



Pension Fund Board agenda

Date: Thursday 26 October 2023

Time: 10.00 am

Venue: The Paralympic Room, Buckinghamshire Council, Gatehouse Road, Aylesbury
HP19 8FF

Membership:

B Black (Scheme employer representative), P Dearden (Scheme member representative), R Ellis (Scheme employer representative) (Chairman), T Pearce (Scheme member representative), Rulton (Scheme Employer Representative), I Thompson (Scheme member representative) (Vice-Chairman) and J Whiteley (Scheme employer representative)

Agenda Item	Page No
1 Apologies / Declarations of interest	
2 Minutes of the Pension Fund Board	3 - 12
3 Minutes of Pension Fund Committee	13 - 16
4 Breaches of the Law	17 - 36
5 Annual Report Extract	37 - 128
6 Forward Plan	129 - 130
7 Administration Performance Statistics	131 - 140
8 Annual Benefit Statements - Administration Year End Update	141 - 142
9 Exclusion of Press and Public	
To resolve to exclude the press and public as the following item is exempt by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).	

10	Administration Performance Statistics - Confidential Appendix	143 - 144
11	Confidential minutes of Pension Fund Board	145 - 148
12	Confidential minutes of Pension Fund Committee	149 - 152
13	Employer Risk Analysis	153 - 182
14	Cyber Policy	183 - 220
15	Risk Register	221 - 242
16	Pension Fund Performance	243 - 298
17	Date of Next Meeting 13 th December 2023.	

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: Harry Thomas via democracy@buckinghamshire.gov.uk.



Pension Fund Board minutes

Minutes of the meeting of the Pension Fund Board held on Wednesday 19 July 2023 in Jubilee Room, The Gateway, Gatehouse Road, Aylesbury, Buckinghamshire, HP19 8FF, commencing at 10.00 am and concluding at 12.15 pm.

Members present

P Dearden, R Ellis, T Pearce, A Rulton, I Thompson and J Whiteley

Others in attendance

C Lewis-Smith, M Preston and S Price

Apologies

B Black and J Edwards

Agenda Item

1 Apologies / Declarations of interest

Apologies were received from Bev Black and Julie Edwards. A declaration of interest was reported from T Pearce who was potentially affected by the £95k exit cap.

2 Minutes of the Pension Fund Board

RESOLVED Members of the Board AGREED the minutes of the Pension Fund Board held on 29 March 2023.

The following matters arising were discussed:-

- With regard to the meeting held with other LGPS providers and raising the issue of an increasing number of appeals relating to transfers being submitted from claims management companies Members noted that only two appeals had been submitted for Buckinghamshire. Some of these appeals regionally were because transfer checks had not been undertaken correctly. However, this was not the case for Buckinghamshire. Some LGPS providers had upheld some of the appeals submitted. There was a possibility any of these appeals could be referred to the Ombudsman. More appeals could be submitted in the future.
- My Pensions Online – developments to Heywood software had taken place (Transformational Member Experience/TME) and would provide more flexibility. Testing would be carried out in September and it would go live late

December/early January. There would also be two factor authentication. Following a question it was noted that once testing had taken place an email would be sent out informing employees of the software development and in that email they would be asked to input information regarding their mobile number if SMS functionality was included.

- Reference was made again to difficulty in accessing back copies of newsletters via My Pension Online – some pdf's open and others do not taking the employee to the main webpage for Buckinghamshire Council. This would be referred to M Da Costa to investigate. P Dearden would provide information on those he found difficult to open.

Action

3 Terms of Office

C Lewis-Smith, Pensions Administration Manager reported that Members of the Pension Fund Board had been written to, to confirm their reappointment to the role of representative on the Board. Members had been asked to sign the document and return it to the Pensions Administration Manager. The Chairman asked for clarification that all the Members of the Board would not retire at the same time to ensure consistency. Some Members of the Board had been representatives for three years but other Members were reasonably new so this should ensure continuity in the future.

4 Minutes of Pension Fund Committee

RESOLVED that the Minutes of the Pension Fund Committee held on 5 July 2023 be noted.

The following matter arising was discussed on the accounts. The Vice-Chairman queried whether other local authorities could not sign off their accounts because the auditors had not signed off the Buckinghamshire Council accounts. The Assistant Director of Finance reported that the auditors had issued a public statement why they were unable to sign off the 20/21 accounts and that they were aiming to sign them off at the end of the year. The audit of the Pension Fund accounts for 2022/23 would start at the beginning of August and should be completed by the end of August. There had been a change in Audit Director at Grant Thornton. The only issue was that whilst the Buckinghamshire Council accounts had not been signed off, they could still be subject to change, for example any new audit requirements that arise in the meantime. The Vice-Chairman commented that a letter had been written to CIPFA commenting that if the Pension Fund accounts had been signed off, then the delay in signing of the host authority's accounts should not impact any other local authorities accounts being signed off. Members also noted that a number of other authorities across the Country were in the same position as Buckinghamshire. The issue for Buckinghamshire Council was that it became a unitary council in 2020 which made the accounts more complex. The representative from Milton Keynes Council commented that they had issues with their accounts being signed off as well.

5 Review of Buckinghamshire Pension Board Policies

The Pensions Administration Manager reported that the Boards Terms of Reference,

Code of Conduct, Conflicts Policy and Knowledge and Understanding Framework attached as Appendices to the report were reviewed annually.

She reported on the following changes:-

Terms of Reference

Reference to Chair to be changed to Chairman.

22. The Administering Authority will pay allowances for Board members as follows:

- a) Board member's allowance of £926 per annum.
- b) Chairman's allowance of £4,678 per annum.

Knowledge and Understanding Framework

4.3 Seminars for Local Pension Board Members are hosted by CIPFA twice yearly which members are invited to attend.

During discussion the Board Members noted that CIPFA were no longer doing half day training sessions but were offering specific training requests to individual Councils. The Chairman reported that the legislation updates from Squire Patton Boggs were very helpful, however they had a limited circulation list. Members also noted that Jeff Houston (Barnett Waddingham) may also provide some training; he was Head of Pensions at the Local Government Association and Barnett Waddingham also had an employee who could provide training who was a Pensions lawyer. If Members of the Board required any bespoke training they should contact the Pensions Administration Manager. The Vice-Chairman commented that the bulletin provided often covered legislation changes. The LGA offered an Investment Cost Transparency training on 20 September if any Board Members were interested. The Chairman was attending and would share any governance learning with the Board.

The Chairman made reference to 2.1 of the Knowledge and Understanding Framework where it was stated that Pension Board Members must be conversant with specific documents recording policy about administration. There were three documents which the Chairman thought should be removed from the list as the Board did not have access to them:-

Third party contracts and service level agreements
Stewardship reports from outsourced service providers
Audit reports from outsourced service providers

The Vice-Chairman also made reference to the removal of accounting requirement relevant to the scheme.

The Board agreed that this level of detail was not required and that these documents should be removed from the list. The Pensions Administration Manager reported that these documents were added in as standard when Pension Fund

Boards were established but the Board were not required to know this level of detail. Officers could draw out any issues that needed to be brought to the attention of the Board.

Action

RESOLVED that the Terms of Reference, Code of Conduct, Conflicts Policy and Knowledge and Understanding Framework attached at appendices 1-4 of the report be agreed.

6 Pension Fund Annual Report 2022/23

The Fund was required to draft an Annual Report each year in accordance with Chartered Institute of Public Finance and Accountancy (CIPFA) guidance. The Annual Report included the governance arrangements of the Fund, scheme administration, financial and investment performance, the pension fund accounts and the Fund's policy statements.

Members noted the following highlights:-

- Membership of the Fund increased by 1.1% from 85,809 at 31 March 2022 to 86,759 at 31 March 2023
- The Fund paid out a total of £132,997,000 in pension benefits
- The Fund collected a total of £165,961,000 in contributions
- The triennial actuarial valuation estimated the funding level increased from 94% on 31 March 2019 to 104% on 31 March 2022
- Net assets available to Fund benefits were £3,741,873,000
- On 31 March 2023, 96% of the Fund's assets had been transitioned to the Brunel Pension Partnership.

The Assistant Director of Finance reported that there were gaps in the report currently whilst they were waiting for the accounts to be signed off.

With regard to financial performance the Vice-Chairman referred to the variation in forecast and actual figures. The forecast was £180 million and the actual figure was £138 million. There was also a change in market value of investments of £150 million per year. A question was asked whether there was a decrease in the fund over the next four years. The Assistant Director of Finance reported that he would provide a written response on this question.

Action

The Chairman reported that she had some minor amendments to make which she would send over in an email. She also asked that pages 1-44 of the Annual Report be brought back to the Board once they had been finalised.

Action

RESOLVED that the draft Buckinghamshire Pension Fund Annual Report for the year ending 31 March 2023 be noted.

7 Buckinghamshire Pension Fund Accounts to 31 March 2022

The audited Statement of Accounts for the Buckinghamshire Pension Fund for the year ended 31 March 2022 were attached as an Appendix to the report. The Pension Fund accounts and Net Assets Statement showed that in the year to 31 March 2022 the value of the Buckinghamshire Pension Fund increased by £275m to £3.913bn. This had reversed the downward trajectory. Grant Thornton anticipated issuing an unqualified audit report.

Audit work remained on track to meet the anticipated December 2023 date for sign off of the 2020/21 accounts and April 2024 for sign off of the 2021/22 accounts. The national position with outstanding audits remained cause for concern. In relation to 2021/22 accounts, 74% of local authorities remained outstanding with their accounts whilst around 30% of 2020/21 accounts remained outstanding. Given this was the case nationally, Government and regulatory bodies were considering a solution to the national position which could accelerate things, although at this stage the solution was not clear.

Members noted that these accounts had been considered by the Audit and Governance Committee who had commented that with the number of sets of accounts being dealt with at the same time there was a risk of the Committee not having a clear understanding of where they were with having approved and commented on the different accounts including the overall Council accounts and the Pension Fund Accounts. The Committee heard that the work completed on the 2020/21 accounts to date had not raised any fundamental issue in terms of the accounts or declared provisional outturn positions. Assurance was given that there was a sound system of internal control, and the fundamental position was strong.

With regard to the 21/22 accounts, four recommendations were identified because of issues identified during the audit. The recommendations related to IT deficiencies, investment management expenses, employer body changes and errors identified from member data controls testing. Details of the issues and risks and recommendations were documented on pages 19 to 21 of the Audit Findings Report. The management response to the draft Audit Findings Report for the Buckinghamshire Pension Fund for the year ended 31st March 2022 was attached at Appendix 3 of the report. The Assistant Director of Finance reported that with regard to IT deficiencies there were not issues of concern with regard to the Pension Fund accounts and this was more of a technical recommendation relating to the main accounting system and rights being assigned to individuals.

The total membership of the Fund had increased from approximately 77,000 to 80,000. On 31 March 2022, the market value of the assets held were £3.91bn, sufficient to cover 104% of the accrued liabilities assessed on an ongoing basis so the Fund was fully funded. However, it was important to still be cautious with regard to an upward trajectory, particularly with ongoing instability such as the war in Ukraine. Reference was made to Note 21 and other scheduled and admitted bodies highlighting that some contracts were coming to an end.

The Pension Fund Board congratulated officers on their work.

RESOLVED that the audited Statement of Accounts for Buckinghamshire Pension Fund for the year ended 31st March 2022 be noted.

8 McCloud Update

When the Local Government Pension Scheme (LGPS) changed from final salary to career average earnings accrual on 1 April 2014, an underpin to protect older scheme members was introduced. In some form, protections applied across all public sector pension schemes. Appeals were submitted in the judges and firefighter's schemes regarding their protections and on 20 December 2018, the Court of Appeal ruled that the protections were unlawful on the grounds of age discrimination. Although the ruling only applied to these two schemes, the government confirmed it would be applied to all public sector pension schemes.

The Ministry of Housing, Communities and Local Government (MHCLG) issued a consultation on 16 July 2020 with proposals for changes which would remove discrimination from the LGPS. The consultation closed on 8 October 2020.

On 13 May 2021, Luke Hall, Minister of State for Regional Growth and Local Government made a ministerial statement confirming that

- The age requirement for underpin protection would be removed
- A member would not need to leave with an immediate entitlement to benefits to qualify for underpin protection
- The remedy period would end on 31 March 2022
- The underpin calculation would be based on final pay at the underpin date, even if this was after 31 March 2022
- There would be two stages to the underpin calculation: the first on the underpin date which was the date of leaving or age 65 if earlier, the second when the benefits were paid
- The regulations would be retrospective to 1 April 2014.

MHCLG, now the Department for Levelling Up, Housing and Communities (DLUHC) were originally expected to issue a full response to the consultation and publish draft

regulations by the end of 2021. DLUHC finally published their full response on 6 April 2023 confirming the above. In addition to the full response, DLUHC announced a further consultation would follow, seeking general views on some areas and technical/implementation comments in others. General views were sought on the following areas:-

- Aggregation - determining the rules applicable to decide whether a member with multiple LGPS memberships had underpin protection in some or all of these.
- Club transfers – determining the rules applicable to decide whether a member with previous membership of another public service pension scheme has underpin protection in respect of their LGPS membership.
- Flexible retirement – how the underpin should work in respect of flexible retirement, particularly for partial flexible retirement where a member did

not take all of their CARE benefits.

- Divorce – how the scheme’s divorce and underpin calculations interact. Pensioner and deferred members have an underpin date so any amount will be included in the Cash Equivalent Value (CEV).
- Injury allowances – how a retrospective increase to a member’s pension arising from the McCloud remedy may affect any injury allowances payable.

Technical/implementation comments were sought on the following areas:

- Excess teacher service – the retrospective admission to the LGPS of certain teachers who have multiple employments.
- Compensation – the circumstances where a member might be paid compensation where they have suffered a loss relating to the age discrimination found in the McCloud case/remedy.
- Interest – the interest terms that would apply where payments were made later than would have been the case, due to the McCloud discrimination.

The Pensions Administration Manager reported that there was an administrative burden collecting this additional information with a suggestion that the LGPS could be able to use an existing national database to assist with other public sector scheme membership. A Board Member suggested using the National Fraud Initiative database for national insurance numbers. However, this would not pick other information required. The Vice-Chairman also commented that most employees were likely to transfer their previous pensions into the LGPS as it was such a good Scheme, although it was recognised that the police and fire pensions were also good. This judgement created a lot of work for a small percentage of employees. Fortunately, the NHS had collected data for their Members.

In terms of Buckinghamshire the Pensions Administration Manager reported that there were 379 employers/payroll providers who were required to provide hours and service break data for the underpin period. All requests for historical data had been issued. To date, 318 employers had returned their data template (83.91%). Some employers/payroll providers might not be able to provide the data. The Local Government Association (LGA) had issued guidance for steps to be taken where data was not provided and this was currently being reviewed. The average hours for each scheme year could be considered as long as it was fair and proportional.

The data matching issues raised with the Fund’s system provider had now been resolved and officers had received data verification tools. Data had been uploaded for 276 employers/payroll providers. Phase 1 of data verification was validating the data provided and this had been actioned for 15 employers. Phase 2 of data verification was data comparison which would begin shortly. Phase 2 would require transition of the additional McCloud resource from the Benefit Administration Team. Members noted that all major employers of the Scheme had sent in their data. The Chairman asked if additional resources would be required with the transfer of data and the Pensions Administration Manager reported that it would be difficult to know until that stage of the process whether they would need a temporary resource. Three officers and one senior officer had been allocated to McCloud

currently but this was being kept under review. The Pensions Administration Manager reported that Project management software would be required to track the progress of McCloud and software would help with the calculations. One of the issues was whether death benefits had been paid with the underpin and they may need to contact beneficiaries. Another issue was where employees had transferred previous LGPS membership into the Scheme and it could be difficult for the previous fund to get hours and service break data from the previous employer.

RESOLVED that the current position regarding the McCloud remedy be noted.

9 Forward Plan

The Forward Plan was noted with the following changes:-

- Relevant section of the Annual Report to be brought back to the next meeting once the gaps had been filled on the accounts.
- The actuarial valuation to be removed from the December meeting

In addition it was agreed that the Pension Fund Board should meet face to face where possible.

10 Annual Benefit Statements - Administration Year End Update

The Assistant Pensions Administration Manager reported on the current position with regard to annual benefit statements.

Year-end returns submission

As a result of i-Connect, year-end returns were only required from 23 scheme employers; 2 who were not yet onboarded to i-Connect and 21 employers who onboarded mid-year so were still required to provide a return for the first year. The remaining employers were not required to provide a year-end return as data was submitted monthly via i-Connect with the March 2023 data being submitted by 19 April 2023. All returns had been received. 16 employers were issued fines for late submission.

Queries

Following receipt of either the year-end return or March i-Connect submission, reconciliation checks had taken place with all queries being issued to employers between April & the end of June 2023. Overall, 1257 queries were issued to employers with just 197 queries outstanding as at 6 July 2023. These 197 queries were over 49 scheme employers.

Annual Benefit Statements position

248 scheme employers had no outstanding queries and were ready for statements to be issued to active scheme members. Communications were just being finalised with the aim to start issuing statements mid-July. Benefit statements for deferred scheme members were issued in June 2023.

The Board congratulated the Administration Team for all their hard work as the Annual Benefits Statements could now be issued for the following week.

RESOLVED that the report be noted.

11 Administration Performance Statistics

The Board received a report on the performance of the Pensions Administration Team as follows:-

Incoming Communications

The table in the report showed an average daily incoming communications of 240 with a total of 14,398 for the first quarter of 2023/24. There had been a reduction in the more traditional forms of communication and an increase in electronic communications particularly going through My Pensions Online and i-Connect. Two years ago the Council had received 2,500 items of post on average which had now reduced to 1,500.

There was a target of 95% calls answered with an average queue time of less than 40 seconds. Over the first quarter of 2023/24, 99.42% of all calls received were answered with an average queue time of 16 seconds.

Workload/Performance Levels

Benefit Administration - Priority Areas

The target was to achieve a minimum of 95% of priority tasks completed within relevant turnaround times and this was reported on quarterly. The average over 2022/23 was 97% with quarter 1 of 2023/24 at the same level. The one area which impacted the figures were AVC's which was at 64% which was a direct result of the performance issues that they were having with providers. Officers were working with them to improve performance.

Open and overdue cases

There were less than 30% of cases overdue. In terms of length of time these cases have been overdue, as at 6 July 2023 there are 186 cases that were due for completion before 31 March 2023. Of these 186 cases, 172 are waiting for information from a scheme employer/scheme member/next of kin, 7 where information had been received within the last 2 days and 7 waiting to be checked and completed.

Employer submissions/data reconciliation

Employers were due to submit data via i-Connect by 19th of each month. The aim was for 100% submission by the deadline however whilst i-Connect was still relatively new for some employers, the target was 95% with the intention of this increasing to 100%. 24 employer submissions were after the deadline. Over quarter 1 of 2023/24, 2673 reconciliation reviews took place. Additional annual checks took place in April, but the average monthly checks sat at around 500 cases.

Data Improvement

The main area of data errors related to deferred scheme member addresses. Bulk tracing took place on an annual basis and a recent list of over 1000 deferred members had been sent to a tracing company.

Scheme member movements

Due to the current financial situation, the Board had asked for a report to keep track of member opt outs & 50/50 scheme elections. In Quarter 1 45 employees had opted out. The Board were assured that the opt out form completed by scheme members did provide sufficient information on the benefits that would be lost by opting out of the scheme. In terms of last year the figures had varied across the quarterly reporting but had been similar.

50/50 Scheme

In Quarter 1 the main scheme to 50/50 was 25 and 50/50 to main scheme was 3.

RESOLVED that the report be noted.

12 Exclusion of Press and Public

RESOLVED

That the press and public be excluded for the following items as they were exempt by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972 because they contained information relating to the financial or business affairs of any particular person (including the authority holding that information).

13 Administration performance Statistics - Confidential Appendix

RESOLVED that Members of the Board note the update.

14 Confidential minutes of Pension Fund Board

RESOLVED: That the confidential minutes of the Buckinghamshire Pension Fund Committee held on 29 March 2023, be approved as a correct record.

15 Confidential minutes of Pension Fund Committee

RESOLVED: That the confidential minutes of the Buckinghamshire Pension Fund Committee held on 21 March, be noted by the Board.

16 AVC Review

RESOLVED that the current position with AVC providers be noted.

17 Pension Fund Performance

RESOLVED that the investment performance of the Pension Fund for the first quarter of 2023 ending 31 March 2023 be noted.

18 Date of next meeting

Thursday 26 October at 10am.



Agenda Item 3
Buckinghamshire Council
Pension Fund Committee

Minutes

MINUTES OF THE MEETING OF THE PENSION FUND COMMITTEE HELD ON WEDNESDAY 27 SEPTEMBER 2023 IN THE PARALYMPIC ROOM, BUCKINGHAMSHIRE COUNCIL, GATEHOUSE ROAD, AYLESBURY HP19 8FF, COMMENCING AT 2.00PM AND CONCLUDING AT 4.05 PM

MEMBERS PRESENT

R Bagge, T Butcher, A Collingwood, E Gemmell, I Macpherson and M Walsh

OTHERS IN ATTENDANCE

C Dobson, J Edwards, R Ellis, T English, K O'Connor, L O'Donnell (Remote), M Preston and D Vickers.

Agenda Item

18 APOLOGIES FOR ABSENCE

Apologies for absence were received from M Barber, P Marland, Matthew Passey and C Lewis-Smith.

19 MINUTES OF THE LAST MEETING

RESOLVED:

That the Minutes of the Meeting of the Pension Fund Committee held on 5 July 2023 were agreed as a correct record.

20 BUCKINGHAMSHIRE PENSION FUND BOARD DRAFT MINUTES

RESOLVED:

That the Minutes of the Buckinghamshire Pension Fund Board meeting held on 19 July 2023 be noted.

21 EXTERNAL AUDIT PLAN 2022/23

The Committee received the Buckinghamshire Pension Fund Audit Plan for the year ending 31 March 2023, which had been produced by Grant Thornton. This document provided an overview of the planned scope and timing of the statutory audit of Buckinghamshire Pension Fund, which mainly included any significant risks identified, accounting estimates, materiality, IT strategy, and audit fees.

The Plan had been produced late in its cycle due to Buckinghamshire Council accounts for 2020/21 and 2021/22 financial years still to be signed off.

The Chairman commented that he was disappointed with some of the management responses on actions to be taken to address issues and risks identified in audit recommendations.

RESOLVED:

That the External Audit Plan be noted.

22 PENSION FUND ANNUAL REPORT 2022/23

Each year the Pension Fund Committee was required to approve the Pension Fund Annual Report, including the Pension Fund Statement of Accounts. The Annual Report included pensions administration and investment performance, in addition to the annual accounts. The approval of the Annual Report was subject to the accounts being approved by the Buckinghamshire Council Audit and Governance Committee.

Reference was made to page 38 of the annual report and the cost transparency table for 2022/2023, provided by the Fund Manager which needed to be populated with figures.

RESOLVED:

That approval be given to the Pension Fund Annual Report 2022/23, subject to the statement of accounts element being signed off by the Audit and Governance Committee.

23 DLUHC LGPS POOLING CONSULTATION

Mark Preston, Assistant Director of Finance (Pensions, Procurement and Revenues & Benefits), Buckinghamshire Council presented the report.

The Committee was informed that the Chancellor of the Exchequer delivered his Mansion House speech on 10th July 2023, in which he set out a number of planned changes to the UK pensions industry aimed at boosting investment into the UK economy, including a number of far reaching reforms for the Local Government Pension Scheme (LGPS).

There were three main headlines in the Chancellor's speech for the LGPS:

- A consultation on a 10% allocation to Private Equity for the LGPS
- A consultation on the consolidation of LGPS Assets into the Pools by March 2025
- A direction to set an LGPS minimum asset pool size of £50bn

On the Tuesday following the Mansion House speech, the government launched a more detailed consultation on the LGPS proposals. The consultation runs from 11 July 2023 to 2 October 2023.

The draft response to the Department for Levelling Up, Housing and Communities (LUHCs) LGPS Pooling Consultation was discussed.

Member Comments

- The Chairman referred to the mandating of allocations to Private Equity which he was not in favour with as they conflicted with the Pension Fund Committee's fiduciary duty.
- The mandating of Private Equity would not help meet the government's ambition of increasing the focus of investment in UK startups or the UK BioTech and Technology sectors.

- The merger of pools brought increased costs at a time when many funds have only just broken even from the initial pooling exercise.
- The ability of Pension Funds to invest in other Pools would help to introduce an element of competition and provide the opportunity to reduce the management costs a LGPS wide directly managed property portfolio on behalf of all funds for example.

The Committee asked that the comments made be incorporated into the consultation response.

RESOLVED:

That the draft response to the DLUHCs LGPS Pooling Consultation be updated with the comments made and that these be the final response to the consultation.

24 BREACHES OF THE LAW

The Committee received the Procedure for Reporting Breaches of Law and the Breach Log which detailed the administration breaches recorded along with details of the percentage of annual benefit statements issued for 2022/23.

The Procedure complied with the requirements of the Pension Act 2002 and the Pensions Regulator's Code of Practice.

The Chairman commented on the breach of employees/employer's contributions not received by the 19th of the month following the month in which they were deducted and requested that value of £1,165.05 outstanding for 2021/22, and that this should be recovered.

RESOLVED:

That approval be given to the reviewed Procedure for Reporting Breaches of the Law and the report be noted including the comments made on the breaches log.

25 FORWARD PLAN

RESOLVED:

That the Forward Plan be noted.

26 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED:

That the press and public be excluded for the following items as they were exempt by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972 because they contained information relating to the financial or business affairs of any particular person (including the authority holding that information).

27 CONFIDENTIAL MINUTES OF THE LAST MEETING

RESOLVED:

That the confidential Minutes of the Buckinghamshire Pension Fund Committee held on 5 July 2023, be approved as a correct record.

28 BUCKINGHAMSHIRE PENSION FUND BOARD CONFIDENTIAL DRAFT MINUTES

RESOLVED:

That the confidential Minutes of the Buckinghamshire Pension Fund meeting held on 19 July 2023, be noted.

29 EMPLOYER RISK ANALYSIS

The Committee considered a report on Employer Risk Analysis.

