

Agenda

PENSION FUND COMMITTEE

Date: Friday 13 September 2019
Time: 2.00 pm
Venue: Mezzanine Room 2, County Hall, Aylesbury

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16	DATE OF NEXT MEETING The date of the next meeting will be held on 25 th November at 2:30pm in Mezz 1, County Hall, Aylesbury	

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: Anne-Marie Kenward on 01296 387006, email: klcollier@buckscc.gov.uk

Members

Mr J Chilver (C)
Mr R Bagge
Mr T Butcher
Mr C Harriss
Mr N Hussain
Mr D Martin (VC)
Mr M Barber, Thames Valley Police
Mr J Gladwin, District Council representative
Mr N Miles, Milton Keynes Council

Minutes

PENSION FUND COMMITTEE

MINUTES OF THE MEETING OF THE PENSION FUND COMMITTEE HELD ON FRIDAY 26 JULY 2019, IN LARGE DINING ROOM, JUDGES LODGINGS, AYLESBURY, COMMENCING AT 11.05 AM AND CONCLUDING AT 1.10 PM.

MEMBERS PRESENT

Mr J Chilver (Chairman), Mr D Martin (Vice-Chairman), Mr M Barber and Mr T Butcher

OTHERS PRESENT

Julie Edwards, Pensions and Investments Manager, Buckinghamshire County Council
Tony English, Investment Consultant, Mercer
Matthew Passey, Investment Consultant, Mercer
Claire Lewis-Smith, Principal Pensions Officer
Anne-Marie Kenward, Committee Assistant
Cheryl Platts, Pensions Communications Officer

AGENDA ITEM

1 APOLOGIES FOR ABSENCE / CHANGES IN MEMBERSHIP

On opening the meeting the Chairman acknowledged members of the public who had attended on behalf of Aylesbury Quakers and Extinction Rebellion (XR) groups and invited them to make brief statements.

Kathy Russell, representing Aylesbury Quakers, read from a prepared statement.

Several members of the XR drew the committee's attention to their fellow protestors gathered outside to highlight the billions of people worldwide affected by climate change. They urged the committee to take immediate action to disinvest in fossil fuels to show the next generation they were willing to taking responsibility. XR also called on the County Council to join other councils nationally in declaring a climate emergency. They left gifts of promotional material, including a book by Greta Thunberg, for each of the members of the committee.

Several protestors had chained themselves to railings outside the Judges Lodgings and Old County Hall, in the neighbouring Market Square. The Chairman was invited to

unchain protestors as an indication of support. The Chairman declined to do so in order to facilitate the continuation of the meeting.

In response to the statements the Chairman read from a prepared statement and referred to a letter tabled at the meeting responding to previous similar enquiries.

Apologies were received from Mr R Bagge, Ms C Dobson, Mr J Gladwin, Mr N Miles, Mr I Murray, and Mr M Preston.

2 DECLARATIONS OF INTEREST

There were none.

3 APPOINTMENT OF VICE-CHAIRMAN

RESOLVED

That Mr D Martin be appointed as Vice Chairman of the Committee for the ensuing year.

4 MINUTES

RESOLVED: The minutes of the meeting held on 30th May 2019 were AGREED as a correct record.

5 ANNUAL ACCOUNTS AUDIT

Apologies had been received from Mr I Murray, Grant Thornton auditor. Ms J Edwards, Pensions & Investments Manager, gave an overview of the report circulated as a supplement to the agenda pack.

The following points were discussed as a result of questions raised by members of the committee:

- Accounts needed to be published by 31 July 2019. Due to a delay with the auditors these would need to be published with a statement explaining that the full auditors view would not be available until a later date. There was no definitive timeline for the auditors to complete their review.
- Mr M Barber stated that the Thames Valley Police (TVP) auditors would be unable to sign off the TVP accounts until Grant Thornton had issued a letter of assurance on the Pension Fund audit.
- It was confirmed that another auditor working with the district councils had experienced similar delays.
- As the draft audit findings had only been received on 23 July 2019 officers had not had the opportunity to review and respond. This would be brought to a future meeting.
- Members of the committee asked for future accounts to give more information

about fund changes across the period.

- There were concerns that publishing without an auditor's opinion would lead to a lack of oversight by this committee. Mr D Martin stated that as the Chairman of the Regulatory and Audit Committee he had had conversations with the County Council's Section 151 Officer. The S151 Officer had advised that if members of this committee were satisfied that there had not been a material change the committee could ask the Regulatory and Audit Committee meeting on 30 July, to agree the final accounts.

RESOLVED: The Committee AGREED that if there were no material changes, the Regulatory and Audit Committee (chaired by Mr Martin) could agree the accounts to be published on 31 July 2019. If there were material changes a further meeting of the Pension Fund Committee would be called as soon as possible.

6 ANNUAL REPORT 2018/19

Mrs C Platts, Communications Officer, gave an overview of the report circulated with the agenda.

Mrs Platts confirmed the report had been prepared based on advice and guidance from Central Government which for the first time included detailed information such as:

- A value for money statement.
- A move toward standardised key performance indicators (KPI)
- Analysis of new pensioners by type of retirement
- Information on asset pooling
- And other mandatory requirements, as listed in the 2019 edition of CIPFA statutory guidance for LGPS annual reports.

The following points were discussed as a result of questions asked by members of the committee:

- In future reports the Committee would like to see a direction of travel recorded for actions on the Risk Register. Ms J Edwards, Pensions & Investments Manager, confirmed that for the current register the direction of travel is reporting no change since the risk has not reduced / increased since the previous review.
- Mrs Lewis-Smith confirmed that the "limited" rating placed on iConnect by the internal auditor referred to reporting limitations for the reconciliation of contributions received. The team had introduced a workaround by asking employers who use iConnect to submit a monthly financial reconciliation spreadsheet. In the long term the team would work with iConnect to improve its reporting tools. Members queried whether the rating was correct if the team had a robust plan of action in place.
- It was confirmed that 68 employers were using the iConnect system most of whom were smaller employers. There were no charges to use the iConnect system.
- It was confirmed that iConnect had assisted officers with the introduction of

General Data Protection Regulation (GDPR) but had not been introduced as a result of GDPR.

- A member queried why the change in market value of investments was the same in 2019/20 to 2011/22 as 2018/19, market returns are difficult to forecast but the projections should be in line with the actuary's assumptions. It was noted that that the Management Expenses is showing as income not an expense for 2019/20 to 2011/22.

ACTION: Ms Edwards

- Lower management expenses shown on page 33 were confirmed as savings made by pooling funds with Brunel.
- Regarding GMP reconciliations, page 47 of the agenda pack, it was confirmed that 55,892 of approximately 70,000 scheme member records had been reconciled.

RESOLVED: The Committee AGREED the report subject to the suggested improvements and audit opinion.

7 EXIT PAYMENT CAP

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

Mrs Lewis-Smith highlighted the Fund's response to the consultation which could be found on page 177 of the agenda pack. Feedback included:

- Suggesting a minimum implementation period of nine months in light of the vesting day for the new unitary Buckinghamshire Council, 1 April 2020.
- There were some situations where the cap could be relaxed such as compassionate grounds due to genuine hardship, to effect urgent workplace reforms and where an exit arrangement is agreed but delayed until after the implementation date.
- The fairness of the cap had been questioned by other organisations but the Fund's response was based purely on a pension administration point of view.

Members of the committee stated they agreed with the points raised by officers, but requested that in future consultation responses should be presented to the committee prior to submission to ensure oversight.

RESOLVED: The committee noted the report.

