

# Minutes

## *PENSION FUND CONSULTATIVE GROUP*

**MINUTES OF THE MEETING OF THE PENSION FUND CONSULTATIVE GROUP HELD ON THURSDAY 6 DECEMBER 2012, IN MEZZANINE ROOM 2, COUNTY HALL, AYLESBURY, COMMENCING AT 10.00 AM AND CONCLUDING AT 10.50 AM.**

### **MEMBERS PRESENT**

Mr F Downes, Pension Fund Committee Representative (Chairman)  
Mr S Cox, Pensioner Representative  
Mrs J Eubank, Employee Representative  
Mr S Mason, Aylesbury Vale District Council Representative  
Ms T Pearce, Chiltern District Council Representative  
Ms L Turvey, Admitted Body Representative - Fremantle Trust  
Mr M Chard, Employee Representative  
Mr I Thompson, Thames Valley Police  
Mr R Walter, Unison Representative  
Ms L Bennett, People and Policy Representative

### **OFFICERS PRESENT**

Ms L Hughes, Principal Pensions Officer (Administration)  
Mr M Preston, Assistant Service Director (Finance Centre of Expertise)  
Mrs E Wheaton, Democratic Services Officer  
Mrs C Lewis-Smith, Principal Pensions Officer

### **AGENDA ITEM**

#### **1. APOLOGIES / CHANGES IN MEMBERSHIP**

Apologies were received from Gary Waghorn (Milton Keynes Council) and Julie Edwards (Pensions & Investment Manager, Bucks County Council).

Bob Walter has replaced Martin Cross as the Unison representative on the Committee.

#### **2. DECLARATIONS OF INTEREST**

There were no declarations of interest.



INVESTOR IN PEOPLE



### 3. MINUTES

The minutes of the meeting held on 15 March 2012 were agreed as a correct record.

### 4. LGPS 2014

Members received information relating to the main features of the proposed LGPS 2014 which commences from 1 April 2014. Liz Hughes, Principal Pensions Officer took Members through the papers. She started by explaining that additional examples have been provided in the papers to reflect a broader spectrum of employees pay circumstances. These examples have been produced by the LGPS 2014 Project Group and can be accessed via the Bucks County Council website as well as LGPS's website.

There has been a slight change to the consultation date. It was meant to commence in the Autumn but is now likely to start in the New Year. This does not affect the target date for regulations, which is planned to coincide with the triennial valuation, taking place in August 2013.

LGE (Local Government Employers) are likely to get their response to the consultation published quickly so that other authorities can then prepare their responses.

During discussion, a Member asked the following question.

- **Are the pay figures used in the examples based on historical pay growth or future growth?** The officer said that the figures are based on future growth from 1 April 2014.

The Chairman concluded by saying that there is a lot of new work as a result of the proposed changes but the pensions team are aware of the increase in work and are currently looking at the resource implications.

### 5. CIPFA BENCHMARKING - PENSIONS ADMINISTRATION

Members received the report from the Principal Pensions Officer regarding the results of the CIPFA Benchmarking Club (63 authorities took part). Bucks County Council has participated in the CIPFA Pensions Benchmarking Club for the last 10 years. Data is supplied on cost, workload and staff related measures and Industry Standard Performance Indicators.

The officer referred Members to page 34 in the report which showed that the County Council's net cost per Member is below the average. The one area where the costs are above average is IT which reflects the fact that the County Council has invested heavily in IT which has kept staff costs down.

During discussion, Members asked the following questions and made the following comments.

- **Are accommodation costs included in the benchmarking exercise?** The officer explained that the accommodation costs are included in the central charges.
- **Do you have sufficient resources in place to administer the Fund?** The officer responded by saying that in light of the changes, the County Council can afford to invest in more staff and the team will still be around average in terms of the benchmarking data. Mark Preston, Assistant Service Director, went on to say that the proposed LGPS changes do provide the Council with an opportunity to

review the staffing levels of the team and to increase the numbers in certain areas to meet the increased demand in workload.

- **As well as looking at administrative costs, service quality should also be reviewed and benchmarked against other authorities.** The officer explained that, at present, service quality is not benchmarked.

The Chairman concluded by saying that, from a management point of view, the report is very positive but the staffing levels do need to be reviewed. The benchmarking exercise is very useful in terms of the data that it produces.

## 6. PENSIONS ADMINISTRATION PERFORMANCE

Claire Lewis-Smith, Principal Pensions Officer (Governance & Employer Liaison), took Members through the performance of the Pensions Administration team. General volumes of work coming into the pensions team have been consistent apart from October 2011, when tasks reached 16,257. Since the last report to the Group, the number of tasks being completed over target remained under 1.5% until March 2012. Since March 2012, tasks completed outside of the target have increased, peaking at 4.91% in June. This was due to 10 days system downtime while a new software system was introduced. The backlog of tasks incurred while the system was down continued to have an impact on the level of tasks cleared in July and August.

Over the period 1 August to 31 August 2012, the pensions team received 270 general pensions queries and cleared 255 queries during the period. Also received were 31 notifications of new deaths, all of which received a letter to the next of kin on the date of notification.

The team gives priority to processing retirements over requests for quotes and those people with general queries. Mark Preston, Assistant Service Director, said that in light of the backlog, the resourcing levels are being looked at.

The Group noted the performance statistics of the team.

## 7. YEAR-END REVIEW

Members received the report from the Principal Pensions Officer (Governance and Employer Liaison). The officer explained that the Employer Liaison and Systems teams process data annually in accordance with the Service Level Agreement to ensure Member data is accurate for the production of the Annual Benefit Statements and the triennial valuation.

At the end of the financial year, all LGPS employers within the Bucks County Council Pension Fund are required to submit annual data. On receipt of this information, the Principal Pensions Officer (Systems) reconciles the data and if reconciled, the Systems Team upload the annual contributions to each individual member record and a report is run to convert the contributions into an annual pay figure. If this figure differs by more/less than 10% compared to the previous financial year, if there is a member who does not have contributions on the return or if there are contributions and no member record, an error report is produced.

As at 14 November 2012, 85 employers have completed their return and Annual Benefits Statements have been issued, 33 employers have not sent in their summary of contributions, 24 employers have sent their summary of contributions in but the return has not been reconciled and 25 employers have outstanding queries.

The officer explained that it is a very time intensive job to chase employers for their

returns. The team spends a lot of time with the LEA trying to resolve queries from third party payroll providers. The aim is to resolve all queries by 31 March.

The officer stressed the importance of employer's returning the data, particularly in light of the actuarial valuation taking place next year. Actuaries will air on the side of caution if they do not receive all the returns which may well affect employer contributions. It was agreed that this important message would be passed onto the communications team so that they could start to let employers know of the consequences of not sending in their returns.

**Action: Mark Preston**

**8. DATE OF NEXT MEETING**

The next meeting is due to take place on 7 March 2013.

**9. EXCLUSION OF THE PRESS AND PUBLIC**

**RESOLVED**

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

**10. CONFIDENTIAL MINUTES**

The confidential minutes of the meeting held on 15 March 2012 were agreed as a correct record, subject to one minor typographical error.

**11. PENSION FUND PERFORMANCE**

Members received the report of the Pensions and Investments Manager which have a breakdown of how the Pension Fund performed during the quarter to 30 September 2012.

**The Pension Fund Consultative Group noted the performance of the Pension Fund's fund managers for the third quarter of 2012, ending 30 September 2012 and commented as appropriate.**

**12. CONFIDENTIAL APPENDIX TO LGPS 2014**

Members were asked to note the confidential appendix.

**CHAIRMAN**