RESOLVED:

(1) That the results of the employer risk analysis report provided by Barnett Waddington be noted.

(2) That approval be given to the recommendations contained in the Barnett Waddingham's Employer risk analysis report with a view to agreeing arrangements to reduce the deficit default risk to the Fund.

30 BRUNEL PENSION PARTNERSHIP UPDATE

RESOLVED:

That the Brunel Pension Partnership Update be noted.

31 PENSION FUND PERFORMANCE

RESOLVED:

That the investment performance of the Buckinghamshire Pension Fund for the second quarter of 2023 ending 30 June 2023 be noted.

32 PENSION FUND RISK REGISTER

RESOLVED:

That the Risk Register for the Buckinghamshire Pension Fund be noted.

33 PENSION FUND RECHARGE FOR OVERHEADS

That the report of the update of Buckinghamshire Council Overhead Recharges be noted.

34 DATE OF THE NEXT MEETING

15 November 2023 at 2.00pm.



Report to Pension Fund Board

Date:	26 October 2023	ate of meeting or date of decision
Title:	Breaches of the Law	
Author and/or contact officer:	Claire Lewis-Smith, Pensions Administration Manager	
Recommendations:	The Board are asked to NOTE the content of this report and COMMENT on the breaches log.	

1. 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. The procedure has been reviewed with only job titles and links to websites updated. No material changes have been made. The revised procedure was approved by Pension Fund Committee on 27 September 2023.

2. Content of report

- 2.1 The Breach Log at Appendix 2 to this report, details the administration breaches recorded for Q2/3/4 for 2022/23 and Q1 for 2023/24. For contributions, the position is reported for the 12 month period up until 30 June 2023. In previous years Annual Benefit Statements (ABS) have been included on the breach log as the target of 100% had not been achieved. For 2023 100% of ABS were issued by the statutory deadline of 31 August 2023.

3. Other options considered

- 3.1 Not applicable.

4. Legal and financial implications

- 4.1 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 reduce risk to the Fund.

5. Corporate implications

- 5.1 Not applicable

6. Consultation and communication

- 6.1 Not applicable.

7. Next steps and review

- 7.1 The breach log is reviewed annually.



Buckinghamshire Pension Fund

Procedure for Reporting Breaches of the Law

Author: Claire Lewis-Smith

Date: 1 October 2023

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 Assistant Director of Finance (Pensions, Procurement and Revenues & Benefits).

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 Assistant Director of Finance (Pensions, Procurement and Revenues & Benefits) and the Director of 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
- Employment Rights Act 1996:
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
- Public Service Pension Schemes Act 2013:
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 Assistant Director of Finance (Pensions, Procurement and Revenues & Benefits), 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 Assistant Director of Finance (Pensions, Procurement and Revenues & Benefits) 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.

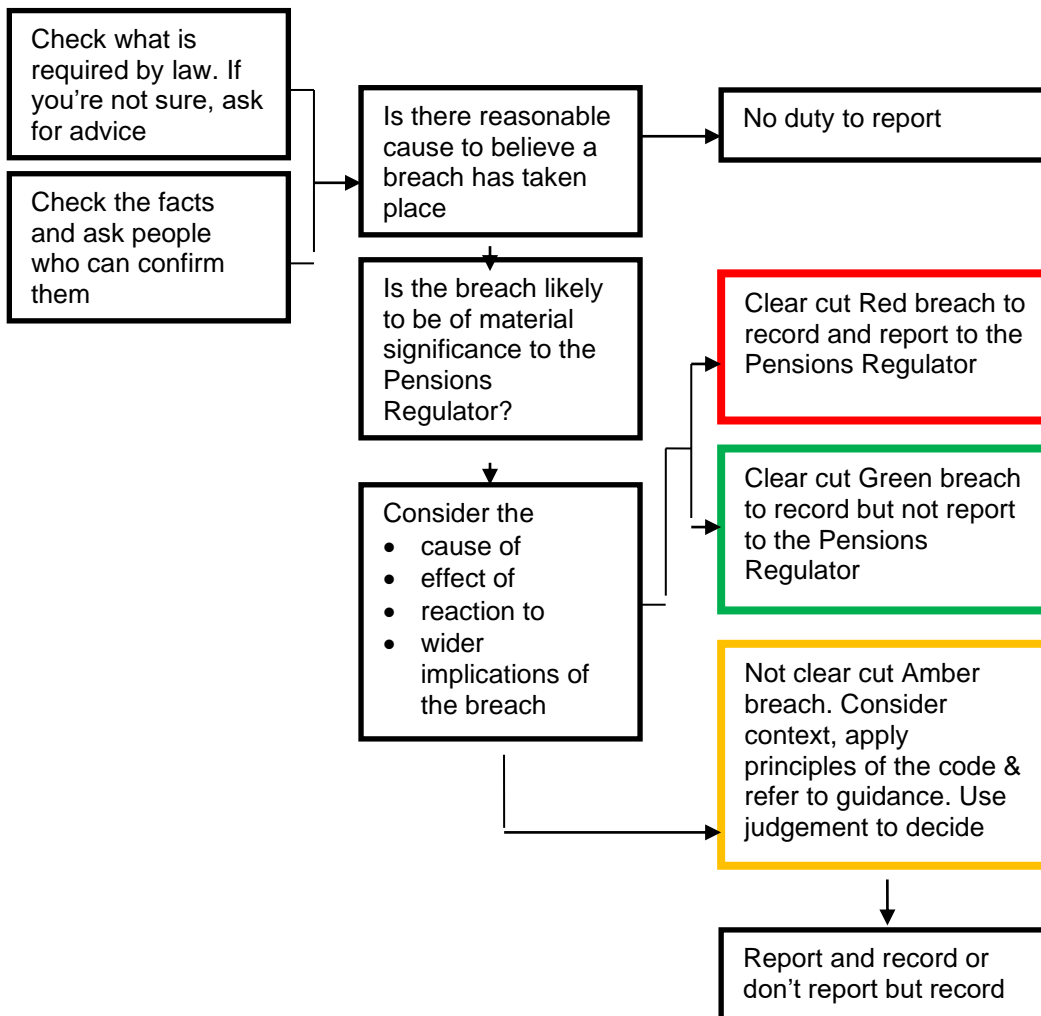
Individuals may also request the most recent breaches report from the Assistant Director of Finance (Pensions, Procurement and Revenues & Benefits), as there may be details on other breaches which may provide a useful precedent on the appropriate action to take.

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, the Assistant Director of Finance (Pensions, Procurement and Revenues & Benefits), 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 Assistant Director of Finance (Pensions, Procurement and Revenues & Benefits), 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 Assistant Director of Finance (Pensions, Procurement and Revenues & Benefits) 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 Assistant Director of Finance (Pensions, Procurement and Revenues & Benefits) 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 Assistant Director of Finance (Pensions, Procurement and Revenues & Benefits) 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 Assistant Director of Finance (Pensions, Procurement and Revenues & Benefits). Records of unreported breaches should also be provided to the Assistant Director of Finance (Pensions, Procurement and Revenues & Benefits) 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, 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's 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 reviewed and approved by the Pension Fund Committee on 27 September 2023. It will be kept under review and updated as considered appropriate by the Assistant Director of Finance (Pensions, Procurement and Revenues & Benefits). 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:

Assistant Director of Finance (Pensions, Procurement and Revenues & Benefits): Mark Preston

Email: Mark.Preston@buckinghamshire.gov.uk
Telephone – 01296 383107

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

Buckinghamshire Pension Fund website – [Pensions | Buckinghamshire Local Government Pension Scheme](#)

Email - pensions@buckinghamshire.gov.uk
Telephone – 01296 383755

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

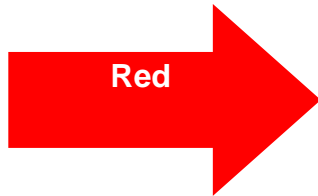
A breach is likely to be of concern and material significance to the Regulator where a breach has been identified and those involved:

- 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.

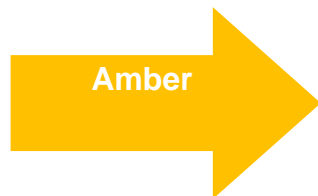
The wider implications of the breach

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.

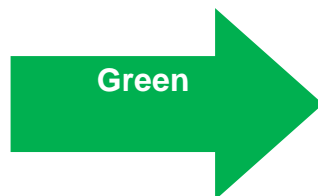
Appendix B - Traffic light framework for deciding whether or not to report
Buckinghamshire Council recommends those responsible for reporting to use the traffic light framework when deciding whether to report to the Regulator. This is illustrated below:



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. Further information regarding this framework can be found at [Code 1 Reporting breaches of the law | The Pensions Regulator](#)

Appendix C – Example Record of Breaches

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

Page 31

*New breaches since the previous meeting should be highlighted

This page is intentionally left blank

Record of Breaches – 01/07/2022-30/06/2023

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 01/07/2022 - 30/09/2022	Administration	14 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
Q3 01/10/2022-31/12/2022		23 refunds of employee contributions were paid in excess of 5 years since their date of leaving					
Q4 01/01/2023-31/03/2023		47 refunds of employee contributions were paid in excess of 5 years since their date of leaving					
Q1 01/04/2023-30/06/2023		16 refunds of employee contributions were paid in excess of 5 years since their date of leaving					

Q2 01/07/2022 - 30/09/2022	Administration	6 pensions paid after age 75	Non-compliance with statutory regulations	None received	Not reported. The LGPS Regulations 2013 stipulate that pension benefits must be paid before age 75 however, there is little action that can be taken if a member does not claim their pension benefits.	Members are written to at leaving notifying them of their pension benefits and the date they must be claimed by. If not claimed three months prior to Normal Pension Age (in most cases this is State Pension Age), a notification is issued to the member confirming benefits can be claimed or payment deferred until the day before age 75 is attained. A further reminder is issued three months prior to age 75.	N/A – Green breach
Q3 01/10/2022- 31/12/2022		6 pensions paid after age 75					
Q4 01/01/2023- 31/03/2023		2 pensions paid after age 75					
Q1 01/04/2023- 30/06/2023		4 pensions paid after age 75					

30/06/2023	Contributions	<p>Employees/employer's contributions not received by the 19th of the month following the month in which they were deducted:</p> <p>2021/22 value outstanding £1,165.05</p> <table border="1" data-bbox="539 464 987 831"> <thead> <tr> <th colspan="3">2022/23</th> </tr> <tr> <th colspan="3">Late Payments</th> </tr> </thead> <tbody> <tr> <td>1-10 days late</td> <td>125</td> <td></td> </tr> <tr> <td>11-30 days late</td> <td>26</td> <td></td> </tr> <tr> <td>1-3 months late</td> <td>43</td> <td></td> </tr> <tr> <td>4-7 months late</td> <td>40</td> <td></td> </tr> <tr> <td>8-11 months late</td> <td>11</td> <td></td> </tr> <tr> <td>12+ months late</td> <td>3</td> <td></td> </tr> <tr> <td></td> <td>248</td> <td></td> </tr> </tbody> </table> <p>Value received late £2,234,767.28</p> <table border="1" data-bbox="539 943 987 1430"> <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>3</td> <td></td> </tr> <tr> <td>June</td> <td>-</td> <td></td> </tr> <tr> <td>July</td> <td>1</td> <td></td> </tr> <tr> <td>August</td> <td>2</td> <td></td> </tr> <tr> <td>September</td> <td>3</td> <td></td> </tr> <tr> <td>October</td> <td>1</td> <td></td> </tr> <tr> <td>November</td> <td>5</td> <td></td> </tr> <tr> <td>December</td> <td>2</td> <td></td> </tr> <tr> <td>January</td> <td>2</td> <td></td> </tr> <tr> <td>February</td> <td>1</td> <td></td> </tr> </tbody> </table>	2022/23			Late Payments			1-10 days late	125		11-30 days late	26		1-3 months late	43		4-7 months late	40		8-11 months late	11		12+ months late	3			248		Outstanding Payments			April	-		May	3		June	-		July	1		August	2		September	3		October	1		November	5		December	2		January	2		February	1		<p>Non-compliance with statutory regulations, impact on Buckinghamshire Pension Fund cash flow if the value of the late payments is significant.</p>	None received.	Not reported, the Buckinghamshire Pension Fund has been working with employers to improve the timeliness of payments.	<p>There has been a significant improvement in the monitoring of contributions in recent since September 2022.</p> <p>A significant proportion of the late payments are within 2 or 3 days of when the payment is due. With effect from September 2023 employers where a payment has not been received are written to within 2 working days of when the payment was due reminding them of their responsibilities.</p>	Amber breach. Develop and improved escalation process.
2022/23																																																																						
Late Payments																																																																						
1-10 days late	125																																																																					
11-30 days late	26																																																																					
1-3 months late	43																																																																					
4-7 months late	40																																																																					
8-11 months late	11																																																																					
12+ months late	3																																																																					
	248																																																																					
Outstanding Payments																																																																						
April	-																																																																					
May	3																																																																					
June	-																																																																					
July	1																																																																					
August	2																																																																					
September	3																																																																					
October	1																																																																					
November	5																																																																					
December	2																																																																					
January	2																																																																					
February	1																																																																					

March	6	
-------	---	--

Value outstanding £257,344.33

2023/24		
Late Payments		
1-10 days late	19	
11-30 days late	5	
1-3 months late	2	
4-7 months late	-	
8-11 months late	-	
12+ months late	-	
	26	

Value received late £718,215.80

Outstanding Payments		
April	4	
May	7	
June	3	

Value outstanding £35,876.80

Total value outstanding
@30/06/2023:

2021/22 £1,165.05
2022/23 £257,344.33
2023/24 £35,876.80

£294,386.18



Report to Buckinghamshire Pension Board

Date: 26th October 2023

Reference number: N/A

Title: Pension Fund Annual Report to 31st March 2023

Relevant councillor(s): None specific

Author and/or contact officer: Julie Edwards, Pensions and Investments Manager

Ward(s) affected: None specific

Recommendations: The Board is asked to **REVIEW** the Annual Report for the Buckinghamshire Pension Fund for the year ending 31st March 2023.

Reason for decision: The Local Government Pension Scheme (LGPS) Regulations 2013 require all LGPS Administering Authorities to prepare an Annual Report.

Executive summary

1.1 The Buckinghamshire Pension Fund is required to draft an Annual Report each year in accordance with Chartered Institute of Public Finance (CIPFA) guidance. The Annual Report includes the governance arrangements of the Fund, scheme administration, financial and investment performance, the Buckinghamshire Pension Fund Statement of Accounts and the Fund's policy statements.

Content of report

1.2 The Buckinghamshire Pension Fund is required to draft an Annual Report each year, including the Pension Fund Statement of Accounts. The annual report has been prepared in accordance with 2019 edition of the CIPFA statutory "Guidance for Local Government Pension Scheme Funds: Preparing the Annual Report". The Annual Report includes the governance arrangements of the Fund, scheme administration, financial and investment performance, the Buckinghamshire Pension Fund Statement of Accounts and the Fund's policy statements. The draft Annual Report was presented to the Board in July with some gaps, an extract of the Annual Report without the Fund's policy statements is presented to the Board today.

1.3 Report highlights include:

- Membership of the Fund increased by 1.1% from 83,809 at 31 March 2022 to 86,769 at 31 March 2023.
- The Fund processed 1,157 retirements during 2022/2023.
- The Fund paid out a total of £132,997,000 in pension benefits.
- The Fund collected a total of £165,961,000 in contributions.
- The triennial actuarial valuation estimated the funding level increased from 94% on 31 March 2019 to 104% on 31 March 2022.
- Net assets available to Fund benefits were £3,741,873,000.
- On 31 March 2023, 96% of the Fund's assets had been transitioned to the Brunel Pension Partnership.

1.4 The Audit Findings Report for the 2022/23 Buckinghamshire Pension Fund statement of accounts will be reported to the Buckinghamshire Pension Fund Committee and the Buckinghamshire Pension Board later this year. The approval of the Annual Report is subject to Buckinghamshire Council's Statement of Accounts, including the Buckinghamshire Pension Fund accounts, being approved by the Audit and Governance Committee. The provisional Annual Report for 2022/23 will be published on 30th November 2023 without an audit opinion since the audit for Buckinghamshire Council's 2022/23 Statement of Accounts will not be completed until late 2024.

1.5 The audit of Buckinghamshire Council's 2020/21 accounts has yet to be completed. An audit opinion on the Buckinghamshire Pension Fund Statement of Accounts for inclusion in the 2020/21 Annual Report will not be issued until the audit of Buckinghamshire Council's accounts has been completed later this year. The Annual Report for 2020/21 was published on 30th November 2021 without an audit opinion.

1.6 Similarly, the audit of Buckinghamshire Council's 2021/22 accounts has yet to be completed. An audit opinion on the Pension Fund Statement of Accounts for inclusion in the 2021/22 Annual Report will not be issued until the audit of Buckinghamshire Council's accounts has been completed, the final sign off for the accounts is expected to be during 2024. The Annual Report for 2021/22 was published on 30th November 2022 without an audit opinion.

Legal and financial implications

1.7 The Local Government Pension Scheme (LGPS) Regulations 2013 require the Annual Report and Accounts to be published by 1st December following the conclusion of the financial year. The Annual Reports for 2020/21 and 2021/22 were published on the 30th November of their respective years without an audit opinion.

Background papers

None.

This page is intentionally left blank



**Buckinghamshire
Council**

Buckinghamshire Pension Fund



Pension Fund Annual Report

Table of Contents

Scheme Management and Advisors	1
Introduction by the Assistant Director of Finance (Pensions, Procurement and Revenue & Benefits).....	2
Governance of the Fund	8
Scheme Administration	11
Financial Performance.....	25
Actuary’s Statement - 31 March 2022	34
Investment Policy and Performance Report	37
Investment Pooling Report.....	40
History of the Fund	45
Risk Management	47
Statement of Responsibilities for the Statement of Accounts	49
Independent Auditor’s Report to the Members of BPF	50
Pension Fund Accounts	51
Pension Fund Policy Statements	85
Governance Compliance Statement.....	86
Functions and Responsibilities.....	87
Review and Compliance with Best Practice	88
Pensions Administration Strategy	92
Communications Policy Statement	101
Funding Strategy Statement	108
Investment Strategy Statement.....	127
Fund Contact details	137
Glossary of Terms and Acronyms Used	138

Scheme Management and Advisors

Administering Authority

Buckinghamshire Council (BC)

Pension Fund Committee

(BC unless stated)

Cllr Timothy Butcher – Chair

Cllr Ralph Bagge – Vice Chair

Cllr Alex Collingwood

Cllr Ed Gemmel

Cllr Iain Macpherson

Cllr Matthew Walsh

Cllr Peter Marland – Milton Keynes Council

PCC Matthew Barber – Thames Valley Police

Asset Pool and Asset Pool Operator

Brunel Pension Partnership

Advisors

Mercer Investment Consulting

Carolan Dobson

Fund Managers

Legal & General Investment Management

Pantheon Private Equity

Partners Group

Fund Legal Advisors

Buckinghamshire Council Legal Team

Actuary

Barnett Waddingham LLP

Custodian

State Street

Bankers to the Fund

Barclays Bank

Auditor

Grant Thornton UK LLP

AVC Providers

Scottish Widows

Prudential

Scheme Administrators

The Pensions and Investments Team at

Buckinghamshire Council

Assistant Director of Finance (Pensions, Procurement and Revenue & Benefits)

Mark Preston

Pensions and Investments Manager

Julie Edwards

Introduction by the Assistant Director of Finance (Pensions, Procurement and Revenue & Benefits).

As Assistant Director of Finance (Pensions Procurement and Revenues & Benefits), I am pleased to present the reports and accounts of the Buckinghamshire Pension Fund. The Fund is part of the Local Government Pension Scheme (LGPS) which is administered by The Pensions and Investments Team at Buckinghamshire Council (BC). The aim of the annual report is to set out the Fund's financial position at 31 March 2023 and to provide a summary of the Fund's key activities over the past financial year.

Report highlights

Triennial Valuation

This report is based on the contribution rates set out in the 31 March 2019 valuation report that took effect from 1 April 2020.

On 31 March 2022, Buckinghamshire Pension Fund instructed the Fund actuary to carry out a full Fund valuation in line with regulation 62 (LGPS 2013). The purpose of the Fund valuation is to review the financial position of the Fund and to set appropriate individual employer contribution rates for the period 1 April 2023 – 31 March 2026.

As a result of the valuation, it was estimated that the Fund had assets in surplus of £137m, corresponding to a funding level of 104% on 31 March 2022. This represents an increase from 94% at the previous valuation carried out on 31 March 2019. Revised contribution rates came into effect on 1 April 2023. The Fund's approach to setting employer contribution rates is outlined in the [Funding Strategy Statement](#). The next triennial valuation will take place on 31 March 2025. More information can be found in the [2022 Fund valuation report](#).

I would like to take this opportunity to thank all Fund employers for their cooperation in this process as well as the team for their hard work in ensuring the valuation was achieved within the timescale.

Fund management

The asset value of the Buckinghamshire Pension Fund at the end March 2023 was £3.702 billion. In the year to 31 March 2023 the annual return was -5.1% compared to the benchmark return of -4.4%, an underperformance of -0.7%. In the three years to 31 March, the Fund achieved a return of 8.8%, an annual underperformance of -0.2% compared to its 8.2% benchmark for that period.

Cost of living crisis

The resulting impact of global events, such as the COVID-19 pandemic and Russia's invasion of Ukraine, has led to the highest rates of inflation the UK has seen in over 40 years. The result has been a sharp increase in the cost of purchasing food, energy, and other essential goods. This has caused many people, particularly those on a lower income, to cut back on non-essential spending and to release money from long-term savings to meet short-term needs.

The pension sector has witnessed the impact of the crisis on individual retirement planning. There has been a national rise in the number of employees opting out of occupational pension schemes, as well as an increase in the use of flexi-drawn down which allows individuals to withdraw lump sums from defined contribution pensions. Others have taken the decision to delay retirement plans in favour of continuing to work and build up more for retirement.

These national trends have been reflected within the Fund. While membership of the Fund increased slightly overall, the number of actively contributing members reduced during 2022/2023 as the number of opt-outs and transfers slightly increased. It is possible that these numbers could increase further should the national crisis continue.

We recognise the challenges that the current financial climate presents to our Scheme Members and their retirement planning. The Fund's priority is to ensure that members have the information they require in order to make informed decisions about their pension benefits. During 2022/2023 we proactively sought to raise awareness about the potential consequences of opting out, as well as the alternative options available, such as moving to the 50/50 section in order to reduce outgoings in the short term. as well as encouraging financial advice in making decisions. We strive to emphasise the importance of seeking financial advice as part of the decision-making process.

High-risk transfers may also present as a significant temptation to pension savers during the economic crisis. Each year millions are lost to pension scams in the UK, causing considerable devastation to the lives of the victims. Our role in preventing these scams are one of our most crucial duties. We have taken The Pension Regulator's pledge to warn our members about pension scams, prevent them where we spot them, and report them to Action Fraud.

Looking ahead

2023/2024 will see the Fund work to implement key pieces of legislative changes while prepare for other important projects on the horizon.

On 1 October 2023, the Local Government Pension Scheme (Amendment) (No.3) Regulations 2023 will come into force. These regulations make amendments to the LGPS regulations to remove age discrimination from the scheme following the Court of Appeal ruling of the McCloud/Sergeant cases.

This represents material change to the LGPS regulations, and the retrospective application of the changes necessitates a multifaceted project to review previously determined pension benefits, including for those who already have pensions in payment, those that have died or transferred rights out of the Scheme.

The Pensions and Investments Team have been working with employers and the Fund's software provider to prepare for the rectification exercise and additional resource has been created within the team to implement the regulations. We are in a strong position, despite the delays caused by regulatory uncertainty. The nature of the changes will increase complexity within the LGPS. Communication with Scheme members about the changes will feature high in our list of priorities in 2023/2024.

We also anticipate the response to the government's consultation on Climate risk reporting which ran between 1 September 2022 and 24 November 2022. The consultation proposed new requirements for LGPS administering authorities to put in place governance and risk management arrangements, as well as setting and reporting against various metrics and targets on climate risk and opportunity.

We recognise that investment in more sustainable projects and activities is essential in order to mitigate against the impact of climate change. More information on the Fund's position can be found in the [Environmental, Social and Corporate Governance policy](#) which can be read alongside the [Investment Strategy Statement](#).

Buckinghamshire Pension Fund pools its assets alongside 9 other Funds under the Brunel Pension Partnership. 96% of the Fund's assets have now been transitioned to the Brunel Pension Partnership who have set out an intention to align its investments with the targets set under the Paris Agreement (which

aims to limit climate change to below 2°C, preferably to 1.5°C, compared to pre-industrial levels) in relation to greenhouse gas emissions and carbon neutrality. Brunel have committed to a 50% reduction in emissions by 2030 (relative to emissions reported as at 31 December 2019), and to net zero by 2050. More information can be found in [Brunel's Responsible Investment Policy Statement and Climate Change Policy](#).

Despite the many competing pressures, we are confident we can deliver in our commitment to ensure the best outcomes for our stakeholders.

We welcome your comments on this publication, or on any other matter relating to Buckinghamshire Pension Fund. Contact details can be found at the end of this report.



Mark Preston

Assistant Director of Finance (Pensions, Procurement and Revenue & Benefits)

Buckinghamshire Council

Buckinghamshire Pension Fund

The Local Government Pension Scheme Overview

The Local Government Pension Scheme (LGPS) is a statutory public service pension scheme with 6.39 million members in England and Wales. The LGPS scheme regulations are determined nationally; however, the scheme itself is administered and managed locally by 86 Funds in England and Wales. Unlike the other public sector pension schemes, the LGPS operates on a funded basis. There is no single set of accounts; each Fund is responsible for meeting its own liabilities. Valuations are carried out locally to ensure sufficient assets and to set employer contribution rates accordingly.

LGPS benefits

The LGPS is a defined benefit scheme providing benefits to scheme members according to salary and length of service. On 1 April 2014, the scheme changed from a final salary scheme to a Career Average Revalued Earnings (CARE) scheme. All scheme members moved to the CARE scheme in 2014, however, any pension benefits built up before this date continue to be calculated on a final salary basis.

