

Agenda

PENSION FUND COMMITTEE

Date: Friday 28 February 2020
Time: 1.30 pm
Venue: Mezzanine Room 2, 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 To agree the minutes of the meeting held on 25 th November 2019	3 - 6
4 PENSIONS ADMINISTRATION STRATEGY Update from Claire Lewis-Smith, Pensions Administration Manager.	7 - 26
5 COMMUNICATION POLICY STATEMENT Update from Claire Lewis-Smith, Pensions Administration Manager.	27 - 34
6 TREASURY MANAGEMENT SERVICE LEVEL AGREEMENT Update from Julie Edwards, Pensions & Investments Manager.	35 - 38
7 PENSION FUND RISK REGISTER Update from Julie Edwards, Pensions & Investments Manager.	
8 FORWARD PLAN Update from Julie Edwards, Pensions & Investments Manager.	39 - 42
9 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)	

10	CONFIDENTIAL MINUTES To agree the confidential minutes of the meeting held on 25 th November 2019	43 - 50
11	PENSION FUND PERFORMANCE Update from Julie Edwards, Pensions & Investments Manager.	51 - 98
12	FUNDING STRATEGY STATEMENT Update from Julie Edwards, Pensions & Investments Manager.	99 - 124
13	INVESTMENT STRATEGY REVIEW AND INVESTMENT STRATEGY STATEMENT Update from Mercer.	To Follow
14	DATE OF NEXT MEETING The date of the next meeting will be held on 4 th June 2020 in Mezz 3, 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: kicollier@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 MONDAY 25 NOVEMBER 2019, IN MEZZANINE ROOM 1, COUNTY HALL, AYLESBURY, COMMENCING AT 2.30 PM AND CONCLUDING AT 4.40 PM.

MEMBERS PRESENT

Mr J Chilver (Chairman), Mr R Bagge, Mr D Martin (Vice-Chairman), Mr M Barber, Mr J Gladwin and Mr N Miles

OTHERS PRESENT

Carolyn Dobson, Independent Adviser
Julie Edwards, Pensions and Investments Manager
Mark Preston, Head of Finance - Pensions, Investments & Projects
Matthew Passey, Investment Consultant, Mercer
Katie-Louise Collier, Committee and Governance Adviser
Tony English, Investment Consultant, Mercer
Catherine Dix, Brunel Pension Partnership
Graeme Muir, Barnett Waddingham
Richard Fanshawe, Brunel Pension Partnership
Nicola Tait, Barnett-Waddingham

AGENDA ITEM

1 APOLOGIES FOR ABSENCE / CHANGES IN MEMBERSHIP

Apologies had been received by Mr Butcher and Mr Harriss.

2 DECLARATIONS OF INTEREST

Ms Dobson, Independent Adviser, stated that she was a Non-Executive Director for the London CIV, Aberdeen Standard Fund Managers Ltd and M & G Securities Ltd which didn't cause a conflict, but she wanted to make the Committee aware of it. She was also the Independent Investment Advisor for the EA pension fund.

3 MINUTES



The minutes of the meeting held on 13th September 2019 were agreed by the Committee.

The Vice-Chairman gave an update that Pension Fund Committee accounts would be due to be signed off on 20th January, alongside Buckinghamshire County Council's statement of accounts. The delay had been down to the external auditors, Grant Thornton and there were no planned changes to the accounts.

4 BUCKINGHAMSHIRE PENSIONS BOARD DRAFT MINUTES

The minutes from the last Pension Fund Board meeting, held on 2nd October 2019, were noted by the Committee.

5 GOVERNANCE COMPLIANCE STATEMENT

Ms Edwards, Pensions and Investments Manager, informed the Committee that the statement contained the combined contents of the previous Governance Compliance Policy and Governance Compliance Statement and demonstrated that the Committee had met all necessary requirements. She advised that this would need to be revised when the new Buckinghamshire Council was established.

RESOLVED: The Committee APPROVED the statement unanimously

6 FORWARD PLAN

The Chairman told the Committee that there would only be one remaining meeting for the existing council and asked Members to note the work programme.

RESOLVED: The Committee NOTED the forward plan

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

9 BUCKINGHAMSHIRE PENSION BOARD CONFIDENTIAL MINUTES

10 TRIENNIAL VALUATION

11 PRIVATE MARKETS

12 BRUNEL PENSION PARTNERSHIP UPDATE - PRIVATE MARKETS

13 PENSION FUND PERFORMANCE

14 DATE OF NEXT MEETING

The date of the next meeting would be 28th February 2020, in Mezz 2, County Offices, Aylesbury.

CHAIRMAN

Pension Fund Committee

Title: Pension Administration Strategy

Date: Friday 28 February 2020

Author: Mark Preston, 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 59 of The Local Government Pension Scheme Regulations 2013 enables an administering authority to prepare a written statement of the authority's policies (its Pension Administration Strategy).

The current Strategy was approved by Pension Fund Committee in March 2019 as a result of the Pensions Improvement Review. One of the 2019 changes was to the charging schedule. The assessment of additional administration costs was changed from a fixed fee to being dependant on the amount of time spent on addressing non-compliance with the service level agreement. The application of this is onerous and the proposal for the revised strategy is to revert back to a fixed fee. This, along with charging for recalculations where incorrect information is provided by a scheme employer, are the only material changes to the strategy.

