020.</p>	<p>Achieved.</p>
	<p>Continual review of Service Level Agreements to ensure they remain current.</p>	
	<p>Annual review of the Pension Administration Strategy.</p>	<p>Achieved.</p>
	<p>Annual review of Communications Policy with the continuing aim to provide Scheme information digitally wherever possible.</p>	<p>Not Achieved as meeting cycle changed during 2019/20.</p>
	<p>Keep members up to date via newsletters and Scheme employers up to date via bulletins.</p>	<p>Not Achieved as meeting cycle changed during 2019/20.</p>
<p>Run Pension Surgeries at least twice annually for each Unitary Authority and at least once a year for other Scheme employers upon request. Continue to provide training and literature for Scheme employers to assist them in administering the Scheme on behalf of their employees.</p>		<p>Achieved.</p>
		<p>Achieved.</p>

	<p>Continue to provide presentations and literature for Scheme members to provide greater understanding of their Scheme.</p> <p>Maintain the Pension Fund website to the highest standards ensuring that all information is current and accurate.</p> <p>Ensure the continued development of Member Self Service to the highest possible standard and in line with scheme and pension software supplier changes.</p> <p>Continue the promotion and development of Employer Self Service (ESS) to enable Scheme employers to access the pension details of their own employees.</p>	<p>Achieved.</p> <p>Achieved.</p> <p>Achieved.</p> <p>Achieved.</p>
To set the Investment Strategy of the Fund and determine the allocation assets.	<p>Implement Investment Strategy as agreed by the Pension Fund Panel.</p> <p>Ensure that no fire-sale of assets is required to meet benefit payments.</p>	<p>Achieved.</p> <p>Achieved.</p>
To ensure we always remain compliant with legislative and regulatory requirements, avoiding any financial penalties or negative publicity, identifying and reducing business risks and minimising any negative internal and external audit comments and feedback.	<p>Produce Annual Financial Statements so they can be published by 1 December 2019.</p> <p>Complete contributions reconciliation.</p> <p>Achieve a clean audit.</p> <p>Complete Year End procedures in advance of 31 August 2019 to enable prompt issue of annual benefit statements.</p> <p>Annual Benefit Statements</p>	<p>Not achieved due to extension of external audit procedures.</p> <p>Achieved.</p> <p>Achieved for internal audit only.</p> <p>Achieved.</p> <p>Achieved.</p>

	<p>(Active and Deferred members) to be issued by 31 August 2019.</p> <p>Apply Pensions Increase and HMT Revaluation Orders. Issue P60's and payslips by 31 May 2019 in line with statutory legislation.</p> <p>Service the Berkshire Pension Board to ensure they receive the information they require to discharge their obligations.</p> <p>Ensure that all Pension Fund policies are current.</p> <p>Ensure continuing compliance with the Pensions Regulator's Code of Practice number 14.</p> <p>Ensure compliance with General Data Protection Regulation (GDPR) by 25 May 2018 and ensure continued compliance.</p>	<p>Achieved.</p> <p>Achieved.</p> <p>Achieved – Pension Panel work-plan introduced September 2019.</p> <p>Achieved – internal audit confirmed compliance.</p> <p>Achieved.</p>
<p>To manage staff effectively in order to deliver high levels of morale, ensuring all staff are performance managed and developed by ensuring sickness rates are reduced, aligned objectives are set for all staff, performance appraisals are undertaken and poor performers are appropriately dealt with.</p>	<p>Monitor staff requirements to ensure a high-quality service is provided to stakeholders.</p>	<p>Achieved.</p>
<p>To transform, develop and improve the Pensions Team through creating an evidence based continuous improvement culture and ensuring that all agreed projects and other initiatives are delivered to time and budget and achieve the expected benefits.</p>	<p>Ensure that staff “buy-into” RBWM's performance related pay scheme.</p> <p>Ensure that staff receive appropriate training internally and from external providers.</p>	<p>Achieved.</p> <p>Achieved.</p>

To work together with Elected Members to deliver the goals and objectives of the Pension Fund Panel, to be measured by positive feedback from Lead Members.	Ensure Pension Fund Panel, Pension Fund Advisory Panel and Pension Board members receive appropriate training.	Achieved.
	Ensure that Pension Fund Panel, Pension Fund Advisory Panel and Pension Board members understand the Fund's strategy.	Achieved.

## 10.0 MEDIUM TERM PLAN 2021/24

The following table details the medium-term plan for the Pension Fund for the period 2021 to 2024.

Objective	Rationale	Timescale
Investment Pooling.	Required by the Ministry for Housing, Communities and Local Government (MHCLG).	All investments to be pooled with Local Pensions Partnership Investments Limited (LPP) by the mid-2020's.
Attain accreditation to the Pensions Administration Standards Association (PASA).	Accreditation will confirm that the Pension Administration Team are adhering to industry best practice.	Accreditation to be achieved by 2023.
Identify key employer risk to protect the Fund against loss incurred by the insolvency of admission bodies.	Protects the Fund against losses incurred when admission bodies become insolvent and they are unable to meet their cessation liabilities.	Full review to completed by 31 March 21.
i-Connect	Will lead to improved quality of data held by Fund and increased efficiency of the service	100% (or maximum viable) achieved by 31 March 2021
Data Quality	High standards of data quality ensure correct calculation of pension benefits and provides all stakeholders with accurate real-time information.	Complete full data checking by March 2021.
Maintain sufficient cash-flow to avoid fire-sale of assets to meet benefits payable	Avoid sale of assets at low process negatively impacting long-term sustainability of the Fund	On-going
Continuous review of investment strategy	Ensure that investment strategy is "fit for purpose"	On-going

Approved by Berkshire Pension Fund Panel: 22 June 2020  
Date for review: March 2021