The table below sets out the key features of the LGPS.

Feature	LGPS 2014
Type of scheme	Safeguarded, defined benefit, CARE scheme
Accrual Rate	1/49 th (or 1/98 th in the 50/50 scheme)
Revaluation Rate	Consumer Price Index (CPI)
Pensionable Pay	Pay including non-contractual overtime and additional hours
Contribution Flexibility	50/50 section allows members to pay 50% of their usual contributions for 50% of the usual pension benefits Members can choose to pay towards Additional Pension Contributions (APCs) or Additional Voluntary Contributions (AVCs) to build up additional pension benefits in the scheme
Normal Pension Age	Equal to State Pension Age (minimum age 65)
Minimum Pension Age	55 (rising to 57 from 2028)
Lump Sum Commutation	£1 of annual pension provides £12 of lump sum up to a maximum of 25% of the total pension pot
Death in Service Lump Sum	3 x Pensionable Pay
Death in Service Survivor Benefits	1/160 th accrual based on Tier 1 ill health pension enhancement
Ill Health Provision	Tier 1 - Immediate payment with service enhanced to Normal Pension Age (NPA) Tier 2 - Immediate payment with 25% service enhancement to Normal Pension Age Tier 3 - Temporary payment of pension for up to 3 years
Indexation of Pension in Payment	Consumer Price Index (CPI)
Vesting Period	2 years

Employer contributions

Employer's contribution rates are assessed at the triennial valuation and set based on each employer's individual liabilities. The last valuation took place on 31 March 2022 setting employer contributions rates for the period 1 April 2023 to 31 March 2026. The next valuation will take place on 31 March 2025 and will be used to set employer contribution rates for the period 1 April 2026 to 31 March 2029. Employer contributions have an important role in funding the cost of scheme benefits. Employer contribution tables showing each individual employer's contribution rate are [available online](#).

Employee Contributions

Employee contributions are set at a national level and are adjusted on 1 April each year in line with any increase to the CPI. An individual's contribution rate is determined by their pensionable pay. Since 1 April 2014 pensionable pay includes all actual pay, including contractual and non-contractual overtime, and any other emoluments deemed as pensionable. The total pensionable pay will fall into one of 9 bands and

corresponding contribution rates. Scheme employers are responsible for determining the band for each employee. Employers must review contribution rates when any material change to a member's pay occurs, and at least once a year. Contributions are deducted directly from an employee's salary before tax is deducted and therefore benefit from tax relief.

The table below sets out contribution bands for the period 1 April 2022 to 31 March 2023.

Band	Pay Bands (Actual pensionable pay)	Contribution Rate Main Section	Contribution Rate 50/50 Section
1	Up to £15,000	5.5%	2.75%
2	£15,001 to £23,600	5.8%	2.9%
3	£23,601 to £38,300	6.5%	3.25%
4	£38,301 to £48,500	6.8%	3.4%
5	£48,501 to £67,900	8.5%	4.25%
6	£67,901 to £96,200	9.9%	4.95%
7	£96,201 to £113,400	10.5%	5.25%
8	£113,401 to £170,100	11.4%	5.7%
9	£170,101 or more	12.5%	6.25%

Retirement benefits

Normal Pension Age (NPA) before 1 April 2014 was 65 for most people. NPA for pension benefits built up after 1 April 2014 is the same as State Pension Age (minimum age 65) and the scheme is funded on this basis. However, members can choose to voluntarily retire from age 55 (increasing to 57 on 6 April 2028 in line with national legislative changes) and age 75.

A member may have more than one NPA within a single pension account due to the historical changes in NPA. However, when a member releases their pension benefits in respect of a single pension account, they must do so in its entirety. As a safeguarded benefit, the LGPS offers no flexible draw down options.

If a member voluntarily retires before NPA, early retirement reductions are applied to their benefits. The reductions are based on actuarial assumptions that the pension is likely to be in payment for a longer duration. If a member retires after NPA, late retirement increases are applied. The value of any reduction or increase is based on factors set by the Government Actuary Department and are adjusted depending on how early or late a pension is being released. Information about reductions and increases are available on the [Buckinghamshire Pension Fund website](#).

Calculation of pension

Final salary pension benefits built up before 1 April 2014 are calculated when someone leaves the scheme or retires. Final salary pension benefits built up before 1 April 2008 are calculated as:

Membership (years and days) x Final salary x 1/80 = Pension

Final salary pension benefits built up between 1 April 2008 and 31 March 2014, are calculated as:

Membership (years and days) x Final salary x 1/60 = Pension

CARE pension benefits, built up after 1 April 2014, are calculated on an annual basis, revalued according to CPI at the end of the scheme year, and added to the member's pension account. This amount is then carried forward to the following year. The example below shows the calculation for three years' worth of accrual under the CARE scheme:

Year 1: Pensionable pay x 1/49 x Revaluation % = Year 1 pension balance
 Year 2: Pensionable pay x 1/49 + Year 1 pension balance x Revaluation % = Year 2 pension balance
 Year 3: Pensionable pay x 1/49 + Year 2 pension balance x Revaluation % = Year 3 pension balance

Certain protections also exist in the scheme that allow qualifying members to have their post 1 April 2014 pension benefits calculated on a final salary basis, where it is beneficial.

Lump sum

An automatic lump sum is paid in addition to an annual pension for members who joined the scheme before 1 April 2008. This is calculated as:

Membership (years and days) x Final salary x 1/80 x 3 = Lump Sum

All members have the option of exchanging some of their annual pension to create a tax-free lump sum. Each £1 of annual pension given up, will provide £12 of lump sum, up to a maximum of 25% of their total pension pot.

Ill Health Retirement

If a member's employment is terminated due to ill health, they are entitled to receive full pension benefits paid immediately at the value accrued to the date of termination, regardless of age, without reductions. In cases of severe ill-health, there is also an enhancement paid. To qualify for ill-health retirement, the member must have met the two-year vesting period, be permanently unable to perform their current role until NPA and not be immediately able to take up gainful employment for a period of at least one year.

Upon meeting these criteria, a tier is assigned depending on the severity of the illness and the likeliness of the member being capable of undertaking gainful employment before NPA. The features of each tier are set out in the table below. Tier 1 and 2 are payable for life. A tier 3 ill-health pension is payable for a maximum of three years.

Tier	Requirements	Enhancement Paid
1	Member is unlikely to be capable of undertaking gainful employment before NPA	Full enhancement to NPA
2	Member is likely to be capable of undertaking gainful employment before NPA	25% enhancement to NPA
3	Member is likely to be capable of obtaining gainful employment within 3 years of the date employment ended	No enhancement

A deferred member may also have their pension released early due to ill-health. Ill-health pensions for deferred members operate on a single tier and there are no enhancements paid.

Death benefits

Survivor pensions are payable for a spouse, civil partner or a cohabiting partner. Children's pensions are also payable to eligible children under age 18, those between the ages of 18 and 23 if in full time education, or dependants deemed to be mentally or physically incapacitated.

Death grants are one off lump sums payable to a nominated beneficiary or a deceased member's estate. For active members, there is a death in service lump sum payable of 3 x pensionable pay.

A pensioner will receive a death grant if they die before age 75 and retired within 10 years of their death. The death grant in this circumstance is 10 years annual pension less the pension already received.

Deferred members who ceased active membership after 1 April 2008 will receive a death grant of 5 x the annual pension. Deferred members who ceased active membership before 1 April 2008 will receive a death

grant equivalent to the automatic lump sum. If the deferred member also has an active LGPS account or pensioner account, they will receive the death grant with the highest value, not both.

Governance of the Fund

The Pension Fund Committee

The Pensions and Investments Team at Buckinghamshire Council is the administering authority for Buckinghamshire Pension Fund. The Pension Fund Committee (PFC) is responsible for:

- Determining the overall investment objectives for the Fund as set out in the Fund's Investment Strategy Statement
- The Fund's asset allocation policy
- Approving the Funding Strategy Statement, Investment Strategy Statement, Governance Compliance Statement, Pension Administration Strategy, and the Communications Policy
- Monitoring Fund performance and scheme governance
- Appointing firms to provide investment and actuarial advice to the Fund
- Monitoring the performance of Brunel in their delivery of investment services to the Fund

- Making representations to the Brunel Oversight Board on matters of concern regarding the service provided by Brunel and the performance of its portfolios
- Any other matters relating to the management and investment of the Pension Fund, as required

PFC Membership for 2022/2023

The PFC is made up of 9 elected members including representation from Thames Valley Police and Milton Keynes Council.

Cllr Timothy Butcher – Chair
 Cllr Ralph Bagge – Vice Chair
 Cllr Mary Baldwin
 Cllr Alex Collingwood
 Cllr Ed Gemmell

Cllr Iain Macpherson
 Cllr Matthew Walsh
 Cllr Peter Marland – Milton Keynes Council
 PCC Matthew Barber –Thames Valley Police

PFC Meeting attendance Matrix 2022/2023

	Chair (TB)	Vice (RB)	BC Cllr (MB)	BC Cllr (AC)	BC Cllr (EG)	BC Cllr (IM)	BC Cllr (MW)	MKC Cllr (PM)	TVP PCC (MB)
18/05/2022	Y	Y	N/A	N	N	Y	Y	N	N
07/07/2022	Y	Y	N/A	Y	Y	Y	N	N	Y
29/09/2022	Y	Y	N/A	N	Y	Y	Y	Y	N
24/11/2022	Y	Y	N/A	N	Y	N	Y	N	N
21/03/2023	Y	Y	N	Y	N	Y	Y	Y	N

All meetings are conducted face to face in line with regulatory requirements. All members of the PFC have voting rights. PFC Members are required to disclose any declarations of interest at the beginning of each PFC meeting.

Training offered to PFC members in 2022/2023 included:

- Actuarial Valuation Training presented by Barnett-Waddingham
- Brunel Annual Engagement Day
- Investment Strategy Refresher
- Secured Income Training
- Update on Brunel Climate Stocktake and Climate Policy 2023

Buckinghamshire Pension Board

The Buckinghamshire Pension Board (BPB) assists the administering authority with governance and administration of the Scheme. The BPB is made up of an equal number of member and employer representatives.

BPB Membership for 2022/2023

Roona Ellis – Scheme employer representative
 Ian Thompson – Scheme member representative
 Bev Black – Scheme employer representative
 Pete Dearden – Scheme member representative
 Joe McGovern – Scheme member representative – resigned on 20/10/2022
 Tina Pearce – Scheme member representative
 Lisa Wheaton – Scheme employer representative – resigned on 14/12/2022

Jo Whitely – Scheme employer representative – joined on 09/08/2022
 Anna Rulton – Scheme employer representative – joined on 09/01/2023

BPB meeting attendance matrix 2022/2023

	Chair Emp Rep (RE)	Vice Chair Mem Rep (IT)	Emp Rep (BB)	Mem Rep (PD)	Mem Rep (JM) Until 20/10/ 2022	Mem Rep (TP)	Emp Rep (LW) Until 14/12/ 2022	Emp Rep (JW) From 9/8/22	Emp Rep (AR) From 9/1/23
Meetings									
28/07/2022	Y	Y	Y	Y	N	N	Y	N/A	N/A
19/10/2022	Y	N	Y	Y	N	Y	Y	Y	N/A
13/12/2022	Y	Y	N	Y	N	Y	Y	N	N/A
29/03/2023	Y	Y	Y	Y	N/A	Y	N/A	Y	Y

Annual Review of the Buckinghamshire Pension Fund Board

The Public Service Pensions Act 2013 introduced the requirement to have a Local Pensions Board to assist in the good governance of the scheme.

The Board met four times in 2022/23, 3 virtual meetings and 1 in-person meeting. The Board consists of 4 Employer and 4 Member representatives. Two vacancies occurred during the year, with one member representative position currently vacant. Recruitment to fill this vacancy is in progress. An attendance rate of 76.66% has been achieved for this year.

All members of the Board have equal voting rights.

On 31 March 2023, the Board members were:

Scheme member representatives

- Pete Dearden
- Tina Pearce
- Ian Thompson (Vice-Chairman)
- Vacant

Scheme employer representatives

- Bev Black
- Roona Ellis (Chairman)
- Anna Rulton
- Jo Whiteley

Members of the Board are required to disclose any declarations of interest at the beginning of each Buckinghamshire Pension Board meeting.

In accordance with Section 248a of the Pensions Act 2004, every member of the Buckinghamshire Pension Board must be conversant with the rules of the scheme (the Local Government Pension Scheme Regulations), and any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme.

Pension Board members must also have knowledge and understanding of the law relating to pensions, and such other matters as may be prescribed.

Accordingly, all members of the Board are encouraged to take advantage of the many training opportunities notified to them by Pensions Officers and to maintain their core knowledge via self-study using the Pension Regulator's Public Services toolkit for online learning. This includes modules on conflicts of interest,

managing risk and internal controls, maintaining accurate member data, maintaining member contributions, providing information to members and others, resolving internal disputes and reporting breaches of the law.

Other training opportunities offered to and undertaken by Board Members include:

- Barnett Waddingham Board event
- CIPFA/ISIO Board Member events
- LGA Annual Governance Conference
- LGA Fundamentals Training Programme
- TPR Public Sector Toolkit e-learning

At the end of its seventh year since inception, the Board looked back at a busy and varied 12 months. The Board undertook annual reviews of:

- their Terms of Reference, Code of Conduct Policy, Conflicts Policy and the Knowledge and Understanding Framework,
- the Administering Authority Discretionary Policy,
- the Pension Fund Annual Report,
- the Pension Fund Governance Compliance Statement, and
- the Pension Fund Risk Register.

At each meeting of the Board, reports were presented and considered regarding:

- Pension Fund Administration Performance Statistics,
- Pension Fund Administration Year-end Updates,
- Pension Fund Committee agenda and minutes, and
- updates from Officers regarding pension fund performance and implementation of the Brunel Pension Partnership.

Ad-hoc reports were presented and considered regarding:

- Additional Voluntary Contributions (AVCs),
- Annual Accounts Audit 2021/22
- Breaches of the Law,
- Communication Policy Statement,
- Cyber Security,
- Funding Strategy Statement,
- I-Connect/My Pension Online,
- Internal Administration Benchmarking,
- Internal Disputes Resolution Procedure,
- McCloud Judgement,
- Pension Administration Strategy,
- Scheme member and employer communications,
- Training Opportunities,
- Triennial Valuation.

In addition, the Board Chairman attended meetings of the Pensions Committee in an 'observer' capacity and had regular meetings with senior Officers to review Administration and Investments.

The Board Chairman reported that,

Statement from the Chair

The core functions of the Pension Board are to assist the Scheme Manager in securing compliance with the Regulations and to ensure the effective and efficient governance and administration of the Scheme. To this

end, the Pensions Board continues to scrutinise the performance of the Scheme Manager and monitors the delivery of services to its members, its policies and regulation compliance.

I am delighted to report that during the last 12 months, the Scheme Manager had completed the triennial valuation successfully and continued to improve its delivery of pension services. This varied from answering member phone calls (average 14/18 seconds telephone queue time vs target of 40 seconds) to processing pensions in priority areas such as retirements (often ahead of the internal target of 95% of cases meeting the turnaround time). The other noticeable improvements during the year were the issuing of Annual Benefit Statements and the successful onboarding of most of the employers to i-Connect which is a direct data uploading system between the employers and the Scheme Manager. i-Connect helps to reduce data transfer errors and allows prompt reconciliation of data. Consequently, data quality had improved due to queries being identified and resolved quickly. With improved member data, most of the Annual Benefit Statements were issued by the end of July 2022. By the statutory deadline of 31st August, nearly 100% of Annual Benefit Statements were issued.

The implementation of the McCloud remedy necessitated the gathering of prior year member data from the employers. Even though the implementation date was delayed, likely to be late 2023, the Scheme Manager had started the complex task of collecting members' historic information from the employers. During the year, two Pension Board members (Joe McGovern – employee representative and Lisa Wheaton – employer representative) had decided to stand down and on behalf of the Board, I would like to thank them for their contributions. I would also like to welcome Anna Rulton and Jo Whitely, both employer representatives to the Pension Board.

The Buckinghamshire Pension Board together and the Scheme Manager will continue to strive to improve pension services for members and stakeholders. The Board looks forward to another busy year in 2023.

Scheme Administration

The Pensions and Investments Team

The Pensions and Investments Team at Buckinghamshire Council administer the Local Government Pension Scheme (LGPS) on behalf of the Buckinghamshire Pension Fund. The Pensions and Investments Team consists of five sub teams: The Benefit Administration Team, the Employer Liaison Team, the Payroll Team, the Systems Team, and the Treasury Team. The first four sub-teams are responsible for administering the LGPS overseen by the Pensions Administration Manager.

Benefit Administration Team

As of 31 March 2023, there were 25,117 active members, 33,078 deferred members, 20,006 pensioner members and 2,762 dependant members. The Benefit Administration Team are responsible for dealing with all member administration on behalf of the Fund. This includes setting up records for new entrants,

processing leavers, transfers, refunds, retirements, deaths, pension sharing orders on divorce and responding to all enquiries from Scheme members. The team deal with approximately 250 enquiries a day.

Payroll Team

The inhouse Payroll Team are responsible for paying all pension benefits, including the payment of refunds and death benefits. They process the monthly pensioner payroll, and issue payslips and P60s. As of 31 March 2023, there were 22,768 pensions in payment (including dependent pensions) being paid on a monthly basis.

Employer Liaison Team

The Fund's 305 active employers include scheduled bodies, admitted bodies and Local Education Authority (LEA) schools and academies in Buckinghamshire and Milton Keynes. The Employer Liaison Team are responsible for administering the Fund's year-end procedures, admitting new employers, processing academy conversions and bulk transfers, as well as responding to all enquiries from Scheme employers, and providing them with continued support and training.

Systems

The Systems Team is responsible for overseeing maintenance of the specialist pensions processing systems utilised by the Team. Their role includes the management of Altair (the Fund's pension administration system), document imaging, pensioner payroll, and workflow management as well as the production of data for reporting purposes. They are responsible for the roll-out and maintenance of 'my pension online', our online member portal and i-Connect data, the data exchange system used by Scheme employers.

Pension Finance Team

The Pension Finance Team is responsible for implementing the Fund's investment strategy, reviewing and monitoring the Pension Fund's investments and ensuring all monies due to the Fund are received.

Knowledge and Skills Policy Statement

The Pensions and Investments Team recognises the importance of ensuring adequate resources for the dischargement of its responsibilities. As an organisation, we are committed to ensuring staff responsible for financial administration, governance, and decision-making, are equipped with the full range of knowledge and skills to enable them to perform their duties effectively. We seek to utilise capable and experienced staff and make provisions to ensure successful training and continued professional development. Members of the Fund's decision-making and governance bodies are offered extensive training, allowing the acquisition and maintenance of an appropriate level of expertise, knowledge and skills consummate to their role.

How the Service is Delivered

Key technologies employed

Altair

Altair is the Fund's pension administration platform designed to meet the complex requirements of digitalised pension administration. Altair provides an electronic database solution allowing for both the storage of paperwork on individual member records, as well as bulk interfacing of pension data. Altair allows for fast electronic calculations on an individual or bulk basis and stores approximately 400 of the Fund's standard letter templates that can be generated with individual member personalisations. Altair also allows for the set-up of bespoke workflow systems tailored to suit individual case procedures, allowing for effective monitoring. Performance statistics can be extracted from the workflows to assess the efficiency of administrative procedures and to measure case completion in reference to target turnaround times.

My Pension Online

'My pension online' is the Fund's self-service facility allowing Scheme members to access their pension records online safely, securely and in a way that is cost effective and environmentally friendly. Access to 'my pension online' is provided via individual login to a secure web portal available at:

<https://ms.buckinghamshire.gov.uk>. 'My pension online' sits alongside Altair, which means that any updates to member records appear live on 'my pension online' in real time. Using 'my pension online' members are able to; update addresses and death grant nomination details, view documents and letters, annual benefit statements, and, where a pension is payment, their payslips and P60s. 'My pension online' also features calculator modellers allowing members to run various pension calculations such as retirement and death estimates.

In line with the Fund's Communication policy statement, 'my pension online' is the default method for all communication to members. Once a document is uploaded to 'my pension online' an email notification is sent to the member advising them that the document is ready to view. Registration for 'my pension online' is not automatic. Members must register and set up an account with a secure username and password. Members are entitled to opt out of electronic communication by providing written notice to the Fund.

The Pensions and Investments Team works actively promote registration for 'my pension online'. Methods utilised in this endeavour include:

- Targeted communication to both unregistered members and partially registered members (those who have made an attempt to register but not fulfilled the registration process in its entirety).
- Engagement with employers through various communication and training sessions to encourage them to promote the benefits of 'my pension online' to their employees.
- Promotion of the features and benefits of 'my pension online' at appropriate opportunities via letters, newsletters, forms, guides, booklets, and on the Pension Fund website.

Overall, 'my pension online' has been well received by members and has provided an invaluable tool to help our members gain access to their pension details. As of 31 March 2023, a total of 42.75% of all active, deferred and pensioner members had registered for 'my pension online', an increase of 5.69 % from 2022.

The following table shows the distribution of registration against membership categories for 2022/2023. Please note: These figures do not include frozen refunds, undecided leavers, and records for dependant members.

	Total membership	Total registered	Percentage of total membership registered (rounded to .00%)
Actives	24,920	11,352	45.55%
Deferred	32,764	10,426	31.82%
Pensioners	20,139	11,493	57.07%
Total	77,823	33,271	42.75%

i-Connect

i-Connect is a real-time data transfer solution for employers, streamlining data transfer to the Fund by reducing the costs and risks associated with the manual processing of pensions data, such as data protection breaches. i-Connect allows for either individual or bulk data transfer, via manual or automatic upload submissions. Data is interfaced directly to Altair. i-Connect supports employers in the fulfilment of their pension responsibilities by identifying data mismatches, thereby improving the quality of data for valuations, and reducing cost and complexity to both the employer and administering authority.

As i-Connect provides an improved service and represents value for money for both employers and members, the aim of the Pensions and Investments Team is to ensure a complete digitalisation of all data transfer. All new employers are automatically set up on i-Connect as part of the onboarding process and employers already in the scheme have been contacted to arrange onboarding. As of 31 March 2023, a total of 286 employers had been onboarded to i-Connect. The Fund charges employers under the Pensions Administration Strategy for the additional work involved in processing Excel spreadsheets.

Member and employer resources

Website

The principal source of information for members and employers, is the Fund website available at: lgps.buckinghamshire.gov.uk

Web content is developed and maintained by the Pensions and Investments Team and holds:

- Information about the LGPS for members and employers including latest scheme news and important regulatory updates.
- Fund specific information about procedures and processes for members and employers
- Details of upcoming events and training for members and employers such as member surgeries and webinars.
- Pension Fund policies and information on Fund governance.
- Contact details for enquiries, complaints and providing feedback.
- Links to a range of other useful websites that provide further information and assistance for scheme members such as the [National LGPS website](#), [Money Helper](#) and [the FCA](#).

In addition to the above, the Fund produces a range of resources for scheme employers including our quarterly newsletter 'In-Form' and standard wording to be used in communications and training materials.

We also issue annual newsletters to pensioners, active and deferred members.

Incoming queries

Current and prospective members with queries can contact us via the Fund's helpline on 01296 383755, open Monday to Thursday 9am -5.30pm and Friday 9am-5pm. The helpline is operated by dedicated staff

trained to assist in answering member queries, either by providing a direct and immediate response, or by setting up workflow for further investigation.

At the member's request, the Benefit Administration Team also offer pension appointments to scheme members which can be conducted either face to face, via video link on MS Teams or over the telephone at a time within business hours that suits the member.

Members can submit queries to us via 'my pension online' or by email to:

pensions@buckinghamshire.gov.uk Members who require technical assistance accessing 'my pension online' can either call the helpline, or email our dedicated inbox:

mypensiononline@buckinghamshire.gov.uk

Members are also able to submit enquiries in writing to: The Pensions and Investments Team, Buckinghamshire Council, Walton Street Offices, Walton Street, Aylesbury, Buckinghamshire, HP20 1UD.

Each employer is assigned a dedicated Employer Liaison Officer (ELO) who they can contact directly either by email or phone. They can also email the team inbox for assistance employers@buckinghamshire.gov.uk

Feedback about any aspect of service from either members or employers, can be provided to the Fund's dedicated feedback inbox: pension.feedback@buckinghamshire.gov.uk

Arrangements for gathering assurance of effective and efficient administration operations

The Pensions and Investments Team take the following actions to ensure service delivery is adequately reviewed, assessed and scrutinised for overall effectiveness:

- Ensuring reports at year-end are provided to the BPB detailing administration performance and complaints under the Internal Disputes Resolution Procedure.
- The team undergoes an internal audit on an annual basis. The internal audit report includes an action tracker which details outstanding issues.
- The Council's Audit and Governance Committee review outstanding internal audit actions. The Committee consists of twelve elected members who meet to consider matters relating to the Council's constitution, accounts, risk management and governance arrangements.

Arrangements for ensuring accuracy

The Pensions and Investments Team take the following actions to ensure accuracy of pension administration processing:

- The Systems team undertake regular system testing. Standard checks are undertaken at regular intervals and upon the introduction of any software upgrades.
- The Benefit Administration Team and Payroll Team have checking procedures embedded in all workflow to ensure both the accuracy of calculations and the fulfilment of regulatory requirements.
- The Employer Liaison Team carry out data cleansing and validation on the monthly and yearly returns submitted.
- The Treasury Team undertake financial reconciliation data checks both monthly and annually.

Arrangements for ensuring data protection and confidentiality

The Pensions and Investments Team take the following actions to ensure data protection and confidentiality:

- Callers to the Pensions Helpline must complete security checks before data is shared.
- Due to the corporate use of strong end-to-end encryption and anti-spoofing technology, Buckinghamshire Council have passed the government's whitelist assessment. We can securely email any other organisation on the government whitelist, as well as those with an email address ending 'gov.uk' as end-to-end encryption ensures the message is secure in transit.