Recommendation

Members are asked to APPROVE the revised Pension Administration Strategy

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

Resource implications

The pension administration strategy is a vital document to assist both the administering authority and scheme employers with the requirements of administering the Scheme. A Service Level Agreement is issued to employers outlining all of the requirements expected of them and of the administering authority. The Pension Regulator

encourages participation with scheme employers to ensure they understand the key events and information they have to provide. If an employer fails to provide the required information, additional administration costs may be recovered from the employer and the reporting of a breach to The Pension Regulator can be considered. The Strategy provides a defined procedure to address any issues; ensuring employers have every opportunity to resolve underperformance before additional administration costs are incurred.

Legal implications

N/A

Other implications/issues

N/A

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

The revised Strategy has been issued to all scheme employers for comments and has also been presented to the Buckinghamshire Pension Board.

Background Papers

<http://www.lgpsregs.org/schemeregs/lgpsregs2013/timeline.php#r59>

Appendix 1 – Pension Administration Strategy

**Buckinghamshire Pension Fund
Pension Administration Strategy
1 April 2020**

Version 1

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Introduction

With 5.8 million members, the Local Government Pension Scheme (LGPS) is one of the largest public sector pension schemes in the UK. Buckinghamshire Pension Fund has approximately 250 employers with over 73,000 scheme members in total.

<http://www.buckscc.gov.uk/services/council-and-democracy/local-government-pension-scheme/employers/contribution-rates/>

The LGPS is one national scheme, administered locally, and is a valuable part of the pay and reward package for employees working in local government or for other employers participating in the Scheme. Success in promoting the Scheme amongst members and ensuring a high quality service delivery depends upon the relationship between the administering authority and scheme employers, and scheme employers and their employees. It should be noted that where a scheme employer uses a third party payroll provider, the scheme employer remains the responsible party under The LGPS Regulations.

Good quality administration and communication assists in the overall promotion of the Scheme and reminds employees of the value of the LGPS, which in turn aids recruitment, retention and motivation of employees. Providing employees with confidence in the administration of their benefits, in a scheme with ever increasing complexity, is a challenge facing both administering authorities and scheme employers.

The Local Government Pension Scheme Regulations 2013 enable an administering authority to prepare a written statement to assist the administering authority and scheme employers in working together to provide a high quality service to all parties. This document sets out the pension administration strategy of Buckinghamshire Council as the administering authority of the Buckinghamshire Pension Fund, after consultation with scheme employers and the Local Pension Board.

The aim of the strategy is to detail the procedures for liaison and communication, and to establish levels of performance for both the administering authority and scheme employers. It endeavours to promote good working relationships, provide transparency and improve efficiency and quality. It specifies how performance levels will be monitored and action that can be taken if targets are not met.

The strategy is effective from 1 April 2020. Any enquiries in relation to this strategy should be sent to:

Pensions Administration Manager
Buckinghamshire Council
Walton Street Offices
Aylesbury
Buckinghamshire
HP20 1UD

Regulatory Framework

Regulation 59 of The Local Government Pension Scheme Regulations 2013 enables an administering authority to prepare a written statement of the authority's policies in relation to the following:

- Procedures for liaison and communication with its scheme employers.
- The establishment of levels of performance which the administering authority and its scheme employers are expected to achieve in carrying out their scheme functions by:
 - the setting of performance targets
 - the making of agreements about levels of performance and associated matters, or
 - such other means as the administering authority considers appropriate
- Procedures which aim to secure that the administering authority and its scheme employers comply with statutory requirements in respect of those functions and with any agreement about levels of performance.
- Procedures for improving the communication by the administering authority and its scheme employers to each other of information relating to those functions.
- The circumstances in which the administering authority may consider giving notice to any of its scheme employers under Regulation 70 (additional costs arising from scheme employer's level of performance) on account of that employer's unsatisfactory performance in carrying out its Scheme functions when measured against levels of performance.
- The publication by the administering authority of annual reports dealing with:
 - the extent to which that authority and its scheme employers have achieved the levels of performance established, and
 - such other matters arising from its pension administration strategy as it considers appropriate; and
 - such other matters as appear to the administering authority after consulting its scheme employers and such other persons as it considers appropriate, to be suitable for inclusion in that strategy.

Regulation 59(3) states that an administering authority must keep the strategy under review and make appropriate revisions following any material change in its policies in relation to any matters contained within the strategy.

When preparing, reviewing or making revisions to the strategy, an administering authority must consult its scheme employers and any other persons it considers appropriate. This will be carried out via direct mailing, employer newsletters or via the Pension Board.

Under Regulation 59(6), where an administering authority publishes its pension administration strategy, or that strategy is revised, it must send a copy to each of its scheme employers and to the Secretary of State as soon as is reasonably practicable.

Full regard must be given to the strategy by both an administering authority and scheme employers when performing their functions under the LGPS Regulations.

Regulation 70 of The Local Government Pension Scheme Regulations 2013 applies where, in the opinion of an administering authority, it has incurred additional costs which should be recovered from a scheme employer, because of that scheme employer's level of performance in carrying out its functions under the LGPS Regulations. Should the situation arise, an administering authority may give written notice to the scheme employer stating the reasons why, in the administering authority's opinion, their performance is not satisfactory, the amount of additional costs to be recovered and the basis on which the specified amount has been calculated and the provisions of the strategy which are relevant to the decision to give notice.

Taking into account the regulatory framework, this strategy details the requirements in accordance with Regulations 59 and 70 of The Local Government Pension Scheme Regulations 2013 and lays the foundation of the day to day relationship between Buckinghamshire Council as the administering authority and the scheme employers of Buckinghamshire Pension Fund.

Responsibilities and Procedures

1. Procedures for liaison and communication with scheme employers

Delivery of a high quality administration service does not rest solely with the administering authority but is highly dependent on effective partnership working with scheme employers and other statutory and advisory bodies.

This strategy takes account of scheme employers' current pension knowledge, perception of current administration standards and specific training needs to ensure the required standard can be met.

