

# Minutes

## *PENSION FUND BOARD*

**MINUTES OF THE PENSION FUND BOARD HELD ON WEDNESDAY 18 JULY 2018, IN MEZZANINE ROOM 1 - COUNTY HALL, AYLESBURY, COMMENCING AT 10.10 AM AND CONCLUDING AT 12.30 PM.**

### **MEMBERS PRESENT**

Ms B Black, Mr P Dearden, Ms R Ellis (Vice-Chairman), Mr S Mason (Chairman), Mr J McGovern and Ms T Pearce

### **OFFICERS PRESENT**

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

### **1 ELECTION OF CHAIRMAN**

**RESOVLED: Mr S Mason was elected as Chairman.**

### **2 APPOINTMENT OF VICE CHAIRMAN**

Discussion was held around the Board's terms of reference (TOR) which currently stated the vice chairman was to be appointed by the Chairman. The Board agreed that they wished for the Vice Chairman to be an elected post going forward. Ms Kenward would take this back to the democratic services team for action.

**ACTION: Ms Kenward**

**RESOVLED: Ms R Ellis was elected as vice chairman.**

### **3 APOLOGIES/DECLARATIONS OF INTEREST/MINUTES**

Apologies were received from:

- Ian Thompson
- Lisa Wheaton

There were no declarations of interest.

### **4 MINUTES OF PENSION FUND COMMITTEE**

**RESOLVED: The minutes from the Pension Fund COMMITTEE meeting held on 24 May 2018 were agreed as an accurate record.**

**RESOLVED: the minutes from the Pension Fund BOARD held on 14 March 2018 were agreed as an accurate record.**

## **5 BCC PENSION FUND EMPLOYER NEWSLETTERS - MARCH 2018 AND JUNE 2018**

Mrs C Platt gave an overview of the report circulated with the agenda including copies of the newsletters in question.

Mrs Platt stated that an employer training event held by the Pensions team on 2 July 2018 was disappointing, with only 8 of the 18 registered parties attending, but the team had received positive feedback. The final training session of the year would be on 1 August. 2018.

The Chairman noted many employers appeared to be struggling with discretionary policies. He asked what could be done to support them. Ms Lewis-Smith confirmed the Pensions team initially contacted the employer to explain the problem before resorting to more formal measures. The issue was included as an item on each newsletter to raise awareness.

## **6 PENSION FUND ANNUAL REPORT 2017/18**

Mr M Preston and Ms J Edwards were present to answer questions on report circulated with the agenda.

Ms Edwards explained the report was still in draft format and did not address all of the comments previously raised. The final draft report would be ready before the Pension Fund Committee meet on 20 July 2018 and would be shared with the Board once complete. The Chairman noted that the Board had previously explained their desire to see final report before publication.

**ACTION: Mrs Platt**

Officers highlighted the following issues:

- Delays in preparing the report had come partly from requested changes to the way figures were displayed. These included improving accessibility for those with colour blindness.
- Auditors Grant Thornton had also been carrying out tri-annual audit tasks.
- There had been lower response rates from employers so this information had not been included. There was a plan to review customer feedback mechanisms to improve response rates.

Members of the Board gave the following feedback:

- Page 34 of the report gave details of exceptions made when reporting fund performance. Ms Ellis recommended including these details on page 3 where fund performance was also discussed.
- The quotation on page 47 was missing its closing quotation marks.

- On page 23 Ms Ellis questioned whether “aging” or “aged” was the correct terminology when referring the overdue contributions.

Regarding overdue contributions Ms Ellis asked if there was the option to impose levies. Ms Edwards confirmed there were a number of repeat offenders and the approach to them may need to be changed for example by imposed fees of late payments.

The Chairman thanked officers for their work.

## **7 REVIEW OF BUCKINGHAMSHIRE PENSION BOARD POLICIES**

The Board discussed the report circulated with the agenda.

The following questions were asked:

- The Chairman asked that feedback from Brunel Oversight Board was shared with this Board.

**ACTION: MS Edwards**

- The Chairman asked the Board to consider meeting four times a year in line with a new recommendation from The Pension Regulator (TPR). This would potential reduce the length of individual meetings, spread workloads across the year and allow matters arising to be discussed in a more timely matter. It was agreed that the Chairman would work with officers to outline work plans for both three and four meetings for comparison.

**ACTION: The Chairman**

- Ms Ellis asked that the TOR formally define the duties of the Vice Chairman role

**ACTION: MS Kenward**

- Ms S Pearce asked what the process was for maintaining training records. Mrs Lewis-Smith confirmed that e-learning packages recorded completion details. Any outside training not booking through officers should be reported to her.

## **8 ANNUAL BENEFIT STATEMENTS - ADMINISTRATION YEAR END UPDATE**

Mrs Lewis-Smith gave an overview of the report circulated with the agenda.

Mrs Lewis-Smith highlighted:

- Her team was back to full capacity following an officer returning from maternity
- Of 234 returns received 127 were returned to employers for revision.
- 12 employers had yet to send any information, these were smaller employers. These employers had been advised of the obligations and informed that they would be liable for an administration charge of £50 per day.