-
- For those organisations not on the whitelist, or do not have a 'gov.uk' email, we are able to send and receive emails containing personal data securely via the Egress Switch encrypted email service. Under the terms of our licence, once registered, employers and Scheme members are able to correspond with us, or any other person holding a full Egress Switch licence, without charge.
 - If employers are not able to use Egress Switch, they are required to password protect all correspondence containing personal data.
 - All member correspondence which includes sensitive data is sent via Egress, and where they have a 'my pension online' account, it is published there, and the member must login to access the document. We also issue emails directly to member's email accounts using our software system Altair which prevents errors occurring from miscopying email addresses.
 - If a deferred or pensioner member wishes to change their address following a period where contact details are not held, we request date of birth verification and a proof of address document.
 - Where a third party seeks to act on behalf of a member, a signed letter of authority dated within the past three months must be provided.
 - Registration for 'my pension online' requires security verification matching.

The Fund's summary and full privacy notices, as well as our memorandum of understanding [are available online](#).

Referrals to other services

The Pensions and Investments Team refer members primarily to the following services:

Money Helper - Money Helper provides free independent and impartial information about pensions. Money Helper is available to assist members and beneficiaries of the Scheme with any pension query they have or any general requests for information or guidance concerning their pension benefits.

In writing: Money and Pension Services, 120 Holborn, London, EC1N 2TD

By telephone: 0800 011 3797

Website: <https://www.moneyhelper.org.uk/en>

The Pensions Ombudsman (TPO) - TPO deals only with pension complaints. It can help if members have a complaint or dispute about the administration and/or management of personal and occupational pension schemes.

In writing: 10 South Colonnade, Canary Wharf, E14 4PU

By telephone: 0800 917 4487

Website: www.pensions-ombudsman.org.uk

The Financial Conduct Authority (FCA) - The FCA regulates the conduct of financial service firms and financial markets in the UK. The website provides advice and information to consumers in the avoidance of pension scams and includes a register members can check to find a suitably qualified independent financial advisor.

In writing: FCA Head Office, 12 Endeavor Square, London, E20 1JN

By telephone: 0800 111 6768

Website: <https://www.fca.org.uk/>

Summary of Key Projects Undertaken by the Pension Administration Team 2022/2023

Transition to i-Connect

i-Connect is a real-time data transfer solution for employers, streamlining data transfer to the Fund and reducing the costs and risks associated with manual data transfer and processing. The value of digital data transfer was recognised by the Fund from its inception and the COVID-19 pandemic increased the relevance of digital solutions. The team has worked hard to transition over the majority of Fund employers and make i-Connect the Fund's default data transfer method. The table below shows how i-Connect participation has increased amongst LGPS employers.

Date	31 March 2020	31 March 2021	31 March 2022	31 March 2023
Total employers onboarded out of total Fund employers	82/259	147/257	258/280	288/305
% of Fund employers onboarded*	32%	57%	92%	94%

**figures are rounded to the nearest whole number*

All new employers are now onboarded to i-Connect immediately upon entry to the Fund. The result is that data is received faster with higher levels of accuracy, ultimately representing better customer service outcomes for Buckinghamshire LGPS members. The onboarding project is now complete. Any ongoing onboarding will be considered business as usual.

The McCloud judgement

Following the high court ruling known as the McCloud Judgement, the government released a consultation proposing to remove age discrimination from the LGPS by extending the statutory underpin. To comply with the proposed regulations, Funds must gather certain membership data from employers, including those that have exited the LGPS. Much planning and preparation has been undertaken internally to prepare for the regulations which are expected to come into force from 1 October 2023. However, there has been a great deal of uncertainty due to delays with the regulations and guidance.

Our focus during 2020/2021 was to prepare employers for the historic data gathering exercise through regular communications. The government instructed Funds to begin collecting data in preparation for the implementation of the remedy. During 2021/2022 the Fund commenced data gathering, one to one training and tailored communications to assist employers. During 2022/2023 the Fund continued to gather data from employers and issued targeted communications to chase those we haven't received a response from. The team have also commenced initial data validation checks to ensure that the data is ready for upload.

The government responded to the 2020 consultation on 6 April 2023. The response included the qualifying criteria which has provided some assurance to the Fund that the data being collected is adequate to cover all those in scope for the regulations. A further consultation and draft regulations were issued on 30 May 2023.

Data Improvement Plan

Complete and accurate records are essential for adequate pension administration. Data accuracy reports are produced every September and presented to The Pensions Regulator (TPR). Common data are items specified as essential in TPR guidance, while there is a defined list for LGPS administrators. An updated plan is produced annually to continue improving data quality held by the Fund. During 2022/2023, the Pensions and Investments Team continued to work through identified data errors.

One of the key issues affecting data quality are records for deferred members where address details are missing. The issue occurs when individuals change address and do not inform us. The result is that they

lose track of their pensions. This is an issue commonly experienced by many pension Schemes, particularly since the advent of auto-enrolment. This year we have been working with an external company to trace deferred members who have not updated their new address which has helped to increase the quality of our data. More work will be undertaken during 2023/2024 to improve our data.

Progress since 2018 is shown in the table below.

Year	Common data	Scheme specific data
2018	91%	86%
2019	93%	95.1%
2020	95.1%	96%
2021	95.8%	97.86%
2022	96.2%	98.94%

Valuation 2022

During 2022/2023 the Fund actuary was instructed to carry out a fund valuation in line with statutory requirements. The aim of the valuation is principally to assess the health of the Fund as a whole and set employer contribution rates for the next three years. The role of the administration team is to ensure accurate data is transferred to the Fund actuary on time and to communicate results to employers. Initial preparatory work was undertaken during the final quarter of 2021/2022. The aim during this phase was to prepare employers for the forthcoming valuation year, to set expectations and raise awareness about the timeframes involved. Having undertaken adequate preparations, the Fund moved into the 'data' phase during the first quarter of 2022/2023. In this phase the team worked hard to cleanse and validate year-end data to ensure the data was transferred over to the actuary by 30 June 2022. The final phase of the project focused on communicating the results to employers, supporting them with interpreting the results, understand key methodologies, and implementing the revised contribution rates from 1 April 2023. The Pensions General Meeting was held in December providing employers with an opportunity to meet face to face to discuss their individual results with the Fund actuary. All project deadlines were met and the valuation project was complete by 31 March 2023.

Creation of new microsite

On 1 April 2020, Buckinghamshire Council (BC) replaced the four district councils and County Council. New branding and communication standards were issued, and the newly created centralised web team initiated a project to transition all legacy webpages to the unitary authority's single website. This presented the Fund with an opportunity to redesign our web offering and reimagine ways it could be used to enhance and improve communications. A high functioning website is important as: i) it is often the first point of contact we have with members, and ii) it has a wide reach, offering the potential to communicate simultaneously with a high proportion of fund membership.

Since 2020 we have been reviewing content in preparation for the migration which finally commenced in August 2022 and concluded in December 2022. Assisted by the web design team at Buckinghamshire Council, the new microsite, gps.buckinghamshire.gov.uk, went live in January 2023. Our objective was to create a site that was modern, easy to navigate, accessible, well-organised, and comprehensive. Pensions are a complex subject, and it was important to ensure the site was both engaging and easy to read. The structure of the website was designed to ensure that information was relevant for each category of member and logically located. In the first quarter of 2023, the website had 8,389 visits. We will also be looking at other developments in the future to enhance the web experience for our members.

Key Performance Data

Table 1: Case completion totals

Process	Cases total	Total cases complete	Percentage	Fund KPI target (Working days)	Percentage completed within fund KPI target*
Retirements	3580	3455	97%	20	98%
Deaths	1233	1134	92%	11	95%
Leavers	6101	5818	95%	10	89%
Refund (estimate & actuals)	4622	4425	96%	10	97%
Estimates	1131	1034	91%	10	99%
Divorce (estimates & actuals)	199	182	91%	10/20	97%
Additional Contributions	811	783	97%	10	99%
Member opt-outs	820	757	92%	10/20	99%
Transfers (quotes & actuals)	1495	1357	91%	30	98%
Interfund transfers	4233	3999	94%	30	96%
Aggregation (in-house)	4950	4601	93%	10	87%
New starters created	7274	7224	99%	10	98%
Changes (hours, member details, DG Noms)	722	718	99%	10	99%
Payroll set-ups	4344	4302	99%	5	98%
Payroll related tasks	2445	2374	97%	5/10	96%

The figures above are extracted from the pensions administration system (Altair). 'Cases total' includes those open at 31/3/2023 from the preceding year and those created during the year. 'Total cases complete' represents those of the 'Cases total' completed between 1 April 2022 and 31 March 2023. The figures above do not account for all queries received and dealt with by the Pensions and Investments Team, as there is not a singular figure available for quantifying general queries that are answered without the need to set up workflow.

* Time spent awaiting information from members or employers are excluded from the KPI completion statistics.

**Actual divorce cases commence when a Pension Sharing Order (PSO) is received. However, the PSO cannot be legally carried out by the Administering Authority until a Decree Absolute is issued by the Court which can cause considerable delay.

***Change tasks include hours changes for members subject to the underpin as well as changes in member's personal details. E.g. address changes, name changes and changes to death grant nominations. Changes the member has made via 'my pension online' are not included in this figure.

Staffing indicators

Table 2: LGPS administrative staff

Staffing (Full Time Equivalent)	31 March 2021	31 March 2022	31 March 2023
Management	2	2	2
Benefit Administration	23.6	29.6	28.6
Employer Liaison	7.6	7.6	7.6
IT/Systems	5	5	5
Pensioner Payroll	3	3	3
LGPS Technical officer	1	1	1
Subtotal	42.2	48.2	47.2
Non-LGPS admin. staff	0.9	0.9	0.9
Temporary agency staff	0	1	0
Total staff (FTE)*	43.1	49.1	48.1

Table 3: Staff : fund members ratio (based on total LGPS administration staff)

Membership type	31 March 2021	31 March 2022	31 March 2023
Active	1 : 593	1 : 536	1 : 545
Deferred	1 : 858	1 : 789	1 : 843
Pensioner	1 : 488	1 : 456	1 : 494
Total	1 : 1939	1 : 1780	1 : 1882

Table 4: Caseload analysis for 2022/2023

Cases open at beginning of year	2,395
New cases during year	61,030
Cases completed during year	60,769
Cases open at end of year	2,656
Average no. of workflow cases per FTE member of staff	1,344

The cases used in the above table are measured against the totals in table 1.

Capturing feedback

The Pensions and Investments Team proactively aim to assess satisfaction levels of our service users through capturing qualitative and quantitative feedback and to use this to inform on service improvement. Feedback is captured in a variety of ways to meet the needs of our customers. We have three main methods for assessing satisfaction levels:

The feedback inbox: pension.feedback@buckinghamshire.gov.uk

The aim of the feedback inbox is to provide an open invitation to all our service users, particularly Scheme members, to express their thoughts on any aspect of the service in an informal and qualitative way.

Citizenspace surveys

Since 2020/2021, we have used short digital surveys hosted by Citizenspace to capture feedback from members and employers about specific events such as newsletters and webinars.

Happy or not email surveys

While the inbox provided qualitative data, and Citizenspace is beneficial for consultations on specific events, we wanted to capture a higher volume of quantitative feedback to establish general levels of customer satisfaction from our day-to-day interactions. The Fund began rolling out Happy or Not, a

feedback capturing application in September 2022. Happy or Not is accessed via a widget at the end of emails to our customers, allowing them to instantly submit feedback about their experiences. They are presented with an image of 4 smiley faces representing 4 different expressions and asked, 'how would you rate our service today?'. They can then select the smiley which most accurately represents their feelings. They are then taken to another page in which they can provide more information about the reason for the selection. The surveys are distributed quickly and easily, are engaging for members and quick to complete. 941 surveys were completed between September 2022 and 31 March 2023 with 72% clicking a happy smiley.

Member webinars

Communication with new scheme members is important for maintaining membership levels and to raise awareness of time limits associated with refunds and transfers. We run a quarterly webinar specifically for new and prospective members entitled, 'An introduction to the LGPS'. The webinars are open to staff from all Fund employers. To ensure accessibility, webinar dates and times are rotated, including sessions during the school holidays. All those who have registered for a webinar have access to a recording of the event. To ensure the correct membership group receives an invite, recruitment for the event is carried out by employers. 4 sessions were held over 2022/2023 attended by a total of 226 members. At the end of each webinar, attendees are offered an opportunity to provide feedback on the session via the council's survey platform, citizenspace. The surveys revealed that satisfaction levels were high with 53% rating a webinar as 'excellent' and 45% rating a webinar as 'good'.

On 18 October 2022 we held our second annual webinar for active members, 'Buckinghamshire Pension Fund LIVE.' The event was attended by a total of 294 members with many more watching the recording after the event. The webinar provided a presentation with an accompanying chat Q&A which was facilitated by two pension officers. A total of 224 questions were asked and answered in the chat. Satisfaction levels of the event were assessed via a citizenspace survey. 60.34% of those who completed a survey rated it as 'excellent' and 37.93% rated it as 'good'

Employer webinars

Webinars are an important part of our communication with employers. They aim to provide training on a variety of topics while allowing employers to save on the costs associated with attending face to face training. Promotion for webinars is performed via our 'employer events and training webpage', In-Form and direct emailing. Employers that register for a webinar are also able to access a copy of the recording after the event ends. This year we delivered 5 employer webinars. The topics covered were ill-health retirement, final pay, APP (Assumed Pensionable Pay), using i-connect and the year-end process. Each session featured a presentation, a live Q&A and where appropriate, interactive exercises. Employers were asked to complete a short survey after the session to provide feedback on their experience. 60% rated a webinar as 'excellent' and 35% rated a webinar as 'good'.

Internal Dispute Resolution Procedure (IDRP)

The Local Government Pension Scheme (LGPS) operates a two-stage dispute procedure under Regulations 72 to 79 of the Local Government Pension Scheme Regulations 2013. The IDRP can be used by anyone who is, or has been in the last six months:

- An active scheme member
- A deferred scheme member
- A pension credit scheme member
- A pensioner scheme member
- A prospective scheme member (entitled worker either currently or in the future)
- A dependant scheme member including a civil partner, surviving spouse, cohabiting partner, as well as an adult or child dependent either receiving a pension or entitled to receive a pension

If there is a dispute about whether a person qualifies for one or more of these status', the IDRPs can be used to resolve it.

To commence a dispute using the IDRPs, the applicant must submit the stage one application within six months from the date they were provided with notice of the initial decision that they wish to appeal. The purpose of stage one is for the initial decision to be re-examined by whoever made the decision; this will be either the BPF or the Scheme employer. Each employer is asked to nominate a specified person to deal with IDRPs and any complaints against the Scheme employer will be directed to them. Where the complaint is against BPF, a specified person within BPF will respond to the IDRPs.

A stage two IDRPs application can begin in the following circumstances:

- It's within six months of the applicant receiving the stage one decision letter and they are unhappy with the adjudicator's decision
- The applicant has not received a decision or an interim letter from the adjudicator and it's been two months since the stage one IDRPs application was received
- The applicant received an interim letter from the adjudicator following the submission of their stage one IDRPs application, but it has been one month after the expected reply date given in the letter and the stage one decision has not been received

A stage two application will be dealt with by someone from BPF that was not involved in the initial decision. Where the stage one complaint was against the Scheme employer, the specified person within BPF or the Fund's legal advisor will undertake the stage two review. Where the stage one complaint was against the administering authority, the Fund's legal advisor is responsible for the stage two review.

If the applicant remains dissatisfied after progressing through stage two, they are entitled to seek remedy with the Pensions Ombudsman (TPO). They must do this within 3 years of the original decision being made and any decision made by TPO will be final and binding.

Table 9: Details of IDRPs cases 2022/2023

Area of complaint	Authority	Stage and Case description	Date of decision	Decision
Retirement	Administering Authority	Stage 1 - Member appealed against what they felt was a decision by the administering authority to award flexible retirement. However, it was the employer's decision and flexible retirements were not included in their discretionary policy. The member was also dissatisfied with estimates provided in error. An apology was offered however, there had been no financial impact on the member, therefore the appeal was not upheld.	April 2022	Declined
Ill-health retirement	Employing authority	Stage 1 - Member appealed against employer's decision not to award ill-health. A further IRMP review took place which resulted in the same outcome as the initial review. The appeal was therefore not upheld.	June 2022	Declined
Scheme membership	Employing authority	Stage 1 - Member appealed against information provided by the employer regarding opting back into the scheme. Investigation found no evidence incorrect advice had been provided.	October 2022	Declined

National Fraud Initiative

BPF participates in the National Fraud Initiative (NFI). The NFI is a data matching exercise carried out by the Cabinet Office to assist in the prevention and detection of fraud. The most common types of fraud identified by the NFI are pension, council tax and state benefit fraud. The cabinet office produces a biennial report comparing data held by DWP, local authorities and local authority pension Funds, highlighting possible data matches. No action was taken this year. The next NFI project is due to take place during 2023/2024.

Discretions

Scheme employers participating in the LGPS in England and Wales must formulate, publish and keep under review a statement of policy on all mandatory discretions (or where the discretion is non-mandatory, are recommended to), which they have the power to exercise in relation to members of the CARE Scheme and earlier schemes.

The six specific mandatory discretions stipulated in the LGPS regulations are:

- Whether to waive upon the voluntary early payment of benefits, any actuarial reduction on compassionate grounds or otherwise
- Whether, as the 85-year rule does not (other than on flexible retirement) automatically fully apply to members who would otherwise be subject to it and who choose to voluntarily draw their benefits on or after age 55 and before age 60, to switch the 85-year rule back on in full for such members
- Whether to permit flexible retirement for staff aged 55 or over who, with the agreement of the Scheme employer, reduce their working hours or grade
- Whether to waive all, or part of any actuarial reduction for members retiring before Normal Pension Age at full cost to the Scheme employer
- Whether, where an active member wishes to purchase extra annual pension of up to £7,352 (2022/2023) by making additional pension contributions (APCs), to voluntarily contribute towards the cost of purchasing that extra pension via a shared cost additional pension contribution (SCAPC)
- Whether, at full cost to the Scheme employer, to grant extra annual pension of up to £7,352 (2022/2023) to an active member or within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency

Table 10: Exercise of Employer discretions in 2022/2023

The following table summarises how the above discretions have been exercised for employer consent retirements in 2022/2023. The numbers in boxes correspond to the above discretions.

Employer discretion	Number
Early retirement with Employer's consent	0
Flexible retirement	31
Redundancy retirement	44
Contribute to shared cost APC	78
Grant additional pension	0
Waive any actuarial reductions	0

Employer Flexibilities

When an employer exits the Fund, a cessation valuation is carried out by the Fund actuary to assess the cost of any remaining liabilities. In most circumstances there will be a sum of money owed to the Fund known as an exit payment. Until recently, there was no alternative provided in the LGPS regulations to allow for any flexibility to meet this cost and the sum was due automatically to the Fund upon exit. In September 2020, the LGPS regulations were amended to include two further options for meeting this deficit that can be exercised at the Fund's discretion. These are:

- Whether to allow an exiting employer to meet the exit payment in instalments (Debt Spreading), or
- Whether to allow the employer to participate in the Fund as a 'deferred employer'. This would mean the employer continues to pay contributions as determined by the actuary to the Fund until their liabilities are met.

The Fund's policy on exercising these discretions can be found in the [Funding Strategy Statement](#). During 2022/2023, the Fund exercised their discretion regarding employer flexibilities in respect of one exiting employer by entering into a Deferred Debt Arrangement.

Fund participation data

Table 11: Five-year analysis of the Fund's membership data at 31 March 2022

Composition of Membership	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Active	24,141	24,489	25,406	25,729	25,127
Deferred	28,991	29,936	30,881	32,234	33,078
Pensioner	17,117	17,920	18,509	19,320	20,006
Dependant	2,294	2,370	2,508	2,662	2,762
Frozen Refund	3,877	4,330	4,690	5,272	5,230
Undecided Leaver	1,258	1,729	1,388	592	566
Total	77,678	80,774	83,382	85,809	86,769

Table 12: Five-year analysis of retirement type for new pensioners.

Type of retirement	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Early retirement	853	815	707	772	450
Normal retirement	78	187	4	45	482
Late retirement	134	91	253	326	200
Ill health retirement	24	25	16	24	25
Total	1,089	1,118	980	1,167	1,157

Table 13: Summary of the number of employers in the Fund as at 31 March 2023

	Active	Ceased	Total
Scheduled Body	233	65	298
Admitted Body	72	113	185
Total	305	178	483

Value for money statement

To ensure effective administration services the Fund is monitored via internal and external audits. We undertake internal benchmarking to ensure we are delivering value for money year on year, while ensuring we are resourced sufficiently to deal with the ever-increasing demands of pension administration.

The Fund's total membership increased from 85,809 in 2021/22 to 86,773 in 2022/23, an increase of 1.12%. The total cost per member increased from £27.93 in 2022 to £31.17, an increase of 11.6%. On 1 April 2022 there were 2,395 administration workflow cases open. During 2022/23, a further 61,030 administration cases were received. In total, 60,769 cases were completed throughout the year, with 2,656 cases open at 31 March 2023. Of the open cases, 1,746 (68%) were waiting for information from either Scheme members or employers in order for processing to take place.

Our corporate Key Performance Indicator is to complete 90% of daily workflow procedures for high priority areas. These include retirements, deaths, refunds and annual allowance calculations. For each quarter in 2022/23 the following completion rates were achieved:

Table 13: Task completion rates by quarter

Quarter 1	97.17%
Quarter 2	97.87%
Quarter 3	96.13%
Quarter 4	97.38%

Financial Performance

Table 1: Three year forecast of income and expenditure

Fund Account	2022/2023 Forecast £000	2022 /2023 Actual £000	2023/2024 Forecast £000	2024/2025 Forecast £000	2025/2026 Forecast £000
Contributions	(156,084)	(165,962)	(176,750)	(185,587)	(190,227)
Transfers in	(15,500)	(23,159)	(17,500)	(17,500)	(17,500)
Other Income	(150)	(350)	(150)	(150)	(150)
Total Income	(171,734)	(189,471)	(194,400)	(203,237)	(207,877)
Benefits payable	131,487	132,500	142,438	148,277	154,357
Transfers out	12,500	19,824	15,000	15,000	15,000
Total Benefits	143,987	152,324	157,438	163,277	169,357
Surplus of Contributions over Benefits	(27,747)	(37,147)	(36,962)	(39,960)	(38,520)
Management Expenses	17,393	5,991	6,380	6,604	6,769
Total Income less Expenditure	10,354	(31,156)	(30,582)	(33,356)	(31,751)
Investment income	(11,500)	(14,581)	(12,500)	(12,500)	(12,500)
Taxes on income	-	-	-	-	-
Change in market value of investments	(132,300)	180,655	(138,915)	(145,861)	(153,154)
Net return on investments	(143,800)	166,074	(151,415)	(158,361)	(165,654)
Net (increase)/decrease in the Fund	(133,446)	134,918	(181,997)	(191,717)	(197,405)

Table 2: Future assumed return (based on the 2022 valuation)

Future assumed returns	2022
Equities	6.7%
Gilts	1.7%
Bonds	2.6%
Absolute Return Fund	5.50%
Cash	0.30%
Property	6.10%

Table 3: Budget vs Outturn report on the management expenses to the Fund

	2021/2022 Forecast £000	2021/2022 Actual £000	2022/2023 Forecast £000	2022/2023 Actual £000
Administrative Costs				
Staffing costs	1,857	1,665	1,851	1,822
Transport	3	0	3	1
Supplies and Services	579	592	837	879
Support Services	160	101	79	99
Income	-6	-3	-6	-9
Subtotal	2,593	2,355	2,764	2,792
Investment Management Expenses				
Supplies and Services	15,000	15,507	17,000	18,309
Subtotal	15,000	15,507	17,000	18,309
Oversight and governance costs				
Staffing costs	300	298	257	235
Transport	2	0	2	0
Supplies and Services	398	413	459	476
Support Services	25	16	16	8
Subtotal	725	726	734	719
Total	18,318	18,211	20,498	21,820

Table 4: Net Investment statement

Net Investment Statement	2022/2023 Forecast £000	2022/2023 Actual £000
Long Term Investments	840	840
Equities		169
Other Pooled Investments	822,746	841,253
Pooled Equities	2,078,325	1,894,530
Pooled Bonds	943,791	706,509
Pooled Property	258,636	209,235
Cash and Other	70,000	69,191
Net investment assets	4,174,338	3,721,727

Table 5: Movement in Assets and Liabilities

Movement in Assets & Liabilities	2022/2023 Forecast	2022/2023 Actual
Surplus of Contributions over Benefits	27,747	37,147
Management Expenses	(6,500)	(5,991)
Returns on Investments	143,800	(166,074)
Net increase in the net assets available for benefits during the year	165,047	(134,918)

Table 6 Five-year analysis of pension overpayments, recoveries and any amounts written off

Year	Payments received for overpayments made £000	Total money recovered from monthly pension payments £000	Total overpayments recovered £000	Total overpayments written off £000	Total overpayments £000
2018/2019	236	17	253	8	261
2019/2020	36	20	56	6	62
2020/2021	109	16	125	7	132
2021/2022	30	20	50	6	56
2022/2023	23	10	33	10	23

Employee Contributions

Employers are responsible for paying over employee contributions on a monthly basis to the Fund. The total value of Employee contributions received from **1 April 2022 to 31 March 2023 (£000)**:

An analysis of amounts due to the Fund from Employers

The total value of Employer contributions received from **1 April 2022 to 31 March 2023 (£000)**:

Table 7: Analysis of the timeliness of receipt of contributions.

	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Number of payments received	2,757	3,039	3,432	3,321	3,751
Number of payments late	115	145	222	204	252
Percentage of payments received late	4.17%	4.77%	6.47%	6.14%	13.64%
Percentage of payments received on time	95.83%	95.23%	93.53%	93.86%	86.36%

Table 8: Age of overdue contributions 2022/2023

Length of overdue payments	Number
1-10 days late	109
11-30 days late	26
1-3 months late	48
4-7 months late	43
8-11 months	11
Total	237

During 2022/2023, the Fund did not exercise its discretion to levy interest on overdue contributions.

