

Agenda

PENSION FUND COMMITTEE

Date: Tuesday 27 September 2016
Time: 10.00 am
Venue: Mezzanine Room 3, County Hall, Aylesbury

Agenda Item	Page No
1 APOLOGIES FOR ABSENCE / CHANGES IN MEMBERSHIP	
2 DECLARATIONS OF INTEREST To disclose any Personal or Disclosable Pecuniary Interests	
3 MINUTES of the meeting held on 27 July 2016 to be agreed as an accurate record and signed by the Chairman.	5 - 8
4 BUCKINGHAMSHIRE PENSION FUND BOARD MINUTES Minutes attached from the meeting of the Buckinghamshire Pension Fund Board held 21 July 2016.	9 - 14
5 RISK REGISTER To be presented by Julie Edwards, Pensions and Investments Manager.	15 - 20
6 FORWARD PLAN Pension Fund Committee Forward Plan attached.	21 - 24
7 EXCLUSION OF THE PRESS AND PUBLIC To resolve to exclude the press and public as the following item 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)	
8 CONFIDENTIAL MINUTES of the meeting held on 27 July 2016 to be agreed as an accurate record and signed by the Chairman.	25 - 28

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| 9 | BUCKINGHAMSHIRE PENSION FUND BOARD CONFIDENTIAL MINUTES
Confidential minutes attached from the meeting of the Buckinghamshire Pension Fund Board held 21 July 2016. | 29 - 30 |
| 10 | BRUNEL PENSION PARTNERSHIP UPDATE
To be presented by Julie Edwards, Pensions and Investments Manager. | 31 - 42 |
| 11 | FUND MANAGER PERFORMANCE
To be presented by Julie Edwards, Pensions and Investments Manager. | 43 - 62 |
| 12 | FUND MANAGER PRESENTATION
Presentation to be given by representatives from Royal London Asset Management. | 63 - 84 |
| 13 | TRAINING SESSION: STRATEGY REVIEW TRAINING & GLOBAL EQUITY TRAINING
To be presented by Mercer. | 85 - 126 |
| 14 | DATE OF NEXT MEETING
12 December 2016 at 1 p.m. in Mezzanine room 3, NCO | |

If you would like to attend a meeting, but need extra help to do so, for example because of a disability, please contact us as early as possible, so that we can try to put the right support in place.

For further information please contact: Leslie Ashton on 01296 382290, email: lashton@buckscc.gov.uk

Members

Mr J Chilver (C)

Mr R Scott (VC)

Mr T Butcher

Mr P Hardy

Mr S Lambert

Mr D Martin

Mr J Gladwin, District Council representative

Mr A Stansfeld, Thames Valley Police representative

Vacancy, Milton Keynes Council

Minutes

PENSION FUND COMMITTEE

MINUTES OF THE MEETING OF THE PENSION FUND COMMITTEE HELD ON WEDNESDAY 27 JULY 2016, IN MEZZANINE ROOM 3, COUNTY HALL, AYLESBURY, COMMENCING AT 1.00 PM AND CONCLUDING AT 3.40 PM.

MEMBERS PRESENT

Mr J Chilver (Chairman), Mr S Lambert, Mr D Martin, Mr R Scott (Vice-Chairman) and Mr J Gladwin

OTHERS PRESENT

Carolán Dobson, Independent Adviser
Julie Edwards, Pensions and Investments Manager
Mark Preston, Finance Director, Business Services Plus
Matthew Passey, Mercer Investment Consulting
Nick Sykes, Investment Consultant, Mercer
Leslie Ashton, Committee Assistant
Thomas Slaughter, Executive, Grant Thornton Auditors
Cheryl Platts, Pensions Communications Officer
Oliver Kratz, Global Thematic Partners
Klaus Tanner, Global Thematic Partners

AGENDA ITEM

1. APOLOGIES FOR ABSENCE / CHANGES IN MEMBERSHIP

The Chairman welcomed all to the meeting and introductions were made.

Apologies had been received from Mr P Hardy.

Mr P McDonald was no longer the Milton Keynes Council representative. The Leader of Milton Keynes Council was currently seeking a replacement and would advise the Committee Assistant when a replacement had been found.

Mr D Carroll was no longer the Deputy Police and Crime Commissioner and therefore no longer a Member of the Pension Fund Committee. All invites would be sent to the Police and Crime Commissioner (PCC) until such time that a Deputy was appointed.



ACTION: Committee Assistant to forward all future Committee invites to Mr Anthony Stansfeld, Police and Crime Commissioner

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES

The minutes of the meeting held 29 June 2016 were agreed as an accurate record and signed by the Chairman.