8 EMPLOYER COST CAP AND MCCLOUD

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 report referred to two different types of caps:

- The employer cost cap (ECC) process as operated by Her Majesty's Treasury (HMT).
- The future service cost cap (FSC) process as operated by the Local Government Pension Scheme (LGPS) Scheme Advisory Board (SAB).
- In September 2018 HMT announced that employer costs would increase alongside an increase to scheme member benefits, due to the reduction in the SCAPE discount rate. SAB proposed scheme changes from April 2019 but these were placed on hold in January 2019 until the impact of the McCloud judgement could be assessed.
- The McCloud judgement concerned the firefighter's and judicial pension schemes. The Court of Appeal ruled that transitional protections were unlawful. The government was subsequently denied leave to appeal and the case would now return to employment tribunal for remedy which could take 12 months or more.
- The administrative and financial burden to the pension fund would be unknown until the after the remedy was decided. The remedy would be applied retrospectively to 1 April 2014. It is anticipated the cost of the remedy would be less than the cost of scheme improvements required to reach the scheme target cost so it would be expected that some of the SAB proposed changes would be implemented and applied retrospectively to 1 April 2019
- Officers were unsure of the burden the McCloud judgement could place on officer time until the final decision was reached. Officers could not be sure of the number of scheme members affected.
- Members of the committee asked for the possible administration impact to be included on the Risk Register.
- Officers would be seeking clarification on whether changes made retrospectively could lead to breaches.

RESOLVED: The Committee NOTED the report.

9 CHANGES TO THE LOCAL VALUATION CYCLE AND THE MANAGEMENT OF EMPLOYER RISK POLICY

Mrs Lewis-Smith highlighted that the Ministry of Housing, Communities and Local Government (MHCLG) had opened a 12 week policy consultation called 'LGPS: Changes to the Local Valuation Cycle and the Management of Employer Risk.' The consultation closes on 31 July 2019. The draft response could be found on page 217 of the agenda pack.

The following points were discussed as a result of questions asked by members of the committee:

- Among other changes the consultation proposed that some employers could decide to no longer offer the Local Government Pension Scheme (LGPS) which would result in those employers having an increased contribution rate and a sizable exit payment when the last active member leaves.
- Existing employees could continue with their LGPS membership but the LGPS

- would not be available to new employees.
- Employers would be required to offer an alternative pension provision.

RESOLVED: The Committee AGREED the consultation response on page 217 of the agenda pack.

10 FORWARD PLAN

Mrs J Edwards, Pensions & Investments Manager, referred to the updated forward plan circulated with the agenda pack.

Mrs Edwards confirmed the following items would be brought to the next meeting:

- Appointment of an Adjudicator.
- Breaches of the law.
- Brunel Pension Partnership Update.
- Pension Fund Performance.
- Low Volatility Equities, Small Cap Equities, Diversified Growth Funds and Stock Lending.

RESOLVED: The Committee NOTED the update.

11 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)

12 CONFIDENTIAL MINUTES

13 EMPLOYER RISK ANALYSIS

15 ANY OTHER BUSINESS

14 DATE OF NEXT MEETING

Friday 13th September 2019 at 2pm, in Mezz 2, New County Offices, Aylesbury.

CHAIRMAN

Minutes

PENSION FUND BOARD

MINUTES OF THE PENSION FUND BOARD HELD ON THURSDAY 18 JULY 2019, IN MEZZ 2, NCO AYLESBURY, COMMENCING AT 10.00 AM AND CONCLUDING AT 12.17 PM.

MEMBERS PRESENT

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

OFFICERS PRESENT

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

1 APOLOGIES/DECLARATIONS OF INTEREST/MINUTES

There were no apologies.

There were no declarations of interest.

There were no comments or amendments to the minutes of the previous meeting.

RESOLVED: The minutes of the meeting held on 14 March 2019 were **AGREED** and signed by the Chairman.

2 MINUTES OF THE LAST PENSIONS FUND COMMITTEE

On page 12 of the agenda pack the minutes referred to a £560k return on cash investment. Ms J Edwards, Pensions & Investments Manager, and Mr M Preston, Head of Finance -Pensions, Investments and Projects, confirmed this should read £56k. Ms A Kenward, Committee Assistant, would feed this back for correction.

ACTION: Ms Kenward

3 BCC PENSION FUND EMPLOYER NEWSLETTERS - MARCH & JUNE 2019

Mrs C Platts, Communications Officer, gave an overview of the report circulated with the agenda.

Mrs Platts highlighted the following:



- The June newsletter referred to Ministry of Housing, Communities and Local Government (MHCLG) consultations which were now closed. Further details would be shared once information had been collated.
- Changes to late retirement factors will come into effect from 1 September 2019. The new methodology removes the under the 'cliff edge' effect which reduced the value of LGPS benefits held by members who were over their Normal Pension Age when the current factors last changed in January 2017/methodology.

RESOLVED: The Board NOTED the report.

4 PENSION FUND ANNUAL REPORT 2018/19

Mrs C Platts, Communications Officer, gave an overview of the report circulated with the agenda.

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

- The report contained conflicting information about how often the Pension Fund Board now met. Mrs Platts explained that the report needed to use data for the year 1 April 2018 to 31 March 2019, during which the Board agreed to meeting four times a year. For future reports the team would include a caveat to make this clearer.
- The iConnect system had been given a "limited" rating with "fundamental weaknesses noted" following internal audit testing. Mrs Lewis-Smith explained this was because iConnect was not currently able to provide the data necessary to carry out reconciliations. At the moment the team were relying on manual returns by employers and carrying out the reconciliations themselves. The team were working with iConnect to build the reporting tools necessary to resolve the issue. The Chairman asked that the Board be kept updated on progress.
- Mrs Lewis-Smith confirmed the fundamentals training course would be held once a year but there was no requirement for board members to attend more than once. This was confirmed in the Board's terms of reference (ToR).
- Ms J Edwards, Pensions & Investments Manager, confirmed that the McCloud judgement would be added to the risk register once the team had a better understanding of its impact.

ACTION: Mrs Edwards

- Mr M Preston, Head of Finance – Pensions, Investments & Projects, confirmed there were legitimate reasons for why the number of active members was increasing but the monies being paid in were less. This could include an increase in part time workers and higher rate earners opting for the 50/50 option.
- Ms Edwards confirmed there was no set date for Grant Thornton to complete their audit and acknowledged the difficulties this caused employers. Mr Preston expressed disappointment that there had been delays with Grant Thornton.. It was acknowledged that such delays appeared to be a nationwide issue with all auditors.

RESOLVED: The Board NOTED the report.

5 REVIEW OF BUCKINGHAMSHIRE PENSION BOARD POLICIES

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

Mrs Lewis-Smith highlighted the following:

- Changes to the documents had been tracked as per a previous request.
- Generic terms such as “administering authority” had been used to limit impact of having a new council as of April 2020.

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

- Mrs Lewis-Smith confirmed that the agenda packs and minutes of these meetings as well as contact details for Board Members were available on the Buckinghamshire County Council website for scheme members to view if they wished. <https://democracy.buckscc.gov.uk/ieListMeetings.aspx?Committeeld=869>
- It was acknowledged that sometimes it would not be possible for Board Members to attend all meetings. The updated ToR gave an expected attendance of two out of four meetings each year. Failure would result in an informal conversation with the Chairman. The Chairman stated he was happy to exercise discretion as long as the member was willing to attend and meaningfully engage with the board.
- Some board members appeared to not be receiving emails from the Local Government Pension Scheme (LGPS). Mrs Lewis-Smith would check the email addresses they were registered with.