Table 9: Average Employer and Employee contributions received from 1 April 2022 to 31 March 2023

Employer	Employer's contribution	Average employee's contribution
Abbey View Primary Academy	22.9%	5.5%
Acorn Early Years (F&W)	20.1%	5.3%
Acorn Early Years (P&F)	20.1%	5.3%
Action for Children Services Ltd	22.6%	6.5%
Alfriston School	22.9%	6.1%
Alliance in Partnership (BPS)	16.0%	3.5%
Alliance in Partnership (Buckingham Park)	16.0%	5.5%
Ambassador Theatre Group	36.1%	6.5%
Amersham School	22.9%	5.7%
Amersham Town Council	25.1%	6.3%
Ashbrook School	22.0%	5.5%
Ashridge Security Management Ltd	24.4%	5.6%
Aspen Services Ltd (MK Academy)	28.8%	5.6%
Aspen Services Ltd (SWR)	24.0%	6.0%
Aspens Services Ltd (PRS)	27.5%	5.7%
Aspire Schools	22.9%	6.3%
Aston Clinton Parish Council	25.1%	6.1%
Avalon Cleaning Services	35.3%	5.5%
Aylesbury Grammar School	22.9%	6.3%
Aylesbury High School	22.9%	6.3%
Aylesbury Town Council	25.1%	6.8%
Aylesbury Vale Academy	22.9%	5.9%
Beaconsfield High School	22.9%	6.2%
Beaconsfield School, The	22.9%	6.1%
Beaconsfield Town Council	25.1%	6.5%
Bearbrook School	22.9%	5.7%
Bedgrove Infant School	24.0%	5.6%
Bedgrove Junior School	22.9%	5.8%
Beechview Academy	22.9%	5.7%
Birkin Cleaning Services Ltd (Lord Grey Academy)	27.4%	5.5%
Birkin Cleaning Services Ltd (Shenley Brook End School)	28.8%	5.5%
BLEP (Buckinghamshire Local Enterprise Partnership)	22.7%	10.5%
Bletchley/Fenny Stratford Town Council	25.1%	6.8%
Bourne End Academy E-Act	22.9%	6.0%
Bourton Meadow Academy	22.9%	5.4%
Bow Brickhill Parish Council	23.8%	5.5%
Bradwell Parish Council	22.3%	6.0%
Bridge Academy	22.0%	5.8%
Brill CofE School	22.9%	5.6%
Brookmead Combined School	22.3%	5.7%
Brookswald School	21.4%	5.0%
Broughton & Milton Keynes Parish Council	22.3%	5.8%
Brushwood Junior School	22.7%	5.9%
Buckingham Park PC	23.8%	5.7%
Buckingham Town Council	25.1%	5.9%
Buckinghamshire College Group	22.9%	6.2%
Buckinghamshire Council	25.7%	6.7%
Buckinghamshire UTC	20.3%	5.6%
Bucks CC Schools Strict Ed	25.7%	5.9%

Bucks County Museum Trust	23.0%	6.0%
Bucks MK Fire Authority	17.4%	7.0%
Bucks Music Trust	17.1%	7.0%
Bucks New University	21.0%	7.1%
Burnham Grammar School	22.9%	6.2%
Burnham Parish Council	25.1%	7.2%
Bushfield School	21.7%	5.8%
Busy Bee Cleaning Services Ltd (BC)	28.2%	5.5%
Busy Bee Cleaning Services Ltd (replacing Derwent)	30.3%	5.5%
Busy Bee Cleaning Services Ltd (Walton High)	30.4%	5.6%
Campbell Park Parish Council	18.8%	4.9%
Campfire Education Trust	23.0%	7.4%
Castlefield School	27.8%	6.0%
Caterlink (Chiltern Hills)	18.5%	5.5%
Chalfont St Giles Parish Council	25.1%	6.5%
Chalfont St Peter CofE Academy	22.9%	5.8%
Chalfont St Peter Parish Council	25.1%	6.5%
Chalfont Valley E-ACT Primary Academy	22.9%	5.7%
Chalfonts Community College	22.9%	6.1%
Charles Warren Academy	22.0%	5.6%
Chepping View Primary Academy	22.9%	5.5%
Chepping Wycombe Parish Council	25.1%	6.1%
Chesham Bois Combined	22.9%	5.7%
Chesham Bois Parish Council	25.1%	5.8%
Chesham Grammar School - Inc Red Kite Trust	22.9%	6.2%
Chesham Town Council	25.1%	6.3%
Chestnuts Academy	22.0%	5.6%
Chiltern Conservation Board	17.1%	6.2%
Chiltern Hills Academy	22.9%	6.0%
Chiltern Rangers CIC	19.9%	6.6%
Chiltern Way Academy	22.9%	6.3%
Christ the Sower Ecumenical Primary School	22.0%	5.7%
Cleantec Services (Denham Green School)	32.1%	5.8%
Cleantec Services (Oakgrove School)	32.2%	5.5%
Cleantec Services (Radcliffe School)	26.7%	5.5%
Coldharbour Parish Council	22.3%	6.0%
Cottesloe School	25.9%	6.0%
CS Cleaning (MK) Ltd - Summerfield Junior School	25.9%	6.6%
C-Salt (Woughton Leisure Centre)	22.0%	5.5%
Cucina Restaurants Ltd (Denbigh)	30.3%	5.8%
Cucina Restaurants Ltd (Lord Grey)	30.1%	5.6%
Cucina Restaurants Ltd (Shenley Brook End Sch)	32.4%	5.3%
Cucina Restaurants Ltd (Stantonbury School)	31.3%	5.5%
Cucina Restaurants Ltd (Walton High)	20.5%	5.6%
Curzon C of E	23.0%	5.7%
Danesfield School	23.1%	5.7%
Denbigh School	22.0%	6.0%
Denham Green E-ACT Primary Academy	22.9%	5.6%
Dorney School	22.9%	5.7%
Downley Parish Council	22.8%	5.9%
Dr Challoner's Grammar School	22.9%	5.9%
Dr Challoner's High School	22.9%	5.5%
Eaton mill Day Nursery & Out of School Day care	21.0%	7.3%
Edlesborough School	23.0%	5.7%

Elmhurst School	22.9%	5.7%
Elmtree Infant & Nursery School	23.0%	5.6%
EMLC Academy Trust	22.0%	7.2%
Everyone Active Ltd	27.6%	5.5%
Excelcare	32.0%	6.2%
Fairfields Primary	22.0%	5.3%
Fresh Start Catering Ltd (Lace Hill)	20.9%	5.7%
Fresh Start Catering Ltd (CtSEPS)	23.0%	6.4%
Fujitsu (TVP)	23.2%	6.4%
George Grenville Academy	22.9%	5.4%
Gerrards Cross CE School	22.9%	5.6%
Gerrards Cross Town Council	25.1%	7.8%
Glastonbury Thorn First School	20.7%	5.8%
Glebe Farm School	23.0%	6.1%
Great Horwood	22.9%	5.4%
Great Kimble C of E	22.9%	5.5%
Great Kingshill C of E	22.9%	5.7%
Great Marlow Parish Council	23.8%	5.5%
Great Marlow School	22.9%	6.2%
Great Missenden CoE Combined School + GLT	22.9%	5.8%
Great Missenden Parish Council	23.7%	5.9%
Green Park School	20.6%	5.0%
Green Ridge Primary Academy	22.9%	5.8%
Greenleys Junior School	22.0%	5.6%
Hambleden Parish Council	25.1%	5.7%
Hamilton Academy	23.0%	5.9%
Hanslope Parish Council	22.3%	5.4%
Hazeley Academy	22.0%	5.8%
Hazlemere Parish Council	25.1%	7.2%
Heritage Care Ltd - (Now Ambient Support Ltd)	26.8%	6.1%
Heronsgate School	22.0%	5.5%
Heronshaw Academy	22.0%	5.4%
Highcrest Academy	22.9%	6.2%
Hightown Housing Association	46.6%	6.5%
Holmer Green Senior School	22.9%	6.2%
Holmwood School	22.0%	5.4%
Holne Chase Primary	23.0%	5.7%
Hughenden Parish Council	23.8%	13.3%
Ickford Learning Trust - Ickford School	22.9%	5.7%
ICTS (UK) Ltd	26.8%	8.4%
Innovate - Oakgrove	28.0%	9.0%
Innovate Ltd	18.3%	6.5%
Innovate Ltd - Buckingham School	18.4%	6.0%
Innovate Ltd - Princes Risborough	12.0%	2.4%
Insignis Academy Trust	23.0%	6.9%
Inspiring Futures	22.0%	7.0%
Inspiring Futures Partnership Trust	23.0%	6.1%
Iver Parish Council	25.1%	6.1%
Ivinghoe Parish Council	22.3%	5.5%
Ivingswood Academy	22.9%	5.7%
John Colet School	22.9%	6.0%
John Hampden Grammar School	22.9%	6.1%
Jubilee Wood Primary	22.0%	5.6%
Kents Hill & Monkston PC	22.3%	6.0%

Kents Hill Park School	22.0%	5.6%
Kents Hill School	22.0%	5.5%
Kids Play Childcare	58.6%	6.1%
Kingsbridge Education Trust	22.0%	7.4%
Kingsbrook View Primary Academy	23.0%	5.5%
Knowles Primary Academy	22.0%	5.5%
Lace Hill Academy	22.9%	5.4%
Lane End Parish Council	25.1%	6.5%
Langland Community School	23.0%	5.8%
Lent Rise Combined School	22.9%	5.4%
Little Marlow Parish Council	25.1%	5.8%
Little Missenden Parish Council	22.3%	5.8%
Longwick Academy	23.0%	5.5%
Lord Grey School	22.0%	5.8%
Loudwater Combined School	26.0%	5.6%
Loughton & Great Holm Parish Council	25.1%	6.5%
Loughton School	23.0%	5.8%
Mandeville Secondary School	23.0%	5.9%
Manor Farm Junior	22.1%	5.5%
Manpower Direct Ltd	36.6%	6.5%
Marlow Bottom Parish Council	23.8%	4.5%
Marlow Town Council	25.1%	6.3%
May Harris Multi Services	26.9%	5.5%
Mears Group plc	21.0%	5.8%
Mentmore Parish Council	22.3%	5.2%
Middleton Primary School	22.0%	5.6%
Milton Keynes Academy	22.0%	6.1%
Milton Keynes College	19.3%	6.5%
Milton Keynes Council	18.8%	6.0%
Milton Keynes Council - Strictly Education	21.6%	5.8%
Milton Keynes Development Partnership (MKDP)	17.7%	9.4%
Misbourne Academy (School)	22.9%	6.1%
Monitor Services Ltd	31.0%	6.5%
Monkston Primary Academy	22.0%	5.6%
Moorland Primary Academy	22.0%	5.5%
New Bradwell Academy	22.0%	5.5%
New Bradwell Parish Council	22.3%	5.4%
New Chapter School (MKET)	22.0%	5.7%
Newport Pagnell Town Council	25.1%	7.7%
Newton Longville Parish Council	22.3%	5.4%
Oakgrove School	22.0%	5.7%
Olney Infant Academy	22.0%	5.5%
Olney Middle School (Academy)	22.0%	5.5%
Olney Town Council	25.1%	6.1%
Orchard Academy	22.0%	5.5%
Our Lady's Roman Catholic	23.0%	5.6%
Ousedale School	22.0%	5.6%
Overstone Combined School	25.6%	5.7%
Oxford Diocese	22.9%	7.2%
Oxford Health NHS Foundation Trust (OBMH)	18.0%	7.2%
Oxley Park Academy	22.0%	5.7%
Pace Security Ltd (Milton Keynes College)	27.0%	6.1%
Padbury C of E School	22.9%	5.6%
Penn Parish Council	22.3%	5.5%

Piddington and Wheeler End Parish Council	25.1%	5.5%
Pioneer Secondary Academy (Previously Khalsa)	22.9%	6.1%
Places for People Leisure (Newp TC)	23.1%	5.5%
Places for People Leisure (WDC)	25.6%	5.8%
Police and Crime Commissioner for Thames Valley	16.6%	7.5%
Police Superintendents' Association	16.6%	6.8%
Portfields Combined School	18.8%	5.9%
Premier Academy, The	22.0%	6.0%
Princes Risborough Primary School	22.9%	5.7%
Princes Risborough School	22.9%	9.8%
Princes Risborough Town Council	25.1%	0.8%
Priory Rise School	21.0%	19.2%
Profile Security Services Ltd	25.8%	7.4%
Radcliffe School	21.6%	7.7%
Rapid Clean (BC Stokenchurch)	26.2%	5.5%
Rapid Clean (MK Redway School)	20.6%	4.7%
Red Kite Community Housing	21.9%	6.8%
Rickley Park Primary School	22.0%	5.5%
Ringway Infrastructure Services Limited (MK)	22.8%	7.4%
Ringway Jacobs (BUCKS)	21.4%	8.0%
RM Education	19.6%	6.8%
Royal Grammar School	22.9%	6.4%
Royal Latin School	22.9%	6.0%
Sasse Facilities Management Ltd	31.6%	5.8%
Seer Green CE Combined School	22.9%	5.6%
SERCO (MKC Recreation & Maintenance)	26.2%	6.1%
SERCO (MKC)	22.4%	6.0%
Shenley Brook End & Tattenhoe Parish Council	25.1%	6.7%
Shenley Brook End School	22.0%	5.7%
Shenley Church End Parish Council	25.1%	6.2%
Shepherdswell Academy	22.0%	5.2%
Sir Henry Floyd Grammar School	22.9%	5.8%
Sir Herbert Leon Academy	22.0%	6.0%
Sir Thomas Fremantle Secondary School	22.9%	6.1%
Sir William Borlase's Grammar School	22.9%	6.0%
Sir William Ramsay School	22.9%	6.0%
Slapton Parish Council	23.8%	5.5%
Southwood Middle School	21.0%	5.9%
Sports Leisure Management (SLM)	27.0%	5.9%
St Edward's Catholic Junior School	23.0%	5.7%
St Johns C of E Combined	22.9%	5.6%
St Josephs Catholic	23.0%	5.8%
St Joseph's Roman Catholic	23.0%	5.7%
St Louis Catholic Primary School	23.0%	5.6%
St Mary & St Giles CofE School	23.0%	5.9%
St Mary's C of E	22.9%	5.7%
St Nicolas' CE Combined School Taplow	22.9%	5.7%
St Paul's Catholic School	21.2%	6.2%
St Peters Roman	23.0%	5.7%
Stanton School	20.8%	5.9%
Stantonbury Parish Council	25.1%	6.3%
Stantonbury School	22.0%	5.8%
Stephenson Academy	22.0%	6.1%
Stony Stratford Town Council	25.1%	6.9%

Taplow Parish Council	22.3%	5.2%
TGC Facility Services Ltd (Bierton School)	20.4%	5.5%
Thames Valley Police	16.6%	6.8%
The Kingsbrook School	21.0%	5.4%
The Meadows School	22.9%	5.6%
The Pantry UK (Chestnuts PA)	29.3%	5.0%
The Pantry UK (Chiltern Hills)	20.6%	5.5%
The Pantry UK (Two Mile Ash)	26.5%	5.3%
Turn IT On Ltd (SWR)	22.9%	5.3%
Two Mile Ash School	26.7%	6.5%
VAHT - Now Fairhive Homes Ltd	24.4%	6.7%
Waddesdon C of E School	22.0%	5.6%
Waddesdon Parish Council	23.1%	7.4%
Walton High	22.9%	6.0%
Water Hall Primary	22.3%	6.2%
Waterside Combined	22.0%	6.0%
Watling Academy	22.0%	5.5%
Wendover Parish Council	22.9%	5.7%
West Bletchley Council	23.0%	6.1%
West Wycombe Combined School	25.1%	6.5%
West Wycombe Parish Council	25.1%	6.8%
Weston Turville Parish Council	23.0%	5.8%
Whitehouse Primary School	25.1%	5.5%
Winslow Town Council	22.3%	6.1%
Woburn Sands Town Council	22.0%	5.6%
Wolverton and Greenleys Town Council	25.1%	6.3%
Wolverton and Watling Way Pools Trust	25.1%	6.5%
Wooburn and Bourne End Parish Council	25.1%	6.3%
Woodside Junior School	17.6%	7.0%
Woughton Community Council	25.1%	6.6%
Wycombe Heritage & Arts Trust	22.9%	5.6%
Wycombe High School	23.6%	6.0%
Wyvern School	15.7%	5.4%

Actuary's Statement - 31 March 2022

Introduction

The last full triennial valuation of the Buckinghamshire Pension Fund (the Fund) was carried out as at 31 March 2022 as required under Regulation 62 of the Local Government Pension Scheme Regulations 2013 (the Regulations) and in accordance with the Funding Strategy Statement of the Fund. The results were published in the triennial valuation report dated 31 March 2023.

Asset value and funding level

The results for the Fund at 31 March 2022 were as follows:

- The value of the Fund's assets as at 31 March 2022 used for valuation purposes was £3.85bn.
- The Fund had a funding level of 104% i.e. the assets were 104% of the value that they would have needed to be to pay for the benefits accrued to that date, based on the assumptions used. This corresponded to a surplus of £137m.

Contribution rates

The employer contribution rates, in addition to those paid by the members of the Fund, are set to be sufficient to meet:

- The annual accrual of benefits allowing for future pay increases and increases to pensions in payment when these fall due;
- plus an amount to reflect each participating employer's notional share of the Fund's assets compared with 100% of their liabilities in the Fund, in respect of service to the valuation date.

The primary rate of contribution on a whole Fund level was 19.7% of payroll p.a. The primary rate as defined by Regulation 62(5) is the employer's share of the cost of benefits accruing in each of the three years beginning 1 April 2023.

In addition, further "secondary" contributions were required in order to pay off the Fund's deficit by no more than 11 years with effect from the 2022 valuation. This secondary rate is based on each employer's particular circumstances and so individual adjustments are made for each employer. The total secondary contributions payable by all employers, present in the Fund as at 31 March 2022, over the three years to 31 March 2023 was estimated to be as follows:

Secondary Contributions	2020/2021	2021/2022	2022/2023
Total as a % of payroll	1.6%	1.5%	1.3%
Equivalent to total monetary amounts of	£8.9m	£8.4m	£7.9m

In practice, each employer was assessed individually in setting the minimum contributions due from them over the inter-valuation period. Details of each employer's contribution rate are contained in the Rates and Adjustments Certificate in the triennial valuation report.

Assumptions

The key assumptions used to value the liabilities at 31 March 2022 are summarised below:

Assumptions	Assumptions used for the 2022 valuation
Financial assumptions	
CPI inflation	2.9% p.a.
Long-term salary increases	3.9% p.a.
Discount rate	4.6% p.a.
Demographic assumptions	
Post-retirement mortality	Male/Female
Member base tables	S3PA
Member mortality multiplier	110%/95%
Dependent base tables	S3DA
Dependent mortality multiplier	110%/95%
Projection model	CMI 2021
Long-term rate of improvement	1.25% pa
Smoothing parameter	7.0
Initial addition to improvements	0% pa
2020/2021 weighting parameter	5%

The mortality assumptions translate to life expectancies as follows:

Assumed life expectancies at age 65:	
Average life expectancy for current pensioners- men currently age 65	21.0 years
Average life expectancy for current pensioners- women currently age 65	23.8 years
Average life expectancy for future pensioners – men currently age 45	22.3 years
Average life expectancy for future pensioners- women currently age 45	25.2 years

Full details of the demographic and other assumptions adopted as well as details of the derivation of the financial assumptions used can be found in the 2022 valuation report.

Updated position since the 2022 valuation

Assets

Returns over the year to 31 March 2023 have been low, particularly in the first quarter. As at 31 March 2023, in market value terms, the Fund assets were less than they were projected to be at the previous valuation.

Liabilities

The key assumption which has the greatest impact on the valuation of liabilities is the real discount rate (the discount rate relative to CPI inflation) – the higher the real discount rate the lower the value of liabilities. As at 31 March 2023, the real discount rate is estimated to be higher than at the 2022 valuation due to a reduction in the long term rate of inflation from 31 March 2023 onwards.

The value of liabilities will have increased due to the accrual of new benefits net of benefits paid. In addition, benefits will increase by 10.1% in line with the 2023 LGPS pension increase which is higher than the pension increase assumed at the previous valuation.

Overall position

On balance, we estimate that the funding position has slightly weakened when compared on a consistent basis to 31 March 2022.

The change in the real discount rate since 31 March 2022 is likely to place a lower value on the cost of future accrual which results in lower primary contribution rates. The impact on secondary contributions will vary by employer.

The next formal valuation will be carried out as at 31 March 2025 with new contribution rates set from 1 April 2026. As part of the 2025 valuation, the Fund and us as the Fund Actuary will work together in setting the assumptions for the valuation.

Graeme D Muir, FFA
Partner, Barnett Waddingham

Investment Policy and Performance Report

The target asset allocation and actual asset allocation at the beginning and end of the 2022/2023 financial year are shown in the table below.

Table 1: Asset Allocation

	Target % 31 March 2022	Actual % 31 March 2022	Target % 31 March 2023	Actual % 31 March 2023
Overseas Equities	50.0	50.0	50.0	50.9
Bonds	25.0	24.0	23.5	19.0
Alternatives	19.0	16.0	20.5	22.6
Property	6.0	7.0	6.0	6.5
Cash	0.0	3.0	0.0	1.0
Total	100.0	100.0	100.0	100.0

A strategic review of asset allocation, in July 2023, showed that the overall risk factor (standard deviation) for the Fund was 13.8%. The next strategic review of asset allocation is due in 2026 following the outcome of the 31 March 2025 triennial valuation. Interim strategy reviews can be taken if required.

The Fund's Investment Strategy Statement sets out the principles that will guide the Committee when making decisions about the investment of the Fund's assets.

Investment Administration

The Fund's assets are managed by external fund managers. The Funding plan adopted in assessing the contributions for each individual employer is in accordance with the Funding Strategy Statement (FSS).

The asset value of the Buckinghamshire Pension Fund at the end March 2023 was £3.702 billion. In the year to 31 March 2023 the annual return was -5.1% compared to the benchmark return of -4.4%, an underperformance of -0.7%.

In the three years to 31 March, the Fund achieved a return of 8.8%, an annual underperformance of -0.2% compared to its 8.2% benchmark for that period.

Annual performance and three-year performance is analysed by portfolio in the following table:

Table 2: Investments' Annual and Three-Year Performance

Assets Category	Annual Performance					Three-Year		
	Opening Value £m	Closing Value £m	Net Performance %	Benchmark %	Net Relative Return %	Net Performance %	Benchmark %	Net Relative Return %
Asset Pool Managed Investments								
Active Emerging Market Equity	175	166	-5.1	-4.4	-0.7	7.1	8.4	-1.3
Active Global High Alpha Equity	628	631	0.4	-0.5	0.9	17.9	17.1	0.8
Active Low Volatility Global Equity	289	272	1.1	-0.9	2.0	12.1	16.0	-3.9
Active Global Small Cap Equity	184	180	-2.8	-3.0	-0.2	-	-	-
Passive Developed Global Listed Equity	671	646	-0.6	-0.6	0.0	16.7	16.8	-0.1
Listed Sterling Corporate Bonds	399	357	-10.7	-10.2	-0.5	-	-	-
Passive Index Linked Gilts greater than 5 years	386	310	-30.4	-30.4	0.0	-	-	-
Multi-Asset Credit	359	347	-3.4	6.4	-9.8	-	-	-
Brunel UK Property	272	240	-11.4	-14.4	3.0	2.7	1.4	1.3
Private Debt	22	74	-	-	-	-	-	-
Unlisted Equity	66	100	-	-	-	-	-	-
Infrastructure	118	248	-	-	-	-	-	-
Total Asset Pool	3,569	3,571						
Non-Asset Pool Managed Investments								
LGIM – Passive Listed Corporate Bonds	134	40	-10.2	-10.2	0.0	-2.9	-2.9	0.0
Pantheon - Unlisted Equity	84	64	-	-	-	-	-	-
Partners - Unlisted Equity	11	8	-	-	-	-	-	-
Cash	104	38	-	-	-	-	-	-
Total Non-Asset Pool	333	150						
Total Fund	3,902	3,721	7.0	7.7	-0.7	8.7	8.8	-0.1

The table below shows the Fund’s investment performance over historical periods to 31 March 2023 compared to the Fund’s investment benchmark.

Table 3: Investment Performance

	1 year %	3 years %	5 years %
Buckinghamshire Pension Fund	-5.1	8.0	5.3
Strategic Benchmark	-4.4	8.2	5.6
Relative	-0.7	-0.2	-0.3

The Local Government Pension Scheme (LGPS) Code of Transparency

The LGPS Scheme Advisory Board in England and Wales launched a Code of Transparency in May 2017, publishing a cost template that would allow pension funds to gather cost information for listed investment assets in a consistent manner. Since then, the Financial Conduct Authority has set up a new organisation, The Cost Transparency Initiative, to take forward the work of standardising cost disclosure across the investment industry. The Fund is a strong supporter of the work carried out to date on cost transparency and has encouraged all of its investment managers to sign up to the LGPS Code of Transparency. The Fund has engaged with managers of the Direct Investment Portfolio to encourage them to complete the cost template relevant to their asset class.

The cost transparency table for 2022/2023, provided by the Fund manager, is displayed below.

Fund manager	Management Fees	Third Party Fees	Total Fees
Brunel Pension Partnership	10,582,661	13,429,489	24,012,150
Partners Group	1,060,347	273,383	1,333,730
Pantheon	-408,418	126,067	-282,351
Total	11,234,590	13,828,939	25,063,529

Investment Pooling Report

In 2015 the Department of Communities and Local Government (as it then was) issued LGPS: Investment Reform Criteria and Guidance which set out how the Government expected funds to establish asset pooling arrangements. The objective was to deliver:

- Benefits of scale
- Strong governance and decision making.
- Reduced costs and excellent value for money, and
- An improved capacity and capability to invest in infrastructure.

It should be noted that the responsibility for determining asset allocations and the investment strategy remains with the individual pension funds.

As a result of the investment pooling agenda, the Buckinghamshire Pension Fund joined with nine other LGPS administering authorities to set up the Brunel Pension Partnership. Buckinghamshire County Council, the Administering Authority at the time, approved the business case in February 2017, based on an estimated potential fee savings of £550 million over a 20-year period across the ten funds. From 1 April 2020, the four District Councils and the County Council serving Buckinghamshire residents were replaced by the new Buckinghamshire Council.