4. ANNUAL ACCOUNTS AUDIT

Mr T Slaughter presented the audit findings report and the Committee was provided with a copy of this report along with the Pension Fund Statement of Accounts and Letter of Representation. Key points discussed were as below:

- The reports would be presented to the Regulatory and Audit Committee on 28 July 2016 and be signed shortly after.
- No adjustments were identified which affected the Fund's reported financial position.
- Page 51 - 55 of the agenda pack outlined Audit findings against significant and other risks and the Committee was taken through each.
- Statutory notice letters had not been sent out to a number of new starters over several months. Ms J Edwards confirmed this had now been rectified was related to an issue with the content of the letters which had taken some time to resolve. Printing of the letters was now taking place fortnightly and all outstanding letters had been issued by 18 July 2016.
- Mr N Sykes queried the Interest Rate – Sensitivity Analysis section wording on page 30 of the agenda pack and advised that this was not factually correct. This was similar to wording on the following page referring to currency risk. Ms J Edwards advised that the accounts were presented in the CIPFA standard and Mr T Slaughter added that the wording could be refined however what was included in the accounts met the disclosure requirement.
- The final actuary valuation was due around November time this year.
- The performance management expenses were clarified as being based on a three year average not just an average year on year figure.
- Mr T Slaughter clarified the private equity investments valuation. Fund Managers were written to and requested to confirm their valuation methodology, this was then checked for consistency and asset values and sales were taken into account.

RESOLVED

The Committee NOTED the accounts for the financial year ended 31 March 2016, NOTED Grant Thornton's Audit Findings report and NOTED the Letter of Representation.

5. ANNUAL REPORT 2015/16

Ms C Platts presented this report. The Committee discussed the reports contents and key points discussed were as below:

- The annual report included the draft accounts as discussed above and followed CIPFA guidance. Ms C Platts advised that a traffic light rating system had been included on the risk register and a narrative included on the aging population and employer contributions.
- Ms J Edwards circulated a revised annual report of the Buckinghamshire Pension Fund Board which summarised the activity of the Board and training the Members had undertaken.
- The Chairman questioned the target timeframes on the administration management performance details which could be seen on page 101 of the agenda and asked if these targets set were achievable. Ms J Edwards advised that the team were in crisis with a high workload in 2015/16 and the team had worked extremely hard to bring the majority of tasks up to date aside from outstanding transfer tasks which there was a focus on to clear.
- Mr D Martin suggested focus was placed on ensuring actual death calculations were completed in the 10 working day timeframe. It was confirmed that this timeframe was based from the date of death rather than the date notification had been received although there were often complications whilst processing these tasks which would not be evidenced in the statistics.
- Mr J Gladwin questioned the cause of overpayments as noted on page 100 of the agenda pack. Ms J Edwards advised that in the majority of cases this was when the team had not been notified of deaths and so payments had continued.

RESOLVED

The Committee APPROVED the annual report, subject to the accounts element being signed off by Regulatory and Audit Committee.

6. FORWARD PLAN

The Committee noted the Forward Plan.

Ms J Edwards advised that there may be an additional meeting required in October to cover an update on the full business case of the Brunel Partnership. Formal sign-off from Government was not expected at any point.

Ms J Edwards confirmed that the triennial valuation was provisionally included to be discussed at the December meeting of the Pension Fund Committee.

7. 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)

8. CONFIDENTIAL MINUTES

The confidential minutes of the meeting held 29 June 2016 were agreed as an accurate record and signed by the Chairman.

9. GLOBAL THEMATIC PARTNERS REVIEW

The Committee received a report from Mercer on the Global Thematic Partners review and were taken through its contents by Mr M Passey, Mercer.

10. FUND MANAGER PRESENTATION: GLOBAL THEMATIC PARTNERS

The Committee received a presentation from Mr O Kratz and Mr K Tanner from Global Thematic Partners and were able to question their performance and investment strategies.

11. TRAINING SESSION: INFRASTRUCTURE

Mr N Sykes, Mercer delivered a training session to the Committee on various aspects of infrastructure investment.

12. DATE OF NEXT MEETING

27 September 2016 at 10 a.m. in Mezzanine room 3, NCO, Aylesbury.

CHAIRMAN

Minutes

PENSION FUND BOARD

MINUTES OF THE PENSION FUND BOARD HELD ON THURSDAY 21 JULY 2016, IN COMT BOARD ROOM, IRELAND ROOM, COUNTY HALL, COMMENCING AT 10.00 AM AND CONCLUDING AT 12.00 PM.

MEMBERS PRESENT

Ms B Black, Mr R Bowman, Mr P Dearden, Ms R Ellis (Vice-Chairman) and Mr S Mason (Chairman)

OFFICERS PRESENT

Ms J Edwards, Ms C Platts and Mr M Preston

1 APOLOGIES FOR ABSENCE/DECLARATIONS OF INTEREST/MINUTES

Apologies were received from Mr J McGovern, Ms S Price, Mr C Thompson and Mr I Thompson.

There were no declarations of interest.

The minutes of the meeting held 16 March 2016 were agreed as an accurate record and updates on action points were given as below:

- In relation to training on regulatory requirements, Ms J Edwards advised that all Board Members had access to online training.

ACTION: Pension Fund Board Members to review training modules online and continue to look at on an ongoing basis.

- Ms C Platts explained that all those who were already in the pension scheme would automatically be enrolled and those who had opted out at any stage would need to be brought back in on their three year anniversary. Employers were to be referred to the LGA auto enrolment scheme guidelines with any queries. Ms C Platts advised that information on this had been included in the Employer Newsletter.
- The action point under item 7 would be covered under item 6 of this meeting record.



- The Risk Register was an item due to be discussed at the next Board Meeting on 26 October 2016. The Risk Register would be reviewed and any issues addressed at that meeting.
- Ms J Edwards advised that a session had been held on tax legislation for high earners. Ms C Platts added that in addition to the training, correspondence had been sent out to high earners so that they had information should they have been unable to attend the session. Around 120 people fell in to this category.

Forward Plan items noted on the last meeting record

- As noted above the online training package was to be revisited by Board Members and a Training Needs analysis was on the next meeting's agenda to focus on areas of need.
- Ms J Edwards explained that a Fund Manager had not been invited to the next Board Meeting and advised that the Pension Fund Committee had not believed that there was a role for the Board to review Fund Managers in Board Meetings. The Chairman of the Pension Fund Committee had agreed that it was acceptable for Pension Fund Board Members to attend future Committee meetings where Fund Managers were due to present. Ms J Edwards confirmed that the Board could challenge decisions made by the Committee and with permission from the Chairman could question Fund Managers at future Committee meetings.

ACTION: Committee Assistant to circulate Pension Fund Committee invites for all future meetings set to Pension Fund Board Members.

2 MINUTES OF PENSION FUND COMMITTEE

The Board noted the minutes from the Pension Fund Committee meetings held 23 May 2016 and 29 June 2016.

3 BCC PENSION FUND EMPLOYER NEWSLETTER

Ms C Platts presented this item and the Board received copies of the Pension Fund Employer's Newsletters for March and June 2016. The Board discussed contents of the report and comments included:

- The Chairman asked whether there had been any feedback on the end of contracting out from employers/employees. Ms C Platts advised that there had been documentation shared with employers well in advance. No employers had provided any adverse feedback.
- Ms C Platts advised that the Exit payment cap noted on page 19 of the agenda pack had been covered by the actuary in their presentation to high earners. Redundancy payments and pension strain were included in this payment cap. There had been a consultation and the expected date for legislative framework on this was not expected any earlier than 1 October 2016.

- The BCC Pension Fund General Meeting was to be held on 8 December 2016 from 9 a.m. and Ms C Platts confirmed that she would be sending out an invite to Board Members.
- The Chairman and Vice-Chairman of the Board were scheduled to attend the LGPS Trustee Training noted on page 25 of the agenda pack. An employer training event had been held in July 2016 and early feedback had appeared positive.

RESOLVED

The Pension Fund Board NOTED the March and June 2016 issues of the BCC Pension Fund Employer newsletter.

4 REVIEW OF PENSION FUND BOARD POLICIES

Ms J Edwards presented this item. The Board discussed contents of the report and key points raised included:

- Four policies were attached to the agenda (Terms of Reference; Code of Conduct; Conflicts Policy and Knowledge and Understanding Framework). The term of office for Members was three years and if all Members were still in post after 30 months then the recruitment process would start, beginning with those who wish to remain on the Board. Ms J Edwards advised that the vacancy on the Board had yet to be recruited to but workload permitting this would be looked at in due course.
- The Chairman confirmed that the Board would carry out point 55b when receiving officers' reports for the Board. Other items under item 54 were often underpinned by work going on in the background from officers.
- In relation to point 55k, Ms C Platts confirmed that in the current newsletter Employer's had been reminded of sending discretions to the County Council. If Employers did not have a policy in place, the County Council would not complete work which requires a discretionary policy.
- There was a legitimacy to the Board questioning the Pension Fund Committee on Fund Manager decisions which affected investments as noted in point 55b of the Terms of Reference and as per points 58 and 59 the Board were able to report concerns to the Committee. If not satisfied with the response received the Board may request a notice of concern be placed on the website and in the Fund's annual report.

RESOLVED

The Board REVIEWED and NOTED the Terms of Reference, Code of Conduct, Conflicts Policy and Knowledge and Understanding Framework.

5 ANNUAL REVIEW OF BUCKINGHAMSHIRE PENSION BOARD

Ms J Edwards presented this item. The Board discussed contents of the report which would go to the Pension Fund Committee on 27 July 2016. A factual, concise statement had been

included in the Annual report and the names of Board Members had been added. The Board agreed that an introductory paragraph would be beneficial to have included in the report.

ACTION: Pensions and Investments Manager to email document to Chairman of the Board to write an introduction to the Board and invite comments from Members.

RESOLVED: The Board NOTED the Annual Review of Buckinghamshire Pension Board report.