Procedures for liaison and communication between Buckinghamshire Pension Fund and scheme employers are contained within Buckinghamshire Pension Fund's Communication Policy.

<http://www.buckscc.gov.uk/services/council-and-democracy/local-government-pension-scheme/policies/>

1.1. Procedures for improving communication between the administering authority and scheme employers

Effective communication between all parties concerned reduces errors, improves efficiency and nurtures better working relationships. Where performance monitoring shows there is cause for concern, the scheme employer's dedicated Employer Liaison Officer will work closely with them to improve any underperformance.

1.1.1. Training

Buckinghamshire Council as the administering authority will provide annual training sessions for all scheme employers and additional training and support to scheme employers where concerns are identified. All scheme employers may request an ad-hoc training session.

1.1.2. Website

Buckinghamshire Pension Fund's website is reviewed and updated on a regular basis. The website has relevant information for scheme employers regarding scheme changes and all relevant policies agreed by the administering authority are published on the site. All employer newsletters are also available. The website address is:

www.buckscc.gov.uk/pensions

1.2. Establishing levels of performance

1.2.1 Performance Standards

In relation to the entitlement of scheme members, the LGPS stipulates that certain decisions are to be made by either the administering authority or scheme employer. In order to fulfil these requirements and also comply with disclosure legislation, Buckinghamshire Council as the administering authority has agreed levels of performance between itself and scheme employers prescribed under a Service Level Agreement (SLA).

1.2.2. TUPE Transfers

Any existing scheme employer planning a contract likely to involve a TUPE transfer of staff should contact the TUPE Liaison Officer at the earliest opportunity. The employer will be provided with a guide, detailing all of the options available to them, the process to be followed if Admitted Body status is required and the relevant charges that will apply including actuary and legal fees and bond requirements.

1.2.3. Overriding legislation

In discharging their roles and responsibilities under the LGPS Regulations, the administering authority and scheme employers are required to comply with overriding legislation such as:

- Superannuation Act 1972;
- Pensions Act 1995 and associated disclosure legislation;
- Freedom of Information Act 2000;
- Finance Act 2004;
- Equality Act 2010;
- Public Service Pensions Act 2013;
- Data Protection Act 2018; and
- Health and Safety legislation.

The above are minimum requirements and in addition to these there are also local standards and best practice outlined below.

1.2.4. Internal Standards

These are standards detailed in the SLA and include:

- Compliance with all requirements in the SLA;
- Provision of information or notifications in the required format using i-Connect and/or using forms/spreadsheets as provided with the SLA;
- All information or notifications to be legible and accurate;
- Communications to be in plain language;
- Information provided to be checked for accuracy by another member of staff;
- A nominated pensions contact within each scheme employer; and
- Information provided or decisions made within the timescales contained within the SLA.

1.2.5. Timeliness

Overriding legislation dictates minimum standards required in relation to certain actions, decisions and information to be provided by an administering authority and scheme employers. In addition to these minimum standards, Buckinghamshire Pension Fund has deadlines for the provision of data and local performance measures to be met and which are used for monitoring purposes. These measures are contained within the SLA.

1.2.6. Data quality

In order to meet the targets set out in the SLA it is imperative that the data provided by scheme employers is accurate. Data should be provided using i-Connect or the forms/spreadsheets provided with the SLA. This will ensure member records are correct and will enable the administering authority to submit accurate data as part of the triennial valuation. The administering authority will apply data quality control and review processes.

1.2.7. Employer Liaison Officers

Each scheme employer will be allocated a specific Employer Liaison Officer as their main point of contact regarding any aspect of administering the LGPS.

2. Procedures for ensuring compliance with statutory requirements and levels of performance

Ensuring compliance is the responsibility of the administering authority and scheme employers. The administering authority will work with its scheme employers to adhere to all the appropriate legislation and provide support to ensure quality and timeliness of provision of data is continually improved. Various methods will be used to ensure compliance and service improvement such as:

2.1. Audit

Buckinghamshire Pension Fund will be subject to an annual audit of its processes and internal controls, with the Council's Regulatory and Audit Committee applying scrutiny to the Fund. Both the administering authority and scheme employers will be expected to comply with requests for information from internal and external auditors in a timely manner. Any subsequent recommendations will be implemented into the appropriate document.

2.2 Performance monitoring

The administering authority will report on each scheme employer periodically against specific tasks outlined in the SLA. The administering authority will monitor its own performance in accordance with the SLA, provide an internal benchmark comparison year on year and report outcomes to the Pension Board.

2.3. Employer liaison meetings

Meetings with scheme employers and their Employer Liaison Officer will take place at the request of either the administering authority or the scheme employer to review performance against targets and the quality of data exchange. Frequent meetings will be arranged for larger employers or where deemed necessary by either party.

2.4. Pension Board

The purpose of the Board is to assist the administering authority in its role as scheme manager of the Scheme. This covers all aspects of Governance and administration of the LGPS, including funding and investments. Regular reports on administration performance and other associated matters will be discussed at Pension Board meetings.

The Board's Terms of Reference can be found at:

<https://www.buckscc.gov.uk/media/4508426/pfb-terms-of-reference.pdf>

2.5. Pension Fund Committee

The Pension Fund Committee (PFC) is responsible for setting overall investment strategy and investment principles. They appoint Advisors and monitor Fund performance. They are responsible for monitoring scheme governance and policy approval. The PFC's Terms of Reference can be found in the Council's Constitution at:

<https://www.buckscc.gov.uk/media/4510769/council-constitution.pdf>

2.6. Valuation

Buckinghamshire Pension Fund is subject to a triennial full valuation of its assets in accordance with the LGPS Regulatory Framework. The Fund actuary sets employer contribution rates based on the data submitted. Interim mini-valuations may also be undertaken at the discretion of the Pension Fund Committee. Both the administering authority and scheme employers will be expected to comply with requests for information from the actuary in a timely manner.

2.7. Year End and Annual Benefit Statements.

Annual year end processes will be circulated to all scheme employers in a timely manner. Outline details are within the SLA. Annual Benefit Statements will be made available to members online, by 31 August each year, unless they have elected for a hard copy. Further details on Annual Benefit Statements are outlined in the Communications Policy.

2.8. Treasury Management

A service level agreement exists between Buckinghamshire Council's Treasury Management Service and the Pensions & Investments Team which is approved by the Pension Fund Committee.

Circumstances where the administering authority may levy costs associated with a scheme employer's poor performance

Routine and cyclical activity is not directly charged to a scheme employer.

Any additional costs incurred by the administering authority as a direct result of poor performance will be recovered from the scheme employer. The circumstances where additional costs will be recovered include:

- Constant failure to provide relevant information to the administering authority, scheme member or other relevant party in accordance with the SLA;
- Failure to pass relevant information to the scheme member or potential members due to poor quality or within the prescribed timescale;
- Failure to deduct and pay over correct employee and employer contributions to the Buckinghamshire Pension Fund within the prescribed timescales; and
- Payment of fines being levied on the administering authority due to a scheme employer's under-performance by the Pensions Regulator, Pensions Ombudsman or any other regulatory body.

The administering authority may also charge for other services. Details of all the charges that apply are detailed at Appendix A.

Procedures to address unsatisfactory performance

The relevant Employer Liaison Officer will work with a scheme employer at the earliest opportunity if they are failing to meet the requirements of the performance levels required under the SLA and ultimately this strategy. They will identify any underlying issues and assist with any necessary training and development required to address the performance.

Steps to recover additional administration costs will only be taken where persistent failure occurs after intervention and support has been offered and undertaken by the relevant Employer Liaison Officer. These steps will only be implemented once all opportunities to address performance issues are exhausted. The steps to be taken in these circumstances are:

- The scheme employer will be written to setting out the areas of unsatisfactory performance
- A meeting will be arranged with the scheme employer to discuss the unsatisfactory performance and to formulate a plan on how to address those areas
- Where a scheme employer does not agree to a meeting or does not show improvement in line with action agreed during the meeting, a formal notice will be issued. This will detail the areas of unsatisfactory performance identified, the steps taken to resolve those areas and that the additional costs will be recovered;
- The costs to be recovered will be clearly set out taking into account the time taken by the administering authority to resolve the specific area of unsatisfactory performance; and
- Make the claim against the scheme employer, giving reasons for doing so, in accordance with the Regulations.

Administering Authority unsatisfactory performance will be reported to the Pension Board and Pension Fund Committee if applicable. Performance is monitored against the SLA.

Review Process

The administration strategy will be reviewed every 3 years unless circumstances dictate more regular reviews are required. The current version of the administration strategy will be available on our website at the link below. Hard copies will be made available on request.

<https://www.buckscc.gov.uk/services/council-and-democracy/local-government-pension-scheme/policies/>

Buckinghamshire Council
Walton Street Offices
Aylesbury
Buckinghamshire
HP20 1UD
01296 383755
employers@buckscc.gov.uk
www.buckscc.gov.uk/pensions

Charging Schedule		
1	Failure to notify Buckinghamshire Council of new starters by the 19 th of the month following the month payroll action was taken	£50 per occurrence
2	Failure to notify Buckinghamshire Council of a change in hours or a change in member's address by the 19 th of the month following the date where payroll action was taken	£50 per occurrence
3	Failure to notify Buckinghamshire Council of unpaid leave, parental leave or trade dispute breaks by the 19 th of the month following the month in which payroll action was taken	£50 per occurrence
4	Failure to notify Buckinghamshire Council of any member leaving by the 19 th of the month following the month in which the member left	£50 per occurrence
5	Failure to notify Buckinghamshire Council of any retirement within 3 weeks before the member's retirement date	£50 per occurrence
6	Where as a result of the Employer's/Payroll Provider's failure to notify Buckinghamshire Council of a retirement interest becomes payable on any lump sum or death grant paid, Buckinghamshire Council will recharge the total amount of interest to the Scheme employer	Interest calculated in accordance with Regulation 81 of The LGPS Regulations 2013
7	Failure to notify Buckinghamshire Council of the death in service of a member within 10 working days of notification	£50 per occurrence

8	Failure to notify Buckinghamshire Council of the monthly contributions deducted by the 19 th of the month via the monthly notification spreadsheet (non i-Connect scheme employers)	£50 per occurrence
9	Failure to pay over monthly contributions to Buckinghamshire Council by the 19 th of the month following deduction of the contributions	Interest calculated in accordance with Regulation 71 of The LGPS Regulations 2013
10	Failure to pay an additional administration cost	Interest calculated in accordance with Regulation 71 of The LGPS Regulations 2013
11	Failure to provide Buckinghamshire Council with the annual year end return by 30 April	£50 per working day from 1 May to date return is received
12	Failure to respond to requests for Year-end information to resolve queries within the prescribed time	£50 per occurrence
13	Further notification of leaver/retirement/death resulting in a recalculation of benefits	£50 per occurrence
14	Estimate requests in excess of two required in a rolling year	£11.50 per estimate plus VAT per additional request
15	Other non-standard work	Charge dependent on the amount of time taken and Pensions & Investments Team member undertaking the work

Notes to the Charging Schedule

Please note the detail below applies to all scheme employers whether they submit a monthly notification spreadsheet or use i-Connect.

- 1 Notifications of new starters must include all of the information detailed in the New Entrants to the Scheme section of the SLA.
- 2 Notifications of changes in hours and address must include all of the information detailed in the Changes section of the SLA.
- 3 Notification of any unpaid leave, parental leave or trade dispute breaks must include all of the information detailed in the Unpaid Leave section of the SLA.
- 4 Notifications of leavers must include all of the information required on the 'Notification of Employee Leaving' form, detailed in the Leavers section of the SLA. Where an overtime payment is still to be made and the employer is not able to submit the form before the 19th of the month following the month in which the member left, they should submit the form as soon as possible after the final payment and not wait until the following month's submission.
- 5 Notifications of retirements must include all of the information required on the 'Notification of Employee Leaving' form, detailed in the Retirements section of the SLA. Where an overtime payment is still to be made and the employer is not able to submit the form before the 19th of the month following the month in which the member left, they should submit the form as soon as possible after the final payment and not wait until the following month's submission.
- 6 Regulation 81 of The LGPS Regulations 2013 state that interest must be calculated at one per cent above base rate on a day to day basis from the due date to the date of payment and compounded with three-monthly rests. If late payment of a lump sum or death grant occurs as a result of a failure by the scheme member to provide information to the Pensions & Investments Team, the pension fund will be liable for the payment of any interest due.
- 7 Notification of a death in service must include all of the information required on the 'Notification of Employee Leaving' form, detailed in the Death in Service section of the SLA.
- 8 Notification of the contributions deducted should be sent (non i-Connect users only) on a monthly basis in order for the contributions to be reconciled and allocated correctly.
- 9 Requirements regarding payment of monthly contributions are set out in the Monthly Contributions section of the SLA. Regulation 71 of The LGPS Regulations

- 2013 states that for overdue payments, interest must be calculated at one per cent above base rate on a day to day basis from the due date to the date of payment and compounded with three-monthly rests.
- 10 Regulation 71 of The LGPS Regulations 2013 states that for overdue payments, interest must be calculated at one per cent above base rate on a day to day basis from the due date to the date of payment and compounded with three-monthly rests.
 - 11 Requirements regarding submission of the annual return are set out in the Year-End Return section of the SLA.
 - 12 Requirements regarding Year-End queries are set out in the Year-End section of the SLA.
 - 13 Accurate information should be provided first time around in accordance with the Leavers and Retirements section of the SLA.

Late notifications will only be reported where the standards set out in the SLA have not been met as a result of the scheme employer's failure to meet the required standards.

Pension Fund Committee

Title:	Communication Policy Statement
Date:	Friday 28 February 2020
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

Regulation 61 of the Local Government Pension Scheme (LGPS) Regulations 2013, require an administering authority to prepare, maintain and publish a written statement setting out its communication policy. As a minimum, the Buckinghamshire Pension Fund reviews the policy every three years, the last policy receiving approval in 2017. The revised Communication Policy Statement is attached at Appendix 1.

Recommendation

The Committee is asked to APPROVE the Communication Policy Statement.

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

Resource implications

N/A

Legal implications

N/A

Other implications/issues

The policy has been updated to reflect the range of media used to communicate with stakeholders. Information videos have been introduced and are available on the Fund's

web pages for both employers and Scheme members. The functionality of *My pension online* (an online facility giving Scheme members 24 hour access to their pension record) has improved which is assisting the Fund in becoming a digitally enabled service, allowing Scheme members to self-serve wherever possible.

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

N/A

Background Papers

<http://www.lgpsregs.org/schemeregs/lgpsregs2013/timeline.php#r61>

Appendix 1 – Communication Policy Statement - 1 April 2020

Buckinghamshire Pension Fund Communication Policy Statement 1 April 2020

Introduction

Buckinghamshire Council is the administering authority for the Local Government Pension Scheme (LGPS) on behalf of the employers participating in the LGPS through the Buckinghamshire Pension Fund (the Fund). The LGPS is governed by statutory regulations.

Regulation 61 of the Local Government Pension Scheme Regulations 2013 requires Funds to prepare, maintain and publish a written statement setting out its policy concerning communications. This policy statement outlines the Fund's position on:

- The provision of information and publicity about the Scheme to members, employers and representatives of members participating in the Fund.
- The promotion of the Scheme to prospective members and their employers.
- The format, frequency and method of distributing such information or publicity.

This Communication Policy is effective from 1 April 2020 and will be reviewed every three years or more frequently should changes be required. It is underpinned by an annual internal communications plan.

Our key communication objectives

- Our messages should be timely, brief and easy to understand.
- Wherever possible, we will use digital channels and electronic media for our messages due to their efficiency, security and accessibility
- Where digital channels are not suitable, we will use other methods of communication for our customers and stakeholders
- To provide relevant and timely information to our members to enable them to make informed decisions about their pension benefits
- To train and support scheme employers to enable them to fulfill their statutory responsibilities, as well as to cascade and share scheme information with their staff
- We will manage information securely in line with current data protection legislation
- To consult with relevant stakeholders about the Fund's management and administration
- To strive for continuous improvement and innovation in the way we communicate

Our key stakeholders are

- Scheme members, split into three broad categories
 - Active scheme members
 - Deferred scheme members
 - Pensioner scheme members and dependants
- Prospective scheme members
- Scheme Employers
- Pensions & Investments Team staff
- Our governing bodies i.e. the Pension Fund Committee and the Buckinghamshire Pension Board
- External bodies and member representatives

Communication with Scheme members

There are three categories of Scheme member;

- Active members who are contributing to the Scheme;
- Deferred members who have left the Scheme, but have not yet accessed their pension benefits; and
- Pensioner members and dependants who are in receipt of a pension.

Website

www.buckscc.gov.uk/pensions is our main medium for communicating with Scheme members. It provides comprehensive information about the scheme and is split into a number of categories to ensure quick access and relevance to our varied target audiences. Our Scheme member guides, newsletters, forms, fact sheets and short animated videos are available for download. Our website is regularly reviewed and updated.

My pension online secure member portal

We are committed to increasing digital access and delivery of our services. By default all Scheme members have an online pension account, although registration is not automatic. **My pension online** enables registered members to securely access their pension record at <https://ms.buckscc.gov.uk>. The content and functionality available is tailored according to whether the member is active, deferred or a pensioner. **My pension online** allows the Fund to communicate directly with our members, with general scheme updates, as well as personal member communications e.g. retirement benefit calculations and forms.

Email, post and telephone helpline

Our postal address and main email address for member enquiries (pensions@buckscc.gov.uk) is widely published. Any email containing confidential member information is sent using the Egress Switch encrypted email service or by other secure means.

We have a dedicated helpline number for member enquiries (01296 383755), which is staffed by Member Liaison Officers from 09:00 to 17:30 Monday to Thursday and from 09:00 to 17:00 on Friday.

Face to face presentations and appointments

We offer face to face group presentations, which are available to active scheme members or those wishing to join the Scheme. These presentations are available upon request by Scheme employers, subject to meeting minimum attendance criteria.

Scheme members are able to book one to one appointments at our regular member surgeries to discuss individual questions relating to their pension benefits. While Pensions Officers cannot provide pensions advice, they can provide information on benefit entitlements under the Local Government Pension Scheme to help members make informed pension decisions.

Annual benefit statements

The Fund is legally required to provide an annual benefit statement by 31 August each year for all active, deferred and pension credit members, as per Regulation 89 of The Local Government Pension Scheme Regulations 2013. Our members' statements are published to their online account each year. Members are able to opt out of online access to their pension record. Members who opt out of **my pension online** do not have online access to their record, therefore these members are provided with printed annual benefit statements and newsletters, sent to their home address.

Newsletters

We provide Scheme member update newsletters for active, deferred and pensioner scheme members at least annually, or more often as required. The content is tailored to the audience to ensure that each newsletter is relevant and of interest. The newsletters are published on our website and are linked to our **my pension online** scheme documents area. Copies are also sent by post where applicable, although the number of printed copies is reducing as **my pension online** registration increases.

Payslips/P60s

Payslips are sent to all pensioners twice per year to confirm that the address we hold for them is still current. P60s are issued by the end of May each year. Pensioners can access their monthly payslips from the last working day of the month via **my pension online**.

Communication with prospective members

Our communication with prospective Scheme members is mainly via their employers. Employers contractually enrol all eligible staff in the LGPS. Scheme information is provided by employers within contracts of employment, which directs employees to the Fund's guides, forms and booklets at www.buckscc.gov.uk/lgpsguidesandforms.

Prospective members can request information, for illustration purposes, of the costs of joining the Scheme from their employer or from the national LGPS website at www.lgpsmember.org. These members are able to contact us by telephone, email, post or in person (by appointment).

Communication with Scheme employers

Employers in the Fund include scheduled bodies, designated bodies, admitted bodies and deemed employers, as defined in Regulation 3 of The Local Government Pension Scheme Regulations 2013.

Website

The Fund's website is accessible to all Scheme employers. The website includes a dedicated Employer area at www.buckscc.gov.uk/lgpsemployers, which is regularly updated with changes to the Scheme, employer administration guidance, newsletters and other relevant information.

Email and telephone

Each Scheme employer is allocated a dedicated Employer Liaison Officer (ELO) who is their main contact for LGPS administration queries. As an introduction, ELOs issue our Employer administration guide (which forms a large part of our Service Level Agreement) to all new Employers to the Fund. Scheme employers can email their ELO direct or send their queries to the shared employers@buckscc.gov.uk mailbox. General employer communications are sent by email from the Fund's Employers' mailbox to recipients on the Fund's employer distribution list.

Any email correspondence which includes confidential information is sent by Egress Switch encrypted email service or other secure means e.g. password protection, or between servers with strong end-to-end encryption.

Newsletters

A quarterly employer newsletter is produced for Scheme employers, which summarises changes to Scheme legislation, policy, issues currently under debate and Scheme administration. The newsletter is uploaded to the Employers' website area and a notification email is sent from the Employers' mailbox to our employer contacts to let them know when it has been published.

i-Connect

i-Connect is a middleware technology solution which enables employers to automate their submission of data to the Fund and move to real-time monthly data reporting. i-Connect reduces the cost and risks associated with manually processing pension data. As a result, a number of Fund Employers have switched to i-Connect to automate their submission of data to the Fund.

Employer meetings and training sessions

Meetings with a member of the Employer Liaison Team and Scheme employers will take place at the request of either us or the employer. Frequent meetings will be arranged for larger employers or where deemed necessary by either party.

Depending on take up, four group employer training sessions are provided each year. Two autumn sessions provide general LGPS administration training and guidance. Each March, a further two training sessions are provided, which focus on the provision of year-end scheme member information to the Pensions & Investments Team. Employers who are not able to attend our group training sessions can arrange a training meeting with their ELO at a different time.

Annual report and accounts

Copies of the Fund's annual report and accounts are published by 1 December each year. Due to the length and complexity of the Fund's annual report, hard copies are not routinely provided, but can be produced on request.

Pensions general meeting

We invite representatives from all Scheme employers to attend the Pensions General Meeting, which takes place every 3 years in the year of the Fund valuation (i.e. the year prior to when the revised contribution rates from the valuation are due to come into effect). Speakers are varied but would always include a presentation by the Fund's actuary, Barnett Waddingham LLP.

FRS102 / IAS19 Reports

The FRS102 / IAS19 Reports are prepared annually and are emailed to relevant Scheme employers in PDF format.

Communication with members' representatives

Members' representatives include any individual or group enquiring or acting on behalf of a Scheme member with the Scheme member's authority e.g. trade unions, solicitors, independent financial advisors, etc.

Website

Members' representatives can access a wide range of Scheme information on our website, including our contact details for general enquiries.

Email, telephone and post

Our contact details are widely publicised and members' representatives are able to contact us by email, post or telephone.

Communication within the Pensions & Investments Team

We recognise the importance of ensuring that all our staff are fully equipped with the appropriate knowledge and skills to enable them to perform their duties.

We are committed to our team's training and development needs and meet these needs by the use of email briefing notes, internal team meetings and technical updates, as well as internal and external training sessions on specific topics.

Communication and Fund Governance

The Pension Fund Committee

Under Buckinghamshire Council's constitution, the Council has delegated responsibility for decision-making on pension fund investments to the Pension Fund Committee. The Pension Fund Committee consults within the advisory framework and with officers, before making decisions within the scope of their delegated powers. The Committee receives professional advice from an investment consultant and support/information from an independent adviser on investment strategy and other investment matters. Pension administration matters are reported to the Pension Fund Committee as appropriate.

Full details of the Committee and minutes of all meetings can be found at:

<https://democracy.buckscc.gov.uk/mgCommitteeDetails.aspx?ID=136>

Buckinghamshire Pension Board

The Local Government Pension Scheme (Amendment) (Governance) Regulations 2014 set out the requirements for an administering authority to establish a Local Pension Board.

The purpose of the Board is to assist the Administering Authority in its role as a scheme manager. This covers all aspects of governance and administration of the LGPS, including funding and investments. We work closely with the Buckinghamshire Pension Board, ensuring they can fulfil their duties and responsibilities, including the provision of relevant training.

Full details of the Board and minutes of all meetings can be found at:

<https://democracy.buckscc.gov.uk/mgCommitteeDetails.aspx?ID=869>

Availability and format of our publications, frequency & review periods

Communication material	Formats available	Available to	When published / available	When Reviewed?
LGPS guides	Online, paper	All members, prospective members, members' representatives, Scheme employers	Website link to guides included with employment offer. Available on	As required
LGPS fact sheets	Online, paper	All members, prospective members, members' representatives, Scheme employers	Always available	As required
My pension online	Online secure portal	All registered members, giving them online access to their pension records	Always available	As required
Pension update newsletter	Online, paper	Active and Deferred members	At least annually	At least annually or more often as needed
In Touch Pensioner newsletter	Online, paper	Pensioner members	Annually	Annually
Technical Employer newsletter	Online	Scheme employers	Quarterly	Quarterly
Payslips	Online	Pensioner members	Sent twice per year. Payslip history available via my pension online	As required
P60s	Paper, online	Pensioner members	Annually and available via my pension online	Annually
Annual Benefit Statements	Paper, online	All Active, Deferred and Pension Credit members	Annually by 31 August	Annually
Retirement guide	Online, paper	Pensioner members	At retirement	As required
Annual Report and Accounts	Online	Scheme employers, other interested parties	Annually	Annually
Fund Valuation Report	Online	Scheme employers	Every three years	Every three years
Training/ Presentations	Face to face presentations	Members, Scheme employers	On request	As required
Member surgeries	One to one meeting	Scheme members	Fortnightly surgeries, run by appointment	Fortnightly
FRS102 / IAS19 Reports	Electronic	Relevant Scheme employers	Annually	Annually

This communication policy statement is reviewed every three years in line with the triennial valuation and a revised version will be republished following any material change.

Pension Fund Committee

Title:	Treasury Management Service Level Agreement
Date:	Friday 28 February 2020
Author:	Head of Finance – Pensions, Investments & Projects
Contact officer:	Julie Edwards – Pensions & Investments Manager, 01296 383910
Local members affected:	

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

Summary

At its meeting on 18 March 2019, the Pension Fund Committee agreed the arrangements for investing the Fund's surplus cash. This report updates the Committee on the provision of treasury management services by Buckinghamshire County Council to the Pension Fund in 2019 and asks the Committee to discuss and approve the arrangements for investing the Pension Fund's surplus cash balances in 2020/21.

Recommendation

The Committee is asked to approve the Pension Fund treasury management Service Level Agreement.

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

Resource implications

There are none arising directly from this report.

Legal implications

There are none arising directly from this report.

