

Minutes

PENSION FUND BOARD

**MINUTES OF THE PENSION FUND BOARD HELD ON THURSDAY 16 MARCH 2017, IN
LARGE DINING ROOM, JUDGES LODGINGS, AYLESBURY, COMMENCING AT 10.00 AM
AND CONCLUDING AT 12.12 PM.**

MEMBERS PRESENT

Mr P Dearden, Ms R Ellis (Vice-Chairman), Mr S Mason (Chairman), Mr J McGovern and
Mr I Thompson

OFFICERS PRESENT

Ms J Edwards, Mrs C Lewis-Smith, Mrs C Platts, Mr M Preston and Ms S Price

1 APOLOGIES / DECLARATIONS OF INTEREST / MINUTES

Apologies had been received from Ms B Black, Mr R Bowman and Mr C Thompson.

There were no declarations of interest.

The minutes of the meeting held 26 October 2016 were agreed as an accurate record but Ms
R Ellis requested that it be noted that in relation to Item 6 (Training Needs Analysis), the
Chairman and Vice Chair had attended day one of a 3-day course.

2 MINUTES OF PENSION FUND COMMITTEE

The Board Members noted the minutes of the previous Pension Fund Committees (27
September, 9 November and 12 December 2016).

3 BCC PENSION FUND EMPLOYER NEWSLETTER - DECEMBER 2016

The Board noted the report and Mrs Cheryl Platts highlighted the following:

- The newsletter was issued quarterly and was the main form of communication with all
Employing Authorities in the Fund. It covered relevant legislative information and
changes as well as investment, administration and general updates.
- Since the publication of the newsletter in December 2016 the County Council had
moved over to a corporate webpage template.

- Member Self-Service was launched in 2016 which allowed members of the scheme to view their pension information online. 30% of active membership was now registered.
- i-Connect was an online data exchange hub which would allow employers to submit pension data to the County Council. This would create greater operating efficiencies through automation of administration. The Chairman considered that a report on the progress of i-Connect would be useful at the next Board meeting.

Action: Mrs C Platts

- The Enterprise Act came into effect on 1 February 2017 which would allow the Government to implement an exit cap. Her Majesty's Treasury (HMT) will be consulting on this before introducing legislation.

RESOLVED

The Board NOTED the December 2016 issue of the BCC Pension Fund Employer newsletter.

4 SCHEME MEMBER AND EMPLOYER COMMUNICATIONS

The Board noted the report in the agenda pack and Mrs Cheryl Platts highlighted the following:

- The Buckinghamshire County Council Pension Fund communicated with members and employing authorities using various types of media.
- The Buckinghamshire County Council Pension Fund Communications Plan 2017/18 details the planned communications for the forthcoming year.
- Every opportunity had been given to members to register with the online system.
- Annual Benefits Statements would only be available online from 2018, however if members would rather continue to receive paper statements they would have to opt out of Member Self-Service.

RESOLVED

The Board NOTED the 2017/18 Communications Plan for the Buckinghamshire County Council Pension Fund.

5 PENSIONS ADMINISTRATION STRATEGY

The Board noted the report and Mrs Claire Lewis-Smith highlighted the following:

- The current Pensions Administration Strategy had been in place for 3 years. The Local Government Pension Scheme (LGPS) had 5.1 million members, 260 employers and 65,000 scheme members.
- Buckinghamshire County Council carried out training with scheme employers. Uptake on training had varied; some employers prefer annual training whilst others do not request regular training. There would not be a fee for training going forwards and a plan is in place to help employers with future training requirements.

- The charging for estimate requests that exceed two in a rolling year increased from £10 to £11.50.
- For employers that do not use i-Connect a new spreadsheet has been introduced which amalgamates required information. The spreadsheet used tick boxes that ensured mandatory data had been included. The information did not have to be submitted until the 19 of the month.
- Within 6 weeks of i-Connect action or receiving the spreadsheet, the statutory notification would be produced confirming the employee's pensionable status.
- There had been a change in one of the Additional Voluntary Contribution providers to Scottish Widows.
- The retirement section had been updated to clarify when pension strain actually applies.
- The leavers section had been updated to state when a leaver form would need to be completed.
- The Administration Strategy and Service Level Agreement documentation had been sent out for consultation. There had not been any additional information requested but there had been one employer that had stated it was satisfied with the documents. There had been concern from a couple of Parish Councils concerning the timing for response due to them requiring the information to be presented at their Full Council meetings.
- Contributions would be covered for the full term that a member would be on jury service.
- There had been issues with the secure email system which had resulted in some employers having to resubmit information. The issue had now been resolved and more staff members within the pensions department had access.
- There had been work planned to educate employers to avoid levy charges for poor performance.
- Milton Keynes payroll services would become part of the shared services with Northants. Mrs Lewis-Smith and Ms Price had already attended a meeting and would continue to meet with them on a quarterly basis.

RESOLVED

The Board NOTED the report.

6 INTERNAL DISPUTE RESOLUTION PROCEDURE

The Board noted the report and Ms Sam Price highlighted the following:

- The Internal Dispute Resolution Procedure (IDRP) had two stages. Members could appeal against the decision and have the opportunity to go to the Ombudsman.
- There had been 8 new complaints. Two had progressed to stage two and one was ongoing.
- The majority of appeals were based on ill health.
- There had been two cases in 2015/16 that had been referred to the Ombudsman in relation to appeals. Both were declined.
- The team had started to monitor non-formal complaints and the results from this would be included in the next IDRP update to Board.