The financial model estimated that net cumulative savings of £122.3m could be achieved by 2035/36 for the Buckinghamshire Pension Fund, with a breakeven point during the 2020/2021 financial year.

The expected cost and savings for the Buckinghamshire Pension Fund, as per the original business case approved in February 2017, and then submitted to Government, are set out in the following tables.

Buckinghamshire Pension Fund Expected Costs and Savings from Pooling

(As per Business Case Submissions)

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£000	£000	£000	£000	£000	£000
Set up cost	117	1,060				
Ongoing Brunel Costs			473	617	637	657
Client Savings			(385)	(397)	(409)	(421)
Transition Costs			1,152	1,945	10	
Fee Savings			(137)	(1,723)	(3,173)	(3,995)
Net Costs/realised savings	117	1,060	1,102	443	(2,935)	(3,758)

	2022/23	2023/24	2024/25	2025/26	2026-2036	Totals
	£000	£000	£000	£000	£000	£000
Set Up Cost						1,177
Ongoing Brunel Costs	679	701	724	747	8,952	14,185
Client Savings	(433)	(446)	(460)	(474)	(5,593)	(9,017)
Transition Costs						3,108
Fee Savings	(4,914)	(5,900)	(6,316)	(6,754)	(98,820)	(131,732)
Net Costs/Realised Savings	(4,668)	(5,646)	(6,053)	(6,481)	(95,461)	(122,279)

Following approval of the business case, the Brunel Pension Partnership Ltd (Brunel) was established in July 2017, as a company wholly owned by the Administering Authorities (in equal shares) that participate in the pool. The company is authorised by the Financial Conduct Authority (FCA). It is responsible for implementing the detailed Strategic Asset Allocations of the participating funds by investing Funds' assets within defined outcome focussed investment portfolios. In particular, it researches and selects the external managers or pooled funds needed to meet the investment objective of each portfolio.

The Buckinghamshire Pension Fund monitors the financial performance of the pool to ensure that Brunel is delivering on the key objectives of investment pooling. This includes reporting of the costs associated with the appointment and management of the pool company including set up costs, investment management expenses and the oversight and monitoring of Brunel by the client funds. The set up and transition costs incurred to date are set out in the following table.

Buckinghamshire's Share of the Brunel Pool Set Up Costs	Cumulative to Date £000
Set up costs	
Recruitment	18
Legal	133
Consulting, Advisory & Procurement	82
Other support costs e.g. IT, accommodation	0
Share Purchase/Subscription Costs	840
Staff Costs	0
Other Costs	183
Total Set Up Costs	1,256
Transition Costs	0
Transition Fee	357
Tax	589
Other Transition Costs	5,216
Total Transition Costs	6,162

The Buckinghamshire Pension Fund transitioned assets to Brunel's Global Developed Passive Equity Portfolio in July 2018. During 2019/20 assets were transitioned to Emerging Market Equity, Global High Alpha Equity and Low Volatility Equity portfolios. The Fund also committed £75m to the Brunel cycle 1 infrastructure portfolio and £75m to the Brunel cycle 1 private equity portfolio.

During 2020/21 the Buckinghamshire Pension Fund transitioned 5% of the Fund from Brunel's Global Developed Passive Equity Portfolio to Brunel's Smaller Company Equity Portfolio. The Fund committed £250m to the Brunel cycle 2 infrastructure portfolio, £120m to the Brunel cycle 2 private equity portfolio and £130m to the Brunel cycle 2 private debt portfolio. The property portfolio, previously managed by La Salle, has been taken over by Brunel.

During 2021/22 the Buckinghamshire Pension Fund transitioned assets to Brunel's Sterling Corporate Bond portfolio, Brunel's passive Index Linked Gilts greater than 5 years portfolio and Brunel's Multi Asset Credit portfolio. The Fund committed £250m to the Brunel cycle 3 infrastructure portfolio, £150m to the Brunel cycle 3 private equity portfolio and £150m to the Brunel cycle 3 private debt portfolio.

During 2022/23 the Buckinghamshire Pension Fund disinvested from the LGIM passive corporate bonds mandate to meet calls for investment to the private market investments managed by Brunel.

On 31st March 2023 96% of the Buckinghamshire Pension Fund's assets were being managed by Brunel.

The savings achieved during 2022/2023 and the cumulative savings/(costs) are set out in the following table:

2022/2023 Investment Fee Savings from Pooling

Portfolio	Value in Original Business Case 31 March 2016 £000	Value at 31 March 2023 £000	Price Variance £000	Quantity Variance £000	Total Saving / (Cost) £000
Global Developed Passive Equity (Unhedged)	370,549	646,380	101	(61)	40
UK Equity	217,240	0	0	1,135	1,135
Low Volatility Equity	0	271,655	317	(862)	(545)
Emerging Markets Equity	0	166,080	364	(1,034)	(670)
Global High Alpha Equity	460,215	630,793	1,794	(816)	978
Smaller Company Equity	0	179,620	336	(1,190)	(854)
Diversified Returns Fund	95,247	0	0	619	619
Multi-Asset Credit	0	347,289	163	(1,035)	(872)
Sterling Corporate Bonds	194,840	356,822	516	(388)	128
Passive > 5 years Index Linked Gilts	138,694	310,040	48	(68)	(20)
Property – unit trusts	188,298	240,674	534	(62)	472
Private Debt	0	73,611	1,219	(1,362)	(143)
Private Equity	172,370	100,429	206	(249)	(43)
Infrastructure	18,198	248,035	3,019	(5,079)	(2,060)
Total	1,855,651	3,571,428	8,617	(10,452)	(1,835)

Cumulative Investment Fee Savings from Pooling

Portfolio	Value in Original Business Case 31 March 2016 £000	Value at 31 March 2023 £000	Price Variance £000	Quantity Variance £000	Total Saving / (Cost) £000
Global Developed Passive Equity (Unhedged)	370,549	646,380	564	(414)	150
UK Equity	217,240	0	0	4,951	4,951
Low Volatility Equity	0	271,655	839	(2,166)	(1,327)
Emerging Market Equity	0	166,080	1,010	(3,735)	(2,725)
High Alpha Global Equity	460,215	630,793	5,694	(2,562)	3,132
Smaller Company Equity	0	179,620	742	(2,963)	(2,221)
Diversified Returns Fund	95,247	0	0	1,657	1,657
Multi-Asset Credit	0	347,289	324	(2,163)	(1,839)
Sterling Corporate Bonds	194,840	356,822	984	(803)	181
Passive > 5 years Index Linked Gilts	138,694	310,040	114	(159)	(45)
Property	188,298	240,674	1,458	(158)	1,300
Private Debt	0	73,611	2,110	(2,455)	(345)
Private Equity	172,370	100,429	1,255	2,673	3,928
Infrastructure	18,198	248,035	7,160	(11,330)	(4,170)
Total	1,855,651	3,571,428	22,254	(19,627)	2,627

The price variance shows the difference between the fees paid in 2022/23 and those that would have been paid at the previous rates. The quantity variance reflects the difference in fees as a result of asset growth or change in asset allocation compared to the business case. Therefore, when comparing the fee savings against the business case the price variance reflects the actual saving in fees. The analysis shows the fee savings achieved for the assets that have transitioned to Brunel portfolios against the fees charged at the time the business case for pooling was prepared in 2016.

At the time of the business case in 2016, the Fund was invested in UK equities and a diversified growth fund. The Fund has reduced investments in UK equities and the diversified growth fund, resulting in a quantity variance saving offset by additional costs in new allocations to emerging market equity, low volatility equity and smaller company equity. The Brunel private equity allocation is lower than the position in 2016, resulting in a quantity variance saving. Conversely, the fund had a smaller allocation to

infrastructure in 2016 resulting in a quantity variance cost. The private equity allocation is expected to increase over the forthcoming years as Brunel invests the money committed to the cycle 1, cycle 2 and cycle 3 private markets.

A summary of the costs and savings to date compared to the original business case is provided in the following table.

Expected Costs compared to Actual Costs/Savings to Date

2022/23	Budget in year £000	Budget Cumulative £000	Actual in year £000	Actual Cumulative £000
Set Up Costs	0	1,177	0	1,256
Ongoing Brunel Costs	679	3,062	1,326	5,703
Buckinghamshire Fund Savings	(433)	(2,045)	(319)	(1,576)
Transition Costs	0	3,108	0	6,162
Fee Savings	(4,914)	(13,941)	(8,616)	(22,254)
Net costs / (Realised Savings)	(4,668)	(8,639)	(7,609)	(10,709)

The most significant variances from the original business case can be summarised as follows:

- Transition costs were lower in 2018/2019, partly due to the transition costs for the passive mandates being lower than expected.
- Transition costs for active equity portfolios were included in 2018/2019 in the original business case, whereas these assets were transitioned in 2019/2020.
- Additional resources have been required by Brunel over and above those envisaged by the original business case, in order to deliver the service required by their clients. As a result, the ongoing overhead costs of the Brunel company are higher than originally estimated.
- Fee savings to date are lower since the fixed interest portfolios were transitioned in 2021/22 rather than in 2019/20, the date anticipated in the original business case; the delay was in part due to the revised transition timetable agreed between clients and Brunel and the impact of the coronavirus pandemic.
- The original business case forecast that the Buckinghamshire Pension Fund pooling costs would break even in 2020/21. The combination of the cost of additional resources and the revised transition timetable mean that the Fund broke even in 2021/22.

History of the Fund

Table 1: Active membership

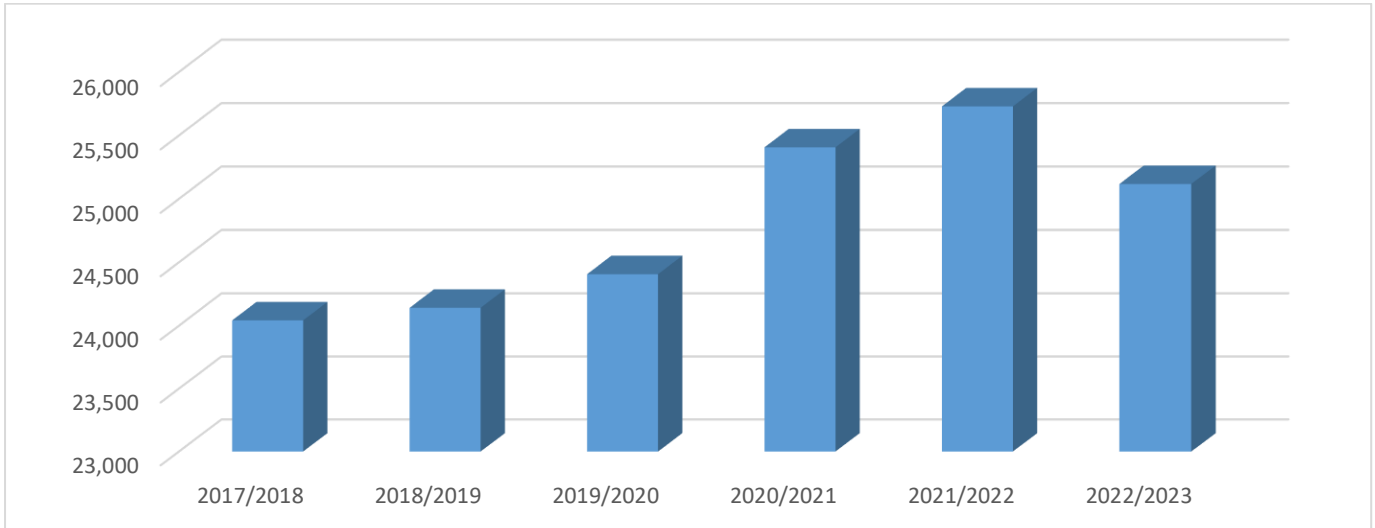


Table 2: Deferred membership

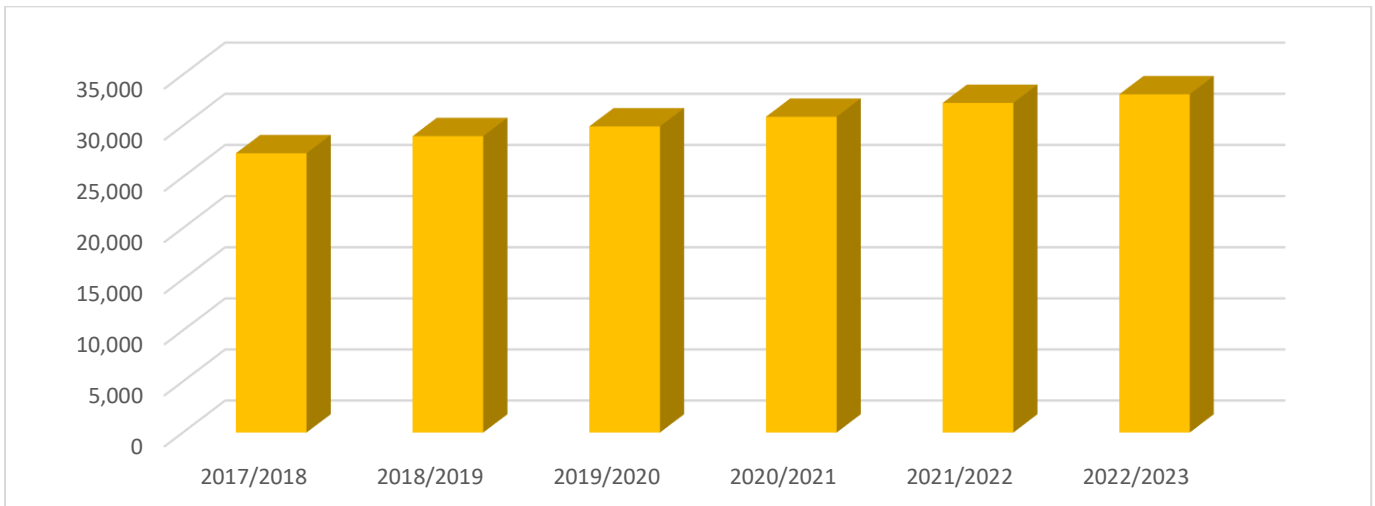


Table 3: Pensioner membership

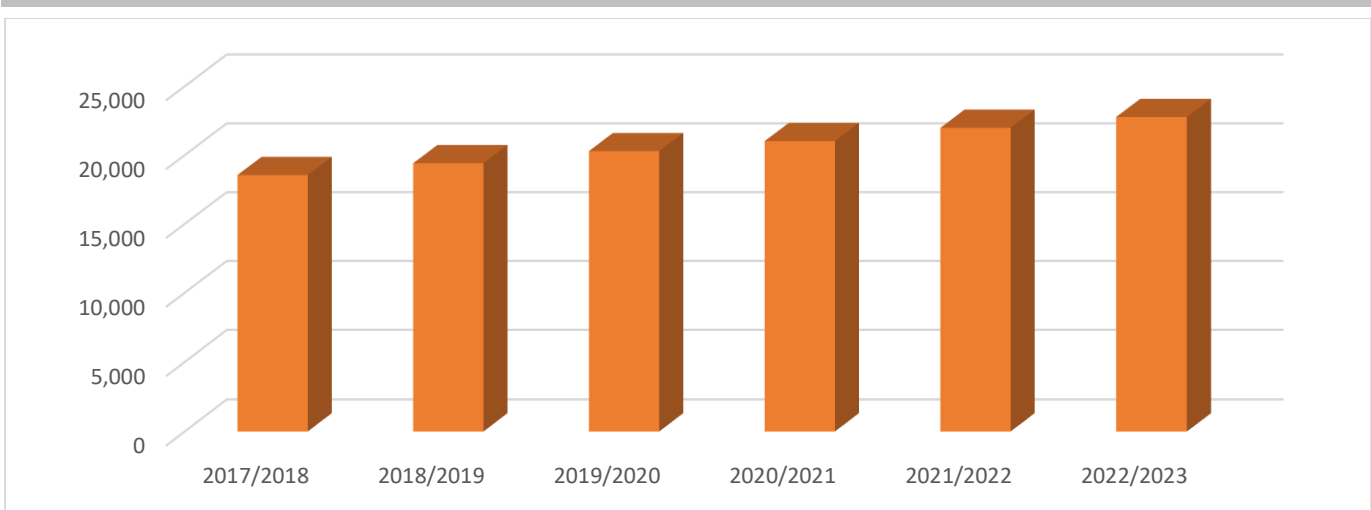


Table 4: Contributions received (£millions)

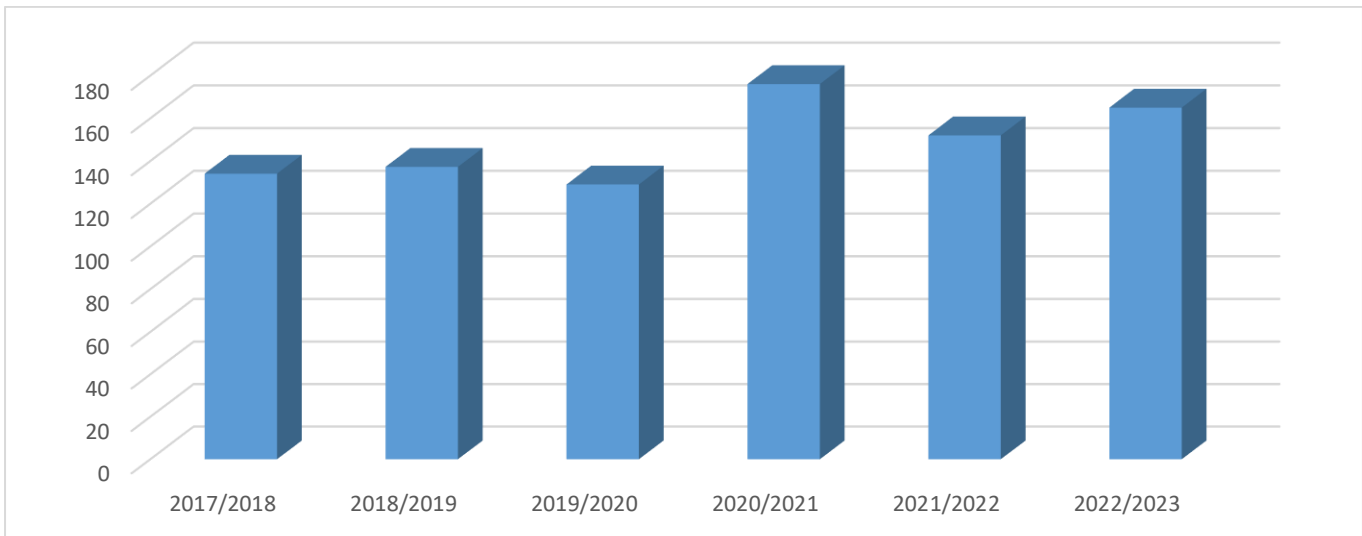


Table 5: Benefits paid (£millions)

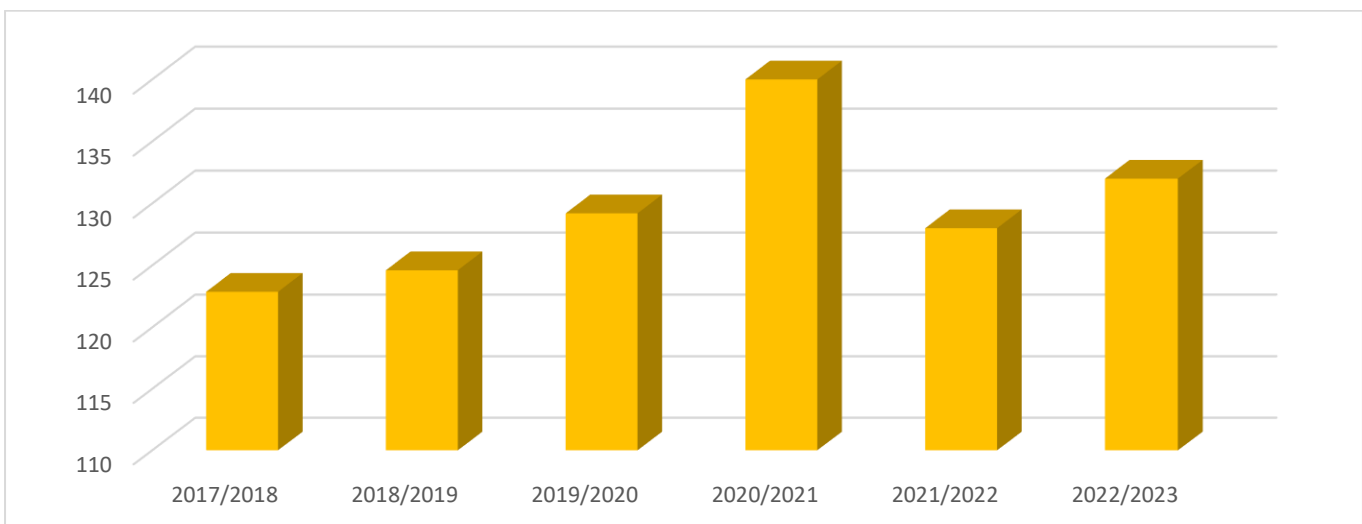
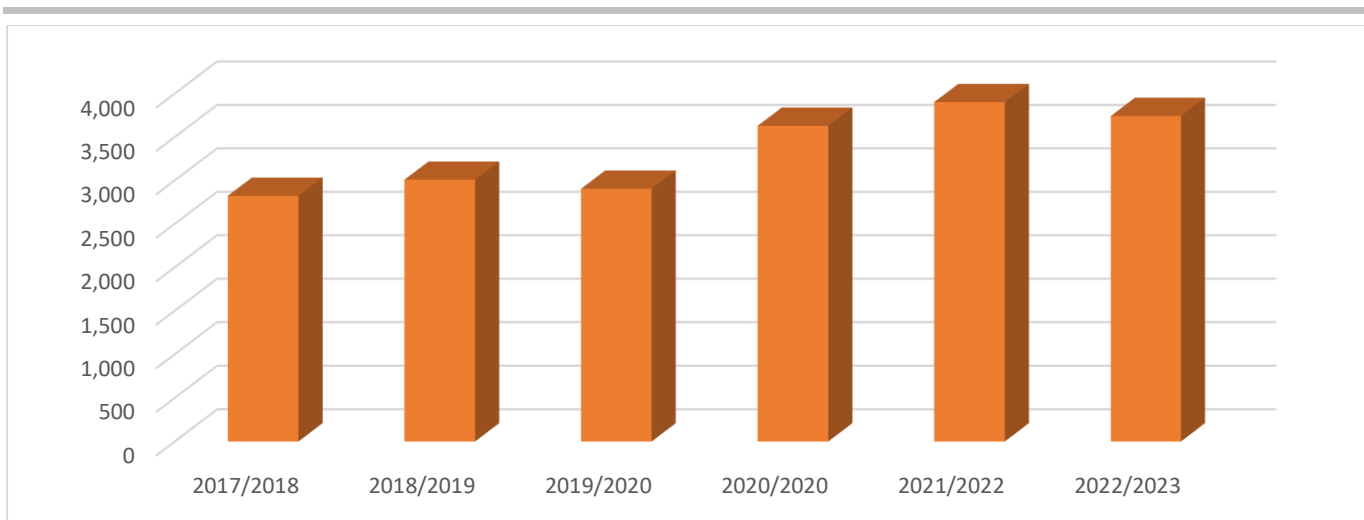


Table 6: Fund Value (£millions)



Risk Management

The Buckinghamshire Pension Fund recognises that risk is inherent in many of its activities and works to ensure that such risks are managed in the interest of the Buckinghamshire Pension Fund. The Buckinghamshire Pension Fund’s statutory documentation and accounts contain the required sections detailing the Fund’s approach to the various types of risks it faces across its operations, together with how the Fund aims to mitigate each of these. In particular:

- The Governance Compliance Statement reviews the risk areas and mitigation approach within the Fund’s management and governance structure
- The Investment Strategy Statement covers risk measurement and management in an investment sense; and
- The Funding Strategy Statement includes a section, prepared in conjunction with the Fund’s actuary, on the identification of risks and countermeasures in relation to the Fund’s funding position and investment strategy

The Buckinghamshire Pension Fund accounts contain a detailed section on the nature and extent of the risks arising from Financial Instruments, including detailed sensitivity analysis of the potential monetary impact to the Fund of the varying financial risks.

In addition, the Buckinghamshire Pension Fund maintains a Risk Register which identifies areas of focus for risk management. The risk register is reviewed by the Buckinghamshire Pension Fund Committee biannually. Risks detailed on the register are measured in accordance with Buckinghamshire Council’s risk management framework. A target is set against each area of risk as well as any actions required in respect.

The 2022/2023 risk register was reviewed in March 2023 identifying 23 risks; 13 related to Pensions and Investments generally and 10 related to Pensions and Investments Administration. Key risks to investments include significant downturns in particular geographical sectors and returns which underperform envisaged outcomes. During the year the Fund worked towards mitigating risks to investments by monitoring investment strategy. The Pension Fund Committee agreed an interim Investment Strategy in September 2022. The Investment Strategy and Strategic Asset Allocation was reviewed in March 2023. Areas monitored by the risk register in relation to administration include staffing, employer performance, software and changes to government legislation.

Internal Audit Testing

A scheduled internal audit to evaluate the key controls of the Pensions & Investments Team did not commence during 2022/23, the audit is now scheduled for 2023/24.

Statement of Responsibilities for the Statement of Accounts

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 of 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 of Finance (Section 151 Officer) Responsibilities

The Service Director of 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 2022/23 (the Code).

In preparing this Statement of Accounts, the Service Director of 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 of Finance (Section 151 Officer)

I certify that this Statement of Accounts for the year ended 31 March 2023 gives a true and fair view of the financial position of the Buckinghamshire Pension Fund as at 31 March 2023 and its income and expenditure for the year ending 31 March 2023.

David Skinner

Service Director of Finance

Buckinghamshire Council

September 2023

Independent Auditor's Report to the Members of BPF

To follow

Pension Fund Accounts

The Buckinghamshire 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.

