

# Minutes

## *PENSION FUND BOARD*

### **MINUTES OF THE PENSION FUND BOARD HELD ON WEDNESDAY 2 OCTOBER 2019, IN MEZZ 2, NCO AYLESBURY.**

#### **MEMBERS PRESENT**

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

#### **OFFICERS PRESENT**

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

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

Apologies were received from Ms B Black, Mr S Mason, Ms T Pierce, Ms J Edwards and Mr S Lugg.

Ms R Ellis acted as the Chairman.

No declarations of interest.

#### **2 MINUTES OF PENSION FUND BOARD**

The following points were discussed as a result of actions from the meeting held 18 July 2019:

- McCloud ruling update – Mrs C Lewis-Smith, Pension Administration Manager, confirmed the impact remained unknown until the final decision was made. Mrs Lewis-Smith highlighted that there was a legal firm approaching teachers nationally encouraging them to bring their own class action suit. Mrs Lewis-Smith stated that contrary to the legal firms claims any remedy would apply to all Public Sector Pension Scheme members.
- Contact details for deferred beneficiaries – a bulk tracing exercise had been undertaken, There were 3,726 member records without current home addresses. Results to date showed there were 22 cases where mortality screening suggested the deferred member was deceased. Where high probability address matches had been reported, the Pensions & Investments Team are requesting proof of date of birth and a utility bill before permanently updating contact details. Focus continued to be on members nearer to retirement.
- Customer satisfaction survey – full details would be discussed at the 18 December 2019 meeting. Initial review had shown negative feedback often related to employer

interactions. The Pensions & Investments Team would work with employers directly to address issues.

**RESOLVED: The Board AGREED the minutes for the meeting of the Pension Fund Board held on 18 July 2019.**

### **3 MINUTES OF PENSION FUND COMMITTEE**

**RESOLVED: The Board NOTED the minutes for the meeting of the Pension Fund Committee held on 13 September 2019.**

### **4 BCC PENSION FUND EMPLOYER NEWSLETTER - SEPTEMBER 2019**

Mrs C Platts, Communications Officer, gave an overview of the [final version](#) of the newsletter published after the circulation of the agenda.

Mrs Platts highlighted the following points:

- Service Level Agreement (SLA) had been updated effective 1 October 2019.
- There had been 99 cases identified as exceeding the annual allowance requiring manual calculation.
- Statutory Notifications would now be sent by email directly to members registered for My Pension Online.
- 97.22% of contributing scheme members had received their annual benefit statement.
- My Pension Online registration had risen from 32.26% (May 2019) to 34.04% (September 2019).
- Feedback from employer training held on 13 and 22 August 2019 was positive but attendance levels continued to be low.
- The BCC Pension Fund General Meeting would take place on 5 December 2019, 9.30am-12.30pm, at The Gateway, Aylesbury.
- A consultation on the flexibility in the NHS Pension Scheme would close 1 November 2019.

The following points were discussed as a result of questions from members of the board:

- The Pensions & Investments Team had used the following tactics to address training issues:
  - Varying the time, location and method of the training.
  - There were plans to amend the Pension Administration Strategy so the Pensions & Investments Team were able to step in as administrator where struggling employers would not accept support.
  - Approaching Chief Executive Officers to resolve issues.
  - Making it clear in the new Pensions Administration Strategy that sanctions and referral to the Pensions Regulator were possible outcomes for non-compliance.
- Members of the Board congratulated the Pensions & Investments Team on their high rate of annual benefit statements issued by the statutory deadline.

**RESOLVED: The board NOTED the update.**

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

Mrs C Lewis-Smith, Pensions Administration Manager, gave an overview of the report circulated with the agenda.

Ms Lewis-Smith highlighted the following points:

- As of 19 September 2019, 34.04% of active members were registered with My Pension Online. This compared positively to other local authority pension schemes.
- The Pensions & Investments Team were actively targeting members who had started but not completed the registration process.
- The functionality of the website was evolving; soon members would be able to submit forms online.
- 79 employers were currently submitting monthly data via the i-Connect live system. There were 14 further employers testing. Uptake was higher among small employers.
- The lack of financial reconciliation functionality was an ongoing issue. Pensions Officer's continued to meet with the provider to develop this feature.
- Mr S Lugg would leave the team as of 2 October 2019 however there would be capacity within the team for Employee Liaison Officers & Systems Controllers to continue onboarding employers.

The following points were discussed as a result of questions from members of the board:

- i-Connect was one of several providers used by similar schemes.
- There was no further breakdown of registered users i.e. age, level of education etc.
- Pension Assistants were actively promoting registration during routine phone calls and started the registration process for members when appropriate.

**RESOLVED: Members of the Board NOTED the update.**

## **6 INTERNAL ADMINISTRATION BENCHMARKING**

Ms S Price, Assistant Pensions Administration Manager, gave an overview of the report circulated with the agenda.