ACTION: Mrs Lewis-Smith

- Ms Edwards, Pensions & Investments Manager, would arrange to update board members on the LGPS Code of Transparency.

ACTION: Mrs Edwards

RESOLVED: The Board AGREED the changes as per the amendments suggested above.

6 ANNUAL BENEFIT STATEMENTS - ADMINISTRATION YEAR END UPDATE

Mrs C Lewis-Smith, Pensions Administration Manager, gave an overview of the report tabled at the meeting. Incorrect documents had been circulated with the agenda and the correct version would be appended to these minutes.

Mrs Lewis-Smith highlighted the following:

- Several employers had changed their payroll provider leading to an increase in the total number of returns.
- 71 cases had to be returned to employers for revision. 36 of the 71 were then returned accurately by the deadline.
- 45 returns were in process of being data cleansed.
- 197 accurate returns were ready for processing by 30 April
- There was a target to issue 95% of active Scheme Members with an annual benefit statement by the statutory deadline of 31 August 2019.

Members of the board asked what was done to keep records of beneficiaries up to date. Mrs Lewis-Smith explained that the onus was on scheme members to keep their details up to date. It was hoped the Pensions Dashboard would make it easier for people to track pensions in future. In the meantime the team worked with the Department of Works and Pensions (DWP) and used methods such as member tracing and mortality screening to keep records up to date. Decisions would be taken on a case by case basis on whether larger pensions nearing their retirement date would be subject to more expensive search options. Mrs Lewis-Smith would share figures relating to “gone away” beneficiaries at the next meeting.

ACTION: Mrs Lewis-Smith

RESOLVED: The Board NOTED the report.

7 ADMINISTRATION PERFORMANCE STATISTICS

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

Ms Price highlighted the following:

- Most key performance indicators (KPIs) were in the high 90%’s.
- For those KPIs that fell below this Ms Price would be meeting with employers to understand what the issues were.
- The team were still waiting to see what impact the McCloud judgement would have on workloads.
- The team’s target was to clear 90% of priority tasks each day. They were currently achieving 96%.
- A satisfaction survey sampling members who had recently retired was underway. The team hoped to have a sample size of 50 before the end of August. An update would be brought to the next meeting.

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

- In the table header the description would be amended to “in period”.
ACTION: Ms Price
- Ms Price confirmed if employees made the team aware they would be taking retirement far in advance the workflow could be paused pending the employer returning the necessary data. Ensuring workflow was being used correctly was one way to reduce the percentage of retirement cases being processed outside of 30 days.
- Officers confirmed that the life time allowance (LTA) percentage was available on annual benefit statements but did not include the annual allowance figure. These are notified to members separately where relevant.

RESOLVED: The Board NOTED the report.

8 GMP RECONCILIATION

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

Mrs Lewis-Smith highlighted the following:

- The deadline to complete the data reconciliation exercise was initially 31 December 2018 however this had been amended by HMRC. The date for reporting final queries was now June 2019.
- There were 38,526 records where both parties agreed the guaranteed minimum pension (GMP) was £0. 5,171 were an exact match and 6,882 records within tolerance set at £2 per week.
- There were a number of unreconciled cases, mostly for teachers or other education colleagues who had been placed into the wrong type of scheme. HMRC recommended that these cases were left until the employee reached retirement age. At that stage HMRC would make extra resources available to fully reconcile accounts. Mrs Lewis-Smith stated she did not agree with that approach but would make a final decision on the way ahead once HMRC issued formal guidance.
- Mrs Lewis-Smith confirmed that nationally funds were not recovering overpayments but were assessing the correct pension that should be in payment and paying this amount going forward.

RESOLVED: The Board NOTED the report.

9 RISK REGISTER

Ms J Edwards, Pensions & Investments Manager, gave an overview of the report circulated with the agenda.

Members of the board asked if the impact of the McCloud judgement should be included as a risk. Mr M Preston, Head of Finance – Pensions, Investments & Projects, stated it was still unclear what the impact may be.

RESOLVED: The Board NOTED the report.

10 FORWARD PLAN

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

Mrs Lewis-Smith stated there would be a report to the board that summarised breaches of the law at the next meeting. It was a statutory requirement to present this once a year.

RESOLVED: The Board NOTED the report.

11 EXCLUSION OF THE PRESS AND PUBLIC

12 CONFIDENTIAL MINUTES OF THE PREVIOUS MEETING

- 13 BRUNEL PENSION PARTNERSHIP UPDATE**
- 14 EMPLOYER RISK ANALYSIS**
- 15 LOCAL PENSION BOARD INSURANCE**
- 16 ANY OTHER BUSINESS**
- 17 DATE OF NEXT MEETING**

2 October 2019, 10am
Mezzanine Room 2, New County Offices, Aylesbury

CHAIRMAN

Pension Fund Board

Title: Annual Benefit Statements - Administration Year End Update

Date: Thursday 18 July 2019

Author: Head of Finance – Pensions, Investments & Projects

Contact officer: Claire Lewis-Smith, 01296 383424

Local members affected:

For press enquiries concerning this report, please contact the media office on 01296 382444

Summary

Regulation 89 of The Local Government Pension Scheme Regulations 2013 require an administering authority to issue an annual benefit statement no later than 5 months after the end of the Scheme year to which it relates (31 August). An annual benefit statement must be issued to each active, deferred, deferred pensioner and pension credit member. The purpose of this report is to inform the Board of the current progress regarding the issue of the 2019 annual benefit statements.

Recommendation

The Board is asked to NOTE the content of this report.

Supporting information to include the following if a decision is being requested:

Resource implications

None

Legal implications

None

Other implications/issues



The Pensions Regulator (TPR) conducted a survey in 2017 which showed that process improvements have stalled in some local government schemes. Due to the specific challenges faced by local government schemes, TPR has focussed casework activities on local government in the past year and are due to continue with this focus in the coming year.

Active members

There are 261 returns due in for 2018/19 for 247 employers (some employers changed payroll provider during the year resulting in the requirement for 2 separate returns). By the annual return deadline of 30 April, 232 employers/payroll providers had submitted returns. Of these, 71 had to be returned to employers for revision. 36 of the 71 were returned accurately by the deadline, resulting in 197 returns ready to be processed as at 30 April.

To date, 258 returns have been received and 6 of these are back with the employer/payroll provider for correction. There are 3 employers who are yet to submit any return and they have been notified that relevant administration costs will be applicable under the terms of the Pension Administration Strategy.

Of the 252 that can be processed, 164 employers are fully completed with no outstanding member queries and statements for members of these employers will start to be issued this month. 43 employers/payroll providers have received queries but are either yet to respond or provide sufficient details to resolve the queries. These employers will be given as much time as possible to provide details and if not received, only members of these employers where data is 100% accurate will have statements issued by 31 August. Where queries are resolved after the statutory deadline, further statements will be issued.

There are 45 returns in process, being data cleansed and having queries collated by ELOs. The table below compares the position at this stage with that of the previous 2 years:

	2016/17	2017/18	2018/19
Returns due	218	246	261
Accurate returns by 30 April	160	178	197
% of Total	73.4%	72.36	75.48
Returns outstanding	0	12	3
Employers 100% clean	119	125	164
% of Total	54.59	50.81	62.84

Some employers have outstanding queries from prior years. Figures for each year end query group as at 31 March 2018, 31 March 2019 and 28 June 2019 are detailed below, showing a reduction of prior year queries, so far this year, of 91:

	31/03/2018	31/03/2019	28/06/2019
BKYE18		165	94
BKYE17	551	40	37
BKYE16	304	82	77
BKYE	456	182	170
Total	1,311	469	378

We have recorded the number of queries resolved by ELOs by using monthly returns submitted by employers this year. To date, 121 have been resolved by ELOs and 543 have been issued to employers.

