

## BERKSHIRE PENSION FUND COMMITTEE

MONDAY, 20 SEPTEMBER 2021

PRESENT: Councillors Julian Sharpe (Chairman), David Hilton (Vice-Chairman), Shamsul Shelim and Simon Bond.

Also in attendance: Cllr Brock, Cllr Ali, Cllr Kaiser, Alan Cross, Rothan Worrall, Aiofinn Devitt, Andrew Harrison and Cllr W Da Costa.

Officers: Adele Taylor, Damien Pantling, Ian Coleman, Philip Boyton, Kevin Taylor, David Cook and Andrew Vallance

### APOLOGIES

Apologies for absence were received by Cllr W Da Costa as he could not attend the meeting in person. Cllr W Da Costa attended the meeting virtually in a non-voting capacity.

### DECLARATIONS OF INTEREST

There were no declarations of interest received.

### MINUTES

The Part I minutes of the meeting held on 14 June 2021 were approved as a true and correct record subject to Cllr W Da Costa being added as an attendee.

### PENSION GOVERNANCE UPDATE

The Committee considered the report regarding an update on the progress following the recommendations made in an independent report on the governance of the Pension Fund.

The Committee were informed that following on from an independent governance report presented to Members on 19 October 2020 and recommendations from the external auditors, an action plan was approved on how governance could be improved, this report sets out the progress made in implementing the recommendations made.

The majority of the targets / action were reporting 'green' on target, there were a few targets reporting 'red' off target and 'amber' off target but expected to be brought back on target:

- Updating the ISS had been postponed. The content of the ISS would be fully reviewed. A revised ISS is not statutorily required to be approved until 2022.
- Valuations timescales discussions with LPP took place in March 2020. The management agreement with LPP should be reviewed in 2021/22.
- The Pension Fund Committee on 14 December 2020 agreed to commence a procurement exercise for the appointment of a legacy Custodian, with the new contract to commence in 2022. There had been a delay as a further tender was required that was more urgent.
- A procurement exercise will be undertaken in 2021 to appoint Independent Advisers to advise the Pension Fund Committee.

Cllr Hilton mentioned that with regards to the review of the AMA he had been informed that Lancashire were also undertaking a review and it may be worth contacting them.

Cllr W Da Costa asked what the timescale for the ISS was and if members could feed into the statement. He was informed that the response had been delayed as they were waiting for the

Governments reply to the consultation on climate change, if there were further delays up to March 2022 then they would go ahead and publish a new strategy.

Cllr Hilton asked if there needed to be further action after writing to the regulator about the loan to the council, he was informed that there had been no response so no further action was required.

**Resolved unanimously: that the Pension Fund Committee notes the paper and progress matrices at Appendices 1 and 2.**

### RISK ASSESSMENT REGISTER

The Committee considered the report regarding the current version of the Pension Fund's Risk Assessment Register.

Kevin Taylor informed members that the report provided Members with the current version of the Pension Fund's Risk Assessment Register as last approved by Committee on 16 December 2019. High and medium risks were highlighted in the risk assessment document. There were currently 0 high risk and 5 medium risks being identified. The medium risks and comments were found in section 2.2 of the report. The new Head of Pension Fund would be reviewing the full risk register

Cllr Hilton mentioned PEN 017: Funding level below 100% and was informed that there would be a full valuation in March 2022 and they would ask the actuary to also do a full governance review of employers.

Cllr Shelim asked why the one red risk regarding the exit gap had been removed and was informed that this was because the government had changed its plans and removed the exit gap requirement so it was no longer a risk.

Cllr Brook asked if he asked that with regards to cyber security would it add value if the Fund had its own policy. He was informed that this would be useful but it had to be incorporated within the boroughs policy as the Fund used its systems as the administering authority.

Cllr Da Costa asked about Pen 025: inability of Scheme employers to meet their Obligations and was informed that the actuary would be undertaking a full review and setting contribution rates. The risks would be brought back to the committee.

**Resolved unanimously: that the Pension Fund Committee:**

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

### ADMINISTRATION REPORT

The Committee considered the latest administration report of the Pension Fund for the period 1 January 2021 to 31 March 2021.

Kevin Taylor informed members that the report dealt with the administration of the Pension Fund and recommended that Members note the Key Administrative Indicators throughout the attached report. This was the quarterly report considered by the Committee and that there had been no major changes since last reported. He highlighted that this was the fourth year that the data quality exercise had been completed within tolerances expected by the regulator with accuracy currently at 98.9%. he also mentioned that communications had been effected by the pandemic but on line surgeries had been held.

Cllr Hilton mentioned that the number of active members was now bellow the number of deferred members and asked what where the risks. He was informed that in the short term there was little risk but this would be put to the actuary as part of their review.

Cllr Hilton also asked if there had been any further update on the McCloud Judgement and was informed that we were still awaiting the Governments response and the statutory guidance. There would be a resource issue but when ready an update would come to the committee.

**Resolved unanimously: that the Committee notes the report and:**

- (i) All areas of governance and administration as reported**
- (ii) All key performance indicators**

**LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC**

**RESOLVED UNANIMOUSLY: That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the remainder of the meeting on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1-7 of part I of Schedule 12A of the Act.**

The meeting, which began at 4.00 pm, finished at 6.21 pm

CHAIRMAN.....

DATE.....