



## Pension Fund Committee minutes

Minutes of the meeting of the Pension Fund Committee held on Thursday 24 September 2020 , commencing at 2.05 pm and concluding at 4.20 pm.

### Members present

C Adams, D Anthony, A Bacon, R Bagge, M Barber, T Butcher, J Chilver and J Gladwin

### Others in attendance

C Dobson, J Edwards, T English, A Kenward, C Lewis-Smith, R Martinig, S Mason, M Passey and M Preston

### Apologies

Mr N Miles

### Agenda Item

#### **1 Apologies for Absence**

Apologies were received from Mr N Miles and Ms B Black.

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

None

#### **3 Minutes from the last meeting**

**RESOLVED**

**Members of the committee AGREED the minutes of the Pension Fund Committee meeting held 2 July 2020 meeting.**

#### **4 Minute of the Buckinghamshire Pension Fund Board**

**RESOLVED**

**Members of the committee NOTED the minutes of Pension Fund Board meeting held 23 July 2020**

#### **5 Breaches of the Law**

Mrs Lewis-Smith, Pensions Administration Manager, Buckinghamshire Council, referred to the report circulated with the agenda.

Mrs Lewis-Smith highlighted the following points:

- Discrepancies in contributions outstanding had been found late on 23

September 2020; these would be investigated and brought back to the committee in November.

#### **ACTION**

##### **Mrs Lewis-Smith**

- There had been four breaches relating to refunding employee contributions within five years of leaving the scheme. It was a requirement to report such activity as a breach. It was noted that no further action could be taken if ex-employees did not respond to correspondence.
- One employer did not submit their annual return until late August, causing delays with issuing statements in August. They were under investigation for poor performance. Updated information on this would be brought to the November meeting.

The following points were discussed as a result of questions from members of the committee:

- The outstanding contributions of £561,570.13 referred to more than one employer but not a large number.
- The pensions team were already using report monitoring to view ex-employees still due refunds at four year and six months. It was suggested they also run reports to view potential liability for all ex-employees with unclaimed refunds.
- There were proposals to change the legislation that requires breach reporting on five year refunds as it was acknowledged this was largely outside of the administrators control.

#### **RESOLVED**

**Members of the committee NOTED the report bar the section on contributions which would be reviewed and brought to the next meeting.**

#### **6 Consultation on LGPS McCloud Remedy**

Mrs Lewis-Smith, Pensions Administration Manager, Buckinghamshire Council, referred to the report circulated with the agenda including a draft consultation response.

Mrs Lewis-Smith highlighted the following points:

- Changes made to the LGPS as of 1 April 2014, and other public sector pensions schemes as of 1 April 2015, had been found unlawful on the grounds of age discrimination. A consultation had been launched into how to address the issue.
- It was proposed that for the period 1 April 2014 to 31 March 2022 member benefits would be calculated using the original 2008 rules and the revised 2014 rules with the greater of the two figures being applied.
- Applying the change would have a large administrative impact.
  - Historically this scheme had not needed to collect hours and service break data which would now be needed from employers, including those who had since left the scheme.
  - Calculations would need to be carried out now and then again at the

- point of retirement to include any further changes made.
- Calculations would also be made for employees who had since left the scheme or had taken retirement dating back until 1 April 2012.

The following points were discussed as a result of questions from members of the committee:

- The actuaries had assumed a 0.4% cost to administer the changes however the final costs could not be known at this time as the extent of final salary pensions could not be predicted. The impact of final salary pensions was expected to continue for some time as members were retiring later however the number of members on these terms would decrease over time.
- The pensions team had a project team in the early stages of planning for the increased workflow. Officers were working with software suppliers to establish how much work could be carried out as bulk processing.
- A standard procedure would be set nationally for how to proceed when addition data could not be obtained.
- Scheme members already in retirement and death in service cases would be prioritised.

#### **RESOLVED**

**Members of the committee NOTED the report.**

### **7 Pension Fund Annual Report 2019/20**

Mrs Martinig, Pensions & Investment Accountant, Buckinghamshire Council, referred to the report circulated with the agenda.

Mrs Martinig highlighted the following points:

- The accounts audit was ongoing but was expected to be completed the week beginning 28 September 2020. The final sign off would not take place until the audit of all council accounts was complete in November 2020.
- Page 150 of the report pack gave the fund net value which had decreased by £93m as of 31 March 2020. This had been negatively impacted by covid-19 and was expected to improve.

The following points were discussed as a result of questions from members of the committee:

- Members asked for further information about the increase in administration cases outlined on page 85 of the agenda pack. Mrs Lewis-Smith would provide a response via email.

**ACTION**

**Mrs Lewis-Smith**

- It was confirmed that the previous year's contributions had been higher due to a large employer paying two years of contributions in advance.
- The performance review forecast on page 69 of the report pack was incorrect as it failed to take into account the advance contributions. This would be corrected for the published annual report.

**ACTION**

**RESOLVED**

**Members of the committee AGREED the report.**

**8 Pension Fund Committee Responsibilities**

Ms J Edwards, Head of Pensions, Buckinghamshire Council, gave an overview of the report circulated with the agenda.

Ms Edwards highlighted the following points:

- Asset pooling was a government requirement introduced in 2016. Brunel managed this funds pooling arrangement.
- Page 200 of the agenda pack shows the changes in responsibility for the PFC.

The following points were discussed as a result of questions from members of the committee:

- Ms Dobson noted the report only covered Buckinghamshire Council's responsibilities as a client of Brunel, they were also a shareholder. Ms Edwards stated there was a separate shareholder agreement. Details would be added to this report and circulated to members outside of the meeting.
- The Chairman attended the Brunel board along with BC officers including Ms Edwards and Mr Preston. Mr Preston confirmed that he is the official shareholder for Buckinghamshire Council however decisions are made by consultation with the committee.

**RESOLVED**

**Members of the committee NOTED the report.**

**9 Forward Plan**

Ms Edwards, Head of Pensions, Buckinghamshire Council, referred to the report circulated with the agenda.

Ms Edwards highlighted the following points:

- An additional meeting had been called for 29 September 2020 for the committee to discuss the actuarial services contract currently out for tender.
- The 19 November 2020 meeting would include the annual accounts audit and a Brunel update.

**RESOLVED**

**Members of the committee NOTED the report.**

**10 Exclusion of Press and Public**

**11 Confidential Minutes**

**12 Confidential minutes of the last Pension Fund Board**

**13 Pension Fund Risk Register**

**14 Pension Fund Performance**

**15 Investment Consultant Presentations**

**16 Date of the next meeting**

29 September 2020, 2pm. Closed meeting to discuss the actuary tender process.

19 November 2020, 2pm