

NOTICE
OF
MEETING

BERKSHIRE PENSION FUND COMMITTEE

will meet on

THURSDAY, 29TH SEPTEMBER, 2022

At 5.00 pm

In the

GREY ROOMS, YORK HOUSE, WINDSOR, AND ON [RBWM YOUTUBE](#)

TO: MEMBERS OF THE BERKSHIRE PENSION FUND COMMITTEE

COUNCILLORS JULIAN SHARPE (CHAIRMAN), DAVID HILTON (VICE-CHAIRMAN),
SHAMSUL SHELIM, SIMON BOND AND WISDOM DA COSTA

ADVISORY MEMBERS: COUNCILLORS ALI, DENNIS, GEE, LAW AND LEAKE.

SUBSTITUTE MEMBERS

COUNCILLORS GERRY CLARK, DAVID COPPINGER, GEOFF HILL,
ANDREW JOHNSON AND SIMON WERNER

Karen Shepherd – Head of Governance - Issued: 21 September 2022

Members of the Press and Public are welcome to attend Part I of this meeting. The agenda is available on the Council's web site at www.rbwm.gov.uk or contact the Panel Administrator **Becky Oates** becky.oates@rbwm.gov.uk or 01628 796310

Recording of Meetings – In line with the council's commitment to transparency the Part I (public) section of the 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 Democratic Services or Legal representative at the meeting.

AGENDA

PART I

<u>ITEM</u>	<u>SUBJECT</u>	<u>PAGE NO</u>
1.	<u>APOLOGIES</u> To receive any apologies for absence.	-
2.	<u>DECLARATIONS OF INTEREST</u> To receive any declarations of interest.	5 - 6
3.	<u>MINUTES</u> To approve the Part I minutes of the meeting held on 4 July 2022.	7 - 10
4.	<u>LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC</u> To consider passing the following resolution:- “That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the remainder of the meeting whilst discussion takes place on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1-7 of Part I of Schedule 12A of the Act.”	-

PART II - PRIVATE MEETING

<u>ITEM</u>	<u>SUBJECT</u>	<u>PAGE NO</u>
i.	<u>MINUTES</u> To approve the Part II minutes of the meeting held on 4 July 2022. <i>(Not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)</i>	11 - 14
i.	<u>APPOINTMENT OF CUSTODIAN</u> <i>(Not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)</i>	15 - 58
i.	<u>LPPI ADVISORY AND MANAGEMENT AGREEMENT</u> <i>(Not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)</i>	59 - 166

MEMBERS' GUIDE TO DECLARING INTERESTS AT MEETINGS

Disclosure at Meetings

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

Any Member with concerns about the nature of their interest should consult the Monitoring Officer in advance of the meeting.

Non-participation in case of Disclosable Pecuniary Interest (DPI)

Where a matter arises at a meeting which directly relates to one of your DPIs (summary below, further details set out in Table 1 of the Members' Code of Conduct) you must disclose the interest, **not participate in any discussion or vote on the matter and must not remain in the room** unless you have been granted a dispensation. If it is a 'sensitive interest' (as agreed in advance by the Monitoring Officer), you do not have to disclose the nature of the interest, just that you have an interest. Dispensation may be granted by the Monitoring Officer in limited circumstances, to enable you to participate and vote on a matter in which you have a DPI.

Where you have a DPI on a matter to be considered or is being considered by you as a Cabinet Member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.

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

- *Any employment, office, trade, profession or vocation carried on for profit or gain.*
- *Any payment or provision of any other financial benefit (other than from the council) made to the councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a councillor, or towards his/her 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 council.*
- *Any licence to occupy land in the area of the council for a month or longer.*
- *Any tenancy where the landlord is the council, and the tenant is a body in which the relevant person has a beneficial interest in the securities of.*
- *Any beneficial interest in securities of a body where:*
 - a) *that body has a place of business or land in the area of the council, and*
 - b) *either (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body or (ii) the total nominal value of the shares of any one class belonging to the relevant person exceeds one hundredth of the total issued share capital of that class.*

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

Disclosure of Other Registerable Interests

Where a matter arises at a meeting which **directly relates** to one of your Other Registerable Interests (summary below and as set out in Table 2 of the Members Code of Conduct), you must disclose the interest. **You may speak on the matter only if members of the public are also allowed to speak at the meeting** but otherwise **must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation**. If it is a 'sensitive interest' (as agreed in advance by the Monitoring Officer), you do not have to disclose the nature of the interest.

Other Registerable Interests (relating to the Member or their partner):

You have an interest in any business of your authority where it relates to or is likely to affect:

- a) any body of which you are in general control or management and to which you are nominated or appointed by your authority*
- b) any body*
 - (i) exercising functions of a public nature*
 - (ii) directed to charitable purposes or*

one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)

Disclosure of Non- Registerable Interests

Where a matter arises at a meeting which **directly relates** to your financial interest or well-being (and is not a DPI) or a financial interest or well-being of a relative or close associate, you must disclose the interest. **You may speak on the matter only if members of the public are also allowed to speak at the meeting** but otherwise **must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation**. If it is a 'sensitive interest' (agreed in advance by the Monitoring Officer) you do not have to disclose the nature of the interest.

Where a matter arises at a meeting which **affects** –

- a. your own financial interest or well-being;
- b. a financial interest or well-being of a friend, relative, close associate; or
- c. a body included in those you need to disclose under DPIs as set out in Table 1 of the Members' code of Conduct

you must disclose the interest. In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied.

Where a matter **affects** your financial interest or well-being:

- a. to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
- b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest

You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise **must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation**. If it is a 'sensitive interest' (agreed in advance by the Monitoring Officer, you do not have to disclose the nature of the interest.

Other declarations

Members may wish to declare at the beginning of the meeting any other information they feel should be in the public domain in relation to an item on the agenda; such Member statements will be included in the minutes for transparency.

Agenda Item 3

BERKSHIRE PENSION FUND COMMITTEE

MONDAY, 4 JULY 2022

PRESENT: Councillors Julian Sharpe (Chairman), Shamsul Shelim, Simon Bond, and David Coppinger

Also in attendance: Cllr W Da Costa, Cllr Dennis, Cllr Baldwin, Cllr Gee, Mr Cross, Aiofinn Devitt and Andrew Harrison.

Officers: Damien Pantling, David Cook, Rebecca Oates, Andrew Vallance, Phil Boynton,

APOLOGIES

Apologies for absence were received by Cllr Hilton, Cllr Coppinger joined as a substitute. Cllr W Da Costa joined on line as a none voting member of the committee.

DECLARATIONS OF INTEREST

There were no declarations of interest received.

MINUTES

The Part I minutes of the meeting held on 7th March 2022 were approved as a true and correct record.

The Head of the Pension Fund informed that the Fund's investment performance over the past year had been ranked in the 5th percentile of the PIRC results with a 12.5% return.

RISK REPORTING

The Committee considered the report regarding the latest risk register.

The Head of the Pension Fund informed that the risk register was kept under constant review and shall be presented to the Committee quarterly, however, key changes from the last Committee meeting were shown in section 2.2 of the report.

The Funds risk management policy had last approved on 12 November 2018, an updated version was set out in appendix 2 and sets out all of the changes and provides guidance on their implementation in one clear single document for future reference.

Cllr bond mentioned risk PENO20 and asked that as each transfer was individually calculated why was this a risk. He was informed that the risk was around the Funds cash flow.

Resolved unanimously: that the Pension Fund Committee notes the report and;

- i) Approves the updated risk register including any changes since the last approval date, putting forward any suggested amendments as may be necessary;**
- ii) Approves the updated risk management policy;**
- iii) Approves publication of the updated risk register and risk policy on the Pension Fund website.**

STATUTORY POLICIES

The Committee considered the report regarding the review of statutory policies.

The Head of the Pension Fund informed that there were two statutory policies for review.

The Deferred Debt Agreement and Debt Spreading Agreement Policies were there had been no major changes against the existing policy and the;

Employer Contribution Review Policy where again there had been no significant changes.

The revised policies were appended to the report and it was recommended that they be reviewed by the Committee every three years unless there are major changes required. It was noted that all statutory policies had now been reviewed by the Committee.

Cllr Da Costa said that due to the underfunding it may be best to review employee contributions each year. He was informed that this was reviewed every three year with the triennial review and as the policy did not set contribution levels there would be little value in doing an annual review.

Mr Cross said that he agreed that there was no need to review more then every three years and if required the Pension Board could look at the policies.

Resolved unanimously: that the Pension Fund Committee notes the report and;

- i) Approves the updated policies set out in the Appendices to this report; and**
- ii) Approves publication of the policies on the Pension Fund website.**

GOOD GOVERNANCE

The Committee considered the report regarding the review of three separate non-statutory policies.

The Head of the Pension Fund informed that the report dealt with three separate non-statutory policies that were to be reviewed by the Pension Fund Committee at regular intervals in line with best practice.

The policies were ensuring that the Fund had a policy around assessing and reporting breaches of the law to the Pensions Regulator, a service level agreement between the Fund and the Administering Authority and a training policy and log in place enables the Fund to be managed effectively.

Cllr W Da Costa said that it was important that we had clarity and confidence in reporting breaches of the law. With regards to the SLA he said that we needed assurances in the quality of staff and that they were all trained and capable, greater visibility was required.

The Committee were informed that the Pension Fund staff were employed by RBWM and staff structures were available, all staff were appropriately qualified and experienced to fulfill their roles.

Mr Cross asked if Committee substitutes had to be trained and Cllr Bond agreed that Committee members should be trained, advisory members and also substitutes.

Resolved unanimously: that the Pension Fund Committee notes the report and;

i) Approves the revised policy on reporting breaches of the law;

ii) Approves the revised Service Level Agreement between the RCBPF and RBWM;

iii) Approves the revised 2022/23 training plan;

iv) Reviews the 2021/22 training log for accuracy, identifying any training gaps if applicable.

RESPONSIBLE INVESTMENT

The Committee considered the report regarding the quarterly update on the Fund's responsible investment activities.

The Head of the Pension Fund said that whilst responsible investing and ESG had always been guiding principles in the Fund's investment strategy, the decision to pool funds with LPPI from 2018 enabled more active monitoring and consolidation of its responsible investment outcomes. Feedback from the last report before the Committee had been included with this report.

As detailed in the Fund's Responsible Investment policy the Fund considered engagement to be a route for exerting a positive influence over investee companies and encouraging responsible corporate behavior. The Fund had appointed an engagement partner to ensure active engagement with companies across its credit and equity portfolios, seeking to improve a company's behavior on ESG. The Fund relied upon LPPI's engagement policy.

A responsible investment task and finish group had been established with their terms of reference approved in April 2022 and a report was due back in September 2022.

It was noted that things were moving in the right direction and was pleasing to see that more information was now available in the public domain.

Resolved unanimously: that the Pension Fund Committee notes the report;

i) Acknowledges the Fund's RI dashboard, RI report, active engagement report and achievement of associated outcomes, and;

ii) Acknowledges LPPI's latest shareholder voting policy, updated voting guidelines and engagement policy.

ADMINISTRATION REPORT

The Committee considered the report regarding the administration of the Pension Fund for the period 1 January 2022 to 31 March 2022.

The Pension Administration Manager informed that this was the quarterly report and highlighted the following points:

- Table 1A, i-Connect users. Only one authority did not meet the 100% transfer of data within the 4 days SLA. Since last reported 2 more scheme employers had stated using the system.
- Team Key performance indicators all remained on target.

- Special Projects – Overseas Payments. During March 2022 officers worked together with the Pension Fund’s current overseas payment provider, Western Union, resulting in the issue of a pre-existence Letter to 168 pensioner and dependent scheme members who receive their monthly pension payment to an account in the country and currency of their residence. There had been little resistance and regular updates were provided.
- Year End 2022. Officers are pleased to report all year end processes remain on target to be completed by no later than the statutory deadline of 31 August 2022.

Cllr W Da Costa mentioned that it was important to show that our contractors were professional trained and competent, he also said it would be useful to show in the report any areas of concern. He was reminded that this report dealt with the administrating authorities performance who were RBWM employees.

Resolved unanimously: that Committee notes the report and;

- i) Notes all areas of governance and administration as reported; and**
- ii) Notes 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 5.40 pm

CHAIRMAN.....

DATE.....

Agenda Item 5

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

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Agenda Item 6

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Agenda Item 7

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