



Pension Fund Board minutes

Minutes of the meeting of the Pension Fund Board held on Wednesday 27 March 2024 in The Paralympic Room, Buckinghamshire Council, Gatehouse Road, Aylesbury HP19 8FF, commencing at 10am and concluding at 11:44am.

Members present

B Black, P Dearden, R Ellis (Chairman), T Pearce, A Rulton and J Whiteley

Others in attendance

M da Costa, C Lewis-Smith, M Preston, S Price

Agenda Item

1 Apologies / Declarations of interest

Apologies were received from J Edwards (Pensions & Investments Manager), and I Thompson (Scheme Member Representative).

2 Minutes of the Pension Fund Board

The Chairman highlighted the action points from the minutes of the previous meeting and made the following comments:

- The pension Fund Committee were due to discuss the DLUHC LGPS Pooling Consultation at their July meeting, and would keep Board Members updated as requested.
- A full breakdown of opt-outs was included as part of the Administration Performance Statistics report at agenda item 10.
- The CIPFA Benchmarking results would be considered at agenda item 15.
- A breakdown of Frozen Refunds would be included in of the Administration Performance Statistics report at agenda item 10.
- The 2020/21 accounts were still awaiting formal sign off. This would be done concurrently with the 2021/22 accounts.
- Board Members should email the Pensions Administration Manager with any thoughts or suggestions they may have on training arrangements that could

be made available to them in future.

It was then

RESOLVED

That the minutes of the meeting held on 13th December 2023 be agreed as a correct record.

3 Minutes of Pension Fund Committee

Board Members noted that while there was an induction pack for Pension Fund Committee Members, there was currently no regulatory obligation at present to have training completed to sit on the committee. It was anticipated that this would change following a summer consultation on Good Governance Guidance, which would require greater knowledge parity with Board Members.

It was then

RESOLVED

That the Pension Fund Committee minutes be noted.

4 Scheme Member and Employer Communications

The Local Government Pension Scheme Technical Officer presented an overview of the communication activities undertaken by the Buckinghamshire Pension Fund in 2023/24. Her report outlined the communication channels, resources, and events that the Fund used to provide information and guidance to its members and employers, and summarised the feedback received from stakeholders and the improvements made to the Fund's communication plan.

The Fund's communications had been directed largely by legislative change during the year, including pension tax controls, and specific communication to members and employers to prepare them for the changes to the statutory underpin as a result of the McCloud remedy. Letters and forms were sent to all affected members to notify them of the changes and request relevant service information. The Fund also updated the letters and emails issued to members to reflect the potential impact of McCloud on their benefits. It remained a challenge to obtain data from employers and members, and in incorporating new legislation into the software system.

The online self-service portal had been migrated from MSS to Heywood Engage, and communications were issued to registered members to transfer their accounts to the new platform. The Fund also prepared templates for employers to promote the launch of the new platform and encourage registration. Plans were being made to increase the number of registered users, especially among deferred and pensioner members, through targeted communications in 2024/25.

All webinars conducted by the team were currently uploaded to YouTube for viewing. There were plans to make an area of the website available to also host the links to the webinars in future.

A digital Newsletter was due to be circulated to Members via email by Friday 29th March 2024.

There had been some technical teething issues with the My Pension Online portal, as the system was fully rolled out. These issues had been highlighted to the providers who were able to mitigate issues experienced by users until they could be resolved in the near future. It was noted that the website remained the preferred resource to communicate general information as opposed to the portal, which was better tailored to information relating to the specific user. Use of the website improved the level of accessibility to the information, and helped ensure that the information shown was up to date.

The team was now in phase 4 of the Heywood Engage launch plan, which aimed to increase registration numbers and issue communications to deferred members to this end.

Board Members commended the Local Government Pension Scheme Technical Officer on the registration process, which had been made intuitive and straightforward.

RESOLVED

That the report be noted.

5 'My Pension Online' Update

The Assistant Pensions Administration Manager provided an update on the online service for scheme members, the transition to the new version of the member portal, and the usage statistics of the service.

My Pension Online (MPO)

45% of the total membership of the Buckinghamshire Pension Fund were now fully registered to use MPO, which met the target set for 2023/24. A communication exercise would take place later in 2024 to contact any partially registered members and encourage them to complete the registration process.

MPO was accessed an average of over 10,000 per month over 2023/24. Peak months following pensions increase, issuance of annual benefit statements and a December 2023 increase due to the transition to Heywood Engage.

Transition to Heywood Engage

The former TME member portal had been replaced with 'Heywood Engage', which offered increased security, additional functionality, and improved retirement planning for members. The transition to the new site was completed in December 2023 and the new site was now live, with 36% of the total registered scheme members having successfully completed the transition as of February 2024. This figure may have since changed following targeted and ongoing communication to members to encourage registration, and The Assistant Pensions Administration Manager anticipated an updated figure to be known in the coming two months.