31 March 2022 £000	Pension Fund Account	Note	31 March 2023 £000
	Dealings with Members, Employers and Others directly Involved in the Fund		
	Income		
(151,882)	Contributions	3	(165,961)
(16,524)	Transfers in from other pension funds	4	(23,383)
(104)	Other income		(146)
(168,510)			(189,490)
	Benefits	5	
103,893	Pensions		109,826
23,708	Commutation of pensions and lump sums		23,171
	Payments to and on Account of Leavers	6	
521	Refunds of contributions		1,163
16,187	Transfers out to other pension funds		16,190

144,309			150,350
(24,201)	Net (Additions)/Withdrawals from Dealings with Members		(39,140)
17,136	Management expenses	7	21,820
(7,065)	Net (Additions)/Withdrawals including Fund Management Expenses		(17,320)
	Returns on Investments		
(14,719)	Investment income	8	(14,581)
(253,112)	(Profits) and losses on disposal of investments and changes in the market value of investments	9	203,188
0	Taxes on income	14	1
(267,831)	Net Returns on Investments		188,608
(274,896)	Net (Increase)/Decrease in the Net Assets Available for Benefits During the Year		171,288

Net assets statement

31 March 2022	Net Assets Statement	Note	31 March 2023
£000			£000
	Investments		
840	Long term investments	9	840
295	Equities - quoted	9	169
3,525,017	Pooled investment vehicles	9	3,442,292
243,766	Property - unit trusts	9	209,235
132,073	Cash deposits	9	68,673
391	Investment income receivable	9	518
3,902,382	Net Investments	11	3,721,727
15,225	Current assets	15	24,251
(4,446)	Current liabilities	15	(4,105)
3,913,161	Net Assets of the Fund Available to Fund Benefits at 31 March		3,741,873

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 Buckinghamshire Council, Milton Keynes Council, parish Councils of Buckinghamshire, Thames Valley Police, Buckinghamshire and Milton Keynes Fire Authority, 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 Fund. The Administering Authority is Buckinghamshire Council.

The purpose of the 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 1/49th. 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); and
- 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 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 2023 the collective assets transitioned to Brunel portfolios were circa £30.765 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 most of the assets have now transitioned, although illiquid alternative assets such as private equity will need a longer transition timetable. More information and updates can be found on the Brunel Pension Partnership website at: www.brunelpensionpartnership.org

The following summarises the membership of the Fund:

Membership of the Fund	31 March 2022	31 March 2023
Contributors	25,717	25,127
Pensioners	21,982	22,768

Deferred pensioners	32,234	33,078
Total Membership of the Fund	79,933	80,973

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 Buckinghamshire Pension Fund Investment Strategy Statement can be viewed on the Council's website.

[Funding and investment policies | Pensions \(buckinghamshire.gov.uk\)](#)

Further Information

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

[The Pension Fund Annual report | Pensions \(buckinghamshire.gov.uk\)](#)

Basis of Preparation

The accounts summarise the Fund's transactions for the 2022/23 financial year and its position at year end as at 31 March 2023. 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 Buckinghamshire 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 accrual 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 accrual 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 accrual basis. Administrative expenses are accounted for on an accrual basis, staff costs are paid by Buckinghamshire Council then recharged to the 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.

Contribution Income

Normal contributions are accounted for on an accruals basis as follows:

Employee contribution rates are set in accordance with LGPS regulations, using common percentage rates for all schemes which rise according to pensionable pay.

Employer contributions are set at the percentage rate recommended by the fund actuary in the Fund Actuary's Rates and Adjustment certificate for the period to which they relate.

Employer deficit funding contributions are accounted for on the due dates on which they are payable under the schedule of contributions set by the scheme actuary or on receipt if earlier than the due date. 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

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. 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.

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 accrual 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 of interest and principal take place on set dates and for specified amounts. The amount presented in the Net Asset Statement represents the outstanding principal 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, infrastructure funds and private debt 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 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

There are no critical judgements in applying accounting policies to be disclosed in the Statement of Accounts.

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 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 2023 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
------	---------------	--

<p>Actuarial present value of promised retirement benefits (Note 18)</p>	<p>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>	<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 £67m.</p> <p>A 0.1% increase in assumed earnings inflation would increase the value of liabilities by approximately £4m.</p> <p>A 0.1% increase in pension increases and deferred revaluation would increase the value of the liabilities by approximately £66m.</p> <p>A one-year increase in assumed life expectancy would increase the liability by approximately £146m.</p>
<p>Level 2 investments (Note 12)</p>	<p>Level 2 investments are not traded on an open market. Management use fund managers to determine valuations using recognised pricing techniques.</p>	<p>The Brunel Smaller Companies equity portfolio is valued at £179.620m in the financial statements. There is a risk that this investment may be under or overstated in the accounts by £42.211m. A movement of 23.5% in market price risk is reasonably possible.</p>
<p>Level 3 investments (Note 12)</p>	<p>Level 3 investments are valued at fair value in accordance with 'International Private Equity and Venture Capital Valuation Guidelines'. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.</p>	<p>Level 3 investments are valued at £501.558m in the financial statements. There is a risk that this investment may be under or overstated in the accounts by £106.632m. A movement of 21.26% in market price risk is reasonably possible.</p>

Events After the Reporting Date

There have been no events since 31 March 2023, and up to the date when these accounts were authorised that require any adjustments to these accounts. Recent market turmoil has impacted global financial markets. As at the end of *(date to be inserted when accounts are approved)*, investments are valued overall at £x.xxx billion a *(state lower or higher)* value than in these financial statements as at 31 March 2023.

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.

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 2023 have been included in these accounts, there were no augmented employers' contributions received during 2021/2022 or 2022/2023.

2021/2022 £000	Contributions by Category	2022/2023 £000
	Employers' Contributions	
(100,396)	Normal Contributions	(109,489)
(16,337)	Deficit Recovery Contributions	(18,242)
(116,733)	Total Employers' Contributions	(127,731)
(35,149)	Members' Contributions	(38,230)
(151,882)	Total Contributions	(165,961)

2021/2022 £000	Contributions by Authority	2022/2023 £000
(60,766)	Administering authority	(62,616)
(87,664)	Scheduled bodies	(100,313)
(3,452)	Admitted bodies	(3,032)
(151,882)	Total Contributions	(165,961)

Note 4 - Transfer Values

2021/2022 £000	Transfers in from other pension funds	2022/2023 £000
(167)	Group transfers	0
(16,357)	Individual transfers	(23,383)
(16,524)	Total Transfers in from other pension funds	(23,383)

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 2023 there were thirty-one transfer values receivable greater than £50k, for which £3.603m had not been received. (On 31 March 2022 there were twenty-three transfer values receivable greater than £50k, for which £2.899m had not been received).

On 31 March 2023 there was one group transfer to the Fund being negotiated with another fund (no group transfers to the Fund being negotiated on the 31 March 2022). Calculations have not yet been carried out for the transfer.

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.

2021/2022 £000	Benefits Payable by Category	2022/2023 £000
103,893	Pensions	109,826
20,223	Commutations of pensions and lump sum retirement benefits	19,875
3,485	Lump sum death benefits	3,296
127,601	Total Benefits	132,997

2021/2022 £000	Benefits Payable by Authority	2022/2023 £000
63,467	Administering authority	64,990
53,877	Scheduled bodies	57,820
10,257	Admitted bodies	10,187
127,601	Total Benefits	132,997

Note 6 - Payments to and on Account of Leavers

2021/2022 £000	Payments to and on Account of Leavers	2022/2023 £000
521	Refunds to members leaving service	1,163
62	Group transfers to other pension funds	302
16,125	Individual transfers to other pension funds	15,888
16,708	Total Payments to and on Account of Leavers	17,353

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 2023 there were seventeen transfer values where the amount was greater than £50k, for which £1,402k had not been paid during 2022/23 (on 31 March 2022 there were eleven transfer values receivable greater than £50k, for which £800k had not been paid during 2021/22).

On 31 March 2023 there was one group transfer out from the Fund to other Pension Funds being negotiated, the value of the transfer £85k has been accrued. There was one on the 31 March 2022 where the £2,556k value was accrued.

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

Note 7 - Management Expenses

2021/2022 £000	Management Expenses	2022/2023 £000
2,397	Administrative costs	2,792
14,008	Investment management expenses	18,309
731	Oversight and governance costs	719
17,136	Total Management Expenses	21,820

The analysis of the cost of managing the 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. The fees for 2022/23 main external audit were £43.375k and £9.1k for the IAS19 assurance letters for scheduled bodies. The fees for the 2021/22 main external audit main fee were £46.05k and the £9.0k for the IAS19 assurance letters for scheduled bodies.

Investment management fees are calculated according to the specific mandate and the associated contract. Management fees for pooled funds and transaction costs have been included in the investment management expenses. There were no performance related fees in the investment management expenses (£1.070m in the 2021/2022 financial year) payable to the Fund's investment managers. It also includes £6,268k in respect of transaction costs (£363k in the 2021/2022 financial year).

Note 8 - Investment Income

In recent years there has been a decrease in investment income due to the transition of the Fund's segregated holdings to Brunel pooled funds. Investment income is accumulated within the fund and is accounted for in the market value change rather than investment income.

2021/2022 £000	Investment Income	2022/2023 £000
746	Dividends from equities	62
(4,216)	Income from bonds	242
(2,695)	Income from pooled investments	(5,906)
(8,330)	Income from property unit trusts	(6,984)
(215)	Interest on cash deposits	(1,997)
(9)	Other	2
(14,719)	Total Investment Income	(14,581)

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 2022/2023 the Buckinghamshire Pension Fund reported a decrease in the market value of investments of £203.188m.

Investments (All values are shown £000)	Value at 31 March 2022 £000	Purchases at Cost £000	Sales Proceeds £000	Change in Market Value £000	Value at 31 March 2023 £000
Long term investments	840	0	0	0	840
Equities - quoted	295	215	(289)	(52)	169
Bonds	0	0	41	(41)	0
Pooled investment vehicles	3,525,017	207,317	(123,556)	(166,486)	3,442,292
Property - unit trusts	243,766	45,958	(43,578)	(36,911)	209,235
	3,769,918	253,490	(167,382)	(203,490)	3,652,536
Cash deposits	132,073			302	68,673

Investment income due	391				518
	3,902,382			(203,188)	3,721,727

During 2021/2022 realised profit of £322.401m and unrealised losses of £69.289m combined to report an increase in the market value of investments of £253.112m.

Investments (All values are shown £000)	Value at 31 March 2021 £000	Purchases at Cost £000	Sales Proceeds £000	Realised Profit/ (Loss) £000	Unrealised Profit/ (Loss) £000	Value at 31 March 2022 £000
Long term investments	840	0	0	0	0	840
Equities - quoted	25,638	396	(25,522)	(1,135)	918	295
Bonds	480,116	648,626	(1,153,323)	47,030	(22,449)	0
Pooled investment vehicles	2,858,278	1,170,462	(689,806)	273,977	(87,894)	3,525,017
Property - unit trusts	213,051	28,203	(41,838)	4,693	39,657	243,766
Derivative contracts	0	2,480	(419)	(2,061)	0	0
Cash deposits	43,662	0	88,035	(103)	479	132,073
	3,621,585	1,850,167	(1,822,873)	322,401	(69,289)	3,901,991
Investment income due	7,124					391
	3,628,709					3,902,382

Pooled investment vehicles are funds where the 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 gilts
- Infrastructure
- Private debt
- 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.

Note 10 - Investment Management Arrangements

The following table summarises the proportion of the Fund managed by Brunel Pension Partnership limited and the Fund, assets which exceed 5% of the total value of the net assets of the Fund are also shown:

Fund Manager/Mandate	Proportion of Fund 31 March 2022 £000	%	Proportion of Fund 31 March 2023 £000	%
Investments managed by Brunel				
Low Volatility Equity	288,918	8	271,655	7
Passive Developed Equity	670,843	18	646,380	17
Emerging Markets Equity	175,087	5	166,080	4
Global High Alpha Equity	628,127	16	630,793	17
Smaller Companies Equity	184,846	5	179,620	5
Multi-Asset Credit	359,637	10	347,289	9
Passive Index Linked Gilts	386,603	10	310,040	8
Infrastructure	113,510	3	248,035	7
Private Debt	22,664	0	73,611	2
Private Equity	66,183	2	100,429	3
Property – unit trusts	272,175	7	240,674	7
Sterling Corporate Bonds	399,464	9	356,822	10
Cash	1,915	0	3,015	0

Total Investments managed by Brunel	3,569,972		3,574,443	96
Investments managed by the Fund				
Long term investments	0	0	840	0
BlackRock -Cash/inflation plus	4	0	4	0
Blackstone Alternative Asset Management - Hedge fund of funds	4,464	0	0	0
Investec Asset Management- Less constrained global equities	120	0	0	0
Legal & General Investment Management – Passive index-tracker	133,807	4	39,647	1
Pantheon Private Equity- Private equity	84,595	2	63,823	2
Partners Group- Private equity	10,880	0	8,067	0
Royal London Asset Management- Core plus bonds	919	0	0	0
Schroders- Less constrained global equities	1,820	0	194	0
Aberdeen Standard Investments – Less constrained UK equities	127	0	0	0
GTP	377	0	208	0
Hg Capital	1,033	0	1	0
Cash	0	0	34,500	1
Total Investments managed by the Fund	238,146		147,284	4
Total	3,808,118	98	3,721,727	100

Note 11 - Analysis of the Value of Investments

31 March 2022 £000	Analysis of the Value of Investments	31 March 2023 £000
840	Long Term Investments	840
	Equities	
141	UK quoted	102
154	Overseas quoted	67
295	Total Equities	169
	Pooled Investment Vehicles	
1,947,821	Overseas Equity	1,894,530
117,519	Overseas Infrastructure	251,271
533,271	Fixed Interest Securities	396,469
386,603	Index linked gilts	310,040
359,637	Multi-Asset Credit	347,289
22,664	Overseas Private Debt	73,611
157,502	Overseas Private Equity	169,082
3,525,017	Total Pooled Investment vehicles	3,442,292

	Other	
243,766	Property - unit trusts	209,235
132,073	Cash deposits – sterling and foreign cash	68,673
391	Investment Income receivable	518
376,230	Total Other	278,426
3,902,382	Total Value of Investments	3,721,727

Note 12 - Financial Instruments

31 March 2022				31 March 2023		
Fair value through profit and loss	Financial Assets at Amortised Cost	Financial Liabilities at Amortised Cost	Financial Assets	Fair value through profit and loss	Financial Assets at Amortised Cost	Financial Liabilities at amortised cost
£000	£000	£000		£000	£000	£000
840			Long Term Investments	840		
295			Equities	169		
243,766			Property – unit trusts	209,235		
			Pooled investments:			

533,271			Fixed interest securities	396,469		
1,947,821			Equities	1,894,530		
386,603			Index Linked Gilts	310,040		
117,519			Infrastructure	251,271		
359,637			Multi-Asset Credit	347,289		
22,664			Private Debt	73,611		
157,502			Private Equity	169,082		
391			Investment Income receivable	518		
111,285	20,788		Cash deposits	83,106		
	5,214		Current assets		12,816	
3,881,594	26,002			3,736,160	12,816	
			Financial Liabilities			
			Cash deposits		(14,434)	
		(3,247)	Current liabilities			(2,840)
		(3,247)			(14,434)	(2,840)
3,881,594	26,002	(3,247)	Total	3,736,160	(1,618)	(2,840)
		3,904,349				3,731,702

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

31 March 2022 £000	Reconciliation to Net Assets of the Fund Available to Fund Benefits at 31 March in the Net Assets Statement	31 March 2023 £000
3,913,170	Net Investments	3,741,873
(10,020)	Less contributions due current assets	(11,435)
0	Less rounding error	(1)
1,199	Add HMRC current liabilities	1,265
3,904,349	Value of financial instruments carried at fair value	3,731,702

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

31 March 2022 £000		31 March 2023 £000
	Financial Assets	
(253,112)	Fair value through profit and loss	203,188
0	Financial Assets measured at amortised cost	0
0	Financial liabilities measured at amortised cost	0
	Financial Liabilities	
0	Fair value through profit and loss	0
0	Financial Assets measured at amortised cost	0
0	Financial liabilities measured at amortised cost	0
(253,112)	Total	203,188

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:

Value at 31 March 2023	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	169	0	0	169
Fixed interest securities	0	396,469	0	396,469
Index-linked gilts	0	310,040	0	310,040
Equities	0	1,894,530	0	1,894,530
Infrastructure	0	0	251,271	251,271
Multi-Asset Credit	0	347,289	0	347,289
Private Debt	0	0	73,611	73,611
Private Equity	0	0	169,082	169,082
Property – unit trusts	0	202,481	6,754	209,235
Cash Instruments	0	83,106	0	83,106
Total	169	3,233,915	501,558	3,735,642

Cash deposits in money market fund have been included in the above analysis as they are held at fair value through profit and loss. Remaining cash deposits are held at amortised cost and therefore excluded from the analysis.

Reconciliation to Net Investments in the 31 March 2023 Net Assets Statement	31 March 2023 £000
Net Investments	3,721,727
Add Cash deposits	14,434
Less rounding error	(1)
Less investment income receivable	(518)
Valuation of Financial Instruments carried at fair value	3,735,642

Value at 31 March 2022	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	295	0	0	295
Fixed interest securities	0	533,271	0	533,271
Index-linked gilts	0	386,603	0	386,603
Equities	0	1,947,821	0	1,947,821
Infrastructure	0	0	117,519	117,519
Multi-Asset Credit	0	359,637	0	359,637
Private Debt	0	0	22,664	22,664
Private Equity	0	0	157,502	157,502
Property – unit trusts	0	241,830	1,936	243,766
Cash Instruments	0	111,285	0	111,285
Total	295	3,580,447	300,461	3,881,203

Cash deposits in money market fund have been included in the above analysis as they are held at fair value through profit and loss. Remaining cash deposits are held at amortised cost and therefore excluded from the analysis.

Reconciliation to Net Investments in the 31 March 2022 Net Assets Statement	31 March 2022 £000
Net Investments	3,902,382
Less Cash deposits	(20,788)
Less investment income receivable	(391)
Valuation of Financial Instruments carried at fair value	3,881,203

Sensitivity Analysis of Assets Valued at Level 3

Using Mercer's analysis of market volatility for individual asset classes in the last 20 years 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 on 31 March 2023 and 31 March 2022.

	Assessed valuation range (+/-)	Value at 31 March 2023 £000	Value on increase £000	Value on decrease £000
Long term investments	23.5%	840	1,037	643
Infrastructure	18.5%	251,271	297,756	204,786
Private Debt	16.1%	73,611	85,462	61,760
Private Equity	27.7%	169,082	215,918	122,246
Property – unit trusts	18.7%	6,754	8,017	5,491
Total		501,558	608,190	394,926

	Assessed valuation range (+/-)	Value at 31 March 2022 £000	Value on increase £000	Value on decrease £000
Long term investments*	20.6%*	840*	1,013*	667*
Infrastructure	17.1%	117,519	137,615	97,423
Private Debt	15.7%	22,664	26,222	19,106
Private Equity	26.3%	157,502	198,925	116,079
Property – unit trusts	17.3%	1,936	2,271	1,601
Total		300,461*	366,046*	234,876*

*Restated

Reconciliation of Fair Value Measurements Within Level 3

Investments (All values are shown £000)	Value at 31 March 2022 £000	Purchases £000	Sales £000	Realised profit/(loss) £000	Unrealised profit/(loss) £000	Value at 31 March 2023 £000
Long term investments	840	0	0	0	0	840
Infrastructure	117,519	121,479	(10,156)	1,059	21,370	251,271
Private debt	22,664	52,732	(301)	0	(1484)	73,611
Private equity	157,502	33,106	(19,213)	13,863	(16,176)	169,082
Property – unit trusts	1,936	5,090	(414)	120	22	6,754
	300,641	212,407	(30,084)	15,042	3,732	501,558

Investments (All values are shown £000)	Value at 31 March 2021 £000	Purchases £000	Sales £000	Realised profit/(loss) £000	Unrealised profit/(loss) £000	Value at 31 March 2022 £000
Long term investments*	840*	0*	0*	0*	0*	840*
Infrastructure	44,837	75,469	(5,064)	1,463	814	117,519
Private debt	0	22,547	0	0	117	22,664
Private equity	121,765	34,499	(38,981)	30,864	9,355	157,502
Property – unit trusts	25	1,854	0	0	57	1,936
	166,627*	134,369	(44,045)	32,327	10,343	300,641*

*Restated

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

Fixed interest securities – level 2 - Brunel £356.822m and LGIM £39.647m – total £396.469m

Brunel – fixed interest securities – active sterling corporate bonds

Price of Units in each (Royal London Pooled Pension) RLPPC Fund shall be established as at each Valuation Point (close each business day) by taking the value of any securities held in that RLPPC Fund which are quoted on a recognised Stock Exchange, the amount of any cash held in or due to that RLPPC Fund which shall be valued at face value, and value of all other assets held in that RLPPC Fund determined by Royal London to be the price which would have to be paid to purchase those assets Less; All expenses and outgoings (including without limitation taxation) which are, at the Valuation Point, payable out of that RLPPC Fund.

LGIM – fixed interest securities – passive tracker fund

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”).

Index linked gilts – level 2 - Brunel £310.040m

The method used to value units is the same at every valuation date throughout the year, valuation point is 17:00. Valuations are normally carried out each working day. Notional acquisition costs allow for the costs of purchasing investments, such as stockbrokers' commissions, stamp duties and transaction costs. Notional realisation costs allow for the costs of selling investments such as stockbrokers' commissions, sales taxes and transaction costs. There may be some withholding taxes on some overseas investments. The current valuation methodology is to value the assets of the fund at closing mid-market or last traded values and adjust for the market spread and the aforementioned notional dealing expenses.

Pooled equities – level 2 - Brunel – Passive Global Developed Equity £646.380m, Active Global High Alpha Equity £630.793m, Active Global Emerging Markets Equity £166.080m, Active Low Volatility Equity £271.655m and Active Smaller Companies Equity £179.620m Authorised Contractual Scheme Funds (ACS), an ACS is a type of collective investment vehicle created to hold and manage assets on behalf of a number of investors – total £1,894.530m.

Passive equities - 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”).

Active equities - Weekly priced 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”).

Infrastructure – level 3 - Brunel £248.035m and Partners Group £3.236m – total £251.271m

Brunel - 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 Principles (US GAAP). Systematically Brunel ensures valuations are driven by IPEV guidelines and that this process is annually appraised by third parties for appropriateness.

Partners Group - 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.

Multi Asset Credit – level 2 – Brunel £347.289m

Monthly valuation point for all three underlying managers, first Wednesday of each calendar month, world close. All valuations are conducted by the Alternative Investment Fund Managers (AIFM) under the rulings of the AIFM Directive. An investment which is quoted, listed or traded on or under the rules of any recognized market shall be valued at the latest available dealing price or, if unavailable or if bid and offer quotations are made, the latest available middle market quotation. The value of any investment which is not normally quoted, listed or traded on or under the rules of a recognized market, will be valued at fair value estimated with care and in good faith by the AIFM or an external third-party valuer. This includes FI securities, cash deposits, loans and derivatives.

Private Debt – level 3 - Brunel £73.611m

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

Private Equity – level 3 – Brunel £100.429m, Pantheon £63.823m and Partners Group £4.83m – Total - £169.082m

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 Principles (US GAAP). Systematically Brunel ensures valuations are driven by IPEV guidelines and that this process is annually appraised by third 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.

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 - Property unit trusts – level 2 £202.481m and level 3 £6.754m – Total £209.235m

Brunel selects managers who apply either open market values or 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 third parties for appropriateness. There are no Material Uncertainty Clauses (MUC's) in place on any underlying valuations applicable to this portfolio.

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 Buckinghamshire 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 Buckinghamshire Pension Fund Committee. The Buckinghamshire Pension Fund Risk Assessment analyses the risks faced by the Council's pensions operations, it is reviewed regularly by the Buckinghamshire 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 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 because 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 2022/2023. The analysis assumes 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 2023 £000	Percentage Change %	Value on increase £000	Value on decrease £000
Long term investments	840	23.5%	1,037	643
Equities	1,894,699	21.62%	2,304,333	1,485,065
Fixed interest securities	396,469	6.85%	423,627	369,311
Index linked gilts	310,040	9.0%	337,944	282,136
Overseas infrastructure	251,271	18.5%	297,756	204,786
Multi-asset credit	347,289	12.9%	392,089	302,489
Private debt	73,611	16.1%	85,462	61,760
Private equity	169,082	27.7%	215,918	122,246
Property - unit trusts	209,235	18.7%	248,362	170,108
Cash deposits	68,673	0.9%	69,291	68,055
Investment income receivable	518	21.7%	630	406
Total	3,721,727		4,376,449	3,067,005

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 2021/2022. The analysis assumes 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 2022 £000	Percentage Change %	Value on increase £000	Value on decrease £000
Long term investments	840	20.6%	1,013	667
Equities	1,948,116	20.82673%*	2,353,845	1,542,387
Fixed interest securities	533,271	4.80%	558,868	507,674
Index linked gilts	386,603	7.90%	417,145	356,061
Overseas infrastructure	117,519	17.10%	137,615	97,423
Multi-asset credit	359,637	4.80%	376,900	342,374
Private debt	22,664	15.70%	26,222	19,106
Private equity	157,502	26.30%	198,925	116,079
Property - unit trusts	243,766	17.3%	285,938	201,594
Cash deposits	132,073	1.0%	133,394	130,752
Investment income receivable	391	20.6%	472	310
Total	3,902,382		4,490,337	3,314,427

*Restated

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 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.

