



## COMMUNICATIONS STRATEGY





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## 1.0 INTRODUCTION

This Communications Strategy ('the Strategy') is formulated by the Royal Borough of Windsor and Maidenhead in its role as the Administering Authority for the Royal County of Berkshire Pension Fund in accordance with Regulation 61 of the Local Government Pension Scheme Regulations 2013.



This Strategy deals with the communication of all aspects of the scheme to both Scheme employers and the individual LGPS members (or their representatives).

It should be noted for the purposes of clarification that the reference to 'member' in this statement means an individual who by virtue of his/her employment is an active contributor, deferred beneficiary or retired member of the Royal County of Berkshire Pension Fund.

The aim of the Strategy is to provide clear and consistent information to all Scheme members and employers and to communicate this information effectively and accurately.

This Strategy will be kept under review and amended following any material change as regards:

- i) The provision of information and publicity about the Scheme to members, representatives of members and Scheme employers;
- ii) The format, frequency and method of distributing such information or publicity; and
- iii) The promotion of the Scheme to prospective members.

Following any revision to the policy statement, the Administering Authority will publish the statement as revised.

The communication policy is sub-divided into four main areas:

- 1 - Communication with Scheme employers;
- 2 - Communication with individual Scheme members (or their representatives);
- 3 - Communication with prospective Scheme members; and
- 4 - Communication with prospective Scheme employers.



## 2.0 COMMUNICATION WITH SCHEME EMPLOYERS

The Royal County of Berkshire Pension Fund has many Scheme employers that satisfy the relevant membership conditions set out within the LGPS Regulations. These employers can be broadly split into 2 groups:

- Group 1: Scheduled Bodies (including Borough, District, Town and Parish Councils, Academies, Berkshire Fire & Rescue Service, Colleges and Housing Associations)
- Group 2 Admission Bodies (including employers previously defined as Community Admission Bodies and Transferee Admission Bodies).

### 2.1 Decision Making Process

The Policy Statement on Governance covers the involvement of Scheme employers within the decision making process but should also be seen as an element in the communication process with regard to Scheme employers other than the Royal Borough of Windsor & Maidenhead in its role as the Administering Authority for the Fund.

### 2.2 Scheme Employer Meetings

Meetings will be held between representatives of the 6 Berkshire Unitary Authorities and the Fund on a quarterly basis to discuss all current pension-related matters. An open invitation is also provided to other Scheme employers to meet with the Fund and discuss any element of pension procedures they wish.



An annual meeting is held with at least one representative of each Scheme employer being invited to attend. Representatives of various professional bodies employed by the Fund such as the Actuary will be present at the meeting to explain the details of any relevant topic and receive questions. The Chairman of the Berkshire Pension Fund Panel is expected to attend and chair the meeting. If possible the Chairman of the Pension Board will also attend. The date for this meeting may vary so as to take into account the timing of any specific issues that may arise such as the actuarial valuation results.

### 2.3 Training for Scheme Employers

Scheme administration guidance is available to all the Scheme employers within the Fund via the Pension Fund website. In addition training meetings may be arranged on an ad hoc basis with the relevant officers within the pension administration team and individual Scheme employers by way of supplementing the guidance provided via the website. These meetings are most applicable for HR and payroll staff of the Scheme employer.





## 2.4 Regular LGPS updates

Regular updates are sent to each Scheme employer by the pension administration team regarding any changes to the Local Government Pension Scheme. These are mainly in the form of Employer newsletters (*Inscribe*) posted to the Employer section of the Royal County of Berkshire Pension Fund website but updates may also be provided in the form of letters or e-mails. Bulletins will be issued three or four times a year and will include details of any legislation changes and how the changes impact on Scheme employers.

The Royal County of Berkshire Pension Fund operates a Pension Fund website with sections specifically dedicated to active Scheme members, deferred beneficiaries, retired members, and Scheme employers.

Other details that can be found include:



Standard Fund documentation (guides, leaflets and forms)

Statement of Accounts for the Pension Fund

Investment Strategy Statement

Funding Strategy Statement

Governance Compliance Statement

Copies of Scheme Member newsletters

Links to other web sites

The Berkshire Pension Fund website address is [www.berkshirerpensions.org.uk](http://www.berkshirerpensions.org.uk).

## 2.5 General Guidance and Assistance

The pension administration team can be contacted during normal office hours and is always available to answer any questions raised by Scheme employers and can arrange for ad hoc meetings to be held for pension input into any specific tasks Scheme employers may have e.g. outsourcing of services. The pension administration team can be contacted by telephone on 0845 602 7237 or by email at [info@berkshirerpensions.org.uk](mailto:info@berkshirerpensions.org.uk)

## 2.6 Promotional Services

Promotional guides, factsheets and leaflets are produced by the pension administration team and are available from the Pension Fund website. The pension administration team will also commit to attending any events held by the Scheme employer where their input would be seen to be of value.



## 2.7 Scheme Member Data

The Administering Authority's 'Pension Administration Strategy' is to accept data from Scheme employers via i-Connect, a secure electronic data transfer interface between the Scheme employer's payroll system and the Scheme Administrator's pension administration system. The reasons for this are many but in particular because the data transfer is encrypted providing greater data security, pension information is uploaded in real time meaning that Scheme members have access to the most up to date membership information via 'mypension ONLINE', keying and data errors are eliminated and scheme administration is maintained to the highest standards possible.



The Administering Authority will continue to work with Scheme employers in implementing i-Connect but until such time as a Scheme Employer contracts into using i-Connect the Scheme Administrator will continue to receive pension data from a Scheme employer via either a pre-formatted excel spreadsheet or by the completion of standard forms as made available from the Scheme employers' section of the Pension Fund website in both pdf and Word formats.

With the exception of Scheme employers who use i-Connect, all other Scheme employers are required to supply a 'year end' return (31<sup>st</sup> March) to the Administering Authority by 30<sup>th</sup> April in a specified

format to enable annual benefits statements to be produced and supplied to active and deferred members within the statutory deadlines set out in Scheme regulations.

## 2.8 General Data Protection Regulations (GDPR)

GDPR came into force on 25 May 2018 and requires Privacy Notices to be published showing transparency on how personal data is used. The Administering Authority has produced and published on the Berkshire Pension Fund website a Privacy Notice explaining how the Pension Fund collects personal data, what that data is used for, with whom that data is shared and the rights of individuals with regard to their data.

In addition a Memorandum of Understanding regarding compliance with Data Protection law has been produced and published on the website and Scheme employers and Members have been advised through their respective newsletters.

## 2.9 Employer Factsheets

A suite of topical factsheets (known as "*Pension Pointers*") is available to assist employers with the administration of the LGPS.

## 2.10 Employer Self-Service (ESS)

The Administering Authority makes available to each Scheme employer the facility to access member data in respect of their own current and former Scheme members through a secure link to the pension administration software.



### 3.0 COMMUNICATION WITH INDIVIDUAL SCHEME MEMBERS

Membership of the Royal County of Berkshire Pension Fund covers the active contributors, those members who have left the Fund but still have a deferred pension awaiting payment from normal retirement age and retired members and their dependants.

The preferred method of communication with Scheme members is via *mypension* ONLINE a secure member self-service facility provided as part of the pension administration software. *mypension* ONLINE is available to all member types and enables the member to update certain personal details online and provides each member type with access to their annual benefit statements, membership certificates and guides/leaflets relevant to their membership type. Where a member requests that information should be supplied in a paper format the Scheme Administrator will make arrangements for this information to be sent to the member's home address.

#### 3.1 Welcome Pack

Upon receipt of a new starter notification from a Scheme employer, a *mypension* ONLINE activation key is sent, by the pension administration team, to the home address of the new active member. Access to the pension system provides a new Scheme member with:

- A membership certificate of entry into the scheme
- An employee guide to the scheme
- A guide to increasing pension benefits
- A guide to making a transfer of pension rights from a previous pension scheme;
- A guide to protections for the family
- An expression of wish form for payment of a death grant
- A guide to civil partnerships
- A guide to working part-time
- A copy of the Pension Fund's Service Standards
- A guide to keeping records up to date
- A guide to making contributions following a period of absence



If a Scheme member prefers not to use *mypension* ONLINE, they can request a full welcome pack to be sent to their home address.

#### 3.2 Annual Benefit Statements

Each active contributor and deferred beneficiary has an Annual Benefit Statement made available via *mypension* ONLINE which includes details of:

- Accrued benefits within the scheme as at the 31<sup>st</sup> March last
- An estimate of benefits to Normal Pension Age
- The value of the death grant payable from the Scheme
- The member's nominated beneficiaries for receipt of any death grant

If a Scheme member prefers, a paper copy of their annual benefit statement will be sent to their home address upon request.

#### 3.3 Pension Surgeries

One to one meetings are available at the Pension Fund offices for any member of the Fund and formal Pension Surgeries are held twice yearly at the offices of the six Unitary Authorities and on an ad hoc basis at the offices of other Scheme employers as arranged by the employer.



### 3.4 Newsletters



Newsletters are produced bi-annually for active and retired members and annually for deferred members. These newsletters are available via *mypension* ONLINE or the Pension Fund website although they can be sent out to individual addresses if requested.

The newsletters are tailored to the recipient according to their membership status and contain an update of all matters relating to the LGPS and the Berkshire Pension Fund. Retired members receive “The Scribe”.

Active members receive “The Quill” as do deferred members although two different versions of the autumn edition are provided to cater for the differences in the specific member types.