It was noted that some aspects of the service remained on the old TME site, though there was no loss of functionality to members on these pages, and a process was underway to transition these pages to Heywood Engage.

The dashboard used to collect data about how members used the MPO portal was not currently working, so this information had not been provided in the report.

Numbers of opt outs remained consistent. Communications to members regularly outlined the implications of opting out, though there was nothing that could be done to prevent this, should a member be inclined to do so.

It was then

RESOLVED

That the report be noted.

6 Annual Review of Buckinghamshire Pension Board

The Pensions Administration Manager presented a review of the Buckinghamshire Pension Fund Board for the fiscal year 2023/24. The review summarised the functions and work of the Board throughout the year, including, the implementation of the McCloud remedy, the review of the Additional Voluntary Contributions (AVC) arrangements, and the development of the Brunel Pension Partnership (the asset pool for the LGPS funds in the Southwest and Oxfordshire regions).

The member representative position vacant at the end of 2022/23 remained vacant. Recruitment to fill this vacancy was in progress. Discussion with a prospective candidate was scheduled for mid-April.

Board members' attendance levels were higher than last year, with an overall rate of approximately 89.29%.

The Board also undertook various activities and initiatives to enhance its knowledge and understanding, improve its policies and procedures, and engage with the scheme members and employers. Some of the highlights of the Board's work in 2023/24 included:

- Reviewing and updating the Board's Terms of Reference, Code of Conduct

Policy, Conflicts Policy and the Knowledge and Understanding Framework.

- Receiving and scrutinising regular reports on the Pension Fund Administration Performance Statistics, the Pension Fund Administration Year-end Updates, the Pension Fund Committee agenda and minutes, and the Pension Fund performance.
- Considering ad-hoc reports on topics such as the Annual Accounts Audit, the Breaches of the Law, the CIPFA Benchmarking, the Cyber Policy, the Employer Risk Analysis, the My Pension Online, the Internal Administration Benchmarking, the Internal Disputes Resolution Procedure, the Scheme Member and Employer Communications, and the TPR General Code of Practice.
- Attending various training opportunities offered by CIPFA, LGA, SAB, and completing the TPR Public Sector Toolkit e-learning modules.
- Participating in the consultation and communication processes of the Pension Fund, such as the Scheme Member Newsletter and the Website.
- Observing and providing feedback to the Pension Fund Committee meetings and having regular meetings with the senior Officers of the Pension Fund.

The Chairman requested that i-Connect be added next to mention of 'My Pension Online' in the 'Items for Discussion' section of the report, as well as to make explicit reference to the Annual Benefit Statement next to 'Year-End Updates'.

ACTION

It was then

RESOLVED

That the report be noted.

7 Governance Compliance Statement

Regulation 55 of the LGPS Regulations 2013 required an administering authority to prepare a Governance Compliance Statement and to keep the statement under review. On 13th March 2024, the Pension Fund Committee approved the Buckinghamshire Pension Fund's governance compliance statement, which would be effective from 1st April 2024.

There were no material changes to the statement from previous reviews, and the statement was circulated with the agenda pack for consideration prior to the meeting.

It was confirmed that the Good Governance recommendations had been approved by the Department for Levelling Up, Housing and Communities (DLUHC), who would issue a consultation on them in summer 2024. This would leave the Fund in a good

position to respond by end of year 2024 to ensure that governance was up to date moving forward.

It was then

RESOLVED

That the Governance Compliance Statement be noted.

8 TPR - General Code of Practice

The Pensions Regulator's (TPR) General Code of Practice (GCP) consolidated 10 existing codes of practice into one code with 51 modules. The code set out the expectations and best practices for the governance and administration of occupational pension schemes, and would come into force on 27th March 2024.

The code was divided into five sections: the governing body, funding and investment, administration, communications and disclosure, and reporting to TPR. Each section contained several modules covering specific topics such as investment, communications, reporting, and cyber controls. Some of the modules were mandatory for the LGPS, while others were considered best practice. The code also introduced new requirements such as the own risk assessment, climate change, and stewardship modules.

Whilst the LGPS already had high standards of governance in place, the implementation of the code would require some changes and updates to the existing policies and procedures. The Board recognized the need to devise a plan to meet the mandatory requirements within six months of the code coming into force and to consider the best practice recommendations. Further guidance would be provided by the Scheme Advisory Board (SAB) on how the code affects the LGPS to this end.

TPR had indicated that they did not expect schemes to be fully compliant on the date the code came into force. Their expectation was that schemes start to look at where the code was not being met and devise a plan to fill the gaps. Therefore, areas of non-compliance with mandatory practice would be identified and redressed as a priority following the GCP's coming into effect, followed by adoption of new best practice guidelines, where there was expected to be some overlap with the DLUHC's good governance guidance.

