

# Minutes

## *PENSION FUND BOARD*

**MINUTES OF THE PENSION FUND BOARD HELD ON WEDNESDAY 16 MARCH 2016, IN COMT BOARD ROOM, IRELAND ROOM, COUNTY HALL, COMMENCING AT 10.00 AM AND CONCLUDING AT 1.00 PM.**

### **MEMBERS PRESENT**

Ms B Black, Mr R Bowman, Mr P Dearden, Ms R Ellis (Vice-Chairman), Mr D Martin, Mr S Mason (Chairman), Mr J McGovern and Mr I Thompson

### **OFFICERS PRESENT**

Mr J Batt, Ms J Edwards, Mr E Holt, Mr R Nicholson, Ms C Platts, Mr M Preston, Ms S Price and Mr C Thompson

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

There were no apologies or declarations of interest.

### **2 PENSION FUND COMMITTEE MINUTES**

Page 4 – The Pensions & Investments Manager explained that the Board Members still required training on the regulatory requirements.

**Action: Pensions & Investments Manager**

The Pensions & Investments Manager advised that their team were still in the process of completing the estimated cost for reconciliation.

The Pensions & Investment Manager confirmed that they would not be receiving a fine due to the late return of the Annual Benefits Statement.

### **3 BCC PENSION FUND MEMBER AND EMPLOYER COMMUNICATIONS**

It was explained that the 2013 regulations state that the Council requires a policy around Fund Member and Employer Communications; the Communications Officer advised that the Council's policy had been updated to reflect the fact that the Pension Fund Board was now in existence, and confirmed that this requires approval by the Pension Fund Board every 3 years.



INVESTOR IN PEOPLE



The Communications Officer advised that a soft launch was currently being conducted, with email addresses being acquired from different employers.

The Communications Officer explained that disclosure recommendations need to be satisfied before the paperless initiative could be implemented; and that letters are required to be sent to advise of the intent to move to digital correspondence. The Pensioner Newsletter had requested that email addresses were provided in order to enable digital communication and reduce paper usage.

The Communications Officer advised that full payslip runs are conducted in September/October and April/May to help to prevent fraud.

It was noted that the Members Access Portal had not yet been built into the system as automation was required before this could be completed.

**The Board the APPROVED the 2016 revision of the Buckinghamshire County Council Pension Fund Communications Policy Statement for publication online.**

#### **4 BCC PENSION FUND EMPLOYER NEWSLETTER - DECEMBER 2015**

The Board noted the December 2015 issue of the BCC Pension Fund Employer Newsletter.

An error had been noted on page 23 of the agenda pack, whereby it was stated that the return of 3.1% represented a 0.7% underperformance in relation to the 2.4% benchmark. This should have stated a 0.7% **overperformance**.

The Communications Officer explained that the temporary manager in the ISA team had recently left, along with two other team members. The department was said to be short on ELO's, but plan were in place to address this matter.

It was noted that the period of contracting out had come to an end; and that individuals who commenced their scheme membership between 1978 and 1998 had accrued a guaranteed minimum pension. Any increase above 3% would be paid by the state, with BCC paying increases below 3%.

Communications to high earners to inform them of changes to pensions would shortly be conducted – this is for fixed protection applications for the 2016/17 period.

The Communications Officer explained that the guidance notes would be reviewed to establish why percentages of lifetime allowances had not been included on the 2014/15 Annual Benefits Statement; as perhaps this was being dealt with under a different mechanism.

Fact sheets would be distributed in order to detail the changes to lifetime allowances and the process for the carrying forward of unused allowances.

The Communications Officer noted issues with information provided by employers last year in relation to periods of authorised leave and calculation of final pay. The Pensions team had reiterated to employers as to how to calculate this.

The Pensions Team had reminded employers their deadlines for completion of the Auto-Enrolment (15<sup>th</sup> of each month) and the Monthly Contributions Spreadsheet (19<sup>th</sup> of each month). These incoming spreadsheets were to be monitored and explanations sought for the late receipt of information.