Ms Price highlighted the following points:

- The report was broken down into four areas:
  - Staff Related Measures - measures relating to the analysis of staff numbers by team, salary, pensions, work experience & sickness.
  - Scheme Membership - a breakdown of the scheme membership as at 31st March 2019.
  - Cost Measures – cost per member ratios
  - Workload Measures - a comparison of outstanding workflow cases.
- Figures quoted in section 3 for 2018 were incorrect. Correct figures were:

Membership type	2018
Actives	£27.14
Deferreds (inc FR/UL)	£8.71
Pensioners (inc Dep)	£11.70
<i>* Figure take from CIPFA ber</i>	

- The high costs ascribed to Heywood included all costs from Altair including one off charges for 2017/18.

The following points were discussed as a result of questions from members of the board:

- The lower number of cases resolved in 2018/19 reflected the extra work needed in previous years to reduce backlogs. Ms Price stated that caseloads were still considered to be high. The Board asked to see more information about current caseloads in comparison to the historic backlogs.

**ACTION: Ms Price**

- All work relating to changes for contracting out benefits had been sub-contracted to ITM. Further details were available in the report at item 8 of the agenda pack.
- The Board asked to see more information relating to team vacancies and staff turnover.

**ACTION: Ms Price**

- The Board believed that this report would become more meaningful over time with more year on year comparison available. Ms Price confirmed that categories could be added on/removed to aid performance measurement.

**RESOLVED: The Board NOTED the update.**

## 7 BREACHES OF THE LAW

Mrs C Lewis-Smith, Pensions Administration Manager, gave an overview of the report circulated with the agenda.

Mrs Lewis-Smith highlighted the following points:

- 97.22% of annual benefit statements were issued within timescales compared to 79.06% from the year before. As the target was 100% this was recorded as a green breach.
- There had been improvements to the number and value of late contribution payments. The process now included actively highlighting late payment fees to employers.
- It was noted that the reasons behind late payments appeared to be administrative rather than problems with cash flow.

The following points were discussed as a result of questions from members of the Board:

- There tended to be a pattern of missed payments over the summer when employers like schools and parishes were on holiday.
- Mrs Lewis-Smith confirmed no charges had been issued under the administration strategy to date.

- The Board felt repeat offenders should have charges enforced to show the impact it had on BCC such as the opportunity cost of delayed payments. There was also support for “naming and shaming” offenders.

**RESOLVED: The Board NOTED the update.**

## **8 GMP RECONCILIATION/RECTIFICATION**

Mrs C Lewis-Smith, Pensions Administration Manager, gave an overview of the report circulated with the agenda.

Mrs Lewis-Smith highlighted the following points:

- The reconciliation exercise was still ongoing. Final reporting would take place in late 2019.
- There were some cases that would need to be left until the member took retirement in line with LGA guidelines.
- Overpayments would be corrected going forward. The national view was employees would not have to make repayments.
- For underpayments rectification would be back dated but final dates had not yet been announced.

**RESOLVED: The Board NOTED the update.**

## **9 TRAINING OPPORTUNITIES**

Mrs C Lewis-Smith, Pensions Administration Manager, gave an overview of the report circulated with the agenda.

Mrs Lewis-Smith highlighted the following points:

- Six out of eight requested training needs analysis questionnaires had been returned.
- Ms A Allen, Barnett Waddingham LLP, would be booked for training after the March 2020 meeting, date to be confirmed. Members of the Pension Fund Committee would also be invited to attend.

**ACTION: Ms Lewis-Smith**

- Ms J Mark, Brunel Partnership, would be coming to the December 2019 meeting to give an update on the custodian’s role.

**RESOLVED: The Board NOTED the update.**

## **10 FORWARD PLAN**

Mrs C Lewis-Smith, Pensions Administration Manager, gave an overview of the document circulated with the agenda.

**RESOLVED: The Board NOTED the update.**

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

Mrs C Lewis-Smith, Pensions Administration Manager, gave an overview of the report circulated with the agenda.

Mrs Lewis-Smith highlighted the following points:

- There had been more returns than employers due to several employers changing payroll provider during the year.
- There were two employers with annual returns outstanding effecting a total of 12 employees.
- 196 employers had 100% accurate data.
- Of the 866 queries remaining, 282 related to members who have left the LGPS.

The following points were discussed as a result of questions from members of the Board:

- It was confirmed academies had improved the quality of their returns.

**RESOLVED: The Board NOTED the update.**

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

## **13 ANNUAL BENEFIT STATEMENTS - CONFIDENTIAL APPENDIX**

## **14 CONFIDENTIAL MINUTES PENSION FUND BOARD**

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

## **16 BRUNEL PENSION PARTNERSHIP UPDATE**

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

### **Any Other Business**

Mrs C Lewis-Smith, Pensions Administration Manager, stated that their insurance provider was no longer able to offer the longer term insurance renewal discussed at the last meeting. Mrs Lewis-Smith confirmed the Board's insurance had been renewed until 31 March 2020 after which it would be renewed along with the new council's other policies.

There was a place available on the Barnett Waddingham SIF training course to be held on 7 October 2019 following a cancellation. Interested board members should contact Mrs Lewis-Smith.

### **Date of next meeting**

The BCC Pension Fund General Meeting  
5 December 2019, 9.30am-12.30pm, at The Gateway, Aylesbury.

Pension Fund Board  
18 December 2019, 10am, at Mezz Room 2, New County Offices.

**CHAIRMAN**