



## Pension Fund Committee agenda

Date: Thursday 18 November 2021

Time: 10.00 am

Venue: Paralympic Room, The Gateway, Gatehouse Road, Aylesbury

### Membership:

R Bagge, Mr M Barber (Thames Valley Police), T Butcher (Chairman), A Collingwood, E Gemmell, I Macpherson, P Marland (Milton Keynes Council) and M Walsh

<b>Agenda Item</b>	<b>Page No</b>
<b>1 Apologies for Absence / Changes in Membership</b>	
<b>2 Declarations of Interest</b>	
<b>3 Minutes of the last meeting</b> To agree the minutes of the Pension Fund Committee meeting held 9 September 2021.	<b>3 - 6</b>
<b>4 Minutes of the last meeting of the Pension Fund Board</b>	<b>To Follow</b>
<b>5 Breaches of the Law</b> To be presented by Claire Lewis-Smith, Pensions Administration Manager.	<b>7 - 26</b>
<b>6 Annual Accounts Audit 2020/21</b> To be presented by Rachael Martinig, Pensions & Investment Accountant, Buckinghamshire Council.	<b>27 - 72</b>
<b>7 Forward Plan</b> To be presented by Julie Edwards, Head of Pensions, Buckinghamshire Council.	<b>73 - 74</b>

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|-----------|--|------------------|
| <b>8</b>  | <b>Exclusion of the Press and Public</b><br>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) |                  |
| <b>9</b>  | <b>Confidential minutes of the last meeting</b><br>To agree the confidential minutes of the meeting held 9 September 2021.   | <b>75 - 78</b>   |
| <b>10</b> | <b>Buckinghamshire Pension Board Confidential Minutes</b><br>To note the confidential minutes of the last Pension Fund Board meeting held 6 October 2021.  | <b>To Follow</b> |
| <b>11</b> | <b>Pension Fund Performance</b><br>To be presented by Julie Edwards, Head of Pensions, Buckinghamshire Council.  | <b>79 - 154</b>  |
| <b>12</b> | <b>Taskforce for Climate Related Financial Disclosures</b><br>To be presented by Mercer.   | <b>155 - 166</b> |
| <b>13</b> | <b>Assessment of Value (AoV)</b><br>To be presented by Mercer.   | <b>167 - 172</b> |
| <b>14</b> | <b>Brunel Pension Partnership Update - Private Markets</b><br>To be presented by Brunel Pension Partnership.   | <b>173 - 202</b> |
| <b>15</b> | <b>Date of the next meeting</b>  |                  |

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 382236, email [democracy@buckinghamshire.gov.uk](mailto:democracy@buckinghamshire.gov.uk).



## Pension Fund Committee minutes

Minutes of the meeting of the Pension Fund Committee held on Thursday 9 September 2021 in The Gateway, Gatehouse Road, Aylesbury.

### Members present

R Bagge, T Butcher, E Gemmell, I Macpherson, P Marland and M Walsh

### Others in attendance

J Edwards, A-M Kenward, R Martinig, M Passey and M Preston

### Agenda Item

#### **1 Apologies for Absence / Changes in Membership**

Apologies were received from Cllr A Collingwood and Mr T English.

Cllr S Lambert had resigned from this committee and a replacement would be made in due course.

#### **2 Declarations of Interest**

Cllr P Marland declared a non-pecuniary interest, his wife was an employee of Cherwell District Council and a member of the Oxfordshire Pension Fund who were also involved with Brunel.

#### **3 Minutes of the last meeting**

**RESOLVED**

**Members of the Committee AGREED the minutes of the meeting held 5 July 21 as an accurate record.**

#### **4 Buckinghamshire Pension Board Draft Minutes**

**RESOLVED**

**Members of the Committee NOTED the minutes of the meeting held 28 July 21.**

#### **5 Annual Accounts Audit 2020/21**

Mrs R Martinig, Pensions & Investment Accountant, Buckinghamshire Council (BC), Ms S Brown and Mr O Awais, Grant Thornton, referred to the papers circulated as a supplement to the agenda.

The following points were highlighted:

- There was only one recommendation for the year ahead, that “Transaction listings provided to audit should be cleansed of significant contra entries.” Management had already indicated this would be actioned.
- It was confirmed that all five recommendations included in the 2019/20 audit had been implemented.
- IAS 19 Assurances to Scheme Employer auditors would be issued once the remaining employer queries were resolved.
- The final audit findings report and the audited pension fund accounts would be shared with the committee ahead of the final sign off.
- The signing of the final pension accounts must be done at the same time as the main BC accounts. The main accounts had been delayed and were not expected to be ready until the end of November 2021.

The Committee thanked officers from BC and Grant Thornton for their work and noted the improvement from five recommendations last year to one this year.

**RESOLVED**

**Members of the Committee NOTED the update.**

**6 Pension Fund Annual Report 2020/21**

Mrs R Martinig, Pensions & Investment Accountant, Buckinghamshire Council (BC), referred to the papers circulated as a supplement to the agenda.

The following points were discussed:

- A member of the Committee queried the large increase in management fees. Mrs Martinig explained that as investments moved to Brunel management as planned one off up-front management fees became payable. A note to this effect would be included. **ACTION R Martinig**
- A member of the Committee commented that there had been a significant increase in the value of the assets during 2020/21.

**RESOLVED**

**Members of the Committee APPROVE the Pension Fund Annual Report and Accounts subject to changes to the pension fund accounts arising as a result of the audit.**

Grant Thornton colleagues and Mrs Lewis-Smith left the meeting.

**7 Investment Strategy Statement**

Mr M Passey, Mercer, referred to the papers circulated as a supplement to the agenda.

This was an update of the existing document to reflect the interim investment strategy and the rebalancing framework. The Value at Risk table and the Social, Environmental and Governance Responsibilities had been updated.

The strategy was formally reviewed every 3 years following the actuary triennial

valuation but was a live document that would be updated to reflect any changes made in the interim.

**RESOLVED**

**Members of the Committee AGREED to adopt the amended Investment Strategy Statement.**

**8 Forward Plan**

The return of the annual accounts audit for the November meeting would be added to the forward plan.

**RESOLVED**

**Members of the committee NOTED the update.**

**9 Exclusion of the Press and Public**

**10 Confidential minutes of the last meeting**

**11 Confidential Minutes of the Pension Fund Board**

**12 Pension Fund Risk Register**

**13 Pension Fund Performance**

**14 Brunel Pension Partnership Update - Responsible Investment**

**15 Environmental, Social and Governance Consideration**

**16 Private Markets Training**

**17 Date of the next meeting**

18 November 2021, 10am. The Gateway, Aylesbury

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## Report to Pension Fund Committee

**Date:** 18 November 2021

**Reference number:** Not applicable

**Title:** Breaches of Law

**Relevant councillor(s):** Not applicable

**Author and/or contact officer:** Claire Lewis-Smith, Pensions Administration Manager

**Ward(s) affected:** Not applicable

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

### Executive summary

- 1.1 The Procedure for Reporting Breaches of the Law (Appendix 1) 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 Pension Fund.

### Content of report

- 1.1 The Breach Log at Appendix 2 to this report, details the administration breaches recorded for Q2/3/4 for 2020/21 and Q1 for 2021/22, along with details of the percentage of annual benefit statements issued for 2021/22. For contributions, as the position reported last year was up until May 2020, 13 months from June 2020 to June 2021 have been reported.

### Other options considered

- 1.2 Not applicable.

## Legal and financial implications

- 1.3 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 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 also assists in providing an early warning of possible malpractice and reduces risk to the Fund.

## Consultation and communication

- 1.4 Not applicable.

## Next steps and review

The Breach Log is reviewed annually.

## Background papers

The Local Government Pension Scheme Regulations 2013

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

The Pension Regulator's Code of Practice

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

The LGPS Scheme Advisory Board's Local Pension Board Guidance

<http://www.lgpsboard.org/index.php/board-publications/board-guidance>



## **Buckinghamshire Pension Fund**

### **Procedure for Reporting Breaches of the Law**

Author: Claire Lewis-Smith

Date: 1 April 2020

## **Reporting Breaches Procedure**

### **Introduction**

This document sets out the procedures to be followed by certain persons involved with the Buckinghamshire Pension Fund (the Local Government Pension Scheme Fund managed and administered by Buckinghamshire Council), in relation to reporting breaches of the law to the Pensions Regulator (“the Regulator”).

Buckinghamshire Council, as Administering Authority, has delegated responsibility for the implementation of these procedures to the Head of Finance – Pensions, Investments & Projects.

Breaches can occur in relation to a wide variety of the tasks normally associated with the administrative function of a scheme such as keeping records, internal controls, calculating benefits and making investment or investment-related decisions.

In the main, this document applies to:

- members of the Pension Fund Committee (“PFC”) and Buckinghamshire Local Pension Board (“the Board”);
- all officers involved in the management of the Pension Fund including members of Buckinghamshire Council’s Pensions and Investments Team, the Head of Finance - Resources & Pensions and the Service Director Corporate Finance (who is also the Section 151 Officer);
- any professional advisers including auditors, actuaries, legal advisers and fund managers; and
- officers of employers participating in the Buckinghamshire Pension Fund who are responsible for LGPS pension matters.

The next section clarifies the full extent of the legal requirements and to whom they apply.

## **Requirements**

### **Pensions Act 2004**

Section 70 of the Pensions Act 2004 (“the Act”) imposes a reporting requirement on the following persons:

- a trustee or manager of an occupational or personal pension scheme
- a person who is otherwise involved in the administration of such a scheme
- the employer in relation to an occupational pension scheme
- a professional adviser in relation to such a scheme
- a person who is otherwise involved in advising the trustees or managers of an occupational or personal pension scheme in relation to the scheme.

Where the person has reasonable cause to believe that:

- a duty which is relevant to the administration of the scheme, and is imposed by or by virtue of an enactment of law, has not been or is not being complied with, and
- the failure to comply is likely to be of material significance to the Regulator in the exercise of its functions,

they must give a written report of the matter to the Regulator as soon as reasonably practicable.

The Act states that a person can be subject to a civil penalty if he or she fails to comply with this obligation without a reasonable excuse.

The duty to report breaches under the Act overrides any other duties the individuals listed above may have. However, the duty to report does not override 'legal privilege'. This means that, generally, communications between a professional legal adviser and his/her client, or a person representing his/her client, in connection with legal advice being given to the client, do not have to be disclosed.

### **The Pension Regulator's Code of Practice**

Practical guidance in relation to this legal requirement is included in The Pension Regulator's Code of Practice including in the following areas:

- implementing adequate procedures;
- judging whether a breach must be reported;
- submitting a report to the Regulator; and
- whistleblowing protection and confidentiality.

### **Application to the Buckinghamshire Pension Fund**

Buckinghamshire Council has developed this procedure which reflects the guidance contained in The Pension Regulator's Code of Practice in relation to the Buckinghamshire Pension Fund and this document sets out how the Council will strive to achieve best practice through use of a formal reporting procedure.

Training on reporting breaches and related statutory duties, and the use of this procedure is provided to Pension Fund Committee members, Pension Board members and key officers involved with the management of the Buckinghamshire Pension Fund on a regular basis. Further training can be provided on request to the Pensions & Investments Manager.

### **The Buckinghamshire Pension Fund Reporting Breaches Procedure**

The following 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 Pension Fund.

It aims to ensure individuals responsible are able to meet their legal 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.

#### **1. Clarification of the law**

Individuals may need to refer to regulations and guidance when considering whether or not to report a possible breach. Some of the key provisions are shown below:

- Section 70(1) and 70(2) of the Pensions Act 2004:  
[www.legislation.gov.uk/ukpga/2004/35/contents](http://www.legislation.gov.uk/ukpga/2004/35/contents)
- Employment Rights Act 1996:  
[www.legislation.gov.uk/ukpga/1996/18/contents](http://www.legislation.gov.uk/ukpga/1996/18/contents)
- Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (Disclosure Regulations):  
[www.legislation.gov.uk/uksi/2013/2734/contents/made](http://www.legislation.gov.uk/uksi/2013/2734/contents/made)
- Public Service Pension Schemes Act 2013:  
[www.legislation.gov.uk/ukpga/2013/25/contents](http://www.legislation.gov.uk/ukpga/2013/25/contents)
- Local Government Pension Scheme Regulations (various):  
<http://www.lgpsregs.org/timelineregs/Default.html> (pre 2014 schemes)  
<http://www.lgpsregs.org/index.php/regs-legislation> (2014 scheme)
- The Pensions Regulator's Code of Practice:  
<http://www.thepensionsregulator.gov.uk/codes/code-governance-administration-public-service-pension-schemes.aspx>

In particular, individuals should refer to the section on 'Reporting breaches of the law', and for information about reporting late payments of employee or employer contributions, the section of the code on 'Maintaining contributions'.

Further guidance and assistance can be provided by the Head of Finance – Pensions, Investments & Projects, provided that requesting this assistance will not result in alerting those responsible for any serious offence (where the breach is in relation to such an offence).

## **2. Clarification when a breach is suspected**

Individuals need to have reasonable cause to believe that a breach has occurred, not just a suspicion. Where a breach is suspected the individual should carry out further checks to confirm the breach has occurred.

Where the individual does not know the facts or events, it will usually be appropriate to check with the Head of Finance - Pensions, Investments & Projects at Buckinghamshire Council, a member of the Pension Fund Committee or Pension Board or others who are able to explain what has happened. However, there are some instances where it would not be appropriate to make further checks, for example, if the individual has become aware of theft, suspected fraud or another serious offence and he/she is also aware that by making further checks there is a risk of either alerting those involved or hampering the actions of the police or a regulatory authority. In these cases, the Regulator should be contacted without delay.

## **3. Determining whether the breach is likely to be of material significance**

To decide whether a breach is likely to be of material significance, an individual should consider the following, both separately and collectively:

- cause of the breach (what made it happen);
- effect of the breach (the consequences of the breach);
- reaction to the breach; and
- wider implications of the breach.