Other implications/issues



- 1 The Pension Fund maintains relatively small balances of cash arising from the receipt of employer and employee contributions exceeding payments made on behalf of the Fund. Most of the Fund's cash is managed externally, either by the investment managers or State Street, the Fund's custodian bank. The cash held by the administering authority is usually less than 1.0%, or £30m, of the Fund's assets providing a working balance for the Fund to meet its short term commitments. From time to time, if surplus cash balances held approach £30m and are greater than the amounts required to meet the Fund's private market commitments, then they are invested in accordance with the Investment Strategy.
- 2 At its meeting on 18 March 2019, the Pension Fund Committee approved the SLA for 2019/20 setting out the arrangements in place for investing the daily cash balances.
- 3 During 2019 (2018) the Pension Fund earned £25k (£56k) interest on its working cash balances, representing 0.65% (0.63%) on an average balance of £3.9m (£8.9m). The cash balances ranged from £0.1m to £9.8m during 2019 (£0.7m to £28.6m during 2018). A separate bank account operates for the Pension Fund and the interest is paid into the Pension Fund bank account. The Council's treasury team invested all the Pension Fund's working cash in the Pension Fund bank account or money market funds.
- 4 The Pension Fund bank account receives interest on daily balances. The 2020/21 SLA reflects the current practice of investing the Fund's cash balances in the interest bearing Pension Fund current account. Members are asked to review and approve the SLA for 2020/21 attached as Appendix 1.
- 5 Local Government Pension Regulations (Management & Investment) 2009 gave the Pension Fund the power to arrange a temporary loan from a bank for up to 90 days in order to pay benefits due under the Pension Fund Scheme or to meet investment commitments. However, there are no counterparties in the market that will temporarily lend cash to the Pension Fund. In previous years members of the Pension Fund Committee had indicated that they would prefer to borrow from the market rather than the Council. However, with no external market willing to temporarily lend to the Fund, the Pension Fund Committee members agreed that they would prefer the Fund to borrow temporarily from the Council rather than maintain a higher cash buffer to meet any unexpected cash requirements. There were no instances during 2019 where the Fund temporarily borrowed cash from the Council.

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

Not applicable.

Background Papers

Treasury Management Strategy Report to the new Buckinghamshire Council Shadow Executive, 28 January 2020 Agenda Item 6.

<https://shadow-buckinghamshire.moderngov.co.uk/documents/b660/To%20Follow%20Reports%2028th-Jan-2020%2010.00%20Shadow%20Executive.pdf?T=9>

Appendix 1

PROVISION OF TREASURY MANAGEMENT SERVICES BY BUCKINGHAMSHIRE COUNCIL TO THE BUCKINGHAMSHIRE PENSION FUND

This is an agreement between the Pension Fund Committee and the Administering Authority Buckinghamshire Council, such that:

- 1 A separate bank account operates for the purpose of the Pension Fund.
- 2 Based on the projected daily balances for the Pension Fund bank account, the Council's Treasury Team will invest cash in the interest earning Pension Fund bank account so that the balance in the Pension Fund bank account is within the limit as determined by the Council's treasury management strategy.
- 3 The Council's Treasury Team will invest the Pension Fund's remaining cash balances with counterparties on behalf of the Pension Fund in accordance with the Council's treasury management strategy. Investments will usually be in an instant access call account / Money Market Fund since the Fund's money is primarily held to meet immediate payments from the Fund. Interest will be paid into the Fund's bank account at the agreed rate.
- 4 For any surplus balances estimated to be significant in cash terms and likely to remain for a significant period of time, the Council's Treasury Team will make every effort to place these surplus funds in accordance with the Fund's Investment Strategy.
- 5 The Council's Treasury Team may arrange a temporary loan from the Council for up to 90 days in order to pay benefits due under the Pension Fund Scheme or to meet investment commitments.
- 6 The Council's Treasury Team will check balances on the Pension Fund / Council cash adjustment codes every Friday and on the last working day of the month. Any balances on the cash adjustment account will be transferred to / from the Pension Fund.

This agreement is effective from 1 April 2020 and will be subject to annual review by the Pension Fund Committee.

PENSION FUND COMMITTEE FORWARD PLAN

Updated	5-Feb-20
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28 February 2020

Agenda Item	Aylesbury, County Hall Author	Cyclical Item?
Apologies	--	Every meeting
Declarations of interest	--	Every meeting
Minutes	--	Every meeting
Pensions Administration Strategy	Claire Lewis-Smith	3 Yearly
Communication Policy Statement	Claire Lewis-Smith	3 Yearly
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	
Funding Strategy Statement	Julie Edwards	3 Yearly
Date of next meeting / AOB	--	

4 June 2020

Agenda Item	Author	Cyclical Item?
Election of Chairman / Appointment of Vice-Chairman		
Apologies	--	Every meeting
Declarations of interest	--	Every meeting
Governance Compliance Statement	Claire Lewis-Smith	Annually
Minutes	--	Every meeting
Buckinghamshire Pension Board Draft Minutes	Steve Mason	4-monthly
External Audit Plan	Grant Thornton	Annual
Annual Accounts	Rachael Martinig	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

PENSION FUND COMMITTEE FORWARD PLAN

	Updated	5-Feb-20
Agenda Item	Author	Cyclical Item?
Apologies	--	Every meeting
Declarations of interest	--	Every meeting
Minutes	--	Every meeting
Annual Accounts Audit 2019/20	Rachael Martinig /Grant Thornton	Annually
Pension Fund Annual Report 2019/20	Claire Lewis-Smith	Annually
Forward Plan	Julie Edwards	Every meeting
Exclusion of Press and Public		
Confidential Minutes		
Brunel Pension Partnership Update		Quarterly
Date of next meeting / AOB	--	

September 2020

	Author	Cyclical Item?
Agenda Item		
Apologies	--	Every meeting
Declarations of interest	--	Every meeting
Minutes	--	Every meeting
Buckinghamshire Pension Board Draft Minutes	Steve Mason	4 monthly
Breaches of the Law	Claire Lewis-Smith	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
Pension Fund Performance	Julie Edwards	No
Date of next meeting / AOB	--	

November 2020

	Author	Cyclical Item?
Agenda 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		

PENSION FUND COMMITTEE FORWARD PLAN

Buckinghamshire Pension Board Confidential Minutes
Pension Fund Performance
Date of next meeting / AOB

	Updated	5-Feb-20
Steve Mason		4 monthly
Julie Edwards		No
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