### 3.5 Pre-Retirement Courses

Where pre-retirement courses are run by Scheme employers, a member of the pension administration team will be available to attend to explain the details of Scheme benefits and how and when pension payments will be made.

### 3.6 Pension Fund Website

Individual members of the Fund have access to the Pension Fund website which is continually reviewed and updated. Specific sections of the website have been designed for each membership type with downloadable forms, guides, online flipbooks and modellers made available. Access to *mypension* ONLINE is gained via the Pension Fund website [www.berkshirepensions.org.uk](http://www.berkshirepensions.org.uk)



### 3.7 Pension Payslips

Pension payslips are available via *mypension* ONLINE. If a member requires a pay advice slip to be sent to their home address it is the practice of the administering authority to only send out pay advice slips when there is a variation of 50 pence or more in net pay between consecutive months. A detailed description of a payslip is available on the retired members section of the Pension Fund website.

### 3.8 P60s

P60s are available via *mypension* ONLINE but will be sent out to members' home addresses as a matter of course. Every retired member and/or their dependants will receive a P60 each year before the HMRC deadline of 31<sup>st</sup> May. A detailed description of a P60 is available on the retired members section of the Pension Fund website.



### **3.9 Annual Pension Increase Letter**

Annual Pension Increase letters are available via *mypension* ONLINE but will also be sent out to members' home addresses. Retired members will receive a pension increase booklet every April containing their individual increase on their pension (where an increase is to be applied). This letter will include details of the monetary value of their revised pension and details of the amount to be paid in April.

### **3.10 Annual Meeting**

An Annual Meeting of the Royal County of Berkshire Pension Fund is held with all Scheme members receiving an invite. A restricted number of members will be able to attend on a first come first served basis. The main purpose of the meeting is to communicate details of the Fund's Annual Report & Accounts, Investment Strategy and any other specific matters relating to the LGPS Regulations. The date for this meeting may vary so as to take into account certain regulatory matters that may arise.



### **3.11 Ad Hoc Meetings**

Ad hoc meetings will be held from time to time for various groups of members. These may be defined by type of member (active or retired) or location (for a specific employer or group of employers). The timing of these meetings will be dictated by either requests from employers or the need to consult and notify members of any changes that occur.

## **4.0 COMMUNICATION WITH PROSPECTIVE SCHEME MEMBERS**

A brief guide to the Scheme is available to all prospective Scheme members and should be provided to all new employees by their Scheme employer as part of their contract of employment details. The brief guide is available from the Pension Fund website in both pdf and Word formats and is kept up to date with current regulations at all times.

The Berkshire Pension Fund website has a dedicated area for employees considering opting into the LGPS.

## **5.0 COMMUNICATION WITH PROSPECTIVE SCHEME EMPLOYERS**

A guide for admission bodies is available on the Pension Fund website for all prospective employers considering admission to the Berkshire Pension Fund and is available as a hard copy upon request.

A template admission agreement has been produced and is available either via the Pension Fund website or as a hard copy upon request.

The administering authority has the power to accept various types of Scheme employer into the Pension Fund but will only do so subject to a full and open discussion taking place between the parties to any admission agreement and that the final admission agreement has been completed in advance of the agreed admission date.

Approved by the Berkshire Pension Fund Panel: 17 September 2018

Next review date: September 2019



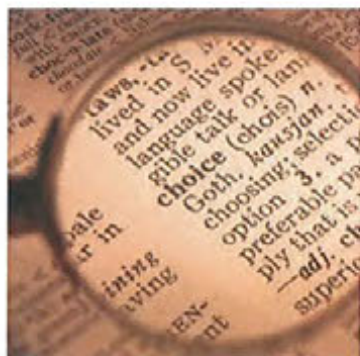
APPENDIX 2



**GOVERNANCE**

**COMPLIANCE**

**STATEMENT**







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## INTRODUCTION

This document details the compliance of the Royal Borough of Windsor and Maidenhead, as the administering authority of the Royal County of Berkshire Pension Fund, with the guidance issued for governance of the Local Government Pension Scheme by the Secretary of State for Housing, Communities and Local Government. It has been prepared as required by Regulation 55 of the Local Government Pension Scheme Regulations 2013.

The Regulations require the administering authority to prepare this written statement setting out whether or not it delegates its functions or part of its functions to a committee, a sub-committee or an officer of the authority.

Where the administering authority does delegate all or part of its functions the statement must include the terms, structure and operational procedures of the delegation, the frequency of any committee or sub-committee meetings and whether such a committee or sub-committee includes representatives of Scheme employers and members, and if so, whether those representatives have voting rights.

In addition, the administering authority must state the extent to which a delegation, or the absence of a delegation, complies with guidance given by the Secretary of State and, to the extent that it does not comply, the reasons for not complying.

The administering authority must also set out details of the terms, structure and operational procedures relating to the local pension board established under regulation 106 of the Local Government Pension Scheme Regulations 2013 as inserted by the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015.

This governance compliance statement must be published by the administering authority, kept under review and amended following any material change to any matters included within, once any consultation has been concluded.

## STRUCTURE

The Royal Borough of Windsor & Maidenhead (RBWM) has been designated as the administering authority to the Royal County of Berkshire Pension Fund in accordance with Part 1 of Schedule 3 of the Local Government Pension Scheme Regulations 2013.

For the purposes of managing the Pension Fund, RBWM delegates its powers under the Constitution of the Council where it sets out the functions of the Royal County of Berkshire Pension Fund Panel (hereinafter referred to as 'the Main Panel'), the Royal County of Berkshire Pension Fund Advisory Panel (hereinafter referred to as 'the Advisory Panel') and the Berkshire Pension Board (hereinafter referred to as 'the Pension Board'). As such several principles have been set out to ensure compliance with the scheme regulations.

**i)** The management of the administration of benefits and strategic allocation of fund assets.

**Compliant** – The Constitution of the Council defines the responsibilities of 'the Main Panel' to manage the Pension Fund.

**ii)** Representatives of Scheme employers and Scheme members should sit on 'the Advisory Panel' to underpin the work of 'the Main Panel'.

**Compliant** – Membership of 'the Advisory Panel' includes five Elected Members from RBWM, one Elected Member from each of the other five Berkshire Unitary Authorities, three other Scheme employer representatives, two union representatives, and two members to represent the active, deferred and retired Scheme members.

iii) The structure of 'the Main Panel' and 'the Advisory Panel' should ensure effective communication across both levels.

**Compliant** – 'The Advisory Panel' meets concurrently with 'the Main Panel' with both Panels receiving the same information.

iv) At least one seat on 'the Main Panel' should be allocated for a member of 'the Advisory Panel'.

**Compliant** – All five seats on 'the Main Panel' are allocated to the five RBWM members of 'the Advisory Panel'.

v) The structure of 'the Pension Board' must consist of an equal number of Scheme member and Scheme employer representatives all of whom have voting rights.

**Compliant** – Membership of 'the Pension Board' consists of three Scheme member representatives and three Scheme employer representatives.

## REPRESENTATION

All key stakeholders should be afforded the opportunity to be represented with 'the Main Panel', 'the Advisory Panel' and 'the Pension Board'. To ensure compliance a number of principles have been identified.

The key stakeholders are:

i) Scheme employers.

**Compliant** – The six Berkshire Unitary Authorities and up to three of the other Scheme employers are represented on 'the Advisory Panel'. In addition three Scheme employer representatives make up membership of 'the Pension Board'

ii) Scheme members (including deferred and retired members).

**Compliant** – 'The Advisory Panel' has two representatives from the major trades unions and makes provision to have two representatives from the active, deferred or retired Scheme membership. In addition 3 Scheme member representatives sit on 'the Pension Board'

iii) Independent Professional Observers.

**Compliant** – An Independent Adviser attends each meeting of 'the Main Panel' and 'the Advisory Panel'. Independent Advisers are also required to attend meetings of 'the Pension Board' as may be requested.

iv) Expert advisers (on an ad-hoc basis)



**Compliant** – Expert advisers are invited to meetings of 'the Main Panel' and 'the Advisory Panel' as required. Independent Strategy Advisers attend meetings of the Investment Group. In addition expert advisers are required to attend meetings of 'the Pension Board' as may be requested.

v) Where lay members sit on either 'the Main Panel' or 'the Advisory Panel' they are treated equally in terms of access to papers, meetings and training and are given full opportunity to contribute to the decision making process with or without voting rights. No lay members sit on 'the Pension Board'.

**Compliant** – Members of both 'the Main Panel', 'the Advisory Panel' and 'the Pension Board' are treated equally in respect of access to papers, meetings and training. All members are given full opportunity to contribute to the decision making process although only members of 'the Main Panel' have voting rights.

## **SELECTION AND ROLE OF LAY MEMBERS**

Members of 'the Main Panel', 'the Advisory Panel' and 'the Pension Board' need to be fully aware of the status, role and function that they are required to perform.

**Compliant** – Bodies nominating individuals for membership of 'the Main Panel', 'the Advisory Panel' or 'the Pension Board' are periodically reminded that it is their responsibility to ensure that all members are aware of their responsibilities. The Chair of 'the Main Panel' will remind members of both 'the Main Panel' and 'the Advisory Panel' of their responsibilities as required. The Chair of 'the Pension Board' will remind members of 'the Pension Board' of their responsibilities as required. Each set of papers for every Panel/Board meeting contains a reminder to members of their duty in respect to potential conflicts of interest. Members are expected to declare conflicts of interest and abide by RBWM's rules on conflicts of interest.