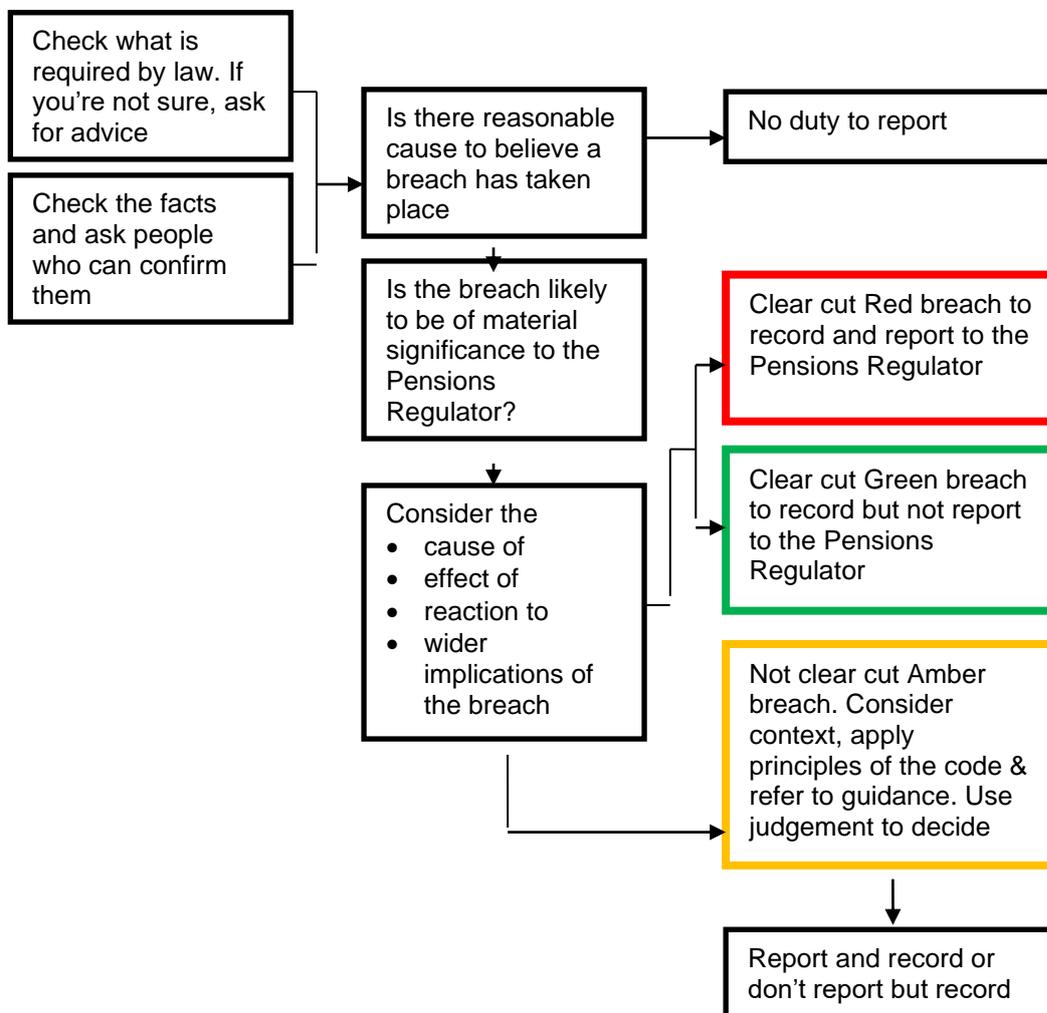
Individuals may also request the most recent breaches report from the Head of Finance - Pensions, Investments & Projects, as there may be details on other breaches which may provide a useful precedent on the appropriate action to take.

Further details on the above four considerations are provided in **Appendix A** to this procedure.

The individual should use the traffic light framework described in **Appendix B** to help assess the material significance of each breach and to formally support and document his/her decision.

A decision tree is provided below to show the process for deciding whether or not a breach has taken place and whether it is materially significant and therefore needs to be reported.

### Decision tree – deciding whether to report



**4. Referral to a level of seniority for a decision to be made on whether to report**  
Buckinghamshire Council has designated an officer (Head of Finance - Pensions, Investments & Projects) to ensure this procedure is appropriately followed. They are considered to have appropriate experience to help investigate whether there is reasonable cause to believe a breach has occurred, to check the law and facts of the case, to maintain records of all breaches and to assist, where appropriate, in any reporting to the Regulator.

If breaches relate to late or incorrect payment of contributions or pension benefits, information on the matter should be highlighted to the Head of Finance - Pensions, Investments & Projects, at the earliest opportunity to ensure the matter is resolved as a matter of urgency.

Individuals must bear in mind, however, that the involvement of the Head of Finance - Pensions, Investments & Projects is to help clarify the potential reporter's thought process and to ensure this procedure is followed. The reporter remains responsible for the final decision as to whether a matter should be reported to the Regulator.

The matter should not be referred to the Head of Finance - Pensions, Investments & Projects if doing so would alert any person responsible for a possible serious offence to the investigation (as highlighted in section 2). If that is the case, the individual should report the matter to the Regulator setting out the reasons for reporting, including any uncertainty; a telephone call to the Regulator before the submission may be appropriate, particularly in more serious breaches.

**5. Dealing with complex cases**

The Head of Finance - Pensions, Investments & Projects may be able to provide guidance on particularly complex cases. Guidance may also be obtained by reference to previous cases, information on which will be retained by Buckinghamshire Council, or via discussions with those responsible for maintaining the records. Information may also be available from national resources such as the Scheme Advisory Board or the LGPC Secretariat (part of the LGA: <http://www.lgpsregs.org/>).

If timescales allow, legal advice or other professional advice can be sought and the case can be discussed at the next Pension Fund Committee or Board meeting.

**6. Timescales for reporting**

The Pensions Act and the Pensions Regulator's Code of Practice requires that, if an individual decides to report a breach, the report must be made in writing as soon as reasonably practicable. Individuals should not rely on waiting for others to report and nor is it necessary for a reporter to gather all the evidence which the Regulator may require before acting. A delay in reporting may exacerbate or increase the risk of the breach. The time taken to reach the judgements on 'reasonable cause to believe' and on 'material significance' should be consistent with the speed implied by 'as soon as reasonably practicable'. In particular, the time taken should reflect the seriousness of the suspected breach.

## **7. Early identification of very serious breaches**

In cases of immediate risk to the scheme, for instance, where there is any indication of dishonesty, the Regulator does not expect reporters to seek an explanation or to assess the effectiveness of proposed remedies. Reporters should only make such immediate checks as are necessary.

The more serious the potential breach and its consequences, the more urgently reporters should make these necessary checks. In cases of potential dishonesty, the reporter should avoid, where possible, checks which might alert those implicated. In serious cases, reporters should use the quickest means possible to alert the Regulator to the breach.

## **8. Recording all breaches even if they are not reported**

The record of past breaches may be relevant in deciding whether to report a breach (for example it may reveal a systemic issue). Buckinghamshire Council will maintain a record of all breaches identified by individuals and reporters should therefore provide copies of reports submitted to the Regulator to the Head of Finance - Pensions, Investments & Projects. Records of unreported breaches should also be provided to the Head of Finance - Pensions, Investments & Projects as soon as reasonably practicable and certainly no later than within 20 working days of the decision made not to report. These will be recorded alongside all reported breaches. The record of all breaches (reported or otherwise) will be included in a Monitoring Report to Pension Fund Committee meeting, and this will also be shared with the Board.

### **Reporting a breach**

Reports must be submitted in writing via the Regulator's online system at [www.tpr.gov.uk/exchange](http://www.tpr.gov.uk/exchange), or by post, email or fax, and should be marked urgent if appropriate. If necessary, a written report can be preceded by a telephone call.

Reporters should ensure they receive an acknowledgement for any report they send to the Regulator. The Regulator will acknowledge receipt of all reports within five working days and may contact reporters to request further information. Reporters will not usually be informed of any actions taken by the Regulator due to restrictions on the disclosure of information.

As a minimum, individuals reporting should provide:

- full scheme name (LGPS: Buckinghamshire Pension Fund);
- description of breach/breaches;
- any relevant dates;
- name, position and contact details;
- role in connection to the scheme; and
- employer name or name of scheme manager (the latter is Buckinghamshire Council).

If possible, reporters should also indicate:

- the reason why the breach is thought to be of material significance to The Pensions Regulator;
- scheme address (provided at the end of this document);

- scheme manager contact details (provided at the end of this document);
- pension scheme registry number (PSR **10123049**); and
- whether the breach has been reported before.

The reporter should provide further information or reports of further breaches if this may help the Regulator in the exercise of its functions. The Regulator may make contact to request further information.

### **Confidentiality**

If requested, the Regulator will do its best to protect a reporter's identity and will not disclose information except where it is lawfully required to do so.

If an individual's employer decides not to report and the individual employed by them disagrees with this and decides to report a breach themselves, they may have protection under the Employment Rights Act 1996 if they make an individual report in good faith.

### **Reporting to Pension Fund Committee**

A Monitoring Report will be taken to Pension Fund Committee and the Pension Board annually. This will set out:

- all breaches, including those reported to the Regulator and those unreported, and for each breach
  - the associated dates;
  - the action(s) taken, result of any action(s) (where not confidential) and any future actions for the prevention of the breach in question being repeated.

If any Red breaches occur, these will be reported separately to the next available Pension Fund Committee and Pension Board meeting.

This information will also be provided upon request to any other individual or organisation (excluding sensitive/confidential cases or ongoing cases where discussion may influence the proceedings).

An example of the information to be included in the reports is provided in **Appendix C** to this procedure.

### **Review**

This procedure for Reporting Breaches of the Law was by the Pension Fund Committee on 24 September 2018. It will be kept under review and updated as considered appropriate by the Head of Finance - Pensions, Investments & Projects. It may be changed as a result of legal or regulatory changes, evolving best practice and ongoing review of the effectiveness of the procedure.

### **Further Information**

If you require further information about reporting breaches or this procedure, please contact:

Claire Lewis-Smith, Pensions Administration Manager *or*

Julie Edwards, Pensions & Investments Manager

Buckinghamshire Pension Fund  
Walton Street Offices  
Walton Street  
Aylesbury  
HP20 1UD

Email – Claire.Lewis-Smith@buckinghamshire.gov.uk  
Telephone – 01296 383424

Email – Julie.Edwards@buckinghamshire.gov.uk  
Telephone – 01296 383910

**Designated officer (scheme manager) contact details:**

Head of Finance - Pensions, Investments & Projects: Mark Preston  
Email: Mark.Preston@buckinghamshire.gov.uk  
Telephone – 01296 383107

Further information on the Buckinghamshire Pension Fund can be found at:

Telephone – 01296 383755  
Email - [pensions@buckinghamshire.gov.uk](mailto:pensions@buckinghamshire.gov.uk)  
Buckinghamshire Council website – [www.buckinghamshire.gov.uk/pensions](http://www.buckinghamshire.gov.uk/pensions)

## **Appendix A – Determining whether a breach is likely to be of material significance**

To decide whether a breach is likely to be of material significance individuals should consider the following elements, both separately and collectively:

- cause of the breach (what made it happen)
- effect of the breach (the consequence(s) of the breach)
- reaction to the breach
- wider implications of the breach.

### **The cause of the breach**

Examples of causes which are likely to be of concern to the Regulator are provided below:

- acting, or failing to act, in deliberate contravention of the law
- dishonesty
- incomplete or inaccurate advice
- poor administration, i.e. failure to implement adequate administration procedures
- poor governance
- slow or inappropriate decision-making practices.

When deciding whether a cause is likely to be of material significance individuals should also consider:

- whether the breach has been caused by an isolated incident such as a power outage, fire, flood or a genuine one-off mistake
- whether there have been any other breaches (reported to the Regulator or not) which when taken together may become materially significant.

### **The effect of the breach**

Examples of the possible effects (with possible causes) of breaches which are considered likely to be of material significance to the Regulator in the context of the LGPS are given below:

- Committee/Board members not having sufficient knowledge and understanding resulting in the Committee/Board failing to fulfil its role, the scheme not being properly governed and administered and/or the scheme manager breaching other legal requirements;
- conflicts of interest of Committee/Board members resulting in the members being prejudiced in the way in which they carry out their roles and/or the ineffective governance and administration of the scheme and/or the scheme manager breaching legal requirements;
- poor internal controls, leading to the scheme not being run in accordance with scheme regulations and other legal requirements, and risks not being properly identified;
- inaccurate or incomplete information about benefits and scheme information provided to members, resulting in members not being able to effectively plan or make decisions about their retirement;
- poor member records held resulting in member benefits being calculated incorrectly and/or not being paid to the right person at the right time;
- misappropriation of assets, resulting in scheme assets not being safeguarded;
- other breaches which result in the scheme being poorly governed, managed or administered.

**The reaction to the breach**

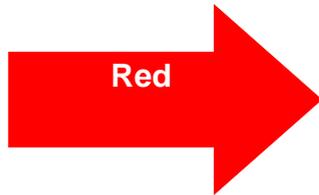
A breach is likely to be of concern and material significance to the Regulator where a breach has been identified and those involved:

- do not take prompt and effective action to remedy the breach and identify and tackle its cause in order to minimise risk of recurrence;
- are not pursuing corrective action to a proper conclusion; or
- fail to notify affected scheme members where it would have been appropriate to do so.

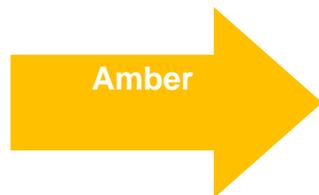
**The wider implications of the breach**

Reporters should also consider the wider implications when deciding whether a breach must be reported. The breach is likely to be of material significance to the Regulator where the fact that a breach has occurred makes it more likely that further breaches will occur within the Fund or, if due to maladministration by a third party, further breaches will occur in other pension schemes.

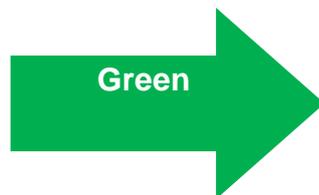
Appendix B - Traffic light framework for deciding whether or not to report  
Buckinghamshire Council recommends those responsible for reporting to use the traffic light framework when deciding whether to report to the Regulator. This is illustrated below:



Where the cause, effect, reaction and wider implications of a breach, when considered together, are likely to be of material significance. These must be reported to the Regulator.  
Example: Several members' benefits have been calculated incorrectly. The errors have not been recognised and no action has been taken to identify and tackle the cause or to correct the errors.