The Chairman asked about the employers who had not given full information for pay scales and whether 2014 data was needed for the 28 employers who had joined this year. Mrs Lewis-Smith confirmed they did need to include this data only if they had any employees with pre 2014 data. This may change going forward once pre 2014 data was no-longer relevant.

## 9 GDPR UPDATE FOR PENSION FUND BOARD

Mrs Lewis-Smith gave an overview of the report circulated with the agenda.

Mrs Lewis-Smith highlighted the following:

- There had been small tweaks to the GDPR Privacy Notice since its publication. It had been confirmed these could wait to be addressed at the next policy refresh.
- Active and deferred annual statements to all members would include a GDPR update statement
- Buckinghamshire County Council (BCC) had rolled out the Egress email encryption system to allow end to end encryption of data
  - This was free for both employers and scheme members to use.
  - Users would receive an email asking them to register for the system and there had been testing to ensure it worked with all major email services.
  - Two parish councils had elected not to use Egress and would use a system of agreed passwords instead.
  - Licences were £60 per team member and were transferable.

Ms Ellis asked if current insurance arrangements would still be viable now the changes had come into effect. Mrs Lewis-Smith would check this.

**ACTION: Mrs Lewis-Smith**

## 10 INTERNAL DISPUTE RESOLUTION PROCEDURE

Ms Price gave an overview of the report circulated with the agenda.

Ms Price highlighted that the Scheme Advisory Board are reviewing the structure of the LGPS three tier ill health system. This area accounted for the smallest number of applications but resulted in the largest number of appeals.

## 11 ADMINISTRATION PERFORMANCE STATISTICS

Ms Price gave an overview of the report circulated with the agenda.

Ms Price highlighted the following points:

- Incoming communications remained consistently high. There was a questionnaire to be completed at the end of the call to identify who called in. It was agreed that Ms Price would include details of the largest categories of people making contact going forward.  
**ACTION: Ms Price**
- The system used was still unable to report accurate turnaround times so the report used data based on a 5% sample of work.
- While the team continued to work through a back log caused by an 18 month delay of leavers data from Milton Keynes Council (MKC) ongoing work was being completed with timescales.
- There was a work plan in place to address the MKC backlog which was no longer an ongoing issue following their transfer to LGSS. There should not be a financial impact

for employees as the backlog was with reporting leavers only and those nearing retirement had been prioritised.

Recent retirees would be contacted to provide feedback on the service they have received from the Pensions & Investments Team.

## **12 I-CONNECT/PENSIONS 'ONLINE' UPDATE**

Mr Lugg gave an overview of the report circulated with the agenda.

Mr Lugg confirmed the following points based on questions from the Board:

- It would be standard practice for new employers to use i-Connect from April 2019. However its use could be encouraged and incentivised but not required.
- There was reasonable confidence in meeting the goal of 100% registration with two years. However while many employers were keen in practise in reality they had different priorities.
- The best savings would come from large employers such as BCC and Aylesbury Vale District Council (AVDC), both of whom were being worked with to implement i-Connect.
- Employer testimonials could be used in newsletters.
- The biggest obstacle appeared to be the time commitments. Converting to the online system was time consuming on both sides.

## **13 GMP RECONCILIATION**

Ms Edwards gave an overview of the report circulated with the agenda.

Ms Edwards highlighted the following:

- ITM had been engaged to carry out the reconciliations and were on track to complete by November 2018.
- HMRC were currently taking 3-4 months to respond to queries and this could affect the November deadline.

## **14 RISK REGISTER UPDATE**

Ms Edwards gave an overview of the report circulated with the agenda.

Ms Edwards highlighted the following:

- This report was produced using Pentana, the councils new risk management system, so took on a different format to previous reports.
- The new system now gave a current level and a potential target level of risk.

In response to questions from the Board officers confirmed:

- Regarding the comment about potential significant downturn in the event of human made natural disaster Ms Edwards confirmed more weight would be given to this risk if requested.

- The Pensions team were meeting with Brunel for a monthly meetings with weekly phone calls in-between.
- Brunel had their own risk register and Ms Edwards would look into whether this could be included as an appendix.

**ACTION: Ms Edwards**

## **15 FORWARD PLAN FOR PENSION FUND BOARD**

Discussion was held around future items for the Forward Plan.

The Chairman asked for suggestions for future items to go to Mrs Lewis-Smith.

## **16 EXCLUSION OF THE PRESS AND PUBLIC**

### **RESOLVED**

**That the press and public be excluded for the following item which is exempt by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information)**

## **17 CONFIDENTIAL MINUTES PENSION FUND BOARD**

## **18 CONFIDENTIAL MINUTES OF THE PENSION FUND COMMITTEE**

## **19 BRUNEL PENSION PARTNERSHIP UPDATE**

## **20 DATE OF NEXT MEETING/AOB**

### **Any other business**

Ms Ellis had attended the Barnett Waddingham event – “Local Pension Boards 3 years On” on 26 June 2018. Her conclusion from the event was that BCC were managing well compared to others and the BCC Administration Team had a very good working relationship with the LPB.

### **Date of the next meeting**

10 October 2018, 10am

**CHAIRMAN**