## **VOTING**

The policy of the administering authority on voting rights must be clear and transparent and include justification for not extending voting rights to each body or group represented on 'the Main Panel', 'the Advisory Panel' or 'the Pension Board'.

**Compliant** – The Constitution of RBWM sets out the terms of reference and voting rights of 'the Main Panel', 'the Advisory Panel' and 'the Pension Board'.

## **TRAINING / FACILITY TIME / EXPENSES**

i) In relation to the way in which statutory and related decisions are taken by RBWM, a clear policy on training, facility time and reimbursement of expenses in respect of members involved in that decision making process must be made.

**Compliant** – All members of 'the Main Panel' and 'the Advisory Panel' are entitled to attend or request training. Members of 'the Pension Board' are required to have a working knowledge of the LGPS regulations and other associated legislation as it relates to the governance and administration of the Scheme and so must commit to undertaking the relevant training in order to achieve this requirement. All members of 'the Main Panel', 'the Advisory Panel' and 'the Board' are entitled to request the use of facilities belonging to RBWM in respect of their respective duties and reasonable expenses incurred will be reimbursed upon request.



ii) Any policy must apply equally to all members of the Panels/Board.

**Compliant** – No distinction is made between members of 'the Main Panel', 'the Advisory Panel' or 'the Board'.

## **MEETINGS (frequency/Quorum)**

i) RBWM will hold meetings of 'the Main Panel' at least quarterly.

**Compliant** – Meetings are held quarterly. To be quorate two members are required to attend.

ii) RBWM will hold meetings with 'the Advisory Panel' at least twice a year synchronised with the dates for meetings of 'the Main Panel'.

**Compliant** – Both Panels meet concurrently

iii) RBWM will hold meetings of 'the Pension Board' ahead of each meeting of 'the Main Panel' and 'the Advisory Panel'.

**Compliant** – 'The Pension Board' meets quarterly at a satisfactorily and mutually agreed date ahead of each meeting of 'the Main Panel' and 'the Advisory Panel'. To be quorate at least 50% of the Scheme Member representatives and Scheme Employer Representatives must attend with at least one member being present from each group.

iv) Where lay members are included in the formal governance arrangements RBWM will provide a forum outside of those arrangements by which the interests of key stakeholders can be represented.

**Compliant** – 'The Advisory Panel' has four lay members. An annual Scheme employer meeting is held in March/April with an annual Scheme member meeting being held in November. In addition pension surgeries and employer training events are held throughout the year.

## **ACCESS**

Subject to any rules in RBWM's Constitution, all members of 'the Main Panel', 'the Advisory Panel' and 'the Pension Board' will have equal access to committee papers, documents and advice that falls to be considered at meetings of the Panels/Board.

**Compliant** – All members of 'the Main Panel', 'the Advisory Panel' and 'the Pension Board' have equal access to Panel/Board papers, documents and advice that falls to be considered at Panel/Board meetings.

## **SCOPE**

RBWM will take steps to bring wider Scheme issues within the scope of their governance arrangements.

**Compliant** – Wider Scheme issues are considered by 'the Main Panel', 'the Advisory Panel' and 'the Pension Board' on a regular basis.

## **PUBLICITY**

RBWM will publish details of their governance arrangements in such a way that interested stakeholders can express their interest in wanting to be part of those arrangements.

**Compliant** – The Governance Policy Statement is published on the Royal County of Berkshire Pension Fund website ([www.berkshirerpensions.org.uk](http://www.berkshirerpensions.org.uk)) and is available on request from the Pension Fund.

Approved by The Berkshire Pension Fund Panel on 14 January 2019







# 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")

### *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:

- 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;
- 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;
- 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 2016 with the assets of the Fund found to be 73% 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 2016 valuation, CPI was assumed to be 0.9% per annum lower than RPI, giving a CPI inflation assumption of 2.4% 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 2016 valuation is that pay increases will, on average over the longer term, exceed CPI by 1.5% 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.





- 3.16 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 2016 valuation differed between the major councils and the remaining employers, to reflect the difference in covenant strength. This gave a discount rate of 5.7% per annum for the unitary authorities (and the employers pooled with them) and of 5.5% per annum for the other employers.

- 3.17 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.
- 3.18 The Fund Actuary will incorporate such an adjustment after consultation with the Administering Authority.
- 3.19 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*

- 3.20 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*

- 3.21 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 2016 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*

- 3.22 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 2016 valuation, a

deficit was revealed and contributions were set to recover this deficit over a period no longer than 24 years.



3.24 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.

3.25 At the 2016 triennial valuation the period adopted to recover the deficit was:

Type of Scheme Employer	Maximum Length of Recovery Period
Unitary Authorities and Associated Employers	24 years
Housing Associations	14 years
Colleges (excluding the University of West London)*	14 years
Academies	17 years
Community Admission Bodies	14 years
Transferee Admission Bodies	Future working life of current employees or contract period whichever is the shorter period

3.26 Where a Scheme employer's contribution has to increase significantly then the increase may be phased in over a period not exceeding 6 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*

3.27 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.

3.28 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.

3.29 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



- 3.30 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.

#### *Cessation Valuations*

- 3.31 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.
- 3.32 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.

#### *Early Retirement Costs*

- 3.33 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.



- 3.34 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*

- 3.35 The next triennial valuation is due as at 31<sup>st</sup> March 2019.

## **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 1.0% 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 2013 to 2016 such monitoring activity saw investment returns slightly lower than assumed in the 2013 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.

### *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 2020



## Appendix 3 Rates and Adjustment Certificate

### Regulatory background

In accordance with Regulation 62 of the Local Government Pension Scheme Regulations we have made an assessment of the contributions that should be paid into the Fund by participating employers for the period 1 April 2017 to 31 March 2020.

The method and assumptions used to calculate the contributions set out in the Rates and Adjustments certificate are detailed in the Funding Strategy Statement and this report.

The primary rate of contribution as defined by Regulation 62(5) for each employer for the period 1 April 2017 to 31 March 2020 is set out in the table overleaf. The primary rate is the employer's share of the cost of benefits accruing in each of the three years beginning 1 April 2017. In addition each employer pays a secondary contribution as required under Regulation 62(7) that when combined with the primary rate results in the minimum total contributions as set out below. This secondary rate is based on their particular circumstances and so individual adjustments are made for each employer.

### Primary and secondary rate summary

The primary rate for the whole Fund is the weighted average (by payroll) of the individual employers' primary rates, and is 14.3% of payroll.

The secondary rates across the entire Fund (as a percentage of projected payroll and as an equivalent monetary amount) in each of the three years in the period 1 April 2017 to 31 March 2020 is set out in the table below.

Secondary contributions	2017/18	2018/19	2019/20
Average as a % of payroll	5.3%	6.7%	8.2%
Total monetary amounts	£21,017,000	£27,468,000	£34,075,000

The above table assumes that the small number of employers that have not had their contributions finalised for the entire valuation period will continue to pay consistent levels of deficit contributions.

### General notes

Employers may pay further amounts at any time and future periodic contributions, or the timing of contributions, may be adjusted on a basis approved by us as the Fund Actuary. The Administering Authority, with the advice from us as the Fund Actuary may allow some or all of these contributions to be treated as a prepayment and offset against future certified contributions.



The certified contributions include an allowance for expenses and the expected cost of lump sum death benefits but exclude early retirement strain and augmentation costs which are payable by participating employers in addition.

The monetary amounts are payable in 12 monthly instalments throughout the relevant year unless agreed by the Administering Authority and an individual employer.

If contributions set out in the certificate are adjusted for any such agreements in place relating to the timing of contribution payments these are noted in the end column and detailed in specific notes at the end of the certificate.

Code	Employer name	Primary rate (%) pay)	Secondary rate (% pay plus monetary adjustment)	2017/18	2018/19	2019/20	Total contributions (% pay plus monetary adjustment)	2017/18	2018/19	2019/20	Specific notes
2	<b>Bracknell Forest Council</b>	14.3%	£2,083,000	£2,489,000	£2,914,000	14.3% plus £2,083,000	14.3% plus £2,489,000	14.3% plus £2,914,000	14.3% plus £2,489,000	14.3% plus £2,914,000	B
49	Binfield Parish Council	14.3%	4.1%	4.7%	5.4%	18.4%	19.1%	19.8%	19.1%	19.8%	
9	Bracknell Town Council	14.3%	4.1%	4.7%	5.4%	18.4%	19.1%	19.8%	19.1%	19.8%	
125	Crowthorne Parish Council	14.3%	4.1%	4.7%	5.4%	18.4%	19.1%	19.8%	19.1%	19.8%	
137	Sandhurst Town Council	14.3%	4.1%	4.7%	5.4%	18.4%	19.1%	19.8%	19.1%	19.8%	
39	South Hill Park Trust	14.3%	4.1%	4.7%	5.4%	18.4%	19.1%	19.8%	19.1%	19.8%	
190	Warfield Parish Council	14.3%	4.1%	4.7%	5.4%	18.4%	19.1%	19.8%	19.1%	19.8%	
42	Winkfield Parish Council	14.3%	4.1%	4.7%	5.4%	18.4%	19.1%	19.8%	19.1%	19.8%	
3	<b>RBWM (non-schools)</b>	14.3%	£2,371,000	£3,176,000	£4,017,000	14.3% plus £2,371,000	14.3% plus £3,176,000	14.3% plus £4,017,000	14.3% plus £3,176,000	14.3% plus £4,017,000	B
118	<b>RBWM (schools)</b>	14.3%	8.0%	10.5%	12.9%	22.3%	24.8%	27.2%	24.8%	27.2%	
51	Bray Parish Council	14.3%	8.0%	10.5%	12.9%	22.3%	24.8%	27.2%	24.8%	27.2%	
45	Cox Green Parish Council	14.3%	8.0%	10.5%	12.9%	22.3%	24.8%	27.2%	24.8%	27.2%	
45	Eton Town Council	14.3%	8.0%	10.5%	12.9%	22.3%	24.8%	27.2%	24.8%	27.2%	
143	Hurley Parish Council	14.3%	8.0%	10.5%	12.9%	22.3%	24.8%	27.2%	24.8%	27.2%	
18	Sunningdale Parish Council	14.3%	8.0%	10.5%	12.9%	22.3%	24.8%	27.2%	24.8%	27.2%	
19	Sunninghill & Ascot Parish Council	14.3%	8.0%	10.5%	12.9%	22.3%	24.8%	27.2%	24.8%	27.2%	
127	White Waltham Parish Council	14.3%	8.0%	10.5%	12.9%	22.3%	24.8%	27.2%	24.8%	27.2%	
4	<b>West Berkshire Council</b>	14.3%	£2,631,000	£3,693,000	£4,774,000	14.3% plus £2,631,000	14.3% plus £3,693,000	14.3% plus £4,774,000	14.3% plus £3,693,000	14.3% plus £4,774,000	B
147	Burghfield Parish Council	14.3%	4.8%	6.5%	8.2%	19.1%	20.8%	22.5%	20.8%	22.5%	
216	Chieveley Parish Council	14.3%	4.8%	6.5%	8.2%	19.1%	20.8%	22.5%	20.8%	22.5%	
249	Holybrook Parish Council	14.3%	4.8%	6.5%	8.2%	19.1%	20.8%	22.5%	20.8%	22.5%	
136	Hungerford Town Council	14.3%	4.8%	6.5%	8.2%	19.1%	20.8%	22.5%	20.8%	22.5%	
88	Newbury Town Council	14.3%	4.8%	6.5%	8.2%	19.1%	20.8%	22.5%	20.8%	22.5%	
250	Purley on Thames Parish Council	14.3%	4.8%	6.5%	8.2%	19.1%	20.8%	22.5%	20.8%	22.5%	
11	Thatcham Town Council	14.3%	4.8%	6.5%	8.2%	19.1%	20.8%	22.5%	20.8%	22.5%	
75	The Downs School	14.3%	4.8%	6.5%	8.2%	19.1%	20.8%	22.5%	20.8%	22.5%	
47	Theale Parish Council	14.3%	4.8%	6.5%	8.2%	19.1%	20.8%	22.5%	20.8%	22.5%	
20	Tilghurst Parish Council	14.3%	4.8%	6.5%	8.2%	19.1%	20.8%	22.5%	20.8%	22.5%	
5	<b>Reading Borough Council</b>	13.4%	£5,829,000	£5,969,000	£6,112,000	13.4% plus £5,829,000	13.4% plus £5,969,000	13.4% plus £6,112,000	13.4% plus £5,969,000	13.4% plus £6,112,000	A
68	Reading Girls School	13.4%	8.5%	8.5%	8.5%	21.9%	21.9%	21.9%	21.9%	21.9%	

Code	Employer name	Primary rate (%) pay)	Secondary rate (% pay plus monetary adjustment)			Total contributions (% pay plus monetary adjustment)			Specific notes
			2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	
66	The Blessed Hugh Faringdon School	13.4%	8.5%		8.5%	21.9%	21.9%		
6	<b>Slough Borough Council</b>	<b>13.6%</b>	<b>£2,719,000</b>	<b>£3,012,000</b>	<b>£3,318,000</b>	<b>13.6% plus £2,719,000</b>	<b>13.6% plus £3,012,000</b>	<b>13.6% plus £3,318,000</b>	<b>B</b>
61	Holy Family School	13.6%	8.5%	9.2%	9.9%	22.1%	22.8%	23.5%	
119	Pippins School - Slough	13.6%	8.5%	9.2%	9.9%	22.1%	22.8%	23.5%	
62	Priority School	13.6%	8.5%	9.2%	9.9%	22.1%	22.8%	23.5%	
122	Wexham Court Parish Council	13.6%	8.5%	9.2%	9.9%	22.1%	22.8%	23.5%	
7	<b>Wokingham Borough Council</b>	<b>14.2%</b>	<b>£1,443,000</b>	<b>£2,061,000</b>	<b>£2,692,000</b>	<b>14.2% plus £1,443,000</b>	<b>14.2% plus £2,061,000</b>	<b>14.2% plus £2,692,000</b>	<b>B</b>
73	All Saints CE (Aided) Primary School	14.2%	6.2%	7.9%	9.6%	20.4%	22.1%	23.8%	
97	Barkham Parish Council	14.2%	6.2%	7.9%	9.6%	20.4%	22.1%	23.8%	
251	Charvil Parish Council	14.2%	6.2%	7.9%	9.6%	20.4%	22.1%	23.8%	
10	Earley Town Council	14.2%	6.2%	7.9%	9.6%	20.4%	22.1%	23.8%	
117	Finchampstead Parish Council	14.2%	6.2%	7.9%	9.6%	20.4%	22.1%	23.8%	
258	Ruscombe Parish Council	14.2%	6.2%	7.9%	9.6%	20.4%	22.1%	23.8%	
96	Shinfield Parish Council	14.2%	6.2%	7.9%	9.6%	20.4%	22.1%	23.8%	
52	Swallowfield Parish Council	14.2%	6.2%	7.9%	9.6%	20.4%	22.1%	23.8%	
159	Twyford Parish Council	14.2%	6.2%	7.9%	9.6%	20.4%	22.1%	23.8%	
129	Wfinnerish Parish Council	14.2%	6.2%	7.9%	9.6%	20.4%	22.1%	23.8%	
70000	Wokingham Borough Council (Schools)	14.2%	6.2%	7.9%	9.6%	20.4%	22.1%	23.8%	
12	Wokingham Town Council	14.2%	6.2%	7.9%	9.6%	20.4%	22.1%	23.8%	
227	Wokingham Without Parish Council	14.2%	6.2%	7.9%	9.6%	20.4%	22.1%	23.8%	
21	Woodley Town Council	14.2%	6.2%	7.9%	9.6%	20.4%	22.1%	23.8%	
<b>Colleges</b>									
58	Berkshire College Of Agriculture	13.9%	8.4%	Tbc	Tbc	22.3%	Tbc	Tbc	
55	Bracknell & Wokingham College	17.3%	6.9%	Tbc	Tbc	24.2%	Tbc	Tbc	
57	East Berkshire College	15.0%	7.3%	Tbc	Tbc	22.3%	Tbc	Tbc	
53	Newbury College	15.8%	6.8%	Tbc	Tbc	22.6%	Tbc	Tbc	
156	University of West London	15.8%	7.7%	Tbc	Tbc	23.5%	Tbc	Tbc	
<b>Housing Associations</b>									
132	Bracknell Forest Homes	19.6%	2.4%	2.4% plus £264,000	2.4% plus £541,000	22.0%	22.0% plus £264,000	22.0% plus £541,000	



Code	Employer name	Primary rate (%) pay)	Secondary rate (% pay plus monetary adjustment)				Total contributions (% pay plus monetary adjustment)				Specific notes
			2017/18	2018/19	2019/20	2017/18	2018/19	2019/20			
83	Dimensions UK Ltd	17.9%	4.8%	4.8% plus £5,000	4.8% plus £10,000	22.7%	22.7% plus £5,000	22.7% plus £10,000		22.7% plus £10,000	
104/79	Housing Solutions Ltd	15.6%	2.6%	2.6% plus £213,000	2.6% plus £438,000	18.2%	18.2%	18.2% plus £213,000		18.2% plus £438,000	
80	Windsor Housing	23.1%	2.6%	2.6% plus £6,000	2.6% plus £13,000	25.7%	25.7%	25.7% plus £6,000		25.7% plus £13,000	
<b>Admission Bodies - Pooled</b>											
26	Age UK Berkshire	24.1%	-1.9%	-1.9% plus £5,000	-1.9% plus £10,000	22.2%	22.2%	22.2% plus £5,000		22.2% plus £10,000	
38	AOSEC	24.9%	-5.4%	-5.4% plus £3,000	-5.4% plus £5,000	19.5%	19.5%	19.5% plus £3,000		19.5% plus £5,000	
95	Berkshire Maestros	17.3%	0.8%	0.8% plus £15,000	0.8% plus £31,000	18.1%	18.1%	18.1% plus £15,000		18.1% plus £31,000	
30	Mary Hare Grammar School	16.4%	1.9%	1.9% plus £86,000	1.9% plus £177,000	18.3%	18.3%	18.3% plus £86,000		18.3% plus £177,000	
105	PACT	22.1%	-3.8%	-3.8% plus £14,000	-3.8% plus £29,000	18.3%	18.3%	18.3% plus £14,000		18.3% plus £29,000	
40	Reading Voluntary Action	22.1%	-0.3%	-0.3% plus £3,000	-0.3% plus £6,000	21.8%	21.8%	21.8% plus £3,000		21.8% plus £6,000	
35	School of St Helen & St Katharine	20.0%	0.9%	0.9% plus £11,000	0.9% plus £23,000	20.9%	20.9%	20.9% plus £11,000		20.9% plus £23,000	
121	SECBE	17.5%	-1.2%	-1.2% plus £5,000	-1.2% plus £10,000	16.3%	16.3%	16.3% plus £5,000		16.3% plus £10,000	
37	Slough Council For Voluntary Service	18.7%	1.6%	1.6% plus £3,000	1.6% plus £5,000	20.3%	20.3%	20.3% plus £3,000		20.3% plus £5,000	
<b>Admission Bodies - Individual</b>											
193	Adviza	15.5%	-0.3%	4.0%	8.2%	15.2%	15.2%	19.5%		23.7%	
184	Arvato	16.1%	-3.2%	-1.6%	-	12.9%	14.5%	14.5%		16.1%	
226	Berks Bucks & Oxon Wildlife Trust	18.6%	0.8%	0.8%	0.8%	19.4%	19.4%	19.4%		19.4%	
90	Berkshire Fire & Rescue Service	15.2%	-1.5% plus £158,000	£198,000	£239,000	13.7% plus £158,000	15.2% plus £198,000	15.2% plus £198,000		15.2% plus £239,000	
150	Busy Bee Cleaning Services Ltd	27.6%	-7.9%	-3.9%	-	19.7%	23.7%	23.7%		27.6%	
247	Busy Bee Cleaning Services Ltd (Wexham School)	24.9%	-8.5%	-4.3%	-	16.4%	20.6%	20.6%		24.9%	
140	Care UK	20.8%	-0.4%	-0.1%	0.1%	20.4%	20.7%	20.7%		20.9%	
59	CfBT Berks Careers Guidance	19.8%	£160,000	£216,000	£275,000	19.8% plus £160,000	19.8% plus £216,000	19.8% plus £216,000		19.8% plus £275,000	
242	Continental Landscapes Ltd	17.4%	-1.8%	1.2%	4.3%	15.6%	18.6%	18.6%		21.7%	
100	Corn Exchange Trust	25.8%	-6.4% plus £300	£2,000	£5,000	19.4% plus £300	25.8% plus £2,000	25.8% plus £2,000		25.8% plus £5,000	
241	Cranstoun	19.2%	-3.0%	-0.2%	2.5%	16.2%	19.0%	19.0%		21.7%	
261	Creative Support (Slough Extra Care)	21.0%	-7.1%	-7.1%	-7.1%	13.9%	13.9%	13.9%		13.9%	
211	Creative Support Limited	18.9%	-2.7%	2.1%	6.9%	16.2%	21.0%	21.0%		25.8%	
255	C-Salt (Life Management Solutions)	17.4%	-6.1%	-2.7%	0.7%	11.3%	14.7%	14.7%		18.1%	
204	Elfor UK plc	23.4%	-9.7%	-4.9%	-	13.7%	18.5%	18.5%		23.4%	
28	Elizabeth Fry Charity	10.1%	22,000	23,000	24,000	10.1% plus £22,000	10.1% plus £23,000	10.1% plus £23,000		10.1% plus £24,000	
282	Energy Kidz	10.9%	-	-	-	10.9%	10.9%	10.9%		10.9%	

Code	Employer name	Primary rate (%) pay)	Secondary rate (% pay plus monetary adjustment)			Total contributions (% pay plus monetary adjustment)			Specific notes
			2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	
281	Get Active Sports	17.5%	-3.4%	-1.7%	-	14.1%	15.8%	17.5%	
128	Greenwich Leisure Ltd	17.2%	-5.2% plus £8,000	£10,000	£23,000	12.0% plus £8,000	17.2% plus £10,000	17.2% plus £23,000	
114	Holroyd Howe Ltd	29.0%	-4.2% plus £4,000	£7,000	£10,000	24.8% plus £4,000	29.0% plus £7,000	29.0% plus £10,000	
237	Innovate Services Ltd (Bayliss Court)	20.7%	-2.9%	-1.4%	-	17.8%	19.3%	20.7%	
107	Interserve (Facilities Services Slough) Ltd	19.3%	-4.3% plus £64,000	£84,000	£150,000	15.0% plus £64,000	19.3% plus £84,000	19.3% plus £150,000	
188	KGB Cleaning Ltd	25.5%	-4.0%	-2.0%	-	21.5%	23.5%	25.5%	
248	Legacy Leisure Limited	18.7%	-6.6%	-3.3%	-	12.1%	15.4%	18.7%	
115	MITIE	18.2%	-5.2% plus £10,000	£12,000	£13,000	13.0% plus £10,000	18.2% plus £12,000	18.2% plus £13,000	
178	Northgate Information Solutions	20.1%	-4.6%	-0.2%	4.2%	15.5%	19.9%	24.3%	
113	Northgate Ltd	18.5%	-5.4% plus £7,000	£9,000	£13,000	13.1% plus £7,000	18.5% plus £9,000	18.5% plus £13,000	
267	Olive Dining Ltd	18.7%	-1.8%	-0.9%	-	16.9%	17.8%	18.7%	
160	Optalis Limited	21.2%	-7.2%	-3.6%	-	14.0%	17.6%	21.2%	
44	Reading Transport Ltd	21.5%	-1.3% plus £374,000	£487,000	£604,000	20.2% plus £374,000	21.5% plus £487,000	21.5% plus £604,000	
260	Slough Children's Services Trust	14.2%	-2.2%	-0.5%	1.3%	12.0%	13.7%	15.5%	
103	Slough Community Leisure	12.2%	3.4%	6.8%	10.1%	15.6%	19.0%	22.3%	
110	Slough Enterprise Ltd	18.1%	-0.1%	2.3%	4.7%	18.0%	20.4%	22.8%	
48	Sovereign Housing Association	24.7%	-2.8% plus £412,000	£438,000	£465,000	21.9% plus £412,000	24.7% plus £438,000	24.7% plus £465,000	
252	The Windsor Club Day Nursery Ltd	19.5%	-5.2%	-1.8%	1.5%	14.3%	17.7%	21.0%	
155	Vinci Park Services Ltd (Bracknell)	17.8%	-8.7%	-4.3%	-	9.1%	13.5%	17.8%	
139	VolkerWessels Ltd	27.1%	-2.7%	-2.7%	-2.7%	24.4%	24.4%	24.4%	
256	Ways Into Work	15.2%	-1.0%	0.7%	2.4%	14.2%	15.9%	17.6%	
<b>Academies - Individual</b>									
126	John Madejski Academy	14.5%	-2.0%	-0.3%	1.4%	12.5%	14.2%	15.9%	
135	Langley Academy	14.3%	-2.2%	-0.6%	0.9%	12.1%	13.7%	15.2%	
<b>Academies - Pooled</b>									
171	Academies Pooled Prospect School Reading	15.3%	2.3% plus £1,280	3.3% plus £1,330	4.3% plus £570	17.6% plus £1,280	18.6% plus £1,330	19.6% plus £570	



Below is a table outlining all of the academies paying the pooled rate included in the table above.

Code	Employer name	Code	Employer name	Code	Employer name	Code	Employer name	Code	Employer name
181	All Saints Junior School Reading	191	Altwood School	206	Battle Primary Academy	163	Baylis Court School	271	Bellevue Place Education Trust
246	Braywick Court School	245	Burchetts Green Infants School	199	Castlevew School	200	Charters School	146	Churchend Academy
186	Cippenham Infants School	185	Cippenham Primary School	262	Civitas Academy (Free School)	210	Colinbrook School	175	Cox Green School
179	Datchet St Mary's C of E Primary School	180	Denefield School	201	Desborough School	230	Ditton Park Academy	278	Eton Pomy CofE First School
233	Evendons Primary School	208	Fir Tree Academy Trust	264	Forest Bridge School (Free School)	225	Foxborough School	176	Furze Platt Senior School
198	Godolphin Infant School	197	Godolphin Junior School	275	Halley House School	182	Herschel Grammar School	144	Highdown School and 6 <sup>th</sup> Form Centre
229	Holyport College	215	James Elliman School	168	Kendrick School	148	Kennet Academy	274	Kilburn Grange School
236	Knowl Hill CE Academy	169	Langley Grammar School	167	Langley Hall Primary Academy	152	Lowbrook Academy Trust	257	Lynch Hill Enterprise Academy
170	Lynch Hill School Primary Academy	153	Maiden Erleigh School	280	Maiden Erleigh School Reading	187	Marish Primary School	203	Meadow Park Academy
224	Montem School	221	National Autistic Society (NAS) Academy Trust	269	Newlands Girls' School	189	Oakbank Free School	157	Park House School Newbury
235	Parlaunt Park Academy	166	Ranelagh School	266	Ranikhet Primary School	173	Reading School	272	Rutherford House School
266	Ranikhet Primary School	164	Slough & Eton C of E School	174	St Bartholomew's School	263	St Francis School	244	St Lukes Church of England Primary School
270	St Margaret Clithrow School	213	St Mary's Catholic Primary School	243	St Peters Church of England Middle Primary	165	The Avenue Academy	214	The Forest School
232	The Heights Primary School	161	The Holt School	268	The Langley Academy Primary	217	The Palmer Academy	158	The Piggott C of E Academy
218	The Specialist Education Trust (Haybrook College)	240	The Specialist Education Trust (Littledown Primary School)	265	The Wren School (Free School)	219	Theale Green School	194	Trinity School
234	Upton Court Grammar School	231	UTC Reading	259	Waingels Academy	276	Watling Park School	238	Western House Academy
183	Westgate School	239	Wheatfield School	196	White Waltham School	273	Whitehall Park Primary School	223	Whitelands Park School
207	Willow Primary School	228	Windmill School	253	Windsor Boys School Academy	254	Windsor Girls School Academy		



## Notes

The notes below detail what the specific notes refer to in the table above:

- A We understand that employers with this note have agreed with the administering authority that they will prepay an element of their certified contributions by making a single lump sum payment in April 2017. This lump sum payment will receive an actuarially equivalent discount and the employer has been notified of the required amount separately. If they do not make the lump sum payment by 30 April 2017, the above contributions in the table will apply as normal.
- B We understand that employers with this note have agreed with the administering authority that they will prepay an element of their certified contributions by making lump sum payments at the start of each year (i.e. in April 2017, April 2018 and April 2019). This lump sum payment will receive an actuarially equivalent discount and the employer has been notified of the required amount separately. If they do not make the lump sum payments by 30 April in the period they are due, the above contributions in the table will apply as normal.

## Post valuation employers

A number of employers joined the Fund on or after 1 April 2016 and their rates were certified at their date of joining and have been reviewed as part of the 2016 valuation process. The table summarises the start dates and contributions required from these employers where known.

Employer Code	Employer name	Transfer date	Total contributions (% pay)		
			2017/18	2018/19	2019/20
279	Wraybury Parish Council	01/09/2016	22.1%	22.8%	23.5%
283	Rapid Clean	01/04/2016	24.3%	24.3%	24.3%
284	Brakenhale School	01/04/2016	17.6%	18.6%	19.6%
285	Dedworth Middle School	01/05/2016	17.6%	18.6%	19.6%
286	Dedworth Green First School	01/05/2016	17.6%	18.6%	19.6%
287	St John's CE Primary School	01/06/2016	17.6%	18.6%	19.6%
288	Compton Parish Council	01/05/2016	19.1%	20.8%	22.5%
289	Holyport CE Primary	01/06/2016	17.6%	18.6%	19.6%
290	Rapid Clean	25/04/2016	24.0%	24.0%	24.0%
291	New Town School	01/06/2016	17.6%	18.6%	19.6%
292	Get Active	01/09/2016	12.0%	12.0%	12.0%
293	Innovate Cleaning Services Ltd	01/09/2016	18.7%	18.7%	18.7%
294	Floreat Montague Park Primary School	01/09/2016	17.6%	18.6%	19.6%
296	Bohunt School	01/06/2016	17.6%	18.6%	19.6%
297	John O'Gaunt School	01/10/2016	17.6%	18.6%	19.6%
298	Beechwood School	01/09/2016	17.6%	18.6%	19.6%
299	Trevelyan Middle School	01/11/2016	17.6%	18.6%	19.6%
300	Lambourn Parish Council	01/01/2017	19.1%	20.8%	22.5%
308	St Anthony's Primary School and Nursery	01/12/2016	17.6%	18.6%	19.6%
309	St Ethelbert's Catholic High School	01/12/2016	17.6%	18.6%	19.6%
310	St Joseph's High School	01/12/2016	17.6%	18.6%	19.6%
311	Northern House Academy Wokingham	01/01/2017	17.6%	18.6%	19.6%
312	Speenhamland Primary School	01/02/2017	17.6%	18.6%	19.6%





## APPENDIX 4 - INVESTMENT STRATEGY STATEMENT

The Royal Borough of Windsor & Maidenhead (“RBWM”) acting as the administering authority for The Royal County of Berkshire Pension Fund, a constituent member of The Local Government Pension Scheme in England & Wales, is required by Section 7 of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 to publish an Investment Strategy Statement.

This is the second such statement published by the Royal Borough and in accordance with the Regulations it will be reviewed regularly and at no more than 3 year intervals.

The Regulations require the administering authority to outline how it meets each of 6 objectives:

### **1. A requirement to invest fund money in a wide range of instruments.**

RBWM’s policy is that the Pension Fund (the “Fund”) should have a highly diversified investment portfolio spread across different asset classes and different asset managers using differing approaches as appropriate. This ensures that the fund money is invested in a wide range of instruments.

RBWM’s Pension Fund Panel has established an Investment Group which meets at least quarterly to review the Fund’s performance, asset allocation and ability to meet its target return. In addition the Investment Group reviews potential new investment ideas and products offered by its investment manager, Local Pensions Partnership Investments Limited (the “Investment Manager” (LPPI)) and opines whether such ideas are consistent with the investment strategy of the Fund and a suitable investment.

The Investment Group receives advice from suitably qualified Officers and Independent Advisers. It also makes use of information derived from the Investment Manager. It will commission specialist work from an external adviser when it believes that neither Officers nor the Independent Advisers have sufficient experience or expertise in a particular field.

To achieve sufficient diversification the Fund divides assets across 4 broad categories: equities, bonds, real assets and absolute return strategies. The size of each bucket will vary depending on investment conditions but each bucket will itself be diversified.

Any investment strategy will have associated risks, including primarily that of not meeting the returns required to ensure the long-term ability of the Fund to pay benefits as they fall due. To mitigate these risks the Investment Group regularly reviews both the performance and the expected returns from the portfolio to measure whether it has met and is likely to continue to meet its return objective.

In addition the Investment Group notes that there will be an increasing gap between contributions received and benefits – i.e. that the Fund will become cash-flow negative. The Pension Fund Panel does not wish the Fund to sell assets to pay benefits. Consequently, it has resolved that a secondary objective of the investment strategy of the Fund should be to ensure that there is sufficient investment income generated from the Fund's investments to meet any cash-flow shortfall. This has been formalised as a medium term objective to generate a 2% income return across the investment portfolio (i.e. investment income should be at least equivalent to 2% of the Fund's assets).

## **2. The authority's assessment of the suitability of particular investments and types of investments.**

In assessing the suitability of investments RBWM relies on the Investment Manager to take into account relevant factors including, but not limited to, prospective return, risks, concentration or diversification of risk as well as geographic and currency exposures, as well as possible interactions with other investments in the portfolio.

Performance benchmarks are set for the Fund as a whole (target return UK CPI+4.5%) as well as for individual allocations. The Fund's target return is greater than the actuarial discount rate used to value liabilities and has been set at a level sufficient to assist in meeting the funding gap whilst not taking excessive investment risk. Furthermore the Pension Fund Panel has agreed that the Fund should aim to achieve its target return with a low level of volatility in those returns. Whilst the Fund as a whole has an absolute return target, RBWM recognises that for measuring the performance of individual asset classes relative to specific benchmarks may be more appropriate.

In ensuring the suitability of investments RBWM expects the Investment Manager (LPPI) to pay regard to both the potential returns and risk (including possible interactions with other investments in the portfolio). RBWM will also consider the reputational risk of being connected with or investing in any investment proposal made by the Investment Manager. RBWM expects its managers to take into account Environmental, Social and Governance (ESG) issues when making an investment.

RBWM measures the returns and the volatility of those returns on a quarterly basis and publishes the results relative to a global group of investment funds with a similar diversified approach to investment on the Fund web-site.

### **3. The authority's approach to risk, including the ways in which risks are to be measured and managed**

There are a variety of risks to be addressed when managing a Pension Fund with investment risk being just one of them. In 2016, in accordance with the principles of Pensions Regulator guidance, RBWM commissioned Lincoln Pensions to undertake an Integrated Risk Management ("IRM") study of the Fund. This study looked at the interaction of employer covenant risk – the ability of the employers to meet future contributions, support the investment risk (volatility of returns) and underwrite funding risk (volatility of actuarial deficit). The study concluded that:

- The future contributions estimated by the Fund's Actuary (on the GAD's funding test, i.e. aimed at removing an actuarial deficit over 20 years) are likely to be affordable across the Fund's employers over the next 10 years.
- Some of the Fund's larger employers, notably unitary authorities, do face a number of challenges in the near term which could constrain affordability of future contributions, particularly given their statutory duties to provide adequate services.

In reaching these conclusions, the Fund's assets, liabilities, and its participating employers have been subjected to a number of adverse stress scenarios to assess resilience, which serve to test and constrain affordability. Where employers find themselves under stress, they would be required to identify and utilise financial levers in order to maintain contributions at the level required. Such levers could include support from central Government or other employers, increases in council tax rates, increasing borrowings (subject to restrictions) and pledging assets to the Fund.

Early in 2019 the Pension Fund Panel agreed to enter into a 12-month contract with LPPI to undertake further work concerning employer covenants with a view to identifying those employers most at risk of not being able to underwrite their liabilities in the future. The Panel will consider the findings of this work over the coming months and determine action might be necessary to safeguard the Fund against the risks associated with employers exiting the Pension Scheme.

Looking specifically at investment risk RBWM is of the view that the diversification of the Fund investment portfolio is so broad that investment risk (volatility of returns) is low and will continue to be low. Ex ante volatility estimates require forecasts by asset class of volatility and correlation and whilst historic data can be used to estimate volatility for listed assets, it is much more difficult for unlisted (e.g. private equity, infrastructure, real estate) assets. Furthermore RBWM notes that correlations continually change and in times of financial stress all risk assets trend to a correlation with each other of 1. This "tail risk" means that most risk models either understate risk in times of stress or conservatively over-estimate volatility in normal markets.



The Fund targets a long-term return of UK CPI+4.5%; this is sufficient for it to meet its long-term liabilities. In setting the investment strategy, the Pension Fund Panel decided that this return should be achieved with a low degree of volatility – currently the Fund targets volatility below 10% per annum over the medium term.

As a patient long-term investor the Fund is prepared to ride-out short term volatility in investment markets and may, if suitable opportunities arise, adapt its investment strategy accordingly. At each review of the Investment Strategy Statement the assumptions on risk and return and their impact on asset allocation will be reviewed.

#### **4. The authority's approach to pooling investments, including the use of collective investment vehicles.**

RBWM has broad experience of investing in pooled vehicles be they collective investment vehicles or other "collectives" such as multi-partner Limited Partnerships.

When deciding whether to invest in a collective scheme or to seek a segregated account RBWM, will pay close attention to:

- The relative costs between a collective investment scheme and a segregated account with a focus on the Total Cost of Ownership
- The suitability and ability of a collective investment scheme to meet the mandate requirements of RBWM.

In recognition of the government's requirement for LGPS funds to pool their investments RBWM became an Investment Client of the Local Pensions Partnership Investments Limited with effect from 1 June 2018 and the pooling of assets has commenced.

#### **5. The authority's policy on how social, environmental or corporate governance considerations are taken into account in the selection, non-selection, retention and realisation of investments.**

RBWM accepts that stakeholders will have differing views on how social, environmental and corporate governance considerations should be taken into account and believes that no "one-size fits all" policy can possibly be implemented across such a diverse portfolio such as that of the Fund. Nevertheless RBWM seeks to protect its reputation as an institutional investor and ensures that the Investment Manager (LPPI) takes into account these issues when selecting investments for purchase, retention or sale. RBWM will not place social, environmental or corporate governance restrictions on the Investment Manager but relies on it to adhere to best practices in the jurisdictions in which they are based, operates and invests.

Furthermore RBWM has implemented three investment theses under “ESG” principles: investment in the food chain, housing and infrastructure. Specifically RBWM has made private equity investments in a “food and water” segregated account within its private equity portfolio, two farmland funds in its property portfolio, a number of infrastructure fund investments both globally and in the UK (in particular it was the seed investor in the Gresham House British strategic Investment Fund focussed on small scale infrastructure and Housing projects) as well as investments to support house builders via the purchase of residual shared equity loan books and a fund specialising in acquiring brownfield land for residential developments.

**6. The authority’s policy on the exercising of the rights (including voting rights) attaching to investments.**

RBWM expects the Investment Manager to exercise all rights attaching to investments including voting in accordance with recognised responsible investment guidelines. RBWM expects the Investment Manager to comply with the principles of the UK Stewardship Code.

**RBWM confirms that the Berkshire Pension Fund has no investments in entities that are connected with the authority but if in future it does these will be limited to no more than 5% of the Fund’s assets.**

Table one sets out the asset class limits as agreed by the Berkshire Pension Fund Panel on 11 March 2019

**Table one: Asset Class Limits**

<b>Asset Class</b>	<b>Policy Portfolio Benchmark</b>	<b>Tolerance Range</b>	<b>Relevant LPP I pool</b>	<b>Investment Objective</b>
Credit	10%	5-15%	LPP I Credit Investment LP	GBP LIBOR plus 3-5%
Fixed Income	3%	0-6%	LPP I Fixed Income Fund	Barclays Global Aggregate Index GBP Hedged plus 0.5%
Global Equities (*)	40%	30-50%	LPP I Global Equities Fund	MSCI All Country World GBP Index (net dividends reinvested) plus 2%
Private Equity	13%	8-18%	LPP I PE Investments (No. 3) LP	MSCI All Country World GBP Index (net dividends reinvested) plus 4-6%
Total Return	4%	0-10%	LPP I Total Return	1 month GBP LIBOR plus 2-4%
Infrastructure	12.5%	8-16%	LPP I Infrastructure Investment LP	UK CPI plus 4-6%
Real Estate	16.5%	10-20%	LPP I Property Pool	UK CPI plus 4-6%
Cash	1%	0-5%		

**Approved by the Berkshire Pension Fund Panel: 11 March 2019**  
**Next review date: March 2020**



APPENDIX 5



**SERVICE LEVEL AGREEMENT BETWEEN THE  
ROYAL BOROUGH OF WINDSOR & MAIDENHEAD  
AS ADMINISTERING AUTHORITY AND THE  
THE PENSION ADMINISTRATION TEAM**



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## INTRODUCTION

The Royal Borough of Windsor & Maidenhead (RBWM) is the administering authority for the Royal County of Berkshire Pension Fund. As such, RBWM has certain statutory responsibilities for the administration of the Local Government Pension Scheme (LGPS) in Berkshire. This includes the six Unitary Authorities (of which RBWM is one) and around 250 other associated employers who make up the membership of the Pension Fund.

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11. Scheme Regulations (Berkshire)	1
12. Scheme Regulations (Berkshire)	1
13. Scheme Regulations (Berkshire)	1
14. Scheme Regulations (Berkshire)	1
15. Scheme Regulations (Berkshire)	1
16. Scheme Regulations (Berkshire)	1
17. Scheme Regulations (Berkshire)	1
18. Scheme Regulations (Berkshire)	1
19. Scheme Regulations (Berkshire)	1
20. Scheme Regulations (Berkshire)	1
21. Scheme Regulations (Berkshire)	1
22. Scheme Regulations (Berkshire)	1
23. Scheme Regulations (Berkshire)	1
24. Scheme Regulations (Berkshire)	1
25. Scheme Regulations (Berkshire)	1
26. Scheme Regulations (Berkshire)	1
27. Scheme Regulations (Berkshire)	1
28. Scheme Regulations (Berkshire)	1
29. Scheme Regulations (Berkshire)	1
30. Scheme Regulations (Berkshire)	1

The administering authority has ultimate responsibility for interpreting and implementing statutory LGPS regulations, which includes setting an investment strategy, for receiving monies due to and paying monies owing from the Fund and for making sure that it has robust systems and processes in place to ensure that the scheme is administered in line with scheme regulations and within prescribed levels of performance.

This document has been prepared as a service level agreement between the administering authority and the pension administration team and sets out service standards or 'promises' of the level of service that the team will provide to ensure that the administering authority achieves its statutory responsibilities.

### 1.0 ADMINISTRATION OF THE LGPS

The pension administration team will:

1.1 Maintain a member database of all current, deferred and retired members (including their dependants) of the scheme along with historical data relating to former scheme members who have a right to claim a refund of contributions but have not elected to do so (frozen refunds), former members who no longer have a liability within the Fund (benefits transferred out of the scheme) and employees who have opted out of the Scheme for whom an opting out form must be retained.

1.2 Provide an efficient, effective and courteous administration service.



1.3 Calculate member benefits in accordance with Scheme regulations.

1.4 Provide a pension payroll service to all retired Scheme members and their dependants.

1.5 Ensure that pension payments are made on the correct date and that all lump sum payments are made as soon as possible following the retirement of the Scheme member.

1.6 Provide current and deferred members with an annual benefit statement.

- 1.7 Ensure that all new Scheme members receive access key to 'my pension ONLINE' with details of how to access a formal notification of membership and other relevant Scheme information.
- 1.8 Notify all retired scheme members of the annual increase to their pension.
- 1.9 Provide a payslip to retired members of the Scheme in April every year and any subsequent month where there is 50 pence variance in net pay.
- 1.10 Provide a P60 to every retired Scheme member within HMRC deadlines.
- 1.11 Perform other administrative tasks in line with the service standards laid down in a service level agreement with Scheme employers.

## 2.0 SCHEME COMMUNICATIONS

The pension administration team will:

### The Royal County of Berkshire Pension Fund

The pages of this website contain information about the Local Government Pension Scheme and how it is administered in Berkshire. It sets out details about your membership of the scheme, the benefits of contributing to a highly regarded, final-salary occupational pension scheme.



2.1 Maintain and update a website for all members of the LGPS and provide a dedicated area for Scheme employers to assist them in administering the scheme on behalf of their employees.

2.2 Inform all scheme members of significant changes to the LGPS by way of a bi-annual newsletter.

2.3 Produce, publish and maintain a suite of scheme guides and fact-sheets to assist scheme members in understanding their pension rights and options.

2.4 Offer pension surgeries, presentations and open days to be held across the County of Berkshire.

2.5 Respond to letters and emails within 10 working days.

## 3.0 COMPLAINTS PROCEDURE

3.1 The pension administration team has a commitment to put things right if they go wrong and will investigate any complaint received within 10 working days.

3.2 If the team are unable to resolve a complaint the member has a right to appeal under the Internal Disputes Resolution Procedure (IDRP) which is a 3-stage appeal process set out in the regulations.



## 4.0 GENERAL

The pension administration team will:

- 4.1 Deal with member enquiries in a professional, polite and friendly way and offer guidance to scheme members as appropriate without giving financial advice.
- 4.2 Make available confidential interview facilities as required.
- 4.3 Maintain and report on performance statistics.
- 4.4 Provide information for completion of an administration report to be presented to members of the for the Pension Fund Panel, Pension Fund Advisory Panel and Pension Board.
- 4.5 Provide information for the Annual Report and Accounts of the Pension Fund.
- 4.6 Maintain the member database in accordance with the General Data Protection Regulations 2018 and issue a Privacy Notice explaining how the Pension Fund collects data, what the data is used you, with whom the data is shared and the rights of individuals with regard to their data.