6 ANNUAL BENEFITS STATEMENTS - ADMINISTRATION YEAR END UPDATE

Ms J Edwards presented this item. The Board discussed contents of the report and points were raised as follows:

- BCC had encountered difficulties meeting the 31 August 2015 statutory deadline for the issuing of Annual Benefits Statements. Ms J Edwards advised that the team had reviewed the process for the year ending 31 March 2016 and were on target to have Annual Benefit Statements issued by 31 August 2016. The Chairman thanked Officers for having found a solution.
- The regulator was contacted in March to explain what had happened and BCC were informed that the issue would be placed on file and no action was intended.
- Annual Returns from 2 employers remained outstanding. This was 1 academy and 1 school and the issue appeared to be a result of having changed payroll providers at certain points.
- Ms J Edwards advised that there was not yet a fixed date for electronic versions of the statements to replace paper copies and further discussions were to be held. Deferred Benefits Statements had been issued with notification of a move to online. Ms C Platts advised that the option to opt out of accessing statements online needed to be done twice. The deferred statements issued this year gave details of the negative revaluation and information about the move to online statements. A reply slip was included to inform whether employees wished to continue with receiving a paper statement.

RESOLVED

The Board NOTED the update on the issuance of Annual Benefits Statements.

7 ADMINISTRATION PERFORMANCE STATISTICS

Ms J Edwards presented this item. The Board discussed contents of the report and points raised included:

- Workload statistics could be seen in the report. Figures had much improved for work completed within target over the previous six months.
- Inroads had been made on the backlog of tasks with additional staff members being trained across work streams. As staff had been upskilled more tasks were able to be completed each month.

- In January 2016, the Pensions Service Desk was implemented which allowed Pensions Officers to focus on completing a number of other tasks. Work was being prioritised accordingly.
- Updated valuation Year End returns remained outstanding from 2 employers.
- BCC were made aware of a number of issues by way of Class Bulletin which related to the valuation extraction process and this was said to have created additional work, however the Systems Team were on course to meet the 31 July 2016 deadline. If the deadline was not met Ms J Edwards advised that the triennial valuation would come back later than expected. The current date expected was approximately the end of October 2016.
- 1400 transfer tasks waited processing with the majority of other tasks having been brought up to date.

RESOLVED

The Board NOTED the performance statistics of the team.

8 FORWARD PLAN

The Board noted the Forward Plan.

9 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)

10 MINUTES OF THE PENSION FUND BOARD

The confidential minutes of the meeting held 16 March 2016 were agreed as an accurate record.

11 MINUTES OF PENSION FUND COMMITTEE

The Board noted the confidential minutes from the Pension Fund Committee meetings held 23 May 2016 and 29 June 2016.

12 BRUNEL PENSION PARTNERSHIP UPDATE

The Board received an update on the Brunel Partnership and discussed the contents in detail.

RESOLVED

The Board NOTED the Brunel Pension Partnership Update report.

13 DATE OF NEXT AND FUTURE MEETINGS / AOB

26 October 2016 at 2 p.m. in Mezzanine room 3, NCO
16 March 2017 at 10 a.m. in Mezzanine room 2, NCO
19 July 2017 at 10 a.m. in Mezzanine room 2, NCO
18 October 2017 at 10 a.m. in Mezzanine room 1, NCO

CHAIRMAN

Pension Fund Committee

Title:	Pension Fund Risk Register
Date:	27 September 2016
Author:	Finance Director, Business Services Plus
Contact officer:	Julie Edwards 01296 383910
Electoral divisions affected:	N/A

Summary

The Risk Register identifies the key risks to the Pension Fund and is reviewed periodically by the Pension Fund Committee, the last review took place on 25 November 2015.

Recommendation

The Committee is asked to NOTE the Risk Assessment for the Pension Fund.

Resource implications

- 1 There are none arising directly from this report.

Other implications/issues

- 2 Members are asked to review the attached register to ensure that:
 - The descriptions of risks are still relevant;
 - The scores attributed to the impact and probability of the untreated risks are appropriate;
 - Risk treatment is adequate; and
 - The scores attributed to the impact and the probability of the residual risks are appropriate.



LIKELIHOOD

6	Extremely Likely	6	12	18	24
5	Very Likely	5	10	15	20
4	More Likely	4	8	12	16
3	Less Unlikely	3	6	9	12
2	Unlikely	2	4	6	8
1	Extremely Unlikely	1	2	3	4
		Negligible	Moderate	High	Extreme
		1	2	3	4

IMPACT

- 3 Risks relating to the fund management are numbers P1-P17 and administration risks are numbers A1-A13. Following a suggestion from the Buckinghamshire Pension Board, the fund management risks are presented as two different sections due to the incongruity of the scoring when presented as one risk assessment. Following the review by Committee in November 2015 the wording of the impact of inflation / deflation in risk P11 has been enhanced. The risk regarding outstanding guidance following the introduction of LGPS 2014 has been removed since full guidance has now been provided.

Feedback from consultation, Local Area Forums and Local Member views (if relevant)

- 4 Not applicable

Background Papers

Pension Fund Committee 25 November 2015, agenda item 5

<https://democracy.buckscc.gov.uk/ieListDocuments.aspx?CId=136&MId=6382&Ver=4>

RISK ASSESSMENT

Service Area	PENSION FUND	Updated 27th September 2016
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User notes: This spreadsheet has automatic conditional formatting which changes the colour of the scoring column, amber and red must go to the Pension Fund Committee

	High level risk
	Medium level risk
	Low level risk

FUND MANAGEMENT RISKS

Ref	Description of risk, i.e. what is the threat or opportunity to the achievement of a business/project objective, use format "If <event happens> then <consequence of event>"	Assessment of untreated risk				Risk Treatment, i.e. what are we going to do about this risk		Assessment of residual risk			Owner
		Impact	Probability	Untreated score (don't write in here)	Proximity, i.e. when will this risk impact	Action	By when	Impact	Probability	Residual score	
P1	If the investment strategy does not produce the returns as envisaged / required then funds perform worse than expected, the deficit increases, pressure on employer contributions, pressure on Council Tax and reputational pressure on the Pension Fund	6	3	18	ongoing	Strategy reviewed formally every 3 years Review strategy more frequently - annual refresh Action Plan where issues arise Mini-valuation undertaken annually Appointment of Investment Consultant and Committee Advisor, Investment advice analysed. A long term view is taken with regards to the Fund's investment strategy.	ongoing	6	2	12	Pension Fund Committee and Finance Director, Business Services Plus
P2	If there is a significant downturn in a particular sector / geographical location then funds perform worse than expected, the deficit increases, employers contributions would need to be increased.	5	3	15	ongoing	Strategy reviewed every 3 years Review strategy more frequently - annual refresh Action Plan where issues arise. Managers closely monitored. Economic issues are being monitored. Closer monitoring of managers' views on Eurozone. Revised strategy implemented May 2014, investment strategy review due in 2017. Annual mini-actuarial valuation reported. Governance structures require meeting every Fund Manager on average 3 times per annum. Holistic reporting to Members - not just performance based.	ongoing	5	1	5	Pension Fund Committee and Finance Director, Business Services Plus
P3	If a new investment vehicle is not understood by the Pension Fund Committee then loss of control, limited governance exercised, poor controls / limited challenge and errors.	2	2	4	ongoing	Ensure adequate training. Periodic training needs analysis undertaken to support annual training plan. Committee Advisor supports the Committee members understanding of asset classes and investment issues.	ongoing	2	1	2	Pension Fund Committee and Finance Director, Business Services Plus
P4	If there are natural or man made disasters / problems which impact on the markets long term then loss of confidence, worried customers, lower returns and increased liabilities	2	4	8	ongoing	Governance structures provide for horizon scanning. Current investment strategy has built in flexibility that enables some degree of tactical decision making.	ongoing	2	4	8	Pension Fund Committee and Finance Director, Business Services Plus
P5	If too many early retirements then the ratio of pensioners to contributors gets worse, less able to meet obligations and pressure on contributions	2	5	10	ongoing	Early retirement options were reduced in line with 2008 LGPS regulations. Administration team monitor. The Fund's employers are responsible for the pension strain costs, not the Fund.	ongoing	2	2	4	Pension Fund Committee and Finance Director, Business Services Plus
P6	Public sector cuts could increase the number of early retirements, increase in administration costs and impact on revenue. Public sector cuts, member opt outs, localism and outsourcing could reduce the number of active members reducing contributions income. Contributions income could bring forward the date when the Fund has to use investment income to meet benefit payments.	3	4	12	ongoing	Review in light of austerity measures and other large employer strategies. Periodic meetings held with larger employers. Factor maturity of the Fund into investment strategy decisions, review Funding Strategy Statement every three years following the actuarial valuation.	ongoing	3	3	9	Pension Fund Committee and Finance Director, Business Services Plus
P7	If significant changes in government regulations occur, for example IAS19, then limited opportunities for innovation exist and resource is wasted supporting employers / members with non-value adding activities.	1	2	2	ongoing	Not within the Pension Fund's control. No further action required.	ongoing	1	2	2	Pension Fund Committee and Finance Director, Business Services Plus
P8	If there is fraud at some point in the "chain" (within the Council or Fund Management House) then loss of assets, damage to credibility and reputation and potential litigation.	4	2	8	ongoing	Monitoring activity undertaken (SAS70, AAF01/06) Relationships with fund managers to include assurance and risk management consideration. Detailed and embedded assurance framework in place.	ongoing	4	1	4	Pension Fund Committee and Finance Director, Business Services Plus
P9	If there is poor Fund management caused by poor selection, loss of key staff, change in process or not keeping up with the market then there will be poor performance, reduced assets, damage to reputation and increased deficit.	3	4	12	ongoing	Fund managers' performance actively reviewed quarterly. New investment strategy implemented May 2014. Benchmarking undertaken and research undertaken.	ongoing	3	2	6	Pension Fund Committee and Finance Director, Business Services Plus
P10	If there is an underestimation of pensioner longevity then there will be a failure to have high enough pension contributions and increased pressure on future contributions.	4	4	16	ongoing	Not within the Pension Fund's control Actuaries review projection of longevity regularly. The 2013 Actuarial Valuation mortality assumptions allowed for a long term rate of improvement in mortality rates. The next triennial valuation as at 31 March 2016 will be reported in Autumn 2016.	ongoing	4	3	12	Pension Fund Committee and Finance Director, Business Services Plus

Ref	Description of risk, i.e. what is the threat or opportunity to the achievement of a business/project objective, use format "If <event happens> then <consequence of event>"	Assessment of untreated risk				Risk Treatment, i.e. what are we going to do about this risk		Assessment of residual risk			Owner
		Impact	Probability	Untreated score (don't write in here)	Proximity, i.e. when will this risk impact	Action	By when	Impact	Probability	Residual score	
P11	If inflation is significantly greater than currently forecast, then a combination of lower bond values and increasing pay levels will cause the deficit to widen (all else equal). If inflation is negative (deflation) for a prolonged period of time, the value of the inflation linked bonds will decrease. However, the value of the liabilities would not fall to the same extent as pay levels are unlikely to fall and pensions cannot be reduced, which will cause the deficit to widen (all else equal).	3	4	12	ongoing	Review bond performance regularly. Economic commentators suggest that inflation will fall back to target in the medium term and that the factors driving the current spikes in inflation are temporary.	ongoing	3	3	9	Pension Fund Committee and Finance Director, Business Services Plus
P12	If there is loss of confidence by employees and employers in the Pension Fund management then political fallout, seen as a poor performer, criticism from external audit and Public Interest Reports.	2	2	4	ongoing	Pensions Communications Officer role involves designing and delivering communications strategy. The Buckinghamshire Pension Board was established in 2015.	ongoing	2	1	2	Pension Fund Committee and Finance Director, Business Services Plus
P13	If stock market volatility exists at key points in the cycle e.g. at time of actuarial review then, deficit grows as does pressure on employer costs.	3	5	15	ongoing	Ongoing review more intense when markets are volatile. Key decision to be made in terms of timing of changes. Actuary using 'smoothing' effect which actively seeks to mitigate risks.	ongoing	2	4	8	Pension Fund Committee and Finance Director, Business Services Plus
P14	If a failure of a fund management house or nominee company is caused by financial issues or a catastrophic event e.g. terrorism or company policy change e.g. leaving the UK then there will be a short term performance failure, time and cost implications and a potential loss of opportunity if at the wrong moment.	3	2	6	ongoing	Ongoing review using governance structures described previously.	ongoing	2	2	4	Pension Fund Committee and Finance Director, Business Services Plus
P15	If officers do not follow policy decision or recommend inappropriate / radical policy decision then too great an exposure in certain areas will exist leading to greater volatility, break down of trust, policy decisions slowed, loss of opportunity and reputation damage.	3	2	6	ongoing	Effective scrutiny of officer activity by line management, Pension Fund Committee and audit	ongoing	2	1	2	Pension Fund Committee and Finance Director, Business Services Plus
P16	Following the decision of the British people to leave the European Union the economy and markets are anticipated to be volatile as the government negotiates and implements the exit package.	3	4	12	ongoing	Ongoing review more intense when markets are volatile. Key decision to be made in terms of timing of changes. Actuary using 'smoothing' effect which actively seeks to mitigate risks.	ongoing	2	4	8	Pension Fund Committee and Finance Director, Business Services Plus
P17	Proposals to pool the Fund's assets in the Brunel Pension Partnership are currently being developed. If the project is not managed and the transition is ineffective or excessive in cost, then the cost benefit ratio may not be achieved.	3	4	12	ongoing	Project team, Shadow Oversight Board with representatives from the Pensions Committees, Shadow Operations Group with officer representatives and Finance and Legal Assurance Group established. Project plan regularly reviewed to help support workstreams and keep deliverables on track.	ongoing	3	2	6	Pension Fund Committee and Finance Director, Business Services Plus

ADMINISTRATION RISKS

A1	Lack of employer understanding of the 2014 Scheme and knowledge of the Service Level Agreement may cause incorrect information to be provided and additional queries from employers	4	4	16	ongoing	Training events have been provided to employers and the Employer Liaison Team provide ongoing support in addition to the Benefits Administration Team. Scheme information is also continually updated on the website & through quarterly newsletters	ongoing	4	3	12	Pensions & Investments Manager
A2	A lack of capacity due to staff losses or sickness could adversely affect the workload of the pensions section resulting in decreased productivity.	3	3	9	ongoing	The Pensions & Investment team has worked hard over the past year to increase capacity to take into account the level of workloads and also to build up a contingency. Use of overtime and temporary staff also continues	ongoing	2	2	4	Pensions & Investments Manager
A3	The risk that the pensions software (Altair) causes disruption due to system crashes etc. leading to calculation errors, delays and a loss of working time.	3	4	12	ongoing	Not within the Pensions and Investments Team control but errors can be recorded in order to notify supplier. Continuity arrangements in place. Regular client relationship management meetings.	ongoing	2	2	4	Pensions System Officer, Pensions & Investments Manager
A4	Software updates resulting from scheme changes may create errors in calculations thus resulting in more time spent checking and re-doing calculations.	4	3	12	ongoing	Not within the Pensions and Investments Team control but errors can be recorded in order to notify supplier. Continuity arrangements in place. Currently BAT are finding that a lot of manual intervention is needed. This is being dealt with by the systems team	ongoing	2	3	6	Pensions System Officer, Pensions & Investments Manager
A5	Staff retention. There is a risk of losing trained staff to other organisations due to a lack of flexibility in the career matrix.	2	4	8	ongoing	The Council has a Contribution Based Pay (CBP) system to reward high performance in a consistent and cost effective way. The Pensions Officer career matrix is currently under review in order to better reflect the level of knowledge and expertise that Pensions Officers hold and to allow simpler progression. The aim of this is that it should provide better satisfaction for Pensions Officers and increase retention.	ongoing	1	3	3	Pensions & Investments Manager, Assistant Service Director - Finance Centre of Expertise
A6	Poorly performing employers/payroll providers can cause additional work on the pensions team by not providing information which they have a statutory duty to provide. This results in wasted time chasing employers and creating a backlog of work.	2	5	10	ongoing	The employer SLA's should help make employers provide the required information. The Pensions Administration Strategy includes a charging policy. 1-1 meetings with employers will be conducted to go over issues with information. Employer Liaison Team working on a risk basis,	ongoing	2	4	8	Pensions & Investments Manager, Assistant head of finance

Ref	Description of risk, i.e. what is the threat or opportunity to the achievement of a business/project objective, use format "If <event happens> then <consequence of event>"	Assessment of untreated risk				Risk Treatment, i.e. what are we going to do about this risk		Assessment of residual risk			Owner
		Impact	Probability	Untreated score (don't write in here)	Proximity, i.e. when will this risk impact	Action	By when	Impact	Probability	Residual score	
A7	Additional work and disruption is caused due to outsourcing and changes in schools payroll providers creating losses of vital information. This results in a lot of extra work on pensions administration staff attempting to piece together information which should have been provided	3	5	15	ongoing	The employer SLA's should help make employers provide the required information. The Pensions Administration Strategy includes a charging policy. 1-1 meetings with employers being conducted to go over issues with information. Employer Liaison Team working on a risk basis, Responsibility on employers to manage their contractors.	ongoing	2	3	6	Principal Pensions Officer (Governance & Employer Liaison Officer)
A8	The increase of TUPE transfers / schools opting for academy status has resulted in an increased workload for pensions staff, mainly at a senior level. The Principal Pensions officer must deal with the admission agreements as well as liaising with external contractors and the fund actuaries. The range of employees involved differ between employer but range from 1 employee to hundreds.	3	3	9	ongoing	These TUPE Transfers are currently being dealt with. A dedicated post exists to deal specifically with TUPE transfers therefore reducing the risk impact on the team	ongoing	2	4	8	Pensions & Investments Manager/Principal Pensions Officers
A9	The end of contracting-out of the Additional State Pension from April 2016 means that a Guaranteed Minimum Pension reconciliation of the Fund's records with the HMRC's records will need to be completed by 2018. This reconciliation may result in identifying overpayments/underpayments. If the reconciliation is not complete before the closing of the office this could result in the Fund being liable for GMP's which we should not be responsible for.	4	3	12	ongoing	Currently Principal Pensions Officer (Systems) has registered with the HMRC in order to receive bulk GMPs. A plan will need to then be put into place to deal with this	ongoing	3	3	9	Principal Pensions Officer (Systems)
A10	Tax legislation in respect of high-earners pensions contributions could result in a departure of high-earners from the Fund. High-earners leaving the Scheme could be perceived as senior management not advocating the benefits of the LGPS	2	2	4	ongoing	LGE has issued a leaflet setting out the implications of the tax changes for high-earners which has been forwarded to high-earners. Ongoing communications to scheme members highlighting the benefits of the Scheme	ongoing	2	2	4	Pensions & Investments Manager/Principal Pensions Officers
A11	If Admitted Bodies who joined the Fund prior to 1997 fail or if current Admitted Bodies reduce their active members to 0, then the Fund has no powers to ensure these organisation make good any deficit.	4	3	12	ongoing	Encouraging organisations against this route. Use of network groups to lobby for change in Regulations. DCLG admit that the issue needs looking at. Consultation paper prepared.	ongoing	3	2	6	Pensions & Investments Manager/Principal Pensions Officers
A12	The 3% on average increase employee pension contributions implemented, with effect from 1 April 2014, by increasing the tiers of contributions paid by mid/high earners could result in a departure of mid/high-earners from the Fund. Mid/High-earners leaving the Scheme could be perceived as senior management not advocating the benefits of the LGPS. During current period of low pay increases members may opt out due to pressures on household budgets.	2	2	4	ongoing	Not within the Pension & Investments Team's control, but there are ongoing communications to Scheme members highlighting the benefits of the Scheme.	ongoing	2	2	4	Pensions & Investments Manager/Principal Pensions Officers

Ref	Description of risk, i.e. what is the threat or opportunity to the achievement of a business/project objective, use format "If <event happens> then <consequence of event>"	Assessment of untreated risk				Risk Treatment, i.e. what are we going to do about this risk		Assessment of residual risk			Owner
		Impact	Probability	Untreated score (don't write in here)	Proximity, i.e. when will this risk impact	Action	By when	Impact	Probability	Residual score	
A13	The Public Sector Pensions Act 2013 requires that Annual Benefits Statements are issued to Scheme Members by 31 August. There is a risk that the Regulator will issue a fine although this is the position for most local authorities.	3	4	12	ongoing	Robust timetable, employer training, provide employer support to submit correct returns and review process. Additional temporary resources have been recruited.	ongoing	3	3	9	Pensions & Investments Manager/Principal Pensions Officers

PENSION FUND COMMITTEE FORWARD PLAN

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Updated	19-Sep-16
Printed	19-Sep-16

27 September 2016

Aylesbury, County Hall

Agenda Item	Author	Cyclical Item?
Apologies / Declarations of interest / Minutes	--	Every meeting
Buckinghamshire Pension Board Minutes	Steve Mason	4 monthly
Governance Update		Annually
Pension Fund Risk Register	Julie Edwards	6 monthly
Forward Plan	Julie Edwards	Every meeting
Exclusion of Press and Public		
Confidential Minutes		
Buckinghamshire Pension Board Confidential Minutes	Steve Mason	4 monthly
Brunel Pension Partnership Update	Julie Edwards	No
Fund Manager Performance	Julie Edwards	Quarterly
Fund Managers Presentation	RLAM	No
Training Session: Strategy Review Training	Mercer	No
Date of next meeting / AOB	--	

12 December 2016

Aylesbury, County Hall

Agenda Item	Author	Cyclical Item?
Apologies / Declarations of interest / Minutes	--	
Buckinghamshire Pension Board Minutes	Steve Mason	4 monthly
Governance Update		Annually
Verbal Feedback from Local Authority Pension Forum		Annual
Forward Plan	Julie Edwards	
Exclusion of Press and Public		
Confidential Minutes		
Buckinghamshire Pension Board Confidential Minutes	Steve Mason	4 monthly
Fund Managers' Performance	Julie Edwards	Quarterly
Actuarial Valuation	Barnett-Waddingham	Triennial
Mirabaud Review	Mercer	No
Fund Managers Presentation	Mirabaud	No
Date of next meeting / AOB	--	

22 February 2017

Aylesbury, County Hall

Agenda Item	Author	Cyclical Item?
Apologies / Declarations of interest / Minutes	--	
Pension Fund Risk Register	Julie Edwards	6 monthly

PENSION FUND COMMITTEE FORWARD PLAN

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Updated	19-Sep-16
Printed	19-Sep-16

Treasury Management Service Level Agreement	Julie Edwards	Annual
Forward Plan	Julie Edwards	Every meeting
Exclusion of Press and Public		
Confidential Minutes		
Fund Manager Performance	Julie Edwards	Quarterly
Investment Strategy Review	Mercer	Triennial
Fund Manager Presentation	TBA	No
Date of next meeting / AOB	--	

22 March 2017

Agenda Item	Aylesbury, County Hall Author	Cyclical Item?
Apologies / Declarations of interest / Minutes	--	
Forward Plan	Julie Edwards	Every meeting
Exclusion of Press and Public		
Confidential Minutes		
Brunel Pension Partnership Update	Julie Edwards	No
Fund Manager Performance	Julie Edwards	Quarterly
Fund Manager Presentation	TBA	No
Date of next meeting / AOB	--	

31 May 2017

Agenda Item	Aylesbury, County Hall Author	Cyclical Item?
Apologies / Declarations of interest / Minutes	--	
Buckinghamshire Pension Board Minutes	Steve Mason	4-monthly
External Audit Plan	Grant Thornton	Annual
Annual Accounts	Julie Edwards	Annual
Forward Plan	Julie Edwards	Every meeting
Exclusion of Press and Public		
Confidential Minutes		
Confidential Buckinghamshire Pension Board Minutes	Steve Mason	4 monthly
Fund Manager Performance	Julie Edwards	Quarterly
Brunel Pension Partnership Update	Julie Edwards	No
Fund Manager Presentation	TBA	No
Date of next meeting / AOB	--	

PENSION FUND COMMITTEE FORWARD PLAN

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Updated	19-Sep-16
Printed	19-Sep-16

27 July 2017

Agenda Item	Aylesbury, County Hall Author	Cyclical Item?
Apologies / Declarations of interest / Minutes	--	
Declarations of interest / Minutes	Chairman	
Annual Accounts Audit	Julie Edwards /Grant Thornton	Annually
Annual Report 2016/17	Cheryl Platts	Annually
Forward Plan	Julie Edwards	Every meeting
Exclusion of Press and Public		
Confidential Minutes		
Fund Manager Presentation	TBA	No
Training Session	Mercer	No
Date of next meeting / AOB	--	

20-Sep-17

30-Nov-17

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