The following two tables show the impact that a 1% in/decrease has on the value of the assets on 31 March: 31 March 2023 exposure to interest rate risk	Asset Value £000	Value after impact of 1% increase in interest rates £000	Value after impact of 1% decrease in interest rates £000
Cash and cash equivalents	80,699	80,699	80,699
Fixed interest securities	396,469	400,434	392,504
Index linked gilts	310,040	310,040	310,040
Total	787,208	791,173	783,243

31 March 2022 exposure to interest rate risk	Asset Value £000	Value after impact of 1% increase in interest rates £000	Value after impact of 1% decrease in interest rates £000
Cash and cash equivalents	135,770	135,770	135,770
Fixed interest securities	533,271	538,604	527,938
Index linked gilts	386,603	386,603	386,603
Total	1,055,644	1,060,977	1,050,311

The following two tables show the impact that a 1% in/decrease has on the interest receivable during the year:

2022/2023 exposure to interest rate risk	Interest receivable £000	Impact of 1% increase £000	Impact of 1% decrease £000
Cash and cash equivalents	1,997	2,017	1,977
Total	1,997	2,017	1,977

2021/2022 exposure to interest rate risk	Interest receivable £000	Impact of 1% increase £000	Impact of 1% decrease £000
Cash and cash equivalents	215	217	213
Fixed interest bonds	4,216	4,258	4,174
Index linked gilts	0	0	0
Total	4,431	4,475	4,387

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 an 8.21% movement in exchange rates in either direction for 31 March 2023. This analysis assumes that all variables, in particular interest rates, remain constant. Based on the composition of the Fund's currency exposure an 8.21% fluctuation in the currency is considered reasonable. An 8.21% weakening or strengthening of Sterling against the various currencies on 31 March 2023 would have increased or decreased the net assets by the amount shown below:

Currency Exposure by Asset Type	31 March 2023 £000	Value on increase £000	Value on decrease £000
		+8.21%	-8.21%
Equities – quoted	1,775,217	1,920,962	1,629,472
Infrastructure	24,631	26,653	22,609
Overseas Private Equity	163,696	177,135	150,257
Cash deposits	5,052	5,467	4,637
Total	1,968,596	2,130,217	1,806,975

The sensitivity of the Fund's investments to changes in foreign currency rates have been analysed using a 7.56% movement in exchange rates in either direction for 31 March 2022. This analysis assumes that all variables, in particular interest rates, remain constant. Based on the composition of the Fund's currency exposure a 7.56% fluctuation in the currency is considered reasonable. A 7.56% weakening or strengthening of Sterling against the various currencies on 31 March 2022 would have increased or decreased the net assets by the amount shown below:

Currency Exposure by Asset Type	31 March 2022 £000	Value on increase £000	Value on decrease £000
		+7.56%	-7.56%
Equities – quoted	1,831,296	1,969,742	1,692,850
Multi Asset Credit	61,370	66,010	56,730
Infrastructure	18,369	19,758	16,980
Overseas Private Equity	158,872	170,883	146,861
Cash deposits	20,274	21,807	18,741
Total	2,090,181	2,248,200	1,932,162

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 the US Dollar, the EURO and the Japanese Yen, using data on currency risk of 8.63% for the US Dollar, 6.32% for the EURO and 9.05% for the Japanese Yen. Weakening or strengthening of Sterling against US Dollars and EUROS on 31 March 2023 would have increased or decreased the net assets by the amounts shown in the following table:

Asset Type	31 March 2023 £000	Percentage Change %	Value on increase £000	Value on decrease £000
US Dollars	1,244,761	8.63%	1,352,184	1,137,338
EUROs	231,461	6.32%	246,089	216,833
Japanese Yen	106,758	9.05%	116,420	97,096
Total	1,582,980		1,714,693	1,451,267

Weakening or strengthening of Sterling against US Dollars and EUROS on 31 March 2022 would have increased or decreased the net assets by the amounts shown in the following table:

Asset Type	31 March 2022 £000	Percentage Change %	Value on increase £000	Value on decrease £000
US Dollars	1,289,488	7.69%	1,388,650	1,190,326
EUROS	291,881	6.67%	311,349	272,413
Japanese Yen	108,807	8.25%	117,784	99,830
Total	1,690,176		1,817,783	1,562,569

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 Fund's bank account is held at Barclays, 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 on 31 March 2023 was £0.478m in an instant access Barclays account and £11.450m invested in Federated's money market fund. (On 31 March 2022 £0.064m was invested in an instant access Lloyds account and £3.250m invested in Federated's money market fund.) Cash balances forming part of the investment assets are 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:

31 March 2022 £000		31 March 2023 £000
113,362	Brunel infrastructure	248,035
22,664	Brunel private debt	73,611
66,183	Brunel private equity	100,429
243,766	Brunel property unit trusts	240,674
84,595	Pantheon private equity	63,823
10,880	Partners Group private markets	8,067

1,033	Residual mandates	1
542,483		734,640

Note 14 - Related Parties

The Buckinghamshire Pension Fund is administered by Buckinghamshire Council and therefore there is a strong relationship between Buckinghamshire Council and the Buckinghamshire Pension Fund. Buckinghamshire Council was reimbursed £3.05m (£2.70m in the 2021/2022 year) for oversight & governance costs and administration costs incurred by the Council on behalf of the Fund. The Council is also the single largest employer of members of the Fund and contributed £62.6m to the Fund in 2022/2023 (£60.8m in the 2021/2022 year).

The 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 2023, the Fund had an average investment balance of £13.4m (£8.3m in the 2021/2022 year), earning interest of £297k (£2k in the 2021/2022 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 Buckinghamshire Pension Fund Committee who are deferred members of the Fund. There was one member of the Buckinghamshire Pension Fund Committee who was a pensioner member of the Fund on 31 March 2023 (on 31 March 2022 no pensioner members and no deferred members). The Service Director of 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 Buckinghamshire Pension Fund Committee, the post of Service Director of Finance (s151 Officer) and the post of Assistant Director of Finance (Pensions, Procurement and Revenues & Benefits) are the key management personnel involved with the Buckinghamshire Pension Fund. £31k was incurred by the Buckinghamshire Pension Fund for costs in relation to key management personnel. Members of the Buckinghamshire Pension Fund Committee are disclosed in the Buckinghamshire Pension Fund Report and Accounts.

The 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 2023 Brunel provided services costing £1,318k (£1,214k in the year to 31 March 2022).

Note 15 - Current Assets and Liabilities

31 March 2022	Current Assets and Liabilities	31 March 2023
£000		£000
	Current Assets	
10,020	Contributions due from employers 31 March	11,435
3,697	Cash balances (not forming part of the investment assets)	12,026
1,508	Other current assets	790
15,225	Total Current Assets	24,251
	Current Liabilities	
(154)	Management charges	(229)
(1,199)	HM Revenue and Customs	(1,265)
(435)	Unpaid benefits	(455)
(2,658)	Other current liabilities	(2,156)
(4,446)	Total Current Liabilities	(4,105)
10,779	Net Current Assets	20,146

Note 16 - Taxes on Income

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 2022. The next valuation will take place as at 31 March 2025.

On 31 March 2022, the market value of the assets held were £3.91bn, sufficient to cover 104% of the accrued liabilities assessed on an ongoing basis. No employer is permitted to pay their deficit over a period greater than eleven years from 1 April 2023. The primary rate of contribution is the employers' share of the cost of benefits accruing in each of the three years beginning 1 April 2023 and is 19.7% of payroll. In addition, some employers pay a secondary contribution rate based on their circumstances, the secondary contribution rate across the whole Fund averages 1.6% in 2023/2024, 1.5% in 2024/25 and 1.3% in 2025/26.

The results of the valuation are that the past service funding level of the Fund as a whole has increased from 94% to 104% between 31 March 2019 and 31 March 2022. Investment returns have been strong since the previous valuation, but gains in the funding position have been partially offset by a reduction in future anticipated investment returns net of inflation (i.e. a reduction in the real discount rate). 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 main assumptions used in the valuation were:

Financial assumptions

- Discount rate 4.6%
- Pension increases 2.9%
- CPI inflation 2.9%
- Salary increases 3.9%

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 2022. On an IAS 19 basis the Actuary estimates that the net liability as at 31 March 2023 is £266m (31 March 2022 £2,193m), 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 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.

31 March 2022		31 March 2023
£000		£000
6,095,115	Present value of funded obligation	3,974,968
(3,902,383)	Fair value of scheme assets	(3,708,847)
2,192,732	Net Liability	266,121

The present value of funded obligation consists of £3,936m (£6,006m at 31 March 2022) in respect of vested obligation and £39m (£88m at 31 March 2022) 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:

Financial Assumptions / Inflation Expectations

31 March 2022		31 March 2023
2.60%	Discount rate	4.80%
3.45% to 4.00%	RPI increases	3.10% to 3.65%
3.20%	CPI increases	2.85%
3.20%	Pension increases	2.85%
4.20%	Salary increases	3.85%

These assumptions are set with reference to market conditions on 31 March. The actuary's approach to derive the appropriate discount rate is the Single Equivalent Discount Rate (SEDR) methodology. The actuary uses sample cashflows for employers at each year and derive the single discount rate which results in the same liability value as that which would be determined using a full yield curve valuation (essentially each year's cashflows has a different discount rate). In carrying out this derivation the Actuary uses the annualised Merrill Lynch AA rated corporate bond yield curve and assumes the curve is flat beyond the 30-year point. This is consistent with the approach used at the previous accounting date.

Similar to the SEDR approach described above the actuary adopted a Single Equivalent Inflation Rate (SEIR) approach in deriving an appropriate RPI assumption.

The SEIR adopted is such that the single assumed rate of inflation results in the same liability value (when discounted using the yield curve valuation described above) as that resulting from applying the Bank of England implied inflation curve. The Bank of England implied inflation curve is assumed to be flat beyond the 40-year point.

Following a recent review of the market, and in particular noting the muted market reaction to the likely alignment of RPI with CPIH (Consumer Prices Index with Housing) from 2030, the actuary's view is that gilt-implied inflation rates are currently distorted by supply and demand factors at medium and longer terms. The actuary has therefore allowed for an Inflation Risk Premium (IRP) of 0.4% at medium and longer terms (from 9 years). This results in an overall IRP of between 0.0% p.a. and 0.25% p.a. depending on the term of the liabilities (for terms ranging from 1 year up to 30 years).

Consistent with the SEDR approach, assumptions are rounded to the nearest 0.05% and the actuary used sample cashflows for employers at each duration year (from 1 to 30 years) in deriving the assumptions for the Fund.

It is expected that RPI will be on average 1.0% p.a. lower than it would have otherwise been from 2030 as a result of the proposed alignment of RPI to CPIH (and CPI) from that date. The actuary has therefore assumed that the annual increase in CPI inflation will be 1.0% p.a. lower than the market implied increases in RPI for each year prior to 2030 and will be in line with RPI inflation thereafter. This results in an assumed gap between the two inflation measures of between 0.25% p.a. and 0.80% p.a. depending on the term of the liabilities (for terms ranging from 30 years down to 5 years).

Salaries are assumed to increase at 1.0% above CPI. This approach is the same as the previous accounting date. Pension increases in the LGPS are expected to be based on Consumer Prices Index (CPI).

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 2022. 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 2021 Model, allowing for a long-term rate of improvement of 1.25% p.a., smoothing parameter of 7.0 and no initial addition to improvement. The assumed life expectations from age 65 are:

Life expectancy from age 65 (years)	31 March 2022	31 March 2023
Retiring today		
Males	21.6	21.1
Females	25.0	24.6
Retiring in 20 years		
Males	23.0	22.3
Females	26.5	26.0

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 on 31 March 2023 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 2022	31 March 2023
	£000	£000
Brunel Infrastructure Cycle 3	250,000	214,680
Brunel Private Debt Cycle 3	150,000	136,800
Brunel Private Equity Cycle 3	150,000	150,000
Brunel Infrastructure Cycle 2	183,278	110,220
Brunel Private Debt Cycle 2	107,363	69,430
Brunel Private Equity Cycle 2	98,952	82,390
Brunel Infrastructure Cycle 1	28,583	16,420
Brunel Private Equity Cycle 1	40,908	30,500
Pantheon Asia Fund V LP	1,225	900
Pantheon Asia Fund VI LP	2,888	2,874
Pantheon USA Fund VII Limited	1,097	1,169
Pantheon USA Fund VIII Feeder LP	4,171	4,264
Pantheon Global Secondary Fund IV Feeder LP	1,538	1,638

Partners Group Global Resources 2009, LP	3,248	3,623
Pantheon Europe Fund V "A" LP	812	844
Pantheon Europe Fund VI LP	2,911	3,027
Partners Group Global Real Estate 2008 SICAR	1,524	1,771
Partners Group Global Infrastructure 2009 SICAR	2,762	3,064
	1,031,260	833,614

On 31 March 2023 there was one group transfer to the Fund being negotiated with another fund (no group transfers to the Fund being negotiated on the 31 March 2022). Calculations have not yet been carried out for the transfer.

On 31 March 2023 there was one group transfers out from the Fund to another fund being negotiated where the £85k value was accrued. There was one on the 31 March 2022 where the £2,556k value was accrued.

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.

2021/2022 £000	Prudential	2022/2023 £000
5,006	Value of AVC fund at beginning of year	5,492
0	Correction opening value	25
882	Employees' contributions and transfers in	1,658
436	Investment income and change in market value	(47)
(832)	Benefits paid and transfers out	(1,240)
5,492	Value of AVC fund at year end	5,888

2021/2022 £000	Scottish Widows	2022/2023 £000
2,157	Value of AVC fund at beginning of year	2,060
56	Employees' contributions	
128	Investment income and change in market value	
(281)	Benefits paid and transfers out	
2,060	Value of AVC fund at year end	

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

This page is intentionally left blank

26/10/2023		MS Teams	
Paralympic Room	Agenda Item	Author	Cyclical Item?
The Gateway	Apologies/Declarations of interest/Minutes	Chairman	Every meeting
10:00-12:00	Minutes of Pension Fund Committee	Pension Fund Committee Chairman	Every meeting
	Breaches of the Law	Claire Lewis-Smith	Annually
	Annual Report Extract	Julie Edwards	Annually
	Forward Plan	Claire Lewis-Smith	Every meeting
	Administration performance statistics	Sam Price	Every meeting
	Annual Benefit Statements - Administration Year End Update	Sam Price	Every meeting
	Exclusion of Press and Public		
	Confidential Minutes	Chairman	Every meeting
	Minutes of Pension Fund Committee	Pension Fund Committee Chairman	Every meeting
	Employer Risk Analysis	Claire Lewis-Smith	Triennial
	Cyber Policy	Claire Lewis-Smith	Annually
	Risk Register	Julie Edwards	Annually
	Pension Fund Performance	Julie Edwards	Every meeting
	Date of next meeting/AOB	--	

13/12/2023		MS Teams	
Jubilee Room	Agenda Item	Author	Cyclical Item?
The Gateway	Apologies/Declarations of interest/Minutes	Chairman	Every meeting
10:00-12:00	Minutes of Pension Fund Committee	Pension Fund Committee Chairman	Every meeting
	Internal Dispute Resolution Procedure	Sam Price	Annually
	Internal Administration Benchmarking/CIPFA Benchmarking	Sam Price	Annually
	Annual Accounts Audit 2022/23	Julie Edwards	Annually
	McCloud update	Claire Lewis-Smith	Bi-annually
	Training Opportunities	Claire Lewis-Smith	Annually
	Forward Plan	Claire Lewis-Smith	Every meeting
	Administration performance statistics	Sam Price	Every meeting
	Exclusion of Press and Public		
	Confidential Minutes	Chairman	Every meeting
	Minutes of Pension Fund Committee	Pension Fund Committee Chairman	Every meeting
	Pension Fund Performance	Julie Edwards	Every meeting
	Date of next meeting/AOB	--	

27/03/2024		MS Teams	
Paralympic Room	Agenda Item	Author	Cyclical Item?
The Gateway	Apologies/Declarations of interest/Minutes	Chairman	Every meeting
10:00-12:00	Minutes of Pension Fund Committee	Pension Fund Committee Chairman	Every meeting
	Scheme member and employer communications	Madelena da Costa	Annually
	i-Connect/Pensions 'Online' Update	Sam Price	Bi-annually
	Annual Review of Buckinghamshire Pension Board	Claire Lewis-Smith	Annually
	Administration Policy Updates	Claire Lewis-Smith	Annually/Triennially
	Forward Plan	Claire Lewis-Smith	Every meeting
	Administration performance statistics	Sam Price	Every meeting
	Exclusion of Press and Public		
	Confidential Minutes	Chairman	Every meeting
	Minutes of Pension Fund Committee	Pension Fund Committee Chairman	Every meeting
	Pension Fund Performance	Julie Edwards	Every meeting
	Date of next meeting/AOB	--	

July 2024		Venue TBC	
TBC	Agenda Item	Author	Cyclical Item?
The Gateway	Apologies/Declarations of interest/Minutes	Chairman	Every meeting
10:00-12:00	Minutes of Pension Fund Committee	Pension Fund Committee Chairman	Every meeting
	Review of Buckinghamshire Pension Board Policies	Claire Lewis-Smith	Annually
	Pension Fund Annual Report 2023/24	Julie Edwards	Annually
	McCloud Update	Claire Lewis-Smith	Bi-annually
	Forward Plan	Claire Lewis-Smith	Every meeting
	Annual Benefit Statements - Administration Year End Update	Sam Price	Every meeting
	Administration performance statistics	Sam Price	Every meeting
	Exclusion of Press and Public		
	Administration performance statistics - Confidential Appendix	Sam Price	Every meeting
	Confidential Minutes	Chairman	Every meeting
	Minutes of Pension Fund Committee	Pension Fund Committee Chairman	Every meeting
	Pension Fund Performance	Julie Edwards	Every meeting
	Date of next meeting/AOB	--	

This page is intentionally left blank



Report to Pension Fund Board

Date: 26 October 2023

Title: Administration Performance Statistics

Author and/or contact officer: Sam Price, Assistant Pensions Administration Manager

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

Executive summary

1.1 The Buckinghamshire Pension Board is required to monitor the performance of the Pensions Administration team. The purpose of this report is to provide the Board with a review of the team's performance since the last Board meeting.

Content of report

1.2 The following areas of performance have been covered in this report:

[Incoming Communications](#)

[Workload/Performance Measures](#)

[Employer submissions/data reconciliation](#)

[Data Improvement](#)

[Scheme member movements](#)

Incoming Communications

We receive a high volume of communications into the Pensions Administration team from scheme members, employers & others. Sub-teams are very proactive in processing these within set timeframes to ensure that requests can be dealt with as quickly and efficiently as possible.

The following table provides an analysis of the incoming communications received between 1 July 2023 & 30 September 2023.

Type of incoming communication	Rec'd July – Sept 23	Rec'd Apr – Jun 23
Post	1,504	1,593
Pensions Inbox	7,631	5,801
Employers Inbox	574	541
Monthly Returns Inbox	56	76
'My Pension Online' registration/query Inbox	2,405	2,318
Document uploads via 'My Pension Online'	436	417
Document uploads via i-Connect	733	428
Telephone calls	2,980	3,224
Total Communications	16,319	14,398
<i>Ave. Daily Communications</i>	<i>251</i>	<i>240</i>

Each sub-team that is responsible for the areas of communication above have a set target for responding or dealing with the communication within which are all on target. A high number of calls are received daily which are answered by a team of 4 Member Liaison Officers. There is a target of 95% calls answered with an average queue time of less than 25 seconds. Over the second quarter of 2023/24, 98.67% of all calls received were answered with an average queue time of 19 seconds.

Workload/Performance Levels

Benefit Administration - Priority Areas

The team have a priority target relating to the main areas where scheme members will be waiting payment of a benefit and we prioritise daily to ensure a quick turnaround. These areas include retirements, deaths, AVC's at retirement and refunds. This target is to achieve a minimum of 95% of priority tasks completed within relevant turnaround times and this is reported on quarterly. The tables below show the achieved percentages for each quarter of 23/24 so far along with a breakdown for the last quarter showing volumes of work and individual areas of performance.

<i>Average over 2022/23</i>	<i>97.08%</i>
Quarter 1 2023/24	97.01%
Quarter 2 2023/24	95.00%
Quarter 3 2023/24	TBC
Quarter 4 2023/24	TBC

	Target	Percentage achieved	Previous percentage achieved	Case Completion Statistics		
				Cases open at the beginning of the period	cases created during the period	completed during the period
Retirements	95%	99%	98%	274	1102	1077
Deaths	95%	97%	97%	184	277	303
AVC's at Retirement	95%	77%	64%	13	16	13
Refunds	95%	90%	99%	88	1140	1145

The tables below provides the Board with statistics relating to all areas of pension administration workloads based on in department turnaround times. This is based on stats 1 July 2023 & 30 September 2023.

Benefit Administration

	Target	Percentage achieved	Previous percentage achieved	Case Completion Statistics		
				Cases open at the beginning of the period	Total new cases created during the period	Total cases completed during the period
Opt outs	98%	100%	99%	73	508	531
Additional Contributions	98%	99%	98%	6	205	206
Estimates	95%	100%	100%	1	324	322
General query	95%	98%	100%	118	332	341
Financial Advisor query	98%	98%	99%	6	97	99
My Pension Online' query	98%	100%	100%	0	3	1
Divorce	98%	95%	96%	11	76	86
Transfers	95%	98%	97%	126	398	388
Interfund Transfers	90%	99%	99%	69	1353	1303
Aggregation	80%	99%	98%	96	903	884
Deferred Benefits	90%	96%	98%	290	797	891
Change	98%	99%	99%	25	394	384
New starter creation	98%	99%	94%	4	1337	1390
Complaints	90%	93%	100%	1	16	15
Tax	95%	100%	100%	0	178	176

Payroll

	Target	Percentage achieved	Previous percentage achieved	Case Completion Statistics		
				Cases open at the beginning of the period	Total new cases created during the period	Total cases completed during the period
Payroll set-ups	98%	97%	94%	8	990	997
Payroll queries/adjustments	96%	91%	93%	85	524	565

Open and overdue cases

In addition to reporting & reviewing turnaround statistics, we are also now reviewing the total open cases monthly to identify overdue cases and look at how these can be reduced. The table below provides details of the percentage of cases that are overdue for each work area as at the end of September 2023 & also provides a percentage of the overdue cases that are 'external' meaning the team are not in a position to process as they are waiting on information from an employer/scheme member.

	<i>Percentage of cases overdue</i>	Overdue cases external
Retirements	27%	90%
Deaths	50%	95%
AVC's at Retirement	19%	100%
Refunds	30%	92%
Opt outs	48%	85%
Additional Contributions	55%	67%
Estimates	0%	N/A
General query	54%	69%
Financial Advisor query	20%	100%
Divorce	0%	N/A
Transfers	28%	83%
Interfund Transfers	15%	89%
Aggregation	6%	100%
Deferred Benefits	53%	94%
Change	59%	94%
New starter creation	53%	88%
Payroll set-ups	35%	85%
Annual Allowance	0%	N/A

The team continually review the older overdue cases in order to try and resolve. In terms of length of time these cases have been overdue, as at 12 October 2023 there are 68 cases that were due for completion before 30 June 2023. Of these 68 cases, 60 are waiting for information from a scheme employer/scheme member/next of kin, 3 where information has been received within the last 2 days and 5 waiting to be checked and complete.

Employer submissions/data reconciliation

Employers are due to submit data via i-Connect by 19th of each month. Monitoring takes place monthly by the Employer Liaison Team to ensure submission. The aim is for 100% submission by the deadline however whilst i-Connect is still relatively new for some employers, the target is 95% with the intention of this increasing to 100%. The data below provides the current submission rates by the deadline.

Period submission received	By deadline
Quarter 1 2023/24	92%
Quarter 2 2023/24	93%
Quarter 3 2023/24	TBC
Quarter 4 2023/24	TBC

The table below provides a breakdown of the overdue submissions, by length of days overdue. Overall, this is 40 employer submissions that were after the deadline.

< 5 days	43%
5 to 10 days	20%
11 to 20 days	35%
21 to 30 days	0%
>30 days	2%

Following submission of data, reports are generated to identify any data suppressions or inconsistencies. Each of these are then reviewed and queried with the scheme employer where relevant. This is a newly introduced monthly reconciliation procedure that has been live since May 2022. Over quarter 2 of 2023/24, 1700 reconciliation reviews took place.

Data Improvement

The administration team continues to review data errors & inconsistencies within the pensions software system to improve data quality. This has been ongoing since 2018 and data quality continues to improve. The table below provides the scores since 2018 for both common & scheme specific data.

Common data is member specific so relates to data like national insurance numbers, addresses and dates of birth. Scheme specific data relates to member benefits such as transfers and payroll data.

	Common data score	Scheme specific data score
October 2018	91.00%	86.00%
December 2019	93.00%	95.10%
September 2020	95.10%	96.00%
October 2021	95.30%	97.86%
February 2022	96.00%	98.67%
November 2022	96.20%	98.98%
March 2023	96.80%	98.42%
June 2023	97.00%	98.91%
October 2023	97.10%	98.99%

The main area of data errors relates to deferred scheme member addresses. Bulk tracing takes place on an annual basis.

Scheme member movements

Due to the current financial situation, Board has asked for a report to keep track of member opt outs & 50/50 scheme elections. The tables below provide data for 2023/24 to date.

Opt outs

Quarter 1 2023/24	45
Quarter 2 2023/24	85
Quarter 3 2023/24	TBC
Quarter 4 2023/24	TBC

50/50 Scheme

	Main scheme to 50/50	50/50 to main scheme
Quarter 1 2023/24	25	3
Quarter 2 2023/24	16	0
Quarter 3 2023/24	TBC	TBC
Quarter 4 2023/24	TBC	TBC

Other options considered

1.3 N/A

Legal and financial implications

1.4 N/A

Consultation and communication

1.5 N/A

Next steps and review

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]



Report to Pension Fund Board

Date: 26 October 2023

Title: Annual Benefit Statements – Administration Year End Update

Author and/or contact officer: Sam Price, Assistant Pensions Administration Manager

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

Executive summary

1.1 Regulation 89 of the Local Government Pension Scheme Regulations 2013 require an administering authority to issue an annual benefit statement no later than 5 months after the end of the Scheme year to which it relates (31 August). The purpose of this report is to inform the Board of the current position of the Buckinghamshire Council administering authority.

Content of report

1.2 Annual Benefit Statements

100% of statements were issued to entitled active scheme members prior to the statutory deadline for the 2022/23 scheme year.

All queries were resolved with employers and there are no outstanding queries.

Other options considered

1.3 N/A

Legal and financial implications

1.4 It is a requirement of the LGPS Regulations 2013 that an administering authority issue a scheme member with an annual benefit statement no later than 5 months after the end of the scheme year to which is relates (31 August).

1.5 There are no financial implications.

Consultation and communication

1.6 N/A

Next steps and review

Board policies are reviewed annually.

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]

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank