

Report Title:	Good Governance
Contains Confidential or Exempt Information	No - Part I
Cabinet Member:	Councillor Bond, Chairman Pension Fund Committee and Advisory Panel
Meeting and Date:	Pension Fund Committee and Advisory Panel – 18 March 2024
Responsible Officer(s):	Ian Coleman, Interim Head of Pension Fund
Wards affected:	None

REPORT SUMMARY

This report provides the Royal County of Berkshire Pension Fund’s annual business plan and budget for 2024/25 along with the medium-term plan for the next four years.

1. DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That the Royal County of Berkshire Pension Fund Committee notes the report;

- 1) Approves the 2024/25 Business Plan including the annual budget and medium term strategy.**

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

- 2.1 Publication of the Royal County of Berkshire Pension Fund’s annual budget, business plan and medium-term strategy demonstrates that the Pension Fund is properly governed, managed and that appropriate controls are in place. The Pension Fund’s internal auditors have tested many of these controls and in line with best practice have given a positive opinion on the robustness of the Pension Fund’s governance arrangements.
- 2.2 Key initiatives and targets are outlined for 2024/25 along with results against the key initiatives and targets set for 2023/24 as approved by the Royal County of Berkshire Pension Fund Committee in March 2023.
- 2.3 In addition to the standard annual business plan and medium-term plan (next 4 years), the Committee are provided with a full Income and Expenditure budget including all income and expenditure in respect of dealings with members, investment operations, controllable and uncontrollable administration and management activities and cash-flow projection and controllable expenditure forecast for 2024/25. The purpose is to outline any liquidity concerns so they can be actioned appropriately and it is in line with best practice from a budget management perspective.
- 2.4 The setting of a full annual budget for 2024/25 maintains the significant governance improvement, started in respect of 2023/24, which will enable the Head of Fund to actively manage the allocated budget, monitor income and

expenditure against the allocated budget and report any applicable budget variances in future years.

- 2.5 The Royal County of Berkshire Pension Fund Committee are asked to note the 2024/25 budget and delegate authority to the Head of Fund to spend within the controllable budget envelope. Any material forecast overspend shall be brought back to the Committee for formal scrutiny and approval. The uncontrollable items such as dealings with members and investment expenditure in respect of performance shall be monitored and material variances shall be reported back to the Committee as appropriate. Line-by-line financial detail is not provided in this report as it is intended to provide a strategic overview, plus providing a detailed breakdown in the public domain incurs risk of negative influence to the upcoming procurement processes.

3. KEY IMPLICATIONS

- 3.1 The business plan and medium-term strategy defines desired key initiatives and targets by objective and officers will report achievement against these objectives at each annual review of the business plan.
- 3.2 The annual budget maintains a significant governance improvement that will continue to enable appropriate budget management, monitoring and future reporting to the Pension Fund Committee on any material variances

4. FINANCIAL DETAILS / VALUE FOR MONEY

- 4.1 Increased transparency on controllable budgets and cash-flows with increased officer accountability to the Royal County of Berkshire Pension Fund Committee is in line with good governance and best practice. This process mitigates the risk of unapproved overspend and encourages proper budget management and stewardship.

5. LEGAL IMPLICATIONS

- 5.1 This report and the relevant appendices are focused on good governance and process improvement as opposed to statutory compliance with the Local Government Pension Scheme regulations.

6. RISK MANAGEMENT

- 6.1 A detailed Risk Register is brought to the Royal County of Berkshire Pension Fund Committee quarterly for review and approval, the risks associated with poor governance are detailed in the register and a relevant mitigation action is to improve governance processes such as the publication of this report and its relevant appendices.
- 6.2 The risk of poor, little or no budget management is mitigated through advanced approval of a controllable budget that is delegated as appropriate to the budget holder

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.
- 7.2 Equalities. The Equality Act 2010 places a statutory duty on the council to ensure that when considering any new or reviewed strategy, policy, plan, project, service or procedure the impacts on particular groups, including those within the workforce and customer/public groups, have been considered. An Equality Impact Assessment (EQIA) screening exercise has been completed and approved in respect of this report and shared with the RBWM Equalities team. It has been determined through the EQIA screening that a full EQIA is not required and is therefore not appended with this report.
- 7.3 Climate change/sustainability. n/a
- 7.4 Data Protection/GDPR. GDPR compliance is included as a specific risk on the register in regard to processing and handling personal data, this is dealt with in the appendix along with the relevant mitigations.

8. CONSULTATION

- 8.1 A budget consultation has been undertaken by Administering Authority Officers. Formal public budget consultation is not required by the constitution for the Pension Fund in the same way it is for the General Fund, however, any budget items that relate to the general fund have been agreed with Administering Authority officers to ensure that there is consistency with the Council's approved budget.

9. TIMETABLE FOR IMPLEMENTATION

Ongoing.

10. APPENDICES

- 10.1 This report is supported by one appendix:
- Appendix 1 – 2024/25 Business Plan, Budget and Medium-term strategy

11. BACKGROUND DOCUMENTS

- 11.1 This report is supported by nil background documents:

12. CONSULTATION

Name of consultee	Post held	Date sent	Date returned
<i>Mandatory: Statutory Officer (or deputy)</i>			
Elizabeth Griffiths	Executive Director of Resources & S151 Officer	01/03/24	
Elaine Browne	Deputy Director of Law & Governance & Monitoring Officer	01/03/24	06/03/24
<i>Deputies:</i>			
Andrew Vallance	Deputy Director of Finance & Deputy S151 Officer	01/03/24	06/03/24
Jane Cryer	Principal Lawyer & Deputy Monitoring Officer	01/03/24	
Helena Stevenson	Principal Lawyer & Deputy Monitoring Officer	01/03/24	
<i>Mandatory: Equalities Officer – to advise on EQiA, or agree an EQiA is not required</i>			
Ellen McManus-Fry	Equalities & Engagement Officer	29/02/24	29/02/24
<i>Mandatory: Assistant Director HR – to advise if report has potential staffing or workforce implications</i>			
Nikki Craig	Assistant Director of HR, Corporate Projects and IT	01/03/24	
<i>Other consultees:</i>			
Cllr Simon Bond	Chair – Royal County of Berkshire Pension Fund Committee	01/03/24	05/03/24
Alan Cross	Chair – Local Pension Board	01/03/24	

REPORT HISTORY

Decision type:	Urgency item?	To follow item?
Pension Fund Committee decision	No	No

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