Where the cause, effect, reaction and wider implications of a breach, when considered together, may be of material significance. They might consist of several failures of administration that, although not significant in themselves, have a cumulative significance because steps have not been taken to put things right. You will need to exercise your own judgement to determine whether the breach is likely to be of material significance and should be reported.  
Example: Several members' benefits have been calculated incorrectly. The errors have been corrected, with no financial detriment to the members. However, the breach was caused by a system error which may have wider implications for other public service schemes using the same system.



Where the cause, effect, reaction and wider implications of a breach, when considered together, are not likely to be of material significance.  
These should be recorded but do not need to be reported.  
Example: A member's benefits have been calculated incorrectly. This was an isolated incident, which has been promptly identified and corrected, with no financial detriment to the member. Procedures have been put in place to mitigate against this happening again.

All breaches should be recorded even if the decision is not to report.

When using the traffic light framework individuals should consider the content of the red, amber and green sections for each of the cause, effect, reaction and wider implications of the breach, before considering the four together. Some useful examples of this framework are provided by the Regulator at the following link:

<http://www.thepensionsregulator.gov.uk/codes/code-related-report-breaches.aspx>



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Record of Breaches – 01/07/2020-30/06/2021

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
Q2 01/07/2020 - 30/09/2020 Q3 01/10/2020-31/12/2020 Q4 01/01/2021-31/03/2021 Q1 01/04/2021-30/06/2021	Administration	11 refunds of employee contributions were paid in excess of 5 years since their date of leaving  4 refunds of employee contributions were paid in excess of 5 years since their date of leaving  6 refunds of employee contributions were paid in excess of 5 years since their date of leaving  7 refunds of employee contributions were paid in excess of 5 years since their date of leaving	Non-compliance with statutory regulations	None received	Not reported. The LGPS Regulations 2013 stipulate that a refund of contributions must be paid before the expiry of 5 years of the member leaving however, there is little action that can be taken if a member does not claim the refund	Members are written to after leaving and informed that they have a refund due. They can claim the refund or transfer the value of their fund to another approved pension arrangement. Where an election is not received, a reminder is sent to the member 6 months prior to the 5 year expiry date	N/A – Green breach

31/08/2021	Administration	100% of annual benefit statements not issued by statutory deadline, 98.14% issued	Non-compliance with statutory regulations	None received	Not reported	In 2019/20 78.90% of ABS were issued by the deadline due to an inaccurate return received from a large employer with revision not received in time to issue ABS to their members. Intervention and regular meetings with this employer and with others has resulted in an improvement in data quality for 2020/21	N/A – Green breach
21/06/2021	Administration	AVC Fund options not provided to Scheme member by AVC provider within designated timeframes	Non-compliance with stated turnaround times	Scheme member and BPF raised with AVC provider, Pensions Ombudsman, Financial Ombudsman and Local Government Association	Reported to The Pensions Regulator in accordance with their whistleblowing procedures	AVC provider service standards have declined nationally due to the introduction of a new software system and global pandemic. Member has now been provided with options and has made their decision.	Amber breach – continued discussion with provider and LGA who have raised this on behalf of all Funds. AVC review to be undertaken

30/06/2021	Contributions	<p>Employees/employer's contributions not received by the 19<sup>th</sup> of the month following the month in which they were deducted:</p> <p>2019/20 Value outstanding £16,874.73</p> <table border="1" data-bbox="539 579 994 946"> <thead> <tr> <th colspan="3">2020/21</th> </tr> <tr> <th colspan="3">Late Payments</th> </tr> </thead> <tbody> <tr> <td>1-10 days late</td> <td>121</td> <td></td> </tr> <tr> <td>11-30 days late</td> <td>27</td> <td></td> </tr> <tr> <td>1-3 months late</td> <td>25</td> <td></td> </tr> <tr> <td>4-7 months late</td> <td>4</td> <td></td> </tr> <tr> <td>8-11 months late</td> <td>3</td> <td></td> </tr> <tr> <td>12+ months late</td> <td>-</td> <td></td> </tr> <tr> <td></td> <td>180</td> <td></td> </tr> </tbody> </table> <p>Value received late £1,513,705.80</p> <table border="1" data-bbox="539 1059 994 1546"> <thead> <tr> <th colspan="3">Outstanding Payments</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>-</td> <td></td> </tr> <tr> <td>May</td> <td>-</td> <td></td> </tr> <tr> <td>June</td> <td>7</td> <td></td> </tr> <tr> <td>July</td> <td>5</td> <td></td> </tr> <tr> <td>August</td> <td>5</td> <td></td> </tr> <tr> <td>September</td> <td>4</td> <td></td> </tr> <tr> <td>October</td> <td>5</td> <td></td> </tr> <tr> <td>November</td> <td>5</td> <td></td> </tr> <tr> <td>December</td> <td>3</td> <td></td> </tr> <tr> <td>January</td> <td>5</td> <td></td> </tr> <tr> <td>February</td> <td>3</td> <td></td> </tr> </tbody> </table>	2020/21			Late Payments			1-10 days late	121		11-30 days late	27		1-3 months late	25		4-7 months late	4		8-11 months late	3		12+ months late	-			180		Outstanding Payments			April	-		May	-		June	7		July	5		August	5		September	4		October	5		November	5		December	3		January	5		February	3					<p>Review of contribution receipting procedure was completed by 31/03/2021.</p> <p>We are working on a new debt procedure. This includes a 3-stage process communicated by email/letter to the employers when payments are late, detailing the charging process.</p>	<p>Amber breach</p> <p>Monthly debt days have been scheduled into the finance teams' diaries to ensure this is addressed every month</p>
2020/21																																																																						
Late Payments																																																																						
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February	3																																																																					

March	2	
Value outstanding £62,195.04		
2021/22		
Late Payments		
1-10 days late	13	
11-30 days late	7	
1-3 months late	2	
4-7 months late	-	
8-11 months late	-	
12+ months late	4	
	26	
Value received late £169,476.82		
Outstanding Payments		
April	4	
May	7	
June	3	
Value outstanding £132,072.31		
Total value outstanding@30/06/2021		
2019/20 £16,874.73		
2020/21 £62,195.04		
2021/22 £132,072.31		
£211,142.08		



## Report to Pension Fund Committee

**Date:** 18<sup>th</sup> November 2021

**Reference number:** N/A

**Title:** Annual Accounts Audit 20/21

**Relevant councillor(s):** N/A

**Author and/or contact officer:** Rachael Martinig, Pensions & Investments Accountant

Telephone (01296) 387883

**Ward(s) affected:** N/A

**Recommendations:** The Committee is asked to note the Pension Fund Accounts and the Audit Findings Report for Buckinghamshire Council Pension Fund for the year ended 31 March 2021

**Executive summary** – The Audit Findings Report for the Buckinghamshire Council Pension Fund for the year ended 31 March 2021 is attached below.

The audit of the Pension Fund Accounts commenced on 1<sup>st</sup> July 2021. The audit has now been completed. As previously reported the Pension Fund Accounts cannot be signed off due to the delay in the Buckinghamshire Council Accounts and Audit. This does mean that the auditors are still able to raise questions in relation to these accounts until they have been officially been signed off. Once this is completed the Pension Fund Accounts can then be signed off.

Minor presentation changes have been reflected in the accounts due to the audit. There have not been any amendments needed to the main statements from the draft to the final set of accounts.

Within the Audit Findings Report there is only one recommendation. The recommendation is for the data we submit to the External auditors be cleansed before we submit it. We have already taken this on board and going forward will ensure all data is reviewed and cleansed in advance of submission.

**Content of report** - (see attached report)

**Other options considered** - N/A

**Legal and financial implications** – There are none arising directly from this report

**Corporate implications** – There are none arising directly from this report

**Consultation and communication** - N/A

**Background papers** - N/A

Your questions and views (for key decisions)

If you have any questions about the matters contained in this report, please get in touch with the author of this report. If you have any views that you would like the cabinet member to consider please inform the democratic services team. This can be done by telephone 01296 382343 or email [democracy@buckinghamshire.gov.uk](mailto:democracy@buckinghamshire.gov.uk).

# **Buckinghamshire Council Pension Fund**

## **Statement of Accounts** For the year ended 31 March 2021

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Net Assets Statement .....	5
1 Description of the Fund.....	7
2. Accounting Policies and Critical Judgements in Applying Accounting Policies .....	9
3. Contributions .....	13
4. Transfer Values .....	13
5. Benefits .....	14
6. Payments to and on Account of Leavers .....	14
7. Management Expenses.....	15
8. Investment Income .....	15
9. Investments .....	16
10. Investment Management Arrangements .....	19
11. Analysis of the Value of Investments.....	20
12. Financial Instruments.....	21
13. Additional Financial Risk Management Disclosures .....	<b>Error! Bookmark not defined.</b>
14. Related Parties .....	34
15. Current Assets and Liabilities.....	35
16. Taxes on Income .....	35
18. Actuarial Present Value of Promised Retirement Benefits.....	37
19. Contingent Liabilities and Contractual Commitments.....	<b>Error! Bookmark not defined.</b>
20. Additional Voluntary Contributions (AVCs) .....	40
21. List of Scheduled and Admitted Bodies .....	41

## Statement of Responsibilities for the Statement of Accounts

### The Council's Responsibilities

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Service Director - Corporate Finance & Section 151 Officer;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- Approve the Statement of Accounts, delegated to the Audit and Governance Committee.

### The Service Director – Corporate Finance & Section 151 Officer Responsibilities

The Service Director - Corporate Finance & Section 151 Officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom 2020/202 (the Code).

In preparing this Statement of Accounts, the Service Director - Corporate Finance & Section 151 Officer has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Code;
- Kept proper accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

### Certificate of the Service Director - Corporate Finance & Section 151 Officer

I certify that this Statement of Accounts for the year ended 31 March 2021 gives a true and fair view of the financial position of the Council as at 31 March 2021 and its income and expenditure for the year ending 31 March 2021

**Richard Ambrose**  
**Service Director - Corporate Finance & Section 151 Officer**  
**Buckinghamshire Council**  
XX September 2021

# Independent Auditor's Report to the Members of Buckinghamshire Pension Fund

## Pension Fund Accounts

The Pension Fund Accounts contain two core statements, the Pension Fund Account and the Net Assets Statement. Each of the statements is accompanied by supplementary notes providing additional detail to the figures presented.

<b>31 March 2020</b>	<b>Pension Fund Account</b>	<b>Note</b>	<b>31 March 2021</b>
<b>£000</b>			<b>£000</b>
	<b>Dealings with Members, Employers and Others directly Involved in the Fund</b>		
	<b>Income</b>		
(116,621)	Contributions	3	(152,299)
(12,403)	Transfers in from other pension funds	4	(24,293)
(152)	Other income		(198)
<b>(129,176)</b>			<b>(176,790)</b>
	<b>Benefits</b>	5	
95,975	Pensions		100,311
23,045	Commutation of pensions and lump sums		20,969
	<b>Payments to and on Account of Leavers</b>	6	
878	Refunds of contributions		590
9,311	Transfers out to other pension funds		18,369
<b>129,209</b>			<b>140,239</b>
<b>33</b>	<b>Net (Additions)/Withdrawals from Dealings with Members</b>		<b>(36,551)</b>
<b>16,474</b>	<b>Management expenses</b>	7	<b>18,371</b>
<b>16,507</b>	<b>Net (Additions)/Withdrawals including Fund Management Expenses</b>		<b>(18,180)</b>
	<b>Returns on Investments</b>		
(40,527)	Investment income	8	(23,079)
116,993	Profits and losses on disposal of investments and changes in the market value of investments	9	(683,306)
351	Taxes on income	16	0
<b>76,817</b>	<b>Net Returns on Investments</b>		<b>(706,385)</b>
<b>93,324</b>	<b>Net (Increase)/Decrease in the Net Assets Available for Benefits During the Year</b>		<b>(724,565)</b>

## Net assets statement

31 March 2020	Net Assets Statement	Note	31 March 2021
£000			£000
	<b>Investments</b>		
840	Long term investments		840
36,849	Equities - quoted		25,638
421,714	Bonds		480,116
2,160,297	Pooled investment vehicles		2,858,278
213,484	Unit trusts - property		213,051
61,856	Cash deposits		43,662
	Derivative contracts		0
7,873	Investment income receivable		7,124
<b>2,902,913</b>	<b>Net Investments</b>	11	<b>3,628,709</b>
<b>15,495</b>	Current assets	15	<b>17,620</b>
<b>(4,708)</b>	Current liabilities	15	<b>(8,064)</b>
<b>2,913,700</b>	<b>Net Assets of the Fund Available to Fund Benefits at 31 March</b>		<b>3,638,265</b>

Note: The Fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end. The actuarial present value of promised retirement benefits is disclosed at Note 18.

## Note 1 - Description of the Fund

Buckinghamshire Pension Fund (the Fund) is part of the Local Government Pension Scheme (LGPS) and is administered by Buckinghamshire Council. Organisations participating in the Fund include the Council, Milton Keynes Council, parish Councils of Buckinghamshire, Thames Valley Police, Buckinghamshire Fire and Rescue Service, and other scheduled and admitted bodies. These are listed in Note 21 to these Financial Statements. Teachers, fire fighters and police officers, for whom separate pension schemes apply, are excluded from the Pension Fund. The Administering Authority is Buckinghamshire Council.

The purpose of the Pension Fund is to provide defined benefits for employees and their widows, widowers and children, based on pay and past service. The scheme is a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49<sup>th</sup>. Employee contribution bands range from 5.5% to 12.5% of pensionable pay. In April 2014 a 50/50 option was introduced which means members can pay half their contribution rate and build up half the pension benefit whilst retaining full value of other scheme benefits such as death in service lump sum and ill health cover. Accrued pension is revised annually in line with the Consumer Prices Index. Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service. More details of benefits provided under the scheme are available on the Council's pension website.