A TPR code of conduct compliance checker had been purchased, which would highlight the level of compliance with the GCP. This could be regularly reviewed as the Fund worked through implementing their plan. This would be in place in early April. It was agreeable to Board Members that the outcome of the check be shared at a future meeting.

A business continuity plan was in place, should the Fund be subject to a cyber-attack. Work had been completed on this during the last year and was reflected in

the cyber policy. The Board commended the officers for their work in undertaking this work in advance of the Good Governance guidance.

It was then

RESOLVED

That the report be noted.

9 Forward Plan

It was confirmed that the McCloud update scheduled for discussion at the July meeting of the Board, would include the data validation and comparison.

It was then

RESOLVED

That the forward plan be noted.

10 Administration Performance Statistics

The Board received a report from the Assistant Pensions Administration Manager on the performance of the Pensions Administration team for the period from 1 January 2024 to 29 February 2024.

- Incoming Communications

In January and February of 2024, 98% of all calls received were answered with an average queue time of 35 seconds, falling short of the set target that 95% calls answered with an average queue time of less than 25 seconds. This was due to two lots of bulk communications being issued to scheme members in December 2023 relating to McCloud and the TME transition, resulting in an increase in the average number of phone calls from 1000 to 1500 calls per month. Additional phone cover was arranged to mitigate this, and average waiting times had since come down.

Benefit Administration - Priority Areas

- The team continued to achieve a minimum of 95% of priority tasks (retirements, deaths, AVC's at retirement and refunds) completed within relevant turnaround times.

Open and Overdue Cases

It was noted that there was a typo under 'General Query', where a 300% figure was listed. This should read 100%.

In addition to reporting and reviewing turnaround statistics, the team had begun reviewing the total open cases monthly to identify overdue cases and look at how these can be reduced.

174 cases were outstanding which were due to be completed before 1 January 2024. Of those cases, 162 were waiting for information from another party.

Employer Submissions/Data Reconciliation

A target of 95% data submission rate by employers via i-Connect remained in place, as the system was still relatively new (down from 100%). The team had seen a rate 94% as of Q4 2023/24.

A majority of the 21 late employer submissions were received within 10 days following the deadline.

In January and February 2024, 950 reconciliation reviews took place to identify any data suppressions or inconsistencies. Each of these were then reviewed and queried with the scheme employer where relevant.

Data Improvement

The administration team continues to review data errors & inconsistencies within the pensions software system to improve data quality. The main area of data errors relates to deferred scheme member addresses. Bulk tracing was undertaken annually.

Scheme Member Movements

Members of the Board had requested a report to keep track of member opt outs and 50/50 scheme elections.

There were 1149 opt-outs over the last year, an increase from the previous two years. The Assistant Pensions Administration Manager noted that the decision to opt out of the scheme was for the scheme member alone and that the Fund could not prevent this. Communications from the Fund, including the opt-out form included information to highlight the benefits of the scheme, and the implications of opting out. This would be kept under review and updated as necessary to ensure that people continued to make informed choices.

There were 5000 frozen refund cases, the majority of which were in relation to leavers in the past couple of years. Existing regulations stressed the need to pay these within five years, although over 800 refunds remained from the 80s and 90s, where it had been difficult to make contact with the scheme members due to time since leaving the scheme. It was hoped that the implementation of the pension dashboards would help resolve these cases. Board members had asked for further information relating to the values of these refunds. The report provided this information and the average refund amounts are not vast and refunds are made with interest.

It was then

RESOLVED

That the report be noted.

11 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).

12 Administration Performance Statistics - Contributions

Board members made comments on the contribution figures, and

RESOLVED

That the figures be noted.

13 Confidential minutes of Pension Fund Board

Board members made comments on the confidential minutes and

RESOLVED

That the confidential minutes of the meeting held on 13th December 2023 were agreed as a correct record.

14 Confidential minutes of Pension Fund Committee

RESOLVED

That the confidential minutes be noted.

15 CIPFA Benchmarking Update

Board members commented on the CIPFA benchmarking report, and

RESOLVED

That the report be noted.

16 Pension Fund Performance

The Board discussed the contents of the performance report, made comments, and

RESOLVED

That the report be noted.

17 Date of next meeting / AOB

A contract with Heywood had been signed as the ISP for the pension dashboard. It was now possible to move forward with the dashboard implementation plan. An item to discuss this in further detail would come to a future meeting of the Board.

The risk register would be considered at the October meeting of the Board. Scams were not included on the risk register, as they were considered an individual responsibility. The Fund did provide information to raise awareness of scams, and techniques used to mitigate risks to this effect through communications to members.

The Pensions Administration Team had been highly commended for their ongoing work as part of the Proud of You Awards. The Board expressed their congratulations to the team.

It was noted that the next meeting was provisionally scheduled for 30th July 2024. This would take place as a fully in-person meeting.