The target this year is to issue 95% of active Scheme members with an annual benefit statement by the statutory deadline of 31 August 2019.

Deferred members

As at 31 March 2019 there were 28,786 deferred members entitled to receive an annual benefit statement by the statutory deadline of 31 August 2019. By 30 June 2019, 24,162 statements were either published on My Pension Online, or sent via post where the member had opted out of My Pension Online. This equates to 83.94% of deferred statements being issued. The 4,624 statements which were not issued are in respect of members that are 'gone away' i.e. we have no current address for them as previous correspondence has been returned. We are undertaking a bulk tracing exercise shortly to trace these members in order for statements to be issued.

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

N/A

Background Papers

The Local Government Pension Scheme Regulations 2013
<http://www.lgpsregs.org/schemeregs/lgpsregs2013/timeline.php>

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

Report to Pension Fund Committee

Title:	Appointment of Adjudicators for LGPS Disputes
Date:	13 September 2019
Author:	Head of Legal & Compliance
Contact officer:	Jamie Hollis (01296) 383640
Local members affected:	N/A

For press enquiries concerning this report, please contact the media office on 01296 382444

Summary

The Council must have an Adjudicator to determine certain disputes under the Local Government Pension Scheme Regulations.

Recommendation

The Committee is recommended to:

- a) Appoint Ms Catherine Herries-Smith of Wycombe District Council as Adjudicator in accordance with Regulation 74 of The Local Government Pension Scheme Regulations 2013, the appointment to take effect 1 October 2019, and**
- b) Confirm the further appointment of Ms Vidhya Jayarajah of Wycombe District Council as a standing substitute when Ms Herries-Smith is unable to consider cases.**

Supporting information to include the following if a decision is being requested:

The Council must appoint an Adjudicator to deal with disputes raised under the Local Government Pensions Scheme Regulations 2013 ("the Regulations"). The Adjudicator is currently Ms Jessica Farmer of HB Public Law, however due to the Council's contract for legal services with HB Public Law ending on 30 September 2019, a new adjudicator must be appointed. Ms Herries-Smith is a Principal Solicitor specialising in employment law, and is employed by Wycombe District Council. As the Council will be working in collaboration with the District Councils in the provision of legal services from 1 October 2019, it was deemed

appropriate that the new appointee was selected from District Council colleagues who would be providing employment law services during that period.

Ms Herries-Smith has agreed, subject to the Committee's approval, to assume the role of Adjudicator. Ms Jayarajah has agreed to assume the role of Adjudicator when Ms Herries-Smith is not able to consider cases. Ms Jayarajah is a solicitor specialising in employment law.

The Regulations set out a procedure whereby any member of the Local Government Pension Scheme ("LGPS") can make an application to an Adjudicator to decide a dispute relating to the application of the Regulations. Applications can be initiated by any person whose rights or liabilities under the Pension Scheme are affected by a decision or any other act or omission by a Scheme employer or administering authority.

The dispute resolution procedure requires the appointment of a 'local referee' or Adjudicator to consider the dispute. The Adjudicator must act independently and cannot consider a dispute if he/she has had any involvement in the original decision. The Adjudicator should normally make a determination within 2 months. The second stage of the procedure allows for reconsideration of the dispute by the appropriate administering authority.

The Committee is asked to confirm the proposed appointments with immediate effect.

Resource implications

The costs associated with dealing with disputes will be charged to the Pension Fund.

Legal implications

As set out in the report.

Other implications/issues

None

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

N/A

Background Papers

Local Government Pension Scheme Regulations 2013

Pension Fund Committee

Title: Breaches of the Law

Date: Friday 13 September 2019

Author: Mark Preston, Head of Finance - Pensions, Investments & Projects

Contact officer: Claire Lewis-Smith, 01296 383424

Local members affected: N/A

For press enquiries concerning this report, please contact the media office on 01296 382444

Summary

The Procedure for Reporting Breaches of the Law (Appendix 1) was approved by the Pension Fund Committee in September 2018. The Procedure complies with the requirements of the Pensions Act 2004 and The Pensions Regulator's Code of Practice. The Procedure details how individuals responsible for reporting and whistleblowing can identify, assess and report (or record if not reported), a breach of law relating to the Buckinghamshire County Council Pension Fund. The Breach Log at Appendix 2 to this report, details the breaches recorded for 2018/19 and until 31 August 2019 for this year.

Recommendation

The Committee is asked to NOTE the content of this report and COMMENT on the breaches log.

Supporting information to include the following if a decision is being requested:

Resource implications

N/A

Legal implications

The Procedure details how individuals responsible for reporting and whistleblowing can identify, assess and report (or record if not reported) a breach of law relating to the Buckinghamshire County Council Pension Fund. It aims to ensure individuals

responsible are able to meet their obligations and avoid placing any reliance on others to report. The Procedure will also assist in providing an early warning of possible malpractice and reduce risk.

Other implications/issues

N/A

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

N/A

Background Papers

<http://www.legislation.gov.uk/ukpga/2004/35/contents>

<http://www.legislation.gov.uk/ukpga/2013/25/contents>

<https://www.thepensionsregulator.gov.uk/en/document-library/codes-of-practice/code-14-public-service-pension-code-of-practice>

Record of Breaches – 2018/19

Date	Category (e.g. administration, contributions, funding, investment, criminal activity)	Description and cause of breach	Possible effect of breach and wider implications	Reaction of relevant parties to breach	Reported / Not reported (with justification if not reported and dates)	Outcome of report and/or investigations	Outstanding actions
31/08/2018 27	Administration	100% of annual benefit statements not issued by statutory deadline, 79.06% issued.	Non-compliance with statutory regulations	None received	Reported to Pension Board on 10/10/2018	Two employers provided inaccurate data leading to the delay in issuing ABS for their employees as revised returns were required. One employer had provided inaccurate Final Pay (2008 definition). By 31 January 2019, 99.09% of ABS had been issued. A revised procedure has been introduced for 2018/19	N/A – Green breach with improvement plan in place

						whereby the receipt of annual returns and the quality of the data provided is reviewed immediately. A resource proposal was agreed with one of the employers which has significantly reduced historical data queries																												
31/03/2019 28	Contributions	<p>Employees & employers contributions not received by the 19th of the month following the month in which they were deducted as follows:</p> <table border="1"> <thead> <tr> <th colspan="3">2018/19</th> </tr> <tr> <th colspan="3">Late Payments</th> </tr> </thead> <tbody> <tr> <td>1-10 days late</td> <td>69</td> <td></td> </tr> <tr> <td>11-30 days late</td> <td>33</td> <td></td> </tr> <tr> <td>1-3 months late</td> <td>19</td> <td></td> </tr> <tr> <td>4-7 months late</td> <td>28</td> <td></td> </tr> <tr> <td>8-11 months late</td> <td>17</td> <td></td> </tr> <tr> <td>12+ months late</td> <td>3</td> <td></td> </tr> <tr> <td></td> <td>169</td> <td></td> </tr> </tbody> </table> <p>Value received late £1,131,911.40</p>	2018/19			Late Payments			1-10 days late	69		11-30 days late	33		1-3 months late	19		4-7 months late	28		8-11 months late	17		12+ months late	3			169		Non-compliance with Pensions Act 1995 and payments not made within the prescribed period set out in the Service Level Agreement	Employers who did not make payments within the prescribed timeframe were contacted and late payments addressed under the Pension Administration Strategy	Not reported. Reason for late payments was due to the employers procedures/ administration function and not due to an inability to make payment or cash flow problems	For the period April to September 2018 it took an average of 92.27 days to receive late payments. From October 2018 to March 2019 (post the introduction of the breaches log & revised procedure) the average to receive late payments reduced to 31.29 days.	N/A – Green breach with improvement plan continuing
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Outstanding Payments	
April	9
May	8
June	8
July	6
August	6
September	6
October	6
November	7
December	7
January	7
February	8
March	13
	91