[Local Government Pension Scheme | Buckinghamshire Council](#)

The Fund is governed by the Public Service Pensions Act 2013. The Fund is administered in accordance with the following secondary legislation:

- The Local Government Pension Scheme Regulations 2013 (as amended)
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

In 2015 the government announced that they wanted the 91 Local Government Pension Scheme funds to pool their investments into larger pools in order to achieve savings in investment management costs. Brunel Pension Partnership Ltd was formed to implement the investment strategies for ten Funds. The founding Funds include The Environment Agency Pension Fund, and the Local Government Funds of Avon, Buckinghamshire, Cornwall, Devon, Dorset, Gloucestershire, Oxfordshire, Somerset and Wiltshire. The company Brunel Pension Partnership Ltd was formed on 14 October 2016. By 31 March 2021 the collective assets transitioned to Brunel portfolios were circa £17.9 billion.

The objective of pooling assets is to achieve savings over the longer term from both lower investment management costs and more effective management of the investment assets. The pool will look to deliver the savings based upon the collective buying power the collaboration initiative will produce. Local accountability will be maintained as each individual fund will remain responsible for strategic decisions including asset allocation. The pooling of assets will only affect the implementation of the investment strategy in terms of manager appointments. The transition of assets began in July 2018 and by the end of 2021 the majority of the assets will have transitioned, although illiquid alternative assets such as private equity may need a longer transition timetable. More information and updates can be found on the Brunel Pension Partnership website at: [www.brunelpensionpartnership.org](http://www.brunelpensionpartnership.org)

The following summarises the membership of the Fund:

<b>Membership of the Fund</b>	<b>31 March 2020</b>	<b>31 March 2021</b>
Contributors	24,489	25,406
Pensioners	20,290	21,017
Deferred pensioners	29,936	30,881
<b>Total Membership of the Fund</b>	<b>74,715</b>	<b>77,304</b>

### **Investment strategy statement**

The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 require administering authorities to formulate and to publish a statement of its investment strategy, in accordance with guidance issued from time to time by the Secretary of State. The Investment Strategy Statement can be viewed on the Council's website.

[Investment strategy statement | Buckinghamshire Council \(buckscc.gov.uk\)](http://www.buckscc.gov.uk)

### **Further information**

The Council publishes a separate Annual Report on the Pension Fund, which gives more detailed information, a copy can be viewed on the Council's pension website.

[Pension fund annual reports | Buckinghamshire Council \(buckscc.gov.uk\)](http://www.buckscc.gov.uk)

### **Basis of Preparation**

The accounts summarise the Fund's transactions for the 2020/21 financial year and its position at year end as at 31 March 2021. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting (the Code), which is based on International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits. The accounts do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year. The actuarial present value of promised retirement benefits is disclosed at Note 18 of these accounts. The Pension Fund is administered by Buckinghamshire Council.

## Note 2 - Accounting Policies and Critical Judgement in Applying Accounting Policies

### Accounting Policies

#### Accruals of Income and Expenditure

The financial statements are prepared on an accruals basis, unless otherwise stated. That is, income and expenditure are recognised as they are earned or incurred, not as they are received or paid.

Contributions, benefits and investment income are included on an accruals basis. All settlements for buying and selling investments are accrued on the day of trading. Interest on deposits is accrued if not received by the end of the financial year. Investment management expenses are accounted for on an accruals basis. Administrative expenses are accounted for on an accruals basis, staff costs are paid by Buckinghamshire Council then recharged to the Pension Fund at the year end and group transfers to and from the Fund are accounted for on an accruals basis unless it is too early in the negotiations for an estimate of the value to be available. Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Net Assets Statement. Some additional payments are made to beneficiaries on behalf of certain employers. These payments are subsequently reimbursed by those employers. The figures contained in the accounts are shown exclusive of both payments and reimbursements.

Employers' augmentation contributions and pension strain contributions are accounted for in the period in which the liability arises. Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged.

#### Investment Income

Interest income is recognised in the Fund account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination. Income includes the amortisation of any discount or premium, transaction costs (where material) or other differences between the initial carrying amount of the instrument and its amount at maturity calculated on an effective interest rate basis. Investment income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the net assets statement as investment income. Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset. Changes in the net market value of investments are recognised as income and comprise all realised and unrealised profits/losses during the year.

#### Benefits Payable

Pensions and lump sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities.

## Management Expenses

All management expenses are accounted for on an accruals basis. Fees of the external investment managers and custodian are agreed in the respective mandates governing their appointments. These are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change.

## Financial Instruments

Financial Instruments that are “held for trading” are classified as financial assets and liabilities at fair value through profit or loss when the financial instrument is:

- Acquired or incurred principally for the purpose of selling or repurchasing it in the near term, or
- Part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking, or
- A derivative.

Financial assets and liabilities at fair value through profit or loss are initially recognised at fair value excluding transaction costs and carried at fair value without any deduction for transaction costs that would be incurred on sale or disposal.

Financial assets held at amortised cost. These represent loans and loan-type arrangements where repayments or interest and principal take place on set dates and at specified amounts. The amount presented in the Net Asset Statement represents the outstanding principal received plus accrued interest. Interest credited is the amount receivable as per the loan agreement

The value of market quoted investments is determined by the bid market price ruling on the final day of the accounting period. Fixed interest securities are recorded at net market value based on their current yields. Pooled investments in property funds, equity funds, fixed interest funds, private equity funds and hedge fund of funds are valued by the Fund manager in accordance with industry guidelines. Note 12 includes commentary on the valuation methods that the Fund’s fund managers use.

## Foreign Currency Transactions

Foreign currency transactions are translated into sterling at the exchange rate ruling at the date of transaction. End of year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, market values of overseas investments and purchases and sales outstanding at the end of the reporting period.

## Cash and Cash Equivalents

Cash comprises cash in hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

### **Contingent Assets & Liabilities and Commitments**

Contingent liabilities are disclosed by way of a note when there is a possible obligation which may require a payment or a transfer of economic benefits. The timing of the economic transfer and the level of certainty attaching to the event are such that it would be inappropriate to make a provision.

Contingent assets are disclosed by way of a note where inflow or a receipt or an economic benefit is possible and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the control of the Pension Fund.

Commitments are disclosed by way of a note when there is a contractual commitment which may require a payment. The timing of the payment is such that it would be inappropriate to make a provision. Commitments are accounted for at the best estimate of the obligation.

### **Actuarial Present Value of Promised Retirement Benefits**

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of IAS 19 and relevant actuarial standards. As permitted under the code, the fund has opted to disclose the actuarial present value or promised retirement benefits by way of a note to the net assets statement (Note 18)

### **Critical Judgements in Applying Accounting Policies**

#### **Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the year-end date and the amounts reported for assets and liabilities at the year-end date and the amounts reported for the revenues and expenses during the year. Estimates and assumptions are made taking into account historical experience, current trends and other relevant factors. However, the nature of estimation means that the actual outcomes could differ from the assumptions and estimates.

The items in the net assets statement at 31 March 2021 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows.

Item	Uncertainties	Effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits (Note 18)	Estimation of the net liability to pay pensions depends on several complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Fund with expert advice about the assumptions to be applied.	<p>The effects on the net pension liability of changes in individual assumptions can be measured. For instance:</p> <p>A 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £129m</p> <p>A 0.1% increase in assumed earnings inflation would increase the value of liabilities by approximately £10m a one-year increase in assumed life expectancy would increase the liability by approximately £256m.</p>

#### Events After the Reporting Date

There have been no events since 31 March 2021, and up to the date when these accounts were authorised that required any adjustments to these accounts

#### Accounting Standards that have been issued but not yet adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. Potentially relevant standards include annual improvements to IFRS standards 2014/2016, IFRIC 22 foreign currency transactions and advance considerations and amendments to IFRS9 financial instruments: prepayment features with negative compensation.

None of the accounting standards that have been issued but not yet adopted will have a significant impact on the financial statements.

### Note 3 - Contributions

Contributions relating to wages and salaries paid up to 31 March 2021 have been included in these accounts, there were no augmented employers' contributions received during 2019/2020 or 2020/2021.

2019/2020 £000	Contributions by Category	2020/2021 £000
	<b>Employers' Contributions</b>	
(64,063)	Normal Contributions	(100,383)
(20,524)	Deficit Recovery Contributions	(17,121)
<b>(84,587)</b>	<b>Total Employers' Contributions</b>	<b>(117,504)</b>
<b>(32,034)</b>	<b>Members' Contributions</b>	<b>(34,795)</b>
<b>(116,621)</b>	<b>Total Contributions</b>	<b>(152,299)</b>

2019/2020 £000	Contributions by Authority	2020/2021 £000
(42,780)	Administering authority	(56,847)
(69,752)	Scheduled bodies	(91,855)
(4,089)	Admitted bodies	(3,597)
<b>(116,621)</b>	<b>*Total Contributions</b>	<b>(152,299)</b>

\*Total contributions can fluctuate between years due to employers making advanced payments due to the slight discount they receive in doing so

### Note 4 - Transfer Values

2019/2020 £000	Transfers in from other pension funds	2020/2021 £000
(2,059)	Group transfers	(1,898)
(10,344)	Individual transfers	(22,395)
<b>(12,403)</b>	<b>Total Transfers in from other pension funds</b>	<b>(24,293)</b>

The individual transfer values relate to transfers, which have been received during the financial year i.e. included on a cash basis. On 31 March 2021 there were 6 outstanding transfer values receivable greater than £50k, for which £763k had not been received. (On 31 March 2020 there were 7 outstanding transfer values receivable greater than £50k, for which £1,211k had not been received.)

On 31 March 2021 there were 2 group transfers to the Fund being negotiated with other Funds (3 on the 31 March 2020), the value of 1 of the transfers to the Fund is £1,095k and has been accrued. One of the transfers, calculations have not been carried out yet.

The above refer to payments into the Fund from other pension funds.

**Note 5 - Benefits**

Benefits include all valid benefit claims notified during the financial year.

<b>2019/2020 £000</b>	<b>Benefits Payable by Category</b>	<b>2020/2021 £000</b>
95,975	Pensions	100,311
20,532	Commutations of pensions and lump sum retirement benefits	18,220
2,513	Lump sum death benefits	2,749
<b>119,020</b>	<b>Total Benefits</b>	<b>121,280</b>

<b>2019/2020 £000</b>	<b>Benefits Payable by Authority</b>	<b>2020/2021 £000</b>
41,916	Administering authority	61,253
67,587	Scheduled bodies	50,560
9,517	Admitted bodies	9,467
<b>119,020</b>	<b>Total Benefits</b>	<b>121,280</b>

**Note 6 - Payments to and on Account of Leavers**

<b>2019/2020 £000</b>	<b>Payments to and on Account of Leavers</b>	<b>2020/2021 £000</b>
903	Refunds to members leaving service	597
(24)	Payments for members joining the state scheme	(7)
0	Group transfers to other pension funds	5,379
9,311	Individual transfers to other pension funds	12,990
<b>10,190</b>	<b>Total Payments to and on Account of Leavers</b>	<b>18,959</b>

The individual transfer value to other Pension Funds relate to transfers, which have been paid during the financial year i.e. included on a cash basis. On 31 March 2021 there was 1 outstanding transfer value that was greater than £50k, for which £78k had not yet been paid (on 31 March 2020 there were 7 outstanding transfer values receivable greater than £50k, for which £1,211k had not been received).

On 31 March 2021 there were 4 group transfers out from the Fund to other Pension Funds being negotiated (3 on the 31 March 2020), the value of 3 of the transfers to the Fund is £5,379k and has been accrued. 1 of the transfers, calculations have not been carried out yet.

The above refer to payments from the Fund into other pension funds.

**Note 7 - Management Expenses**

<b>2019/2020</b>	<b>Management Expenses</b>	<b>2020/2021</b>
<b>£000</b>		<b>£000</b>
2,203	Administrative costs	2,226
13,538	Investment management expenses	15,507
733	Oversight and governance costs	638
<b>16,474</b>	<b>Total Management Expenses</b>	<b>18,371</b>

The analysis of the cost of managing the Pension Fund during the period has been prepared in accordance with CIPFA guidance. Management expenses have been categorised as administrative costs, investment management expenses and oversight/governance costs. Included in the oversight and governance costs are the external audit main fee, £38k in 2020/2021 (£19k in 2019/2020).

Management fees for pooled funds and transaction costs have been included in the investment management expenses. The investment management expenses include £0.28m (£0.89m in the 2019/2020 financial year) in respect of performance related fees payable to the Fund's investment managers. It also includes £4.734m in respect of transaction costs (£4.030m in the 2019/2020 financial year).

**Note 8 - Investment Income**

Investment income from equities has significantly decreased in 2020/21 following the transition of the Fund's segregated equity holdings to Brunel pooled funds, dividend income is accumulated within the fund and is accounted for in the market value change rather than investment income.

<b>2019/2020</b>	<b>Investment Income</b>	<b>2020/2021</b>
<b>£000</b>		<b>£000</b>
(15,072)	Dividends from equities	(1,258)
(16,137)	Income from bonds	(14,242)
(541)	Income from pooled investments	(536)
(7,262)	Income from property unit trusts	(5,549)
(770)	Interest on cash deposits	(1,352)
(744)	Other	(142)
<b>(40,527)</b>	<b>Total Investment Income</b>	<b>(23,079)</b>

## Note 9 - Investments

All investments are valued on a fair value basis and where there is an active market the bid price is the appropriate quoted market price. The investment accounting information is provided by State Street, the Fund's custodian.

During 2020/2021 realised profit of £103,918m and unrealised profit of £579,388m combined to report an increase in the market value of investments of £683,306m.

<b>Investments (All values are shown £000)</b>	<b>Value at 31 March 2020 £000</b>	<b>Purchases at Cost £000</b>	<b>Sales Proceeds £000</b>	<b>Realised Profit/ (Loss) £000</b>	<b>Unrealised Profit/ (Loss) £000</b>	<b>Value at 31 March 2021 £000</b>
Long term investments	840	0	0	0	0	840
Equities - quoted	36,850	158,309	(179,156)	5,535	4,100	25,638
Bonds	421,713	132,353	(94,973)	5,942	15,081	480,116
Pooled investment vehicles	2,160,298	265,473	(223,254)	63,999	591,762	2,858,278
Unit Trusts - property funds	213,484	5,880	(3,200)	27,014	(30,127)	213,051
Derivative contracts	0	1,035	(2,459)	1,424	0	0
Cash deposits	61,855	0	(16,916)	150	(1,428)	43,662
	<b>2,895,040</b>	<b>563,195</b>	<b>(519,958)</b>	<b>103,918</b>	<b>579,388</b>	<b>3,621,585</b>
Investment income due	7,873					7,124
	<b>2,902,913</b>					<b>3,628,709</b>

During 2019/2020 realised profit of £87,619m and unrealised losses of £204,613m combined to report a decrease in the market value of investments of £116,993m.