- The IDRPs report was presented to the Pension Board annually. The Chairman requested that any cases which were referred to the Ombudsman in the intervening period between meetings was to be reported to the following Pension Board meetings.

Action: Ms S Price

RESOLVED

The Board NOTED the IDRPs appeals for the 2016/2017 year.

7 ADMINISTRATION PERFORMANCE STATISTICS

The Board noted the report and Ms Julie Edwards highlighted the following:

- Previous reports to the Pension Fund Board had highlighted the progress in tackling the backlog of tasks with the Pension Benefits Administration Team.
- The Career Average Scheme, auto-enrolment, reduction in the annual allowance, staff turnover and staff absences had been contributing factors to the backlog.
- There had been a dedicated Pensions Service Desk created to deal with telephone calls and chasing employees and members for information. This had enabled Pensions Officers to focus on more complicated cases.
- The Benefit Administration Team had continued to successfully maintain priority areas of work as well as dealing with the backlog.
- The backlog of 1,300 Inter-fund transfers had been cleared but there remained 350 Inter-fund transfers that would require checking by the end of March.
- There remained a high number of daily tasks which averaged at around 500-600, but the team was working within the 10 day turnaround.
- Leaver checks had been reduced to approximately 2,100 and the team was using overtime to continue to reduce this number without impacting on current workloads.
- It has been estimated that workloads would be up to date by the end of September 2017.
- Barnett Waddington LLP undertook a valuation of the Fund as at 31 March 2016. The market value of assets held was £2,203m.

RESOLVED

The Board NOTED the report.

8 CIPFA PENSIONS ADMINISTRATION BENCHMARKING

The Board noted the report and Ms Sam Price highlighted the following:

- The Council had participated in the CIPFA Pensions Benchmarking Club for the last 14 years. Data was submitted annually and the administration of the Fund was measured against other participating authorities.
- Total costs per member of the scheme in Buckinghamshire were £20.31, which was slightly higher than the average.

- The report stated that one third of costs was on staffing; however; another authority may have recorded their resource in a different way.
- The report showed that communications had been expensive; but this included investigations and benefit statements.
- There had been an increase of 22% in starters set up on the system, whilst deferred members increased to 70%.
- There had been a high percentage of new staff in the pensions team, 40% had been in post for less than a year.
- 6% of members retired at normal retirement age, the majority of members leave earlier.
- The 2016/17 report should be available for the Pension Board meeting in October 2017.
- Mr S Mason requested that the pie-chart standard reports needed to have the legend information alongside the percentage information on the charts to that the information was clearer. Ms S Price would feed this request back to CIPFA. Additionally, Mr Mason thought the previous year's comparison figures would add value to the report.

Action: Ms S Price

RESOLVED

The Board NOTED the report.

9 RISK REGISTER

The Board noted the report and Ms Julie Edwards highlighted the following:

- The Risk Register would look different going forwards due to migration to a new system.
- The risk numbered P11 which related to the impact of inflation or deflation had been updated following a review by the Pension Fund Committee in September 2016.
- The risk score for P7 (which related to significant changes in Government regulations) was considered too low and the 'impact' score should be increased to at least a score of two due to the potential impact.

Action: Ms J Edwards

- Risk P2 related to the possibility of a significant downturn in a particular sector or geographical location. Ms Edwards explained that the Investment Strategy was discussed at the Pension Fund Committee on 6 March 2017 and the Investment Strategy Statement would be reviewed at the Pension Fund Committee on 22 March 2017.

RESOLVED

The Board NOTED the report.

10 FORWARD PLAN

The Board noted the report and Mrs Claire Lewis-Smith highlighted the following:

- The July meeting would include a review of Buckinghamshire Pension Board Policies.
- There would also be the Annual Review of Buckinghamshire Pension Board as well as Annual Benefits statements.
- The Chairman asked that the July meeting include an item on the Investment Strategy as it will have been to the Pension Fund Committee in March.

Action: Mrs C Lewis-Smith/Ms J Edwards

RESOLVED

The Board NOTED the report.

11 CONFIDENTIAL MINUTES PENSION FUND BOARD

The confidential minutes of the meeting held 26 October 2016 were agreed as an accurate record.

12 CONFIDENTIAL MINUTES OF PENSION FUND COMMITTEE

The Board Members noted the confidential minutes of the previous Pension Fund Committees (27 September, 9 November and 12 December 2016).

13 BRUNEL PENSION PARTNERSHIP UPDATE

The Board was provided with an update on the Brunel Partnership proposal.

RESOLVED

The Board NOTED the report.

14 DATE OF NEXT MEETING / AOB

The next meeting would be held on 19 July 2017 at 10.00am.

Future meeting date:

18 October 2017

The following items were highlighted under AOB:

- Mr S Mason thanked Ms J Edwards for collating information concerning attendance at the Pension Fund Board meetings. The Terms of Reference for the Board stated that Board members were expected to attend two out of three meetings every year. The information showed that there had been good attendance by Board members. There was a vacancy for an employee representative on the Pension Board and this would be advertised in the March newsletter.
- The LGPC conference would be held between lunchtime on 29 to 30 June 2017 in Bournemouth. The event was not open for bookings yet but once information has been

released Mrs C Lewis-Smith would inform Board members and they would be able to register their interest in attending.

- Members had already been made aware of the Barnett Waddington event 'Pension Board - 2 Years on' event on 28 June 2017 and an autumn seminar on 6 November 2017. Mrs C Lewis-Smith asked that members of the Board wishing to attend let her know.

CHAIRMAN