Value outstanding £285,097.85

Record of Breaches – 2019/20

Date	Category (e.g. administration, contributions, funding, investment, criminal activity)	Description and cause of breach	Possible effect of breach and wider implications	Reaction of relevant parties to breach	Reported / Not reported (with justification if not reported and dates)	Outcome of report and/or investigations	Outstanding actions
31/08/2019	Administration	100% of annual benefit statements not issued by statutory deadline, 97.26% issued.	Non-compliance with statutory regulations	None received	Due to be reported to Pension Board on 02/10/2019	A revised procedure was introduced for 2019/20 as only 79.06% of ABS were issued by the deadline in 2018. The considerable increase in the number of ABS issued is a substantial improvement	N/A – Green breach
31/08/2019	Contributions	Employees & employers contributions not received by the 19 th of the month following the month in which they were deducted as follows:	Non-compliance with Pensions Act 1995 and payments not made within the prescribed period set out	None received	Not reported. Reason for late payments was due to the employers procedures/ administration function and not due to an inability to	For the period April to July 2019 it took an average of 14.34 days to receive late payments. This is an improvement on 2018/19	N/A – Green breach with improvement plan continuing

31

		<table border="1"> <tr> <th colspan="2">2019/20</th> </tr> <tr> <td>2018/19 outstanding amount</td> <td>£285,097.85</td> </tr> <tr> <td>Payments received after 19/04/2019 in relation to 2018/19</td> <td>£31,587.99</td> </tr> <tr> <td></td> <td>£253,509.86</td> </tr> </table> <table border="1"> <tr> <th colspan="2">2019/20</th> </tr> <tr> <th colspan="2">Late Payments</th> </tr> <tr> <td>1-10 days late</td> <td>22</td> </tr> <tr> <td>11-30 days late</td> <td>9</td> </tr> <tr> <td>1-3 months late</td> <td>4</td> </tr> <tr> <td>4-7 months late</td> <td>1</td> </tr> <tr> <td>8-11 months late</td> <td>-</td> </tr> <tr> <td>12+ months late</td> <td>-</td> </tr> <tr> <td></td> <td>36</td> </tr> </table> <p>Value received late £541,304.33</p> <table border="1"> <tr> <th colspan="2">Outstanding Payments</th> </tr> <tr> <td>April</td> <td>9</td> </tr> <tr> <td>May</td> <td>9</td> </tr> <tr> <td>June</td> <td>9</td> </tr> <tr> <td>July</td> <td>42</td> </tr> <tr> <td></td> <td>91</td> </tr> </table> <p>Value outstanding £258,397.05 Plus 2018/19 £253,509.86 Total outstanding £511,906.91</p>	2019/20		2018/19 outstanding amount	£285,097.85	Payments received after 19/04/2019 in relation to 2018/19	£31,587.99		£253,509.86	2019/20		Late Payments		1-10 days late	22	11-30 days late	9	1-3 months late	4	4-7 months late	1	8-11 months late	-	12+ months late	-		36	Outstanding Payments		April	9	May	9	June	9	July	42		91	in the Service Level Agreement		make payment or cash flow problems		
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*New breaches since the previous meeting should be highlighted

Pension Fund Committee

Title:	Pension Fund Risk Register
Date:	Friday 13 September 2019
Author:	Head of Finance – Pensions, Investments & Projects
Contact officer:	Julie Edwards, Pensions & Investments Manager 01296 383910 Sam Price, Assistant Pensions Administration Manager
Local members affected:	No

For press enquiries concerning this report, please contact the media office on 01296 382444

Summary

The Risk Register identifies the key risks to the Pension Fund and is reviewed periodically by the Pension Fund Committee and the Buckinghamshire Local Pension Board, the last Committee review took place on 18 March 2019 and the most recent Board review took place on 18 July 2019.

Recommendation

The Committee is asked to review the Risk Register for the Pension Fund and instruct officers to make any amendments necessary.

Resource implications

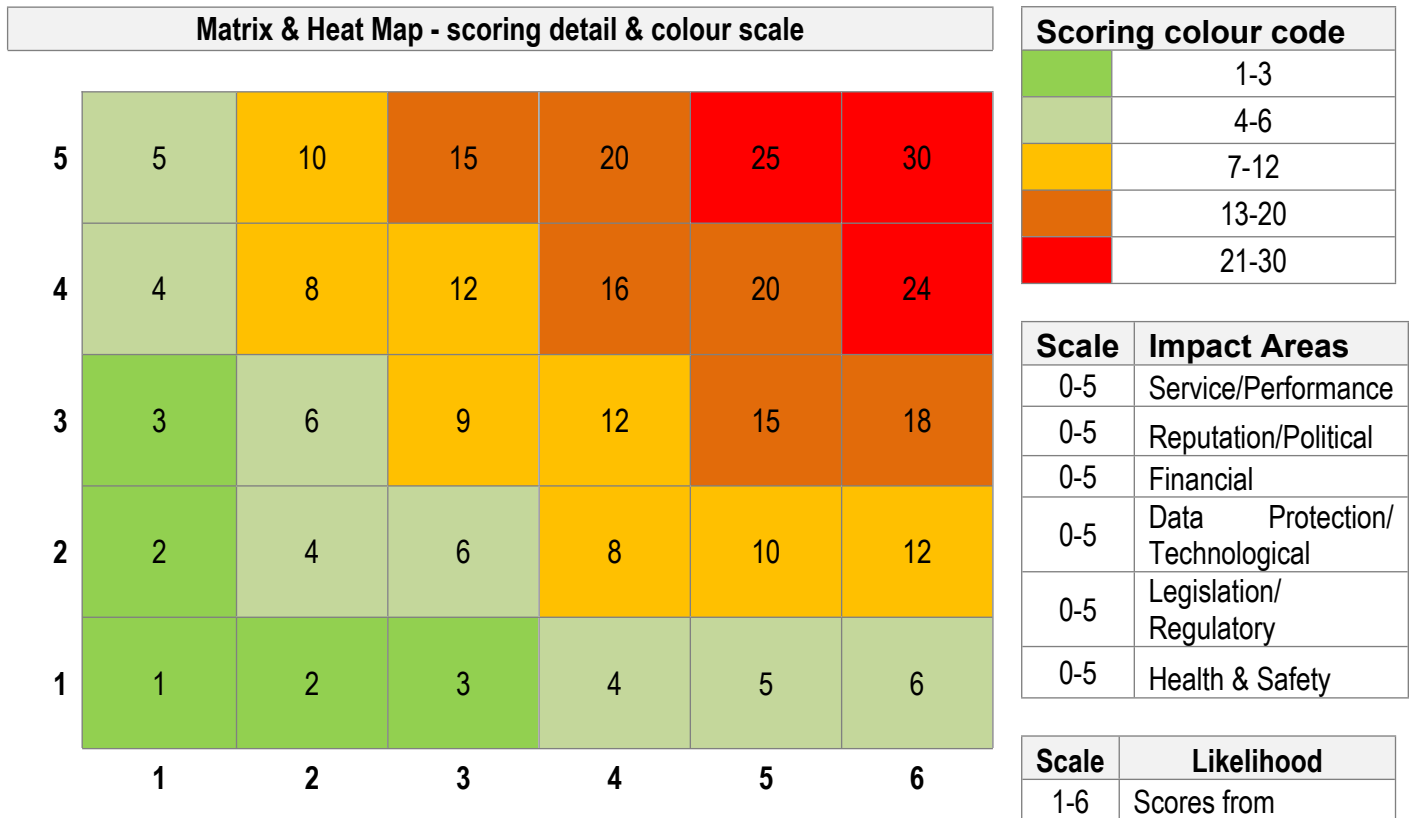
There are none arising directly from this report.

Background

The Committee is asked to review the attached register to ensure that:

- The descriptions of risks are still relevant;
- The current scores attributed to the impact and likelihood of the risks are appropriate, please see tables overleaf; and
- Risk treatment is adequate;

Risks relating to the fund management are attached as Appendix 1, administration risks are attached as Appendix 2. In accordance with the Council’s risk management framework scores between 0 and 5 are attributed to the impact of the risk. The impact areas are service/performance, reputation/political, financial, data protection/technological, legislation/regulatory and health and safety. Appendix 3 shows the criteria for attributing the risk impact scores. Scores between 0 and 5 are attributed to the likelihood of the risk from extremely unlikely (1) to extremely likely (6). Appendix 4 shows the indicators for attributing the risk likelihood scores. The scores for each risk are combined and assigned red, amber or green in the heat map in accordance with the following table.



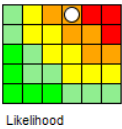

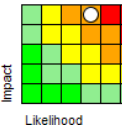

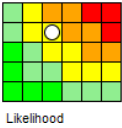

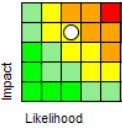

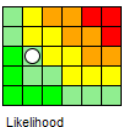

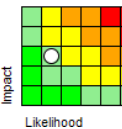

Background Papers

None

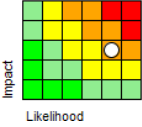

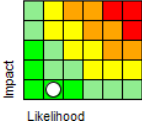

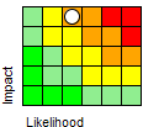

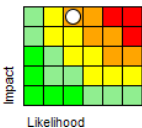

Pensions & Investments Risk Register

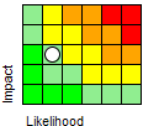

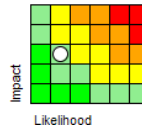

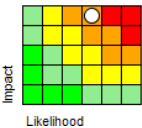
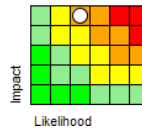

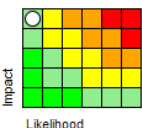

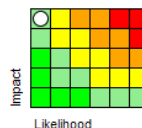

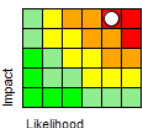

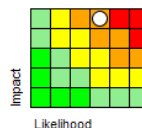

Report Type: Risks Report
Generated on: 05 September 2019

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Risk Name	Risk Description	Current Score	Direction of Travel	Target Score	Action Name	Description	Action Progress	Risk Owner	Latest Note	Date Reviewed
BSP-P&I-01 Investment Strategy	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				BSP-P&I-01 Investment Strategy Actions	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.		Julie Edwards	Investment Strategy Review due to take place early 2020.	05-Sep-2019
BSP-P&I-02 Significant Downturn in a Particular Sector	If there is a significant downturn in a particular sector / geographical location due to man made or natural disasters, then funds perform worse than expected, the deficit increases, employers contributions would need to be increased.				BSP-P&I-02 Significant Downturn in a Particular Sector Actions	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 and BREXIT implications. Revised strategy implemented May 2014, investment strategy reviewed in March 2017. The Fund investments are diversified across several asset classes. 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.		Julie Edwards	Investment Strategy Review scheduled for early 2020.	05-Sep-2019
BSP-P&I-03 New Investment Vehicle Not Understood	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.				BSP-P&I-03 New Investment Vehicle Not Understood Actions	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.		Julie Edwards	Asset class training plan to be scheduled in the Pension Fund Committee forward plan aligned with Brunel Pension Partnership transition plan.	05-Sep-2019

Risk Name	Risk Description	Current Score	Direction of Travel	Target Score	Action Name	Description	Action Progress	Risk Owner	Latest Note	Date Reviewed
BSP-P&I-06 Public Sector Cuts	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.				BSP-P&I-06 Public Sector Cuts Actions	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.		Julie Edwards	The unitary Buckinghamshire Council will be implemented on 1 April 2020, potential redundancies and role changes will impact on the administration team workloads.	05-Sep-2019

Risk Name	Risk Description	Current Score	Direction of Travel	Target Score	Action Name	Description	Action Progress	Risk Owner	Latest Note	Date Reviewed
BSP-P&I-07 Significant Changes in Government Regulations	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.				BSP-P&I-07 Significant Changes in Government Regulations Actions	The Investment Regulations 2016 removed some of the existing prescriptive means of securing a diversified investment strategy and placed the onus on authorities to determine the balance of their investments and take account of risk. The Secretary of State has the power to intervene to ensure the more flexible legislation is used and the guidance on pooling is adhered to.		Julie Edwards	MHCLG undertook an informal consultation on draft statutory guidance on LGPS asset pooling in the spring, updated statutory guidance is expected later this year. When the LGPS benefit structure was reformed in 2014, transitional protections were applied to certain older members close to normal retirement age. In December 2018 the Court of Appeal upheld a ruling ("McCloud/Sargeant") that transitional protections in the Judges' and Firefighters' Pension Schemes were unlawful on the grounds of age discrimination. The implications of the ruling apply to the LGPS. Benefits accrued from 2014 may need to be enhanced so that all members, regardless of age, will benefit from the underpin. Quantifying the impact at this stage is very difficult because it will depend on the compensation awarded, members' future salary increases, length of service and retirement age, and whether (and when) members withdraw from active service.	05-Sep-2019
BSP-P&I-09 Poor Fund Management	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.				BSP-P&I-09 Poor Fund Management Actions	Fund managers' performance actively reviewed quarterly. Investment strategy reviewed March 2017. Benchmarking undertaken and research undertaken.		Julie Edwards	Investment Strategy Review scheduled early 2020.	05-Sep-2019

Risk Name	Risk Description	Current Score	Direction of Travel	Target Score	Action Name	Description	Action Progress	Risk Owner	Latest Note	Date Reviewed
BSP-P&I-10 Underestimation of Pensioner Longevity	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.				BSP-P&I-10 Underestimation of Pensioner Longevity Actions	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 2016 mortality assumptions did not allow for a long term rate of improvement in mortality rates.		Julie Edwards	The outcome of the triennial valuation as at 31 March 2019 will be reported in the autumn.	05-Sep-2019
BSP-P&I-11 Inflation	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).				BSP-P&I-11 Inflation Actions	The strategic allocation to inflation linked bonds within the investment strategy will increase in value if inflation expectations increase (all else equal), helping to offset some of the impact on the liabilities. The Pension Fund Committee will consider the Fund's exposure to inflation linked assets when reviewing the Fund's investment strategy. Part of the inflation linked bond allocation is managed actively, and the manager has discretion to increase or decrease the allocation in anticipation of increases or decreases in inflation expectations respectively.		Julie Edwards	A tick up in inflation as a result of sterling weakness and increased cost of imports from an uncertain trading relationship with the EU would push up inflation and increase the return requirement from the portfolio to meet benefit payments	05-Sep-2019
BSP-P&I-12 Loss of Confidence by Employees and Employers	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.				BSP-P&I-12 Loss of Confidence by Employees and Employers. Actions	Pensions Communications Officer role involves designing and delivering communications strategy. The Buckinghamshire Pension Board was established in 2015.		Julie Edwards		05-Sep-2019
BSP-P&I-13 Market Volatility	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.				BSP-P&I-13 Market Volatility Actions	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.		Julie Edwards	The Fund's un-hedged overseas investments have benefited significantly from sterling weakness in recent years and will continue to make gains if there is further sterling depreciation. However, a Brexit with a deal or no Brexit would un-wind some of gains as sterling would be expected to appreciate.	05-Sep-2019

Risk Name	Risk Description	Current Score	Direction of Travel	Target Score	Action Name	Description	Action Progress	Risk Owner	Latest Note	Date Reviewed
BSP-P&I-14 Failure / Fraud at a Fund Management House or Nominee Company	If a failure / fraud of a fund management house or nominee company occurs, then there will be a short term performance failure, time and cost implications and a potential loss of opportunity if at the wrong moment.				BSP-P&I-14 Failure of a Fund Management House or Nominee Company Actions	Ongoing review using governance structures described previously.		Julie Edwards		05-Sep-2019
BSP-P&I-15 Policy Compliance	If officers undertake fraudulent activity or 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.				BSP-P&I-15 Policy Compliance Actions	Effective scrutiny of officer activity by line management, Pension Fund Committee and audit		Julie Edwards		05-Sep-2019
BSP-P&I-17 Brunel Pension Partnership	Proposals to pool the Fund's assets in the Brunel Pension Partnership are currently being implemented. If the project is not managed and the transition is ineffective or excessive in cost, then the cost benefit ratio may not be achieved. If the guidance on pooling is not adhered to, then the Secretary of State may deem it necessary to intervene in the investment function of an administering authority.				BSP-P&I-17-01 Brunel Pension Partnership Actions	Project team, Shadow Oversight Board with representatives from the Pensions Committees, Client 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.		Julie Edwards	This risk should be closed down, a new risk has been created for the transition of assets to Brunel portfolios.	05-Sep-2019


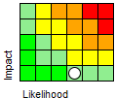
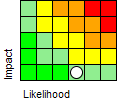

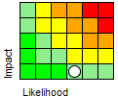
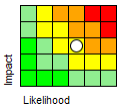

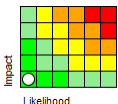
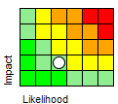
P&I Administration Risks

Report Type: Risks Report

Generated on: 10 July 2019

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Risk Name	Risk Description	Current Score	Direction of Travel	Target Score	Action Title	Action Description	Action Progress	Risk Owner	Latest Note	Date Reviewed
RS-PA-01 Employer LGPS knowledge	Lack of employer understanding of the LGPS and knowledge of the Service Level Agreement may cause incorrect information to be provided and additional queries from employers							Julie Edwards	No Change	05-Jul-2019
RS-PA-02 Staff Capacity Issues	A lack of capacity due to staff losses or sickness could adversely affect the workload of the pensions section resulting in decreased productivity.							Julie Edwards	P & I team recently underwent a restructure where further posts were added. Recruitment is in progress.	05-Jul-2019
RS-PA-03 Pensions Administration Software	The risk that the pensions administration software (Altair) causes disruption due to system crashes etc. leading to calculation errors, delays and a loss of working time.							Julie Edwards	No change	05-Jul-2019
RS-PA-04 Software Updates	Software updates resulting from scheme changes may create errors in calculations thus resulting in more time spent checking and re-doing calculations.							Julie Edwards	No change	05-Jul-2019
RS-PA-05 Staff Retention	Staff retention. There is a risk of losing trained staff to other organisations due to a lack of flexibility in the career matrix.							Julie Edwards	P & I team recently restructured. Further posts added which created opportunity for progression. JD's also re-evaluated to ensure adequately reflect the roles staff are doing.	05-Jul-2019
RS-PA-06 Quality / Timeliness Data from Employers	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.							Julie Edwards	No change	05-Jul-2019

Risk Name	Risk Description	Current Score	Direction of Travel	Target Score	Action Title	Action Description	Action Progress	Risk Owner	Latest Note	Date Reviewed
RS-PA-07 TUPE / Payroll Provider Changes	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							Julie Edwards	No change	05-Jul-2019
RS-PA-08 TUPE Transfers / Academy Conversions	The increase of TUPE transfers / schools opting for academy status has resulted in an increased workload for pensions staff. The TUPE 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 one employee to hundreds.							Julie Edwards	No change	05-Jul-2019
RS-PA-09 Guaranteed Minimum Pension reconciliation	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.							Julie Edwards	ITM are still working on this with the aim to update pension records by June 2020 with any changes to pensions updated in July 2020.	05-Jul-2019
RS-PA-10 Mid / High Earner Optouts due to Tax Legislation	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							Julie Edwards	we have not seen an increase in the number of high earners opting out of the scheme and unless the Annual Allowance limit reduces further, it is unlikely that this will become an issue.	05-Jul-2019

Risk Name	Risk Description	Current Score	Direction of Travel	Target Score	Action Title	Action Description	Action Progress	Risk Owner	Latest Note	Date Reviewed
RS-PA-11 Admitted Bodies Deficits	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.							Julie Edwards	An employer covenant exercise has been undertaken.	10-Jul-2019
RS-PA-12 Mid / high earner optouts due to high employee contribution rates	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.							Julie Edwards	Reduction in the likelihood as there has been no evidence that this has happened so far.	05-Jul-2019
RS-PA-13 Annual Benefits Statements Issuance	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.							Julie Edwards	On track to meet 31st August 2019 deadline. Target is to have issued 95% of statements but this date and 98% by 31st January 2020. Due to the work completed last year to clear backlog queries this is achievable.	05-Jul-2019

RISK IMPACT AREAS

Score	Level	Service Delivery / Performance	Political / Reputation	Health and Safety	Technology / Data Protection	Financial	Legislation / Regulatory
1	Minimal	Minimal service disruption in non-critical area of service for brief period (hours).	Contained within service area. Complaint from individual / small group / single supplier. No press interest. Minor delay in member objectives	Minimal injury or discomfort to an individual. Failure to report notifiable incident to the HSE.	Isolated individual personal detail compromised / revealed.	Costing <£1m.	Minimal delay in inability to meet standards required by national regulatory organisations and statutory government standards agencies.
		Commercial Plan Outcomes/ Objectives delayed by less than 1 month.	Complaint from an individual to a member or internal complaint from a member. Minor change to political landscape.		Minimal technological failure / security breach with minimal impact on day-to-day service delivery.		Minimal disruption to our ability to fulfil statutory duties for a number of hours.
2	Minor	Minor effect to an important service area for a short period (days).	Adverse local publicity / local public opinion aware. Lowered perception/standing with local suppliers.	Injury causing loss of working time to an individual. HSE Investigation leads to improvement notice served or threat of prosecution.	Some individual personal details compromised / revealed.	Costing = £1m to <£2.5m.	Minor delay in inability to comply with standards required by national regulatory organisations and statutory government standards agencies.
		Commercial Plan Outcomes/ Project / Objective fails to deliver on 1 important aspect. Delayed by up to 3 months.	Complaint or petition from a local group / delay to member objectives. Moderate change to political landscape.		Minor technological failure / security breach to the organisation's ICT assets impacting on the day-to-day delivery of services.		Minor disruption to our ability to fulfil statutory duties for a short period (days).
3	Moderate	Moderate service disruption of an important service area for a period of up to a week.	Adverse national media interest and/or adverse publicity in professional/municipal press. Adverse local publicity of a major and persistent nature. Lowered perception/standing with national suppliers / professional / local government community.	Serious injury sustained by one or more individuals. Prohibition Notice served by the HSE that closes a key facility.	Many individual personal details compromised/ revealed	Costing = £2.5m to <£5m	Moderate delay / inability to comply with basic standards required by national regulatory organisations and statutory government standards agencies.
		Commercial Plan Outcomes/ Major Project / Objective fails to deliver several key benefits. Delayed by 3-6 months.	Moderate criticism from local government community. Significant delay in member objectives. Significant change in political landscape.		Large technological failure / security breach with a significant impact on the organisation's ICT assets essential for the day-to-day operation of critical services.		Moderate disruption to our ability to deliver statutory duties for a prolonged period to the detriment of vulnerable people across Buckinghamshire (weeks).
4	Significant	Significant service disruption, across several important areas of service for protracted period.	Adverse and persistent national media coverage. Adverse central government response, threat of removal of delegated powers. Public Enquiry. Officer(s) and/or Member(s) forced to resign. Council blacklisted by suppliers.	Serious permanent disablement of individual or several people. Prosecution under Corporate Manslaughter Act.	All personal details compromised/ revealed.	Costing = £5m to < £10m	Significant failure to comply with required standards set out by national regulatory organisations and statutory government standards agencies.
		Commercial Plan Outcomes/ Complete failure of business critical project / objective. Delayed by over 6 months.	Significant and persistent criticism from central government. Major delay in member objectives. Major change in political landscape.		Significant technological failure / security breach with a detrimental impact on the organisation's ICT assets essential for the day-to-day operation of critical services.		Complete failure to deliver a statutory duty to the detriment of vulnerable people across Buckinghamshire.
5	Severe	Complete service failure across all critical areas of service for protracted period.	Adverse and persistent international media coverage. Adverse central government response, threat of removal of delegated powers. Public Enquiry. Officer(s) and/or Member(s) forced to resign. Council blacklisted by suppliers.	Death of an individual or several people. Prosecution under Corporate Manslaughter Act.	All personal details compromised/ revealed and exposed to groups undertaking fraudulent activity.	Costing = £10m & over	Severe failure to comply with mandatory standards set out by national regulatory organisations and statutory government standards agencies.
		Complete failure to deliver Commercial Plan Outcomes/ business critical project / objective. Delayed by over 12 months.	Condemning criticism from central government. Complete failure to meet member objectives. Catastrophic change in national/international political landscape.		Severe and prolonged complete technological failure / full security breach with a detrimental impact on the organisation's ICT assets essential for the day-to-day operation of critical services.		Complete failure to deliver a statutory duty to the detriment of vulnerable people across Buckinghamshire for a protracted period.

RISK LIKELIHOOD

Score	Level	Description	Indicators
1	Extremely Unlikely	Less than 5% chance of occurrence	EITHER has happened rarely / Never before. OR less than 5% chance of occurring on or prior to proximity date.
2	Unlikely	5% - 20% chance of occurrence	EITHER only likely to happen once every 5 or more years. OR 5-20% chance of occurring on or prior to proximity date.
3	Less Likely	20% - 45% chance of occurrence	EITHER only likely to happen at some point within next 2-5 years. OR 20-45% chance of occurring on or prior to proximity date. OR circumstances occasionally encountered once a year.
4	More Likely	45% -70% chance of occurrence	EITHER likely to happen at some point within the next 2 years. OR 45-70% chance of occurring on or prior to proximity date. OR circumstances encountered few times a year.
47 5	Very Likely	70%-90% chance of occurrence	EITHER Likely to happen at some point within the next 12 months. OR 70-90% chance of occurring on or prior to proximity date. OR Circumstances encountered several times a year.
6	Extremely Likely	Over 90% chance of occurrence	EITHER Regular occurrence. OR Over 90% chance of occurring on or prior to proximity date. OR Circumstances that could give rise to the occurrence frequently encountered - at least monthly.

PENSION FUND COMMITTEE FORWARD PLAN

Updated	5-Sep-19
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13 September 2019

Agenda Item	Aylesbury, County Hall Author	Cyclical Item?
Apologies	--	Every meeting
Declarations of interest	--	Every meeting
Minutes	--	Every meeting
Appointment of an Adjudicator - LGPS disputes	Jamie Hollis	
Buckinghamshire Pension Board Draft Minutes	Steve Mason	4 monthly
Breaches of the Law	Claire Lewis-Smith	Annually
Annual Accounts Audit 2018/19	Julie Edwards /Grant Thornton	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
ESG and Climate Change	Brunel Pension Partnership / Mercer	Quarterly
Pension Fund Performance	Julie Edwards	No
Low Volatility Equities	Mercer	No
Date of next meeting / AOB	--	

25 November 2019

Agenda Item	Aylesbury, County Hall Author	Cyclical Item?
Apologies	--	Every meeting
Declarations of interest	--	Every meeting
Minutes	--	Every meeting
Buckinghamshire Pension Board Draft Minutes	Steve Mason	4 monthly
Forward Plan	Julie Edwards	Every meeting
Exclusion of Press and Public		
Confidential Minutes		
Buckinghamshire Pension Board Confidential Minutes	Steve Mason	4 monthly
Triennial Valuation	Barnett-Waddingham	3 Yearly
Brunel Pension Partnership Update - Private Markets	Brunel Pension Partnership	Quarterly
Private Markets	Mercer	No
Pension Fund Performance	Julie Edwards	No
Multi-Asset Credit	Mercer	

PENSION FUND COMMITTEE FORWARD PLAN

Updated	5-Sep-19
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Date of next meeting / AOB	--
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March 2020		Aylesbury, County Hall	
	Agenda Item	Author	Cyclical Item?
	Apologies	--	Every meeting
	Declarations of interest	--	Every meeting
	Minutes	--	Every meeting
	Treasury Management Service Level Agreement	Julie Edwards	Annual
	Pension Fund Risk Register	Julie Edwards	6 monthly
	Forward Plan	Julie Edwards	Every meeting
	Exclusion of Press and Public		
	Confidential Minutes		
	Pension Fund Performance	Julie Edwards	No
	Investment Strategy Review and Investment Strategy Statement	Mercer	
	Brunel Pension Partnership Update		Quarterly
	Date of next meeting / AOB	--	

May 2020		Aylesbury, County Hall	
	Agenda Item	Author	Cyclical Item?
	Election of Chairman / Appointment of Vice-Chairman		
	Apologies	--	Every meeting
	Declarations of interest	--	Every meeting
	Minutes	--	Every meeting
	Buckinghamshire Pension Board Draft 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 Draft Minutes	Steve Mason	4 monthly
	Pension Fund Performance	Julie Edwards	Quarterly
	Brunel Pension Partnership Update		Quarterly
	Date of next meeting / AOB	--	

July 2020		Aylesbury, County Hall	
	Agenda Item	Author	Cyclical Item?

PENSION FUND COMMITTEE FORWARD PLAN

Updated	5-Sep-19
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Apologies	--	Every meeting
Declarations of interest	--	Every meeting
Minutes	--	Every meeting
Annual Accounts Audit 2019/20	Julie Edwards /Grant Thornton	Annually
Pension Fund Annual Report 2019/20	Cheryl Platts	Annually
Forward Plan	Julie Edwards	Every meeting
Exclusion of Press and Public		
Confidential Minutes		
Brunel Pension Partnership Update		Quarterly
Date of next meeting / AOB	--	

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