<b>Investments (All values are shown £000)</b>	<b>Value at 31 March 2019 £000</b>	<b>Purchases at Cost £000</b>	<b>Sales Proceeds £000</b>	<b>Realised Profit/ (Loss) £000</b>	<b>Unrealised Profit/ (Loss) £000</b>	<b>Value at 31 March 2020 £000</b>
Long term investments	840	0	0	0	0	840
Equities - quoted	573,933	347,507	(870,319)	22,920	(37,191)	36,850
Bonds	428,687	110,978	(110,343)	4,595	(12,204)	421,713
Pooled investment vehicles	1,690,849	737,308	(170,102)	58,630	(156,387)	2,160,298
Unit trusts - property funds	214,243	11,057	(6,381)	1,424	(6,859)	213,484
Derivative contracts	(34)	326	(376)	50	34	0
Cash deposits	80,693	0	(26,833)		7,995	61,855
	<b>2,989,211</b>	<b>1,207,176</b>	<b>1,184,354</b>	<b>87,619</b>	<b>(204,613)</b>	<b>2,895,040</b>
Investment income due	10,489					7,873
	<b>2,999,700</b>					<b>2,902,913</b>

Pooled investment vehicles are funds where the Pension Fund is not the named owner of specific investments such as shares or bonds but owns a proportion of a pooled fund. The Code requires that pooled investments are analysed between unit trusts, unitised insurance policies and other managed funds. The pooled investment vehicles in the tables above are other managed funds. These funds include the following types of investments:

- Equities
- Fixed interest securities
- Index linked securities
- Hedge fund of funds
- Diversified growth funds
- Infrastructure
- Private equity fund of funds

The change in the fair value of investments during the year comprises all increases and decreases in the fair value of investments held at any time during the year, including profits and losses realised on sales of investments during the year. The Fund's investments in derivatives are not material and therefore further disclosures are not included in the accounts. Indirect costs are incurred through the bid-offer spread on investments within pooled investments.

The Fund does not participate directly in a stock lending programme.

Assets which exceed 5% of the total value of the net assets of the Fund are shown in the table below:

<b>Fund Manager/Mandate</b>	<b>Proportion of Fund 31 March 2020 £000</b>	<b>%</b>	<b>Proportion of Fund 31 March 2021 £000</b>	<b>%</b>
<b>Investments managed by Brunel Pension Partnership Ltd</b>				
Passive Global Developed Equities	725,922	25	841,815	23
Global High Alpha Equities	401,912	14	602,912	17
Property	-	-	222,602	6
Emerging Market Equities	123,402	4	197,734	6
	<b>1,251,236</b>	<b>43</b>	<b>1,865,063</b>	<b>52</b>
<b>Investments managed by the Fund</b>				
Legal & General Investment Management - Passive index-tracker	362,721	12	377,516	11
Royal London Asset Management	469,468	16	511,010	14
	<b>832,189</b>	<b>28</b>	<b>888,526</b>	<b>25</b>

## Note 10 - Investment Management Arrangements

Fund manager fees have been calculated according to the specific mandate and the associated contract agreement as shown in the following table:

Fund Manager/Mandate	Proportion of Fund 31 March 2020 £000	%	Proportion of Fund 31 March 2021 £000	%
<b>Investments managed by Brunel Pension Partnership Ltd</b>				
Low Volatility Equities	110,593	4	159,691	4
Passive Developed Equities	725,922	25	841,815	23
Emerging Markets Equities	123,402	4	197,734	6
Global Equities	401,912	14	602,912	17
Infrastructure	11,451	0	43,783	1
Private Equity	14,105	1	22,444	1
Smaller Companies Equities	0	0	180,831	5
Property	0	0	222,602	6
<b>Total Investments managed by Brunel Pension Partnership Ltd</b>	<b>1,387,385</b>		<b>2,271,812</b>	
<b>Investments managed by the Fund</b>				
LaSalle - Property	222,898	8	1,114	0
BlackRock -Cash/inflation plus	135,425	5	160,110	4
Blackstone Alternative Asset Management - Hedge fund of funds	146,881	5	171,071	5
Investec Asset Management- Less constrained global equities	1,122	0	777	0
Legal & General Investment Management – Passive index-tracker	362,721	12	377,516	11
Mirabaud Investment Management Limited- UK equities	217	0	217	0
Pantheon Private Equity- Private equity	106,965	4	93,728	3
Partners Group- Private equity	21,042	1	13,177	0
Royal London Asset Management- Core plus bonds	469,468	16	511,010	14
Schroders- Less constrained global equities	3,180	0	2305	0
Aberdeen Standard Investments – Less constrained UK equities	964	0	134	0
GTP	908	0	698	0
Hg Capital	600	0	581	0
<b>Total Investments managed by the Fund</b>	<b>1,472,391</b>		<b>1,332,438</b>	
<b>Total</b>	<b>2,859,776</b>	<b>100</b>	<b>3,604,250</b>	<b>100</b>

## Note 11 - Analysis of the Value of Investments

31 March 2020 £000	Analysis of the Value of Investments	31 March 2021 £000
<b>840</b>	<b>Long Term Investments</b>	<b>840</b>
	<b>Bonds</b>	
	<b>Fixed Interest Securities</b>	
0	Overseas public sector	5,992
286,003	UK other	307,521
73,474	Overseas other	73,455
<b>359,477</b>	<b>Total Fixed Interest Securities</b>	<b>386,968</b>
	<b>Index-Linked Securities</b>	
51,806	UK Index-linked securities public sector	85,851
10,431	UK Index-linked securities other	7,297
<b>62,237</b>	<b>Total Index-Linked Securities</b>	<b>93,148</b>
<b>421,714</b>	<b>Total Bonds</b>	<b>480,116</b>
	<b>Equities</b>	
129	UK quoted	150
36,720	Overseas quoted	25,488
<b>36,849</b>	<b>Total Equities</b>	<b>25,638</b>
	<b>Pooled Investment Vehicles</b>	
0	UK Equities	0
362,721	UK Bonds	377,516
1,361,829	Overseas Equities	1,982,983
135,421	Overseas Diversified Growth Fund (GBP)	160,106
146,881	Overseas Hedge Fund of Funds (GBP)	171,071
22,828	Overseas Infrastructure	44,837
130,617	Overseas Private Equities	121,765
<b>2,160,297</b>	<b>Total Pooled Investment vehicles</b>	<b>2,858,278</b>
	<b>Other</b>	
213,484	Unit Trusts - property funds	213,051
0	Derivatives	0
61,856	Cash deposits – sterling and foreign cash	43,662
7,873	Investment Income receivable	7,124
<b>283,213</b>	<b>Total Other</b>	<b>263,837</b>
<b>2,902,913</b>	<b>Total Value of Investments</b>	<b>3,628,709</b>

## Note 12 - Financial Instruments

The Net Assets of the Fund disclosed in the Net Assets Statement are made up of the following categories of financial instruments:

31 March 2020				31 March 2021		
Fair value through profit and loss	Financial Assets at Amortised Cost	Financial Liabilities at Amortised Cost		Fair value through profit and loss	Financial Assets at Amortised Cost	Financial Liabilities at amortised cost
£000	£000	£000		£000	£000	£000
<b>840</b>			<b>Financial Assets</b>	<b>840</b>		
			<b>Long Term Investments</b>			
359,477			Fixed Interest Securities	386,968		
36,849			Equities	25,638		
62,237			Index Linked Securities	93,149		
213,484			Property – unit trusts	213,051		
135,421			Diversified Growth Fund	160,106		
362,721			Pooled Fixed Interest Securities	377,516		
1,361,829			Pooled Equities	1,982,983		
			<b>Pooled Investments</b>			
22,828			Pooled Infrastructure	44,837		
146,881			Pooled Hedge Funds of Funds	171,071		
130,618			Pooled Private Equity	121,765		
7,873			Investment Income receivable	7,124		
	61,856		Cash deposits		43,662	
	5,182		Current assets		4,814	
<b>2,841,057</b>	<b>67,038</b>			<b>3,585,048</b>	<b>48,476</b>	
			<b>Financial Liabilities</b>			
			Derivatives			
		(3,721)	Current liabilities			(6,920)
		<b>(3,721)</b>				<b>(6,920)</b>
<b>2,841,057</b>	<b>67,038</b>	<b>(3,721)</b>	<b>Total</b>	<b>3,585,048</b>	<b>48,476</b>	<b>(6,920)</b>
		<b>2,904,373</b>				<b>3,626,604</b>

The net gains and losses on financial instruments are shown in the table below.

31 March 2020 £000	Reconciliation to Net Investments in the Net Assets Statement	31 March 2021 £000
2,913,700	Net Investments	3,628,709
(10,313)	Less contributions due current assets	(3,249)
986	Add HMRC current liabilities	1,144
2,904,373	<b>Valuation of Financial Instruments carried at fair value</b>	3,626,604

31 March 2020 £000		31 March 2021 £000
	<b>Financial Assets</b>	
116,993	Fair value through profit and loss	0
0	Financial Assets measured at amortised cost	0
0	Financial liabilities measured at amortised cost	0
	<b>Financial Liabilities</b>	
0	Fair value through profit and loss	(683,306)
0	Financial Assets measured at amortised cost	0
0	Financial liabilities measured at amortised cost	0
<b>116,993</b>	<b>Total</b>	<b>(683,306)</b>

The code requires that for each class of financial assets and financial liabilities an authority shall disclose the fair value of that class of assets and liabilities in a way that permits it to be compared with its carrying amount. As all investments are disclosed at fair value, carrying value and fair value are therefore the same.

## Valuation of Financial Instruments Carried at Fair Value

The valuation of financial instruments has been classified into three levels, according to the quality and reliability of information used to determine fair values.

**Level 1:** Financial instruments where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities, quoted equities are classified as level 1. Listed investments are shown at bid prices. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

**Level 2:** Financial instruments where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data. Fixed interest securities are traded in an active market and evaluated prices sourced from a valid pricing vendor. The values of the hedge fund of funds are based on the net asset value provided by the Fund manager. Assurances over the valuation are gained from the independent audit of the value.

**Level 3:** Financial instruments at level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data. Such instruments would include unquoted equity investments, which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions. The values of the investment in private equity are based on valuations provided by the general partners to the private equity fund of funds in which the Fund has invested. These valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation Guidelines, which follow the valuation principles of IFRS. Valuations are audited annually as at 31 December, and the valuations as at 31 March reflect cash flow transactions since 31 December.

The following table analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

<b>Value at 31 March 2021</b>	<b>Quoted Market Price Level 1 £000</b>	<b>Using Observable Inputs Level 2 £000</b>	<b>With Significant Unobservable Outputs Level 3 £000</b>	<b>Total £000</b>
Long term investments	0	0	840	840
Equities	326	25,315	0	25,641
Bonds	0	480,116	0	480,116
Pooled Equities	0	1,982,983	0	1,982,983
Pooled Bonds	0	377,516	0	377,516
Diversified Growth Fund	0	160,106	0	160,106
Hedge Fund	0	171,071	0	171,071
Infrastructure	0	0	44,837	44,837
Private Equity	0	0	121,762	121,762
Property	0	213,026	25	213,051
<b>Total</b>	<b>326</b>	<b>3,410,133</b>	<b>167,464</b>	<b>3,577,923</b>

Cash is not included in the analysis of assets held at fair value since it is held at amortised cost, not fair value.

<b>Reconciliation to Net Investments in the 31 March 2021 Net Assets Statement</b>	<b>£000</b>
Net Investments	3,628,709
Less Cash deposits	(43,662)
Less investment income receivable	(7,124)
<b>Valuation of Financial Instruments carried at fair value</b>	<b>3,577,923</b>

Value at 31 March 2020	Quoted Market Price Level 1 £000	Using Observable Inputs Level 2 £000	With Significant Unobservable Outputs Level 3 £000	Total £000
Long term investments	0	0	840	840
Equities	129	36,720	0	36,849
Bonds	0	421,714	0	421,714
Diversified Growth Fund	0	135,421	0	135,421
Hedge Fund	0	146,881	0	146,881
Infrastructure	0	0	22,828	22,828
Pooled Bonds	0	362,721	0	362,721
Pooled Equities	0	1,361,829	0	1,361,829
Private Equities	0	0	130,618	130,618
Property – unit trusts	0	213,484	0	213,484
<b>Total</b>	<b>129</b>	<b>2,678,770</b>	<b>154,286</b>	<b>2,833,182</b>

Reconciliation to Net Investments in the 31 March 2020 Net Assets Statement	£000
Net Investments	2,902,913
Less Cash deposits	(61,856)
Less investment income receivable	(7,873)
<b>Valuation of Financial Instruments carried at fair value</b>	<b>2,833,182</b>

### Sensitivity Analysis of Assets Valued at Level 3

Having analysed historical data and current market trends, the Fund has determined that the valuation methods described above are likely to be accurate within the following ranges and has set out below the potential impact on the closing value of investments held at 31 March 2021 and 31 March 2020.

	Assessed valuation range (+/-)	Value at 31 March 2021 £000	Value on increase £000	Value on decrease £000
Pooled investment vehicles - infrastructure	16.6%	44,837	52,280	37,394
Pooled investment vehicles – private equity	25.8%	121,765	153,180	90,350
<b>Total</b>		<b>166,602</b>	<b>205,460</b>	<b>127,744</b>

	Assessed valuation range (+/-)	Value at 31 March 2020 £000	Value on increase £000	Value on decrease £000
Pooled investment vehicles - infrastructure	16.4%	22,828	26,572	19,084
Pooled investment vehicles – private equity	26.4%	130,617	165,100	96,134
<b>Total</b>		<b>153,445</b>	<b>191,672</b>	<b>115,218</b>

## Reconciliation of Fair Value Measurements Within Level 3

	Value at 31 March 2020 £000	Purchases £000	Sales £000	Realised profit/(loss) £000	Unrealised profit/loss £000	Value at 31 March 2021 £000
Pooled investment vehicles – private equity	130,617	9,960	(28,234)	23,516	(14,094)	121,765
Pooled investment vehicles – infrastructure	22,828	49,499	(25,642)	103	(1,951)	44,837
<b>Total</b>	<b>153,445</b>	<b>59,459</b>	<b>(53,876)</b>	<b>23,619</b>	<b>(16,045)</b>	<b>166,602</b>

	Value at 31 March 2019 £000	Purchases £000	Sales £000	Realised profit/(loss) £000	Unrealised profit/loss £000	Value at 31 March 2020 £000
Pooled investment vehicles – private equity	135,939	15,974	(35,441)	28,443	(14,297)	130,617
Pooled investment vehicles – infrastructure	15,853	8,861	(2,974)	1,116	(27)	22,828
<b>Total</b>	<b>151,792</b>	<b>24,834</b>	<b>(38,415)</b>	<b>29,559</b>	<b>(14,324)</b>	<b>153,445</b>

The Fund's fund managers provided the following commentary on the valuation methods they use:

### **BlackRock Institutional Jersey Dynamic Diversified Growth Fund – Level 2**

The above Fund is a sub-fund of the BlackRock Institutional Jersey Funds umbrella which reports under UK SORP and is not exchange-traded. The price is determined daily by the Funds Administrator and will be representative of the Fund's net asset value ("NAV") at each dealing point subject to any spreads applied, where appropriate. The Fund is not subject to any redemption notice periods and can be redeemed at each dealing point, currently on a daily basis.

### **Blackstone – Fund of Hedge Funds – Level 2**

Blackstone's direct securities and derivative investments made through Blackstone's fund of hedge fund vehicles, such as Securities, Options, Futures are valued using prices quoted on the relevant exchanges. Forward currency contracts are valued at the current forward market prices obtained from brokers. Total return swaps are valued using the last reported public closing price of the underlying index.

### **Brunel – Infrastructure – Level 3**

Brunel selects managers who apply a fair value process, which is in accordance with International Financial Reporting Standards (IFRS) and United States Generally Accepted Accounts Principals (US GAAP). Systematically Brunel ensures valuations are driven by IPEV guidelines and that this process is annually appraised by 3<sup>rd</sup> parties for appropriateness.

### **Brunel – Global Equity, High Alpha Equity, Emerging Markets Equity, Low Volatility Equity and Smaller Companies Equity ACS Funds – Level 2**

Weekly prices each Wednesday valued at close of business valuation point. These values are then adjusted to allow for outstanding dividends, tax payable or recoverable and any relevant expenses (this creates "bid price").

### **LGIM – Passive Tracker Fund – Level 2**

The method used to value units is the same at every valuation date throughout the year. All holdings of the appropriate Pooled Fund Sections are valued at the close of business valuation point using a recognised pricing service. These values are then adjusted to allow for outstanding dividends, tax payable or recoverable and any relevant expenses (this creates the "bid price").

### **Partners Group – Private Equity – Level 3**

Partners Group performs independent valuations of its underlying investments through a fair market valuation process, which is in accordance with International Financial Reporting Standards (IFRS) and United States Generally Accepted Accounting Principles (US GAAP).

Partners Group gathers the valuation-relevant information by systematically screening a broad set of sources for valuation-relevant information about portfolio companies which are held directly or indirectly by Partners Group's programs and mandates. This includes information supplied by the firm's

due diligence and monitoring professionals, underlying fund managers and information published in industry journals and/or other publications.

### **Brunel – Private Equity – Level 3**

Brunel selects managers who apply a fair value process, which is in accordance with International Financial Reporting Standards (IFRS) and United States Generally Accepted Accounts Principals (US GAAP). Systematically Brunel ensures valuations are driven by IPEV guidelines and that this process is annually appraised by 3<sup>rd</sup> parties for appropriateness.

### **Pantheon – Private Equity – Level 3**

Investments are valued using the most relevant of methods listed below:

- Cost/recent round of financing/price of recent investment where recent transactions may be the most reflective of fair value.
- Comparable Private Company Transactions used for companies with low enterprise value or low EBITDA which means it is not appropriate to use earnings multiples of similar publicly listed companies.
- Earnings/Earnings Multiples/Performance Multiples valuations involve applying a multiple, appropriate to the company being valued, to the earnings of a company. The valuation is described as a function of two variables, price and earnings (The most widely used of the valuation methodologies, especially for buyout or other businesses that have comparable characteristics to companies in the public markets).
- Underlying value of Net Assets.
- Discounted Cash flows (DCF) where there are predictable cash flows visible over a given time horizon.
- Industry Benchmarks are normally based on the assumption that investors are willing to pay for market share, and that profitability of the business in the does not vary greatly.
- Unrestricted Publicly traded securities are valued at the closing public market price on the valuation date.

These methods are consistently applied across all investment types.

### **Brunel - Property – Level 2**

Brunel selects managers who apply either open market values or a fair value processes, open market values are in accordance with RICS valuation standards and fair value processes are driven by IPEV guidelines. systematically Brunel ensure that both processes are annually appraised by 3<sup>rd</sup> parties for appropriateness.

## Note 13 - Additional Financial Risk Management Disclosures

The Fund's primary long-term risk is that the Fund's assets will fall short of its liabilities (i.e. promised benefits payable to members). Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure that there is sufficient liquidity to meet the Fund's forecast cash flows. The Pension Fund Committee manages these investment risks as part of its overall Fund risk management programme.

Responsibility for the Fund's risk management strategy rests with the Pension Fund Committee. The Pension Fund Risk Assessment analyses the risks faced by the Council's pensions operations, it is reviewed regularly by the Pension Fund Committee to reflect changes in activity and in market conditions. The analysis below is designed to meet the disclosure requirements of IFRS 7.

### Market Risk

Market risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in market prices of equities, commodities, interest rates, foreign exchange rates and credit spreads. This could be as a result of changes in market price, interest rates or currencies. The objective of the Fund's Investment strategy is to manage and control market risk exposure within acceptable parameters, while optimising the return.

In general, excessive volatility in market risk is managed through diversification across asset class, investment manager, country, industry sector and individual securities. Each manager is expected to maintain a diversified portfolio within their allocation.

### Market Price Risk

Market price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting the market in general.

By diversifying investments across asset classes and managers, the Fund aims to reduce the exposure to price risk. Diversification of asset classes seeks to reduce correlation of price movements, whilst the appointment of specialist managers enables the Fund to gain from their investment expertise.

### Market Price - Sensitivity Analysis

Whilst the value of the Fund's assets is sensitive to changes in market conditions and the Fund's assets are diversified across fund managers and asset classes to mitigate the risks. The Fund's liability to pay future benefits is equally sensitive, particularly to interest rate changes. In consultation with Mercer, the Fund's investment consultant, the Fund has determined that the following movements in market price risk are reasonably possible for 2020/2021. Assuming that all other variables, in particular foreign exchange rates and interest rates, remain constant. If the market price of the Fund's investments does

increase/decrease in line with the table below, the change in the market price of net assets available to pay benefits would be as follows.

Asset Type	31 March 2021 £000	Percentage Change %	Value on increase £000	Value on decrease £000
Long term investments	840	19.1%	1,000	680
Equities – quoted	25,638	19.1%	30,535	20,741
Bonds	480,116	4.94%	503,836	456,398
Pooled investment vehicles	2,858,278	16.49%	3,329,608	2,386,948
Property - unit trusts	213,051	16.6%	248,417	177,685
Cash deposits	43,662	1.0%	44,100	43,226
Investment income receivable	7,124	19.1%	8,485	5,763
<b>Total</b>	<b>3,628,709</b>		<b>4,165,978</b>	<b>3,091,440</b>

In consultation with Mercer, the Fund's investment consultant, the Fund determined that the following movements in market price risk were reasonably possible for 2020/2021, assuming that all other variables, in particular foreign exchange rates and interest rates, remain constant. If the market price of the Fund's investments did increase/decrease in line with the table below, the change in the market price of net assets available to pay benefits would be as follows.

Asset Type	31 March 2020 £000	Percentage Change %	Value on increase £000	Value on decrease £000
Long term investments	840	20.6	1,013	667
Equities – quoted	36,849	20.6	44,440	29,258
Bonds	421,714	4.84	442,117	401,311
Pooled investment vehicles	2,160,297	16.93	2,526,137	1,794,457
Property - unit trusts	213,484	15.6	246,788	180,180
Derivative contracts	0	12.2	0	0
Cash deposits	61,856	1.0	62,475	61,237
Investment income receivable	7,873	20.6	9,495	6,251
<b>Total</b>	<b>2,902,913</b>		<b>3,332,465</b>	<b>2,473,361</b>

## Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

### Interest Rate – Sensitivity Analysis

The Pension Fund recognises that interest rates vary and can impact income to the Fund and the fair value of the assets, both of which affect the value of the net assets available to pay benefits. The sensitivity of the Fund's investments to changes in interest rates has been analysed by showing the impact of a 1% change, long term average interest rates are expected to move less than 1% from one year to the next. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

<b>31 March 2021 Exposure to interest rate risk</b>	<b>Asset Value £000</b>	<b>Impact of 1% increase £000</b>	<b>Impact of 1% decrease £000</b>
Cash and cash equivalents	46,548	46,548	46,548
Fixed interest bonds	386,968	390,838	383,098
Variable rate bonds	93,149	93,149	93,149
<b>Total</b>	<b>526,665</b>	<b>530,535</b>	<b>522,795</b>

<b>31 March 2020 Exposure to interest rate risk</b>	<b>Asset Value £000</b>	<b>Impact of 1% increase £000</b>	<b>Impact of 1% decrease £000</b>
Cash and cash equivalents	64,862	64,862	64,862
Fixed interest bonds	359,477	363,072	355,882
Variable rate bonds	62,237	62,237	62,237
<b>Total</b>	<b>486,576</b>	<b>490,171</b>	<b>482,981</b>

<b>2020/2021 Exposure to interest rate risk</b>	<b>Interest receivable £000</b>	<b>Impact of 1% increase</b>	<b>Impact of 1% decrease</b>
Cash and cash equivalents	1,352	1,366	1,338
Fixed interest bonds	8,676	8,763	8,589
Variable rate bonds	5,566	5,622	5,510
<b>Total</b>	<b>15,594</b>	<b>15,751</b>	<b>15,437</b>

<b>2019/2020 Exposure to interest rate risk</b>	<b>Interest receivable £000</b>	<b>Impact of 1% increase £000</b>	<b>Impact of 1% decrease £000</b>
Cash and cash equivalents	770	778	762
Fixed interest bonds	9,830	9,928	9,732
Variable rate bonds	6,307	6,370	6,244
<b>Total</b>	<b>16,907</b>	<b>17,076</b>	<b>16,738</b>

Changes in interest rates do not impact on the value of cash/cash equivalent balances but they will affect the interest income received on those balances. Changes to both the fair value of assets and the income received from investments impact on the net assets available to pay benefits.

### Currency Risk

Currency risk represents the risk that the fair value of financial instruments will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than sterling. When sterling depreciates the sterling value of foreign currency denominated investments will rise and when sterling appreciates the sterling value of foreign currency denominated investments will fall. Over the long term the differences in currencies are likely to balance out and the Fund has chosen not to hedge its currencies.

### Currency Risk – Sensitivity Analysis

The sensitivity of the Fund's investments to changes in foreign currency rates have been analysed using a 7.92% movement in exchange rates in either direction for 31 March 2021. This analysis assumes that all variables, in particular interest rates, remain constant. Based on the composition of the Fund's currency exposure a 7.92% fluctuation in the currency is considered reasonable. A 7.92% weakening or strengthening of Sterling against the various currencies at 31 March 2021 would have increased or decreased the net assets by the amount shown below.

<b>Currency Exposure by Asset Type</b>	<b>31 March 2021 £000</b>	<b>Value on increase £000</b>	<b>Value on decrease £000</b>
		<b>+7.92%</b>	<b>-7.92%</b>
Equities – quoted	1,982,983	2,140,035	1,825,931
Infrastructure	44,837	48,388	41,286
Overseas Private Equity - Property	121,765	131,409	112,121
Cash deposits	43,662	47,121	40,205
<b>Total</b>	<b>2,193,247</b>	<b>2,366,953</b>	<b>2,019,543</b>

The sensitivity of the Fund's investments to changes in foreign currency rates have been analysed using a 7.64% movement in exchange rates in either direction for 31 March 2020. This analysis assumes that all variables, in particular interest rates, remain constant. Based on the composition of the Fund's currency exposure a 7.64% fluctuation in the currency is considered reasonable. A 7.64% weakening or strengthening of Sterling against the various currencies at 31 March 2020 would have increased or decreased the net assets by the amount shown below.

Currency Exposure by Asset Type	31 March 2020 £000	Value on increase £000	Value on decrease £000
		<b>+7.64%</b>	<b>-7.64%</b>
Equities – quoted	1,276,253	1,373,759	1,178,747
Infrastructure	19,227	20,696	17,758
Pooled investment vehicles	130,617	140,596	120,638
Property - unit trusts	29	31	27
Cash deposits	43,923	47,279	40,567
<b>Total</b>	<b>1,470,049</b>	<b>1,582,361</b>	<b>1,357,737</b>

One important point to note is that currency movements are not independent of each other. If sterling strengthened generally it may rise against all the above currencies producing losses across all the currencies.

### Currency Exposure by Significant Currency

The Fund's most significant currency exposures are to US Dollars and EUROS, using data on currency risk of 8.03% for the US Dollar and 6.77% for the EURO. Weakening or strengthening of Sterling against US Dollars and EUROS at 31 March 2021 would have increased or decreased the net assets by the amounts shown in the following table.

Asset Type	31 March 2021 £000	Percentage Change %	Value on increase £000	Value on decrease £000
US Dollars	1,218,209	8.03%	1,316,031	1,120,386
EUROS	244,333	6.77%	260,875	227,792
Japanese Yen	136,427	8.64%	148,214	124,639
<b>Total</b>	<b>1,598,968</b>		<b>1,725,120</b>	<b>1,472,817</b>

Weakening or strengthening of Sterling against US Dollars and EUROS at 31 March 2020 would have increased or decreased the net assets by the amounts shown in the following table.