Approved by the Pension Fund Panel: 17 September 2018

Next review date: September 2019



**Appendix 6 – List of Scheme Employers and Contributions Received 2018/19**

<b>Employer</b>	<b>Employee £'000</b>	<b>Employer £'000</b>
Absolutely Leisure Limited	29	78
Accent Catering Services Ltd	1	4
Achievement for All Education Trust	24	77
Activate Learning Education Trust	62	185
Age Concern Berkshire	4	17
ALET (B&W College)	33	146
Altwood School (Academy Status)	29	94
Arvato	201	433
Ashley Hill Schools Trust	23	74
Association of SE Colleges	2	10
Baylis Court Trust	83	265
Bellevue Place Education Trust	100	287
Berks, Bucks & Oxfordshire Wildlife Trust	7	22
Berkshire College Of Agriculture	199	745
Berkshire Fire & Rescue Service	367	1,018
Berkshire Maestros	32	110
Binfield Parish Council	4	13
Bohunt Education Trust	19	61
Bonitas Multi Academy Trust Limited	78	188
Bouygues E&S UK Ltd	4	18
Bracknell & Wokingham College	113	495
Bracknell Forest BC	3,027	9,133
Bracknell Forest Homes	141	694
Bracknell Town Council	41	122
Bray Parish Council	3	11
Brighter Futures for Children	259	499
Bucklebury Parish Council	0	0
Burghfield Parish Council	5	12
Busy Bee Cleaning Services Ltd	1	3
Care UK	5	16
Castleview School (Academy Status)	51	163
Caterlink	1	4
CfBT Schools Trust	69	191
Charters School (Academy Status)	72	212
Charvil Parish Council	1	5
Chieveley Parish Council	0	2
Churchend Academy	32	100
Cippenham Middle School	0	0
Compton Parish Council	0	2
Connexions Thames Valley	96	281
Continental Landscapes Ltd	14	43



Cookham Parish Council	2	8
Corn Exchange Trust	2	11
Cox Green Parish Council	4	15
Cox Green School (Academy Status)	54	157
Cranstoun	4	12
Creative Support Extra Care	19	41
Creative Support Ltd (Altair 00211)	11	36
Crowthorne Parish Council	5	17
Denefield School (Academy Status)	54	154
Desborough School (Academy Status)	21	60
Dimensions UK Ltd	8	35
Earley Town Council	26	95
East Berkshire College Ext 3302	250	836
Elior UK plc	1	4
Elizabeth Fry Hostel	8	34
Energy Kidz	0	0
Eton Town Council	1	4
Evendons Primary School	16	54
Excalibur Academies Trust	31	100
Finchampstead Parish Council	3	10
Floreat Education Academies Trust	13	40
Forest Bridge School	42	130
Frassati Catholic Academy Trust	85	274
Furze Platt Senior School (Academy Status)	78	243
Glyn Learning Foundation	17	56
Greenham Parish Council	1	3
Greenshaw Learning Trust	100	320
Greenwich Leisure Ltd ext 4076	8	33
Hampstead Norreys Parish Council	0	1
Haybrook College Trust	70	208
Hayward Services Ltd (Cox G)	1	5
Hayward Services Ltd (Wex)	1	7
Highdown School	54	163
Holroyd Howe Ltd	1	12
Holt School (Academy Status)	46	138
Holy Family School	29	116
Holybrook Parish Council	2	7
Holyport College	45	133
Housing Solutions Ltd	162	617
Hungerford Town Council	4	14
Hurley Parish Council	1	3
Innovate Services (Emmbrook)	1	2
Innovate Services (Prospect)	6	18
Innovate Services Ltd	2	6
John Madejski Academy	36	81
Kendrick School (Academy Status)	30	91

Kennet School Academies Trust	97	300
Keys Multi-Academy Trust	53	165
KGB Cleaning Ltd	0	0
KGB Cleaning Ltd – Denefield	0	0
King's Academy Binfield	6	17
Lambourn Parish Council	2	7
Langley Academy	84	183
Langley Academy Trust	62	198
Langley Grammar School (Academy Status)	50	184
Langley Hall Primary Academy	40	122
Learning Alliance Trust	42	138
Legacy Leisure Limited	23	60
Lowbrook Academy Trust	14	45
Maiden Erlegh Schools Trust	175	528
Marish Academy Trust	104	329
Mary Hare Grammar School	254	731
MITIE	1	16
NET Academies Trust	35	91
Newbury Academy Trust	82	254
Newbury College	108	423
Newbury Town Council	20	62
Newlands Girls School	51	154
Northern House School Wokingham	23	71
Northgate UK Ltd (Altair Code 00113)	4	24
Northgate UK Ltd (Altair Code 00178)	11	33
NSL Ltd	25	85
Olive Dining Ltd	1	0
Optalis Limited	59	175
Optalis Limited (RBWM)	274	910
Orchard Hill College & Academy Trust	67	213
Osborne Property Services Limited	46	432
Oxford Diocesan Schools Trust	69	219
Pabulum Ltd	3	13
Pact	21	65
Pangbourne Parish Council	2	7
Park Federation Academy Trust	173	537
Park House School Newbury	17	53
Priory School	87	327
Project Centre Ltd	16	42
Project Centre Ltd 2	13	27
Prospect School Reading (Academy Status)	72	213
Purley on Thames Parish Council	2	6
Rapid Commercial Cleaning Services Ltd	0	2
Rapid Commercial Cleaning Services Ltd 2	1	3
RBWM	1,948	8,733
RBWM Property Company Ltd	30	34

Reach2 Thames Valley Academy Trust	55	168
Readibus Limited	2	38
Reading Borough Council	4,429	14,527
Reading School (Academy Status)	45	133
Reading Transport Ltd	48	629
Reading Voluntary Action	2	11
Royal County of Berkshire Schools Trust	54	176
Ryvers School (Academy Status)	40	109
S.E.Centre for the Built Environment Ltd	11	25
Sandhurst Parish Council	4	9
SASH Education Trust	59	183
Schelwood Academy Trust	76	220
School of St Helen & St Katharine	22	77
Shinfield Parish Council	3	11
SLM Charitable Trust 2	100	274
SLM Fitness & Health	9	30
SLM Food & Beverage	17	54
Slough Borough Council	2,735	8,475
Slough Children's Services Trust	631	1,120
Slough Community & Leisure Ltd	0	40
Slough Council For Voluntary Service	5	14
South Hill Park Trust	9	16
Sovereign Housing Association	14	554
Specialist Education Trust	35	105
St Bartholomew's School (Academy Status)	65	206
St Peter Catholic Academies Trust	97	306
Sunningdale Parish Council	3	11
Sunninghill & Ascot Parish Council	2	8
Swallowfield Parish Council	3	11
Thatcham Town Council	13	43
The Avenue Academy	111	356
The Beehive (Wokingham) Limited	1	2
The Blessed Hugh Farringdon School	40	150
The Cippenham Schools' Trust	69	217
The Circle Trust	83	222
The Corvus Learning Trust	95	301
The Downs School	83	260
The Education Fellowship	25	43
The Forest School Academy Trust	42	112
The Heights Free School	13	42
The National Autistic Society Academy Trust	52	165
The Piggott C of E Academy	51	159
The Slough and East Berkshire MAT	125	373
The Windsor Day Club Nursery	0	1
The Wren Free School	18	54
Theale Green School (Academy Status)	0	68



Theale Parish Council	1	3
Tilehurst Parish Council	6	19
Twyford Parish Council	1	6
University of West London	63	580
Upton Court Education Trust	101	327
Volkerhighways Ltd	28	102
Waingels College	54	139
Warfield Parish Council	2	6
Ways Into Work CIC	8	19
West Berkshire DC	3,724	11,587
Westgate School (Academy Status)	67	205
Wexham Court Parish Council	1	3
White Horse Federartion Trust	10	38
White Waltham Parish Council	4	13
Whitelocke Infant	26	99
Windsor Housing	2	15
Windsor Learning Partnership	116	352
Winkfield Parish Council	15	44
Winnersh Parish Council	4	14
Wokingham Borough Council	3,095	8,955
Wokingham Town Council	35	71
Wokingham Without Parish Council	8	26
Woodley Town Council	36	132
Wraysbury Parish Council	1	2
Yattendon Parish Council	0	0



## Appendix 7 - AVC Arrangements

There are a number of investment choices available to members of the Royal County of Berkshire Pension Fund who elect to pay Additional Voluntary Contributions (AVCs). Members can choose to switch AVC Funds at any time subject to the terms and conditions of each vehicle. At retirement, the accumulated value of a member's AVC Fund can be used to provide a tax-free lump sum payment (subject to HMRC limits), to purchase an annuity on the open market or, in certain circumstances, buy additional membership of the Local Government Pension Scheme. The following table sets out the available Funds and the level of investment risk attached to each of those Funds:

<b>Provider</b>	<b>Fund Type</b>	<b>Level of Risk</b>
Prudential Assurance Company	Deposit	Minimal
	Cash	Minimal
	Fixed Interest	Lower
	Index Linked Gilts	Lower
	Retirement Protection	Lower
	With Profits	Lower to Medium
	Discretionary	Medium
	Property	Medium
	International Equity	Medium to Higher
	Global Equity	Medium to Higher
	Equity	Higher
	UK Equity Passive	Higher
Socially Responsible	Higher	

Many members choose to invest in the With Profits Fund that is designed to provide smoothed medium to long-term growth by investing in a range of assets including equities and property. The investment returns are distributed by way of reversionary and terminal bonuses.

### Lifestyling

Lifestyling is a convenient way for members of AVC schemes to stay invested in assets with the potential for long-term growth throughout their working lives whilst gaining an element of protection through automatic switching into funds with lower risk as retirement approaches.