## **5 ANNUAL BENEFITS STATEMENTS - ADMINISTRATION YEAR END UPDATE**

The Pensions & Investments Manager explained that the statutory deadline for the Annual Benefits Statement had not been met and so BCC were currently proposing with the employers that this deadline be changed. Further information on this would be uploaded once received; with statements issued where there is no query relating to significantly different salary information being received.

The Communications Officer commented that they could only check full time equivalent pay and that the annual return was within the tolerance from the previous year.

It was explained that all necessary data should be received in time for the July meeting of the Pension Fund Board; and that 2014/15 held lots of changes that were to be absorbed by employers.

The Principal Pensions Officer advised that data would be uploaded directly through the interface; with employer self-service capabilities being rolled in the future. Self-service for Members was currently underway and it was stated that this should reduce the demand on the administration team; however redundancy quotes would still be required to be completed by employers themselves.

## **6 INTERNAL DISPUTE RESOLUTION PROCEDURE**

The Board noted the internal dispute resolution procedure detailed in the agenda pack and raised the following points in discussion:

- Responses to appeals should be received within 3 months – although employers were chased for their responses on a monthly basis.
- In the majority of ill-health cases, benefits had been paid whilst waiting for the appeals to be processed.
- It was noted that the difficulties surrounding instances of ill-health were that delays were often due to medical professionals and not the employers themselves. The difficulties in obtaining definitive statements and the signing of a declaration from an independent medical practitioner were noted.

## **7 ADMINISTRATION PERFORMANCE STATISTICS**

A new post had been created in October 2015 in order to assist with the administration backlog; a verbal update would be provided on this at the following meeting once the training period had been completed. The priority workgroups were now up to date.

The Principal Pensions Officer noted their aim of issuing the Annual Benefit Statement within the August 2016 deadline.

It was questioned if the CIPFA benchmark was now in line with its neighbours regarding staffing. The Finance Director commented that they should be broadly in line and that the length of time taken to train pension administrators does impact this – although they now had a post solely dedicated to training.

The CIPFA report would be provided at the meeting in October 2016.

The Chairman requested an update on the year-end returns at the next meeting and that this information was also provided to the actuary.

**Action: Principal Pensioners Officer**

The Finance Director explained that conversations had been held between Berkshire and Oxfordshire regarding the outsourcing of administration, but that the right opportunity and environment were required and there had been no plans at present to progress this any further.

Reece Bowman advised that a Human Resources business case had been agreed for the sharing of information with Harrow Council.

## **8 RISK REGISTER**

The Pensions & Investment Manager explained that the Risk Register had been updated to reflect the changes agreed at last year's Pension Fund Committee.

It was commented that the chain of Fund Management within the Council (e.g. the monitoring relationship) had not covered the chain of the Council itself and that a separation of duties would be added.

**Action: Pensions & Investments Manager**

The Pensions & Investments Manager advised that BCC did not currently have the resources to provide further information on tax legislation for high earners; as detailed on page 28 of the agenda pack.

**Action: Pension & Investments Manager**

## **9 FORWARD PLAN**

The Pensions & Investments Manager would endeavour to formulate the training plan prior to the July 2016 meeting taking place.

**Action: Pensions & Investments Manager**

The Chairman requested that a fund manager be invited to the October 2016 meeting with a view to establishing the training needs analysis.

**Action: Pensions & Investments Manager**

An update on the pooling proposal would be provided at the July 2016 meeting.

**Action: Pensions & Investments Manager**

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

### **RESOLVED**

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

## **11 CONFIDENTIAL MINUTES OF PENSION FUND COMMITTEE**

The Board noted the minutes from the previous Pension Fund Committee.

## **12 MINUTES OF THE PENSION FUND BOARD**

The Board noted the minutes from the previous Pension Fund Board.

## **13 FUND MANAGER'S PRESENTATION**

The Board noted and discussed the report provided by Royal Asset Management (RAM).

## **14 POOLING PROPOSAL**

The Board held a discussion on the pooling proposal.

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

The next meeting would take place on 21/07/2016 in the CoMT Boardroom, New County Offices, Walton Street, Aylesbury.

**CHAIRMAN**