Asset Type	31 March 2020 £000	Percentage Change %	Value on increase £000	Value on decrease £000
US Dollars	869,526	7.73	936,740	802,312
EUROS	196,309	6.72	209,501	183,117
<b>Total</b>	<b>1,065,835</b>		<b>1,146,241</b>	<b>985,429</b>

## Credit Risk

Credit risk represents the risk that the counterparty to a transaction or financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market value of investments generally reflects an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities. In essence the Fund's entire investment portfolio is exposed to some sort of credit risk. The Fund is exposed to credit risk through its investment managers, custodian and its daily treasury management activities. Credit risk is minimised through the careful selection and monitoring of financial institutions and counterparties. Contractual credit risk is represented by the net payment or receipt that remains outstanding.

A source of credit risk is the cash balances held internally or by managers. The Pension Fund's bank account is held at Lloyds, which holds an "A+" long term credit rating. The management of the cash held in this account is managed by the Council's Treasury Management Team in line with the Council's Treasury Management Strategy which sets out the permitted counterparties and limits. The value of the Fund invested by the Treasury Management Team at 31 March 2021 was £0.976m in an instant access Lloyds account and £2.000m invested in Federated's money market fund. (On 31 March 2020 £1.109m was invested in an instant access Lloyds account and £2.000m invested in Federated's money market fund.) Cash held by investment managers is invested with the global custodian, State Street, in a diversified money market fund rated AAAM.

## Liquidity Risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The main liabilities of the Fund relate to the benefits payable which fall due over a long period of time. The investment strategy reflects this and sets out the strategic asset allocation of the Fund. Liquidity risk is mitigated by investing a proportion of the Fund in actively traded instruments in particular equities and fixed income investments. The Fund maintains a cash balance to meet operational requirements.

The Fund defines liquid assets as assets that can be converted to cash within three months. Illiquid assets are those assets which will take longer to convert into cash. The following table summarises the Fund's illiquid assets by fund manager.

<b>31 March 2020</b> <b>£000</b>		<b>31 March 2021</b> <b>£000</b>
146,881	Blackstone	171,071
11,451	Brunel Infrastructure	43,783
14,105	Brunel Private Equity	22,444
0	Brunel Property	222,602
222,898	LaSalle	0
106,965	Pantheon Private Equity	93,728
21,042	Partners Group	13,177
600	Hg Capital	581
<b>523,942</b>		<b>567,386</b>

## Note 14 - Related Parties

The Buckinghamshire Pension Fund is administered by Buckinghamshire Council and therefore there is a strong relationship between the Council and the Pension Fund.

The Council was reimbursed £2.49m (£2.35m in the 2019/2020 year) for oversight & governance costs and administration costs incurred by the Council on behalf of the Pension Fund. The Council is also the single largest employer of members of the Pension Fund and contributed £56.8m to the Fund in 2020/2021 (£47.2m in the 2019/2020 year).

The Pension Fund's surplus cash held for day to day cash flow purposes is invested on the money markets by Buckinghamshire Council's treasury management team, through a service level agreement. During the year to 31 March 2021, the Fund had an average investment balance of £5.9m (£8.1m in the 2019/2020 year), earning interest of £11k (£53k in the 2019/2020 year).

Membership of the Local Government Pension Scheme (LGPS) for Councillors closed to new members on 31 March 2014. Councillors who were active members ceased to be a member at the next end of term of office. There are no members of the Pension Fund Committee who are a deferred member of the Fund. There are no members of the Pension Fund Committee who were pensioner members of the Fund on 31 March 2021 (on 31 March 2020 no pensioner members and one deferred member). The Service Director – Corporate Finance (s151 Officer), holds a key position in the financial management of the Fund and is an active member. He is an employee of Buckinghamshire Council for whom a portion of his costs of employment are re-charged to the Fund. Disclosure of his pay costs can be found within the officer remuneration note in the main Buckinghamshire Council accounts. Members of the Pension Fund Committee and the post of Head of Pensions are the key management personnel involved with the Pension Fund. £32k was incurred by the Pension Fund for costs in relation to key management personnel. Members of the Pension Fund Committee are disclosed in the Pension Fund Report and Accounts.

The Pension Fund has transactions with Brunel Pension Partnership Ltd (Brunel) (Company number 10429110) which was formed on 14 October 2016 and will oversee the investment of pension fund assets for ten Funds. The founding Funds include The Environment Agency Pension Fund, and the Local Government Funds of Avon, Buckinghamshire, Cornwall, Devon, Dorset, Gloucestershire, Oxfordshire, Somerset and Wiltshire. Each of the 10 organisations, including Buckinghamshire Council, own 10% of Brunel. During the year to 31 March 2021 Brunel provided services costing £1,179k (£1,144k in the year to 31 March 2020).

**Note 15 - Current Assets and Liabilities**

31 March 2020	Current Assets and Liabilities	31 March 2021
£000		£000
	<b>Current Assets</b>	
10,313	Contributions due from employers 31 March	12,806
3,006	Cash balances (not forming part of the investment assets)	2,885
2,176	Other current assets	1,929
<b>15,495</b>	<b>Total Current Assets</b>	<b>17,620</b>

	Current Liabilities	
(727)	Management charges	(146)
(986)	HM Revenue and Customs	(1,144)
(673)	Unpaid benefits	(440)
(2,322)	Other current liabilities	(6,334)
<b>(4,708)</b>	<b>Total Current Liabilities</b>	<b>(8,064)</b>
<b>10,787</b>	<b>Net Current Assets</b>	<b>9,556</b>

**Note 16 - Taxes on Income**

2019/2020	Taxes on Income	2020/2021
£000		£000
0	Withholding tax - fixed interest securities	0
351	Withholding tax - equities	0
<b>351</b>	<b>Total Taxes on Income</b>	<b>0</b>

The Fund retains the following taxation status:

- VAT input tax is recoverable on all fund activities by virtue of Buckinghamshire Council being the administering authority.
- The Fund is an exempt approved fund under the Finance Act 2004 and is therefore not liable to UK income tax or capital gains tax.
- Income earned from investments overseas in certain countries is subject to withholding tax, unless an exemption is available.

## Note 17 - Actuarial Position of the Fund

In accordance with Regulation 62 of the Local Government Pension Scheme Regulations 2013 (as amended), the Fund's actuary, Barnett Waddingham LLP, undertakes a funding valuation every three years to review the financial position of the Fund and to set appropriate contribution rates for each employer in the Fund for the forthcoming triennial period. The last such valuation took place as at 31 March 2019. The next valuation will take place as at 31 March 2022.

On 31 March 2019, the market value of the assets held were £3,007.020m, sufficient to cover 94% of the accrued liabilities assessed on an ongoing basis. All employers are projected to be fully funded by no later than 31 March 2035. The primary rate of contribution is the employers' share of the cost of benefits accruing in each of the three years beginning 1 April 2020 and is 18.2% of payroll. In addition, each employer pays a secondary contribution rate based on their particular circumstances, the secondary contribution rate across the whole Fund averages 3.9% in 2020/2021, 4.0% in 2021/22 and 4.1% in 2021/22.

The results of the valuation are that the past service funding level of the Fund as a whole has increased from 87% to 94% between 31 March 2016 and 31 March 2019. The improvement of the Funding position since the previous valuation is mainly due to good investment returns and employer contributions. To produce the future cashflows or liabilities and their present value Barnett-Waddingham formulate assumptions about the factors affecting the Fund's future finances such as inflation, salary increases, investment returns, rates of mortality, early retirement and staff turnover etc. The Fund's actuary undertook an interim valuation as at 31 March 2021 which showed that the funding level had decreased to 92%. The estimated funding position is based on market movements since 31 March 2020 rather than being a full valuation with updated member data.

The main assumptions used in the valuation were:

### Financial assumptions

- |                     |       |
|---------------------|-------|
| • Discount rate     | 2.35% |
| • Pension increases | 1.85% |
| • CPI inflation     | 1.85% |
| • Salary increases  | 2.85% |

## Note 18 - Actuarial Present Value of Promised Retirement Benefits

International Financial Reporting Standards (IFRS) requires the disclosure of the actuarial present value of promised retirement benefits. The Fund's Actuary has prepared a report which rolls forward the value of the Employers' liabilities calculated for the Triennial valuation as at 31 March 2019. On an IAS 19 basis the Actuary estimates that the net liability as at 31 March 2021 is £2,518m (31 March 2020 £1,647m), but figures calculated on an IAS 19 basis are not relevant for calculations undertaken for funding purposes or for other statutory purposes undertaken under UK pensions legislation. The Fund accounts do not take account of liabilities to pay pensions and other benefits in the future.

For the Triennial Valuation the actuary asks the question – what is the value of the assets required based on existing investment strategy to be sufficient to meet future liabilities? For IAS 19 valuations, however, the actuary asks the question – how much would need to be borrowed on the corporate bond market to meet future liabilities?

The expected returns on the assets actually held will be different from borrowing costs, and so different amounts are required. This manifests itself in different discount rates being used in each type of valuation, and so different values are placed on the same liabilities.

<b>31 March 2020</b>		<b>31 March 2021</b>
<b>£000</b>		<b>£000</b>
4,549,742	Present value of funded obligation	6,146,928
(2,902,913)	Fair value of scheme assets	(3,628,709)
<b>1,646,829</b>	<b>Net Liability</b>	<b>2,518,219</b>

The Present Value of Funded Obligation consists of £6,052m (£4,446m at 31 March 2020) in respect of Vested Obligation and £95m (£104m at 31 March 2020) in respect of Non-Vested Obligation. Vested benefits are the benefits that employees have a right to receive even if they do not render services to the employer. In other words, the employees will receive their vested benefits even if they stop working for the employer. Thus, non-vested benefits are the benefits an employee can receive in the future if he or she continues providing services to the employer. The liabilities above are calculated on an IAS19 basis and therefore differ from the results of the triennial funding valuation (see Note 17) because IAS19 stipulates a discount rate rather than a rate that reflects market rates. The main assumptions used were:

<b>31 March 2020</b>		<b>31 March 2021</b>
2.65%	RPI increases	3.20%
1.85%	CPI increases	2.85%
2.85%	Salary increases	3.85%
1.85%	Pension increases	2.85%
2.35%	Discount rate	2.00%

These assumptions are set with reference to market conditions at 31 March. The Actuary's estimate of the duration of the Fund's past service liabilities is 22 years. An estimate of the Fund's future cashflows is made using notional cashflows based on the estimated duration above. These estimated cashflows are then used to derive a Single Equivalent Discount Rate (SEDR). The discount rate derived is such that

the net present value of the notional cashflows, discounted at this single rate, equates to the net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve (where the spot curve is assumed to be flat beyond the 30 year point). This is consistent with the approach used at the previous accounting date.

Similarly, to the approach used to derive the discount rate, the Retail Prices Index (RPI) increase assumption is set using a Single Equivalent Inflation Rate (SEIR) approach, using the notional cashflows described above. The single inflation rate derived is that which gives the same net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve, as applying the BoE implied inflation curve. As above, the Merrill Lynch AA rated corporate bond yield spot curve is assumed to be flat beyond the 30-year point and the BoE implied inflation spot curve is assumed to be flat beyond the 40-year point. This is consistent with the approach used at the previous accounting date. As future pension increases are expected to be based on CPI rather than RPI, the Actuary has made a further assumption about CPI which is that it will be 0.35% below RPI i.e. 2.85%.

Salaries are assumed to increase at 1.0% above CPI. This differs from the salary increase assumption at the previous accounting date and has been updated in line with the most recent funding valuation. The liabilities include an allowance for the Court of Appeal judgement in relation to the McCloud & Sargeant cases which related to age discrimination within the Judicial & Fire Pension schemes respectively.

### Demographic/Statistical assumptions

The actuary has adopted a set of demographic assumptions that are consistent with those used for the most recent Fund valuation, which was carried out as at 31 March 2019. The post retirement mortality tables adopted are the S3PA tables with a multiplier of 110% for males and 95% for females. These base tables are then projected using the CMI 2018 Model, allowing for a long-term rate of improvement of 1.25% p.a., smoothing parameter of 7.5 and an initial addition to improvements of 0.5% pa. The assumed life expectations from age 65 are:

Life expectancy from age 65 (years)	31 March 2020	31 March 2021
<b>Retiring today</b>		
Males	21.8	21.6
Females	25.1	25.0
<b>Retiring in 20 years</b>		
Males	23.2	22.9
Females	26.5	26.4

The actuary also assumed that:

- Members will exchange half of their commutable pension for cash at retirement;
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age; and
- The proportion of the membership that had taken up the 50:50 option at the previous valuation date will remain the same.

## Note 19 - Contingent Liabilities and Contractual Commitments

Outstanding contractual commitments at 31 March 2021 relate to outstanding call payments due on unquoted limited partnership funds held in the private equity, resources, global real estate and infrastructure parts of the portfolio. The amounts “called” by the Funds are irregular in both size and timing over several years from the date of each original commitment. The undrawn amount, the outstanding commitment, for each of these contracts is shown in the table below:

Outstanding Capital Commitments	31 March 2020	31 March 2021
	£000	£000
Brunel Infrastructure Cycle 2	250,000	233,826
Brunel Private Debt Cycle 2	130,000	130,000
Brunel Private Equity Cycle 2	120,000	119,094
Brunel Infrastructure Cycle 1	61,095	51,473
Brunel Private Equity Cycle 1	64,240	55,658
Pantheon Asia Fund V LP	1,587	1,436
Pantheon Asia Fund VI LP	18,506	3,441
Pantheon USA Fund VII Limited	1,168	1,057
Pantheon USA Fund VIII Feeder LP	4,517	4,014
Pantheon Global Secondary Fund IV Feeder LP	4,063	1,481
Partners Group Global Resources 2009, LP	3,435	3,079
Pantheon Europe Fund V “A” LP	854	860
Pantheon Europe Fund VI LP	3,061	3,084
Partners Group Global Real Estate 2008 SICAR	1,781	1,707
Partners Group Global Infrastructure 2009 SICAR	2,806	2,690
	<b>667,114</b>	<b>612,900</b>

On 31 March 2021 there were 2 group transfers to the Fund being negotiated with other Funds (3 on the 31 March 2020), the value of 1 of the transfers to the Fund is £1,095k and has been accrued. 1 of the transfers, calculations have not been carried out yet.

On 31 March 2021 there were 4 group transfers out from the Fund to other Pension Funds being negotiated (3 on the 31 March 2020), the value of 3 of the transfers to the Fund is £5,379k and has been accrued. 1 of the transfers, calculations have not been carried out yet.

**Note 20 - Additional Voluntary Contributions (AVCs)**

AVC providers secure additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions. The AVC providers to the Fund are Prudential and Scottish Widows. Prudential invests in several funds including with profits accumulation, deposit and discretionary funds. Scottish Widows invests in a range of funds to suit Scheme members' changing lifestyles. These amounts are not included in the pension fund accounts in accordance with Regulation 4(1)(b) of the Local Government Pension Scheme (Management and Investment of funds) Regulations 2016.

<b>2019/2020 £000</b>	<b>Prudential</b>	<b>2020/2021 £000</b>
4,740	Value of AVC fund at beginning of year	4,727
0	Correction opening value	
622	Employees' contributions and transfers in	
160	Investment income and change in market value	
(795)	Benefits paid and transfers out	
<b>4,727</b>	<b>Value of AVC fund at year end</b>	

*Information for the above table has been delayed by Prudential. Prudential are working on this and will have the information in time for the final accounts publication.*

<b>Restated 2019/2020 £000</b>	<b>Scottish Widows</b>	<b>2020/2021 £000</b>
2,838	Value of AVC fund at beginning of year	2,087
0	Correction opening value	0
72	Employees' contributions	63
(143)	Investment income and change in market value	292
(680)	Benefits paid and transfers out	(285)
<b>2,087</b>	<b>Value of AVC fund at year end</b>	<b>2,157</b>

## Note 21 - List of Scheduled and Admitted Bodies

### Scheduled Bodies

Buckinghamshire Council	Newton Longville Parish Council
Buckinghamshire Fire and Rescue Service	Olney Town Council
Thames Valley Police	Penn Parish Council
Milton Keynes Council	Piddington & Wheeler End Parish Council
Milton Keynes Development Partnership	Princes Risborough Town Council
PCC for Thames Valley	Shenley Brook End and Tattenhoe Parish Council
	Shenley Church End Parish Council
Amersham Town Council	Stantonbury Parish Council
Aston Clinton Parish Council	Stony Stratford Town Council
Aylesbury Town Council	Taplow Parish Council
Beaconsfield Town Council	Waddesdon Parish Council
Bletchley & Fenny Stratford Town Council	Wendover Parish Council
Bradwell Parish Council	West Bletchley Town Council
Broughton & Milton Keynes Parish Council	West Wycombe Parish Council
Buckingham Town Council	Weston Turville Parish Council
Burnham Parish Council	Winslow Town Council
Campbell Park Parish Council	Woburn Sands Town Council
Chalfont St Giles Parish Council	Wolverton & Greenleys Town Council
Chepping Wycombe Parish Council	Wooburn & Bourne End Parish Council
Chesham Bois Parish Council	Woughton Community Council
Chesham Town Council	
Chiltern Crematorium	Abbey View Primary School
Chilterns Conservation Board	Alfriston School
Coldharbour Parish Council	Amersham School
Coleshill Parish Council	Ashbrook School
Gerrards Cross Parish Council	Aspire Schools
Great Missenden Parish Council	Aylesbury College
Hambleden Parish Council	Aylesbury Grammar School
Hanslope Parish Council	Aylesbury High School
Hazlemere Parish Council	Aylesbury Vale Academy
Hughenden Parish Council	Beaconsfield High School
Iver Parish Council	Bearbrook Combined & Pre-school
Ivinghoe Parish Council	Bedgrove Infant School
Kents Hill & Monkston Parish Council	Bedgrove Junior School
Lacey Green Parish Council	Beechview Academy
Lane End Parish Council	Bourne End Academy
Little Marlow Parish Council	Bourton Meadow Academy
Little Missenden Parish Council	Bridge Academy
Longwick-cum-Ilmer Parish Council	Brill CofE Combined School
Loughton & Great Holm Parish Council	Brookmead School
Marlow Bottom Parish Council	Brooksward School
Marlow Town Council	Brushwood Junior School
Mentmore Parish Council	Buckinghamshire New University
New Bradwell Parish Council	Buckinghamshire University Technical College
Newport Pagnell Town Council	Burnham Grammar School

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Bushfield School	Jubilee Wood Primary School
Castlefield School	Kents Hill Park School
Chalfonts Community College	Kents Hill School
Chalfont St Peter CE Academy	Khalsa Secondary Academy
Chalfont Valley E-Act Academy	Kingsbridge Education Trust (MAT)
Charles Warren Academy	Knowles Primary School
Chepping View Primary Academy	Lace Hill Academy
Chesham Bois CofE Combined School	Lent Rise Combined School
Chesham Grammar School	Longwick CofE Combined School
Chestnuts Academy	Lord Grey Academy
Chiltern Hills Academy	Loudwater Combined School
Chiltern Way Academy	Loughton School
Christ the Sower Ecumenical Primary School	Middleton Primary School
Cottesloe School	Milton Keynes Academy
Curzon School	Milton Keynes College
Danesfield School	Milton Keynes Education Trust
Denbigh School	Monkston Primary Academy
Denham Green E-Act Academy	Moorland Primary School
Dorney School	New Bradwell School
Dr Challoner's Grammar School	New Chapter Primary School
Dr Challoner's High School	Oakgrove School
Edlesborough School	Olney Infant School
Elmhurst School (Academy)	Olney Middle Academy
Elmtreee Infant and Nursery School	Orchard Academy
EMLC Academy Trust	Ousedale School
Fairfields Primary School	Overstone Combined School
George Grenville Academy	Oxford Diocesan Bucks School Trust (MAT)
Germander Park School	Oxley Park Academy
Gerrards Cross CoE School	Padbury CofE School
Glastonbury Thorn First School	Portfields Combined School
Great Horwood CofE Combined School	Princes Risborough Primary School
Great Kimble CoE School	Princes Risborough School
Great Kingshill CoE Combined School	Rickley Park Primary School
Great Marlow School	Royal Grammar School
Great Missenden CoE Combined School	Royal Latin School
Green Park School	St John's CofE Combined School
Green Ridge Academy	St Mary & St Giles CofE School
Hamilton Academy	St Mary's CofE Combined School
Heronsgate School	St Nicolas' CE Combined School Taplow
Heronshaw School	St Paul's RC School
Holmer Green Senior School	Seer Green CofE School
Holmwood School	Shenley Brook End School
Holne Chase Primary School	Shepherdswell School
Ickford School	Sir Henry Floyd Grammar School
Inspiring Futures Through Learning	Sir Herbert Leon Academy
Ivingswood Academy	Sir Thomas Fremantle Academy
John Colet School	Sir William Borlase's Grammar School
John Hampden Grammar School	Sir William Ramsay School

Southwood Middle School  
 Stanton School  
 Stantonbury Campus  
 Stephenson Academy  
 The Beaconsfield School  
 The Hazeley Academy  
 The Highcrest Academy  
 The Misbourne School  
 The Premier Academy  
 The Radcliffe School  
 Thomas Harding Junior School  
 Two Mile Ash School

Waddesdon CoE School  
 Walton High  
 Water Hall Primary School  
 Waterside Combined School  
 Watling Academy  
 West Wycombe Combined School  
 Whitehouse Primary School  
 Wooburn Green Primary Academy  
 Woodside Junior School  
 Wycombe High School  
 Wyvern School

**Admitted Bodies**

Acorn Childcare  
 Alliance in Partnership (BPPS)  
 Alliance in Partnership (BPS)  
 Alliance in Partnership (TWOMA)  
 Ambassador Theatre Group  
 Ambient Support  
 Ashridge Security Management  
 Aspens Services Ltd  
 Avalon Cleaning Services (Langland School)  
 Birkin Cleaning Services (Shenley Brook End)  
 Buckinghamshire Local Enterprise Partnership  
 Buckinghamshire Music Trust  
 Bucks Association of Local Councils  
 Bucks County Museum Trust  
 Busy Bee Cleaning Services Ltd (Walton High)  
 Busy Bee Cleaning Services Ltd (BC)  
 C-SALT (Woughton Leisure Centre)  
 Capita (WDC)  
 Caterlink Ltd (Chiltern Hills Academy)  
 Chartwells Ltd (Oakgrove School)  
 Chiltern Rangers CIC  
 Cleantec Services Limited (Denham Academy)  
 Cleantec Services Limited (MK Academy)  
 Cleantec Services Limited (Oakgrove School)  
 Cleantec Services Limited (Radcliffe School)  
 Cucina Restaurants Ltd (Denbigh School)  
 Cucina Restaurants Ltd (Walton High)  
 Derwent Facilities Management Ltd  
 Everyone Active Ltd  
 Excelcare  
 Fremantle Trust  
 Fujitsu Services Limited  
 Hayward Services Ltd (John Colet)  
 Hightown Housing Association Ltd

Innovate Ltd  
 Kids Play Ltd  
 Manpower Direct Ltd  
 Mears Group plc  
 Mercury Infrastructure Limited  
 NSL Services Group  
 Oxfordshire Health NHS Foundation Trust  
 Paradigm Housing Association  
 Places for People Leisure (Newport Pagnell TC)  
 Places for People Leisure (WDC)  
 Police Superintendents Association Limited  
 Red Kite Community Housing Ltd  
 Ringway Infrastructure Services  
 Ringway Jacobs  
 RM Education  
 Serco (MKC)  
 Serco (MKC Recreation & Maintenance)  
 Sports Leisure Management  
 Thrift Activity Farm Ltd  
 Turn It On Ltd  
 Vale of Aylesbury Housing Trust  
 Wolverton & Watling Way Pools Trust  
 Wycombe Heritage and Arts Trust



**Pension Fund Committee Forward Plan**

<b>18 November 2021</b>			
<b>Agenda Item</b>	<b>Author</b>	<b>Cyclical Item?</b>	
Apologies	--	Every meeting	
Declarations of interest	--	Every meeting	
Minutes	--	Every meeting	
Buckinghamshire Pension Board Draft Minutes	Steve Mason	Every 3 months	
Breaches of the Law	Claire Lewis-Smith	Annual	
Annual Accounts Audit 2020/21	Rachael Martinig /Grant Thornton	Annual	
Forward Plan	Julie Edwards	Every meeting	
Exclusion of Press and Public			
Confidential Minutes			
Buckinghamshire Pension Board Confidential Minutes	Steve Mason	Every 3 months	
Pension Fund Performance	Julie Edwards	Quarterly	
Taskforce for Climate Related Financial Disclosures	Mercer	Ad hoc	
Assessment of Value (AoV)	Mercer	Ad hoc	
Brunel Pension Partnership Update - Private Markets	Brunel Pension Partnership	Ad hoc	
Date of next meeting / AOB	--		

<b>February 2022</b>			
<b>Agenda Item</b>	<b>Author</b>	<b>Cyclical Item?</b>	
Apologies	--	Every meeting	
Declarations of interest	--	Every meeting	
Minutes	--	Every meeting	
Buckinghamshire Pension Board Draft Minutes	Steve Mason	Every 3 months	
Governance Compliance Statement	Claire Lewis-Smith	Annual	
Admission Agreements Pass Through Arrangements	Claire Lewis-Smith	Ad hoc	
Treasury Management Service Level Agreement	Rachael Martinig	Annual	
Forward Plan	Julie Edwards	Every meeting	
Exclusion of Press and Public			
Confidential Minutes			
Buckinghamshire Pension Board Confidential Minutes	Steve Mason	Every 3 months	
Pension Fund Risk Register	Julie Edwards	6 monthly	
Environmental, Social and Governance Considerations	Mercer	Ad hoc	
Pension Fund Performance	Julie Edwards	Quarterly	
Brunel Pension Partnership Update		Ad hoc	
Private Markets Update	Mercer	Ad hoc	
Date of next meeting / AOB	--		

**Pension Fund Committee Forward Plan**

<b>July 2022</b>			
Agenda Item	Author		Cyclical Item?
Appointment of Vice-Chairman			
Apologies	--		Every meeting
Declarations of interest	--		Every meeting
Buckinghamshire Pension Board Draft Minutes	Steve Mason		Every 3 months
Communication Policy Statement	Claire Lewis-Smith		Ad hoc
Administering Authority Discretionary Policy	Claire Lewis-Smith		Triennial
External Audit Plan	Grant Thornton		Annual
Draft Pension Fund Accounts	Rachael Martinig		Annual
Forward Plan	Julie Edwards		Every meeting
Exclusion of Press and Public			
Confidential Minutes			
Buckinghamshire Pension Board Confidential Minutes	Steve Mason		Every 3 months
Pension Fund Performance	Julie Edwards		Quarterly
Brunel Pension Partnership Update	Brunel Pension Partnership		Ad hoc
Investment Strategy Update	Mercer		Ad hoc
Date of next meeting / AOB	--		

<b>September 2022</b>			
Agenda Item	Author		Cyclical Item?
Apologies	--		Every meeting
Declarations of interest	--		Every meeting
Minutes	--		Every meeting
Buckinghamshire Pension Board Draft Minutes	Steve Mason		Every 3 months
Annual Accounts Audit 2021/22	Rachael Martinig /Grant Thornton		Annual
Pension Fund Annual Report 2021/22	Rachael Martinig		Annual
Investment Strategy Statement	Mercer		Ad hoc
Forward Plan	Julie Edwards		Every meeting
Exclusion of Press and Public			
Confidential Minutes			
Buckinghamshire Pension Board Confidential Minutes	Steve Mason		Every 3 months
Pension Fund Risk Register	Julie Edwards		6 monthly
Pension Fund Performance	Julie Edwards		Quarterly
Brunel Pension Partnership Update - Responsible Investment	Brunel Pension Partnership		Ad hoc
Environmental, Social and Governance Considerations	Mercer		Ad hoc
Private Markets Training	Mercer		Ad hoc
Date of next meeting / AOB	--		

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of the Local Government Act 1972.

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