



## Pension Fund Board minutes

Minutes of the meeting of the Pension Fund Board held on Wednesday 17 March 2021 in Virtual meeting via MS Teams, commencing at 10.00 am and concluding at 12.14 pm.

### Members present

B Black, P Dearden, R Ellis, S Mason, J McGovern, T Pearce and I Thompson

### Others in attendance

E Cook, M da Costa, J Edwards, C Lewis-Smith and S Price

### Apologies

L Wheaton

### Agenda Item

#### 1 Apologies

Apologies received from Mrs L Wheaton.

#### 2 Declarations of Interest

Ms T Pearce declared as interest regarding 95k exit cap legislation.

#### 3 Minutes of the Pension Fund Board

**RESOLVED that the minutes of the Pension Fund Board held on 16 December 2020 be agreed.**

#### 4 Minutes of Pension Fund Committee

It was noted that the minutes of the Pension Fund Committee held on 25 February 2021 would be circulated to members of the Board for noting once published.

#### 5 Scheme member and employer communications

Ms M da Costa, LGPS Technical Officer, introduced the report which provided an overview of Member and Employer communications for 2020/21.

Ms M da Costa highlighted the following points:

- COVID-19 had an important influence on communications during the past year. Despite the requirement for adjustment, the digital communications agenda had continued to be promoted and a variety of digital medium for member and employer engagement had been utilised.

- With face to face meetings on hold, employer training had been conducted as webinar presentations via MS Teams Live events platform. The first presentation, 'The SLA, The PAS and Submitting information' was held on 25 January 2020. The event had a total of 41 attendees, which was the best turnout for employer training on record. The webinar was aimed at a general level to appeal to a broad cross-section of employers. 14 attendees completed feedback surveys following the webinar, the details of which were attached at appendix 1 to the report. Two subsequent events have since been held which were also well attended. There were some issues originally with logging in, but these have now been resolved and there have been no further issues.
- The employer's newsletter had been relaunched to give it a more user friendly format. The new format includes Fund and scheme updates, bitesize training, employer FAQs and special feature articles.
- In terms of members, work had been carried out to make forms and web content more accessible and digitally enabled to improve the customer experience.
- With the support of Buckinghamshire Council's graphic design team, the In-Touch pensioners newsletter had been revamped to make the overall look and feel of the publication easier to read and more visually appealing.
- Work was underway to make future improvements to the website and a new section on the website specifically for deferred members was due to be launched in April.

The following points were discussed as a result of questions/comments from members of the Board:

- Given the positive impact that holding training online had on attendance, a suggestion was made that it would be beneficial to continue to offer training online even after restrictions had been lifted.
- With regard to the inserting of digital signatures on the digital forms, members of the Board were advised that the signature has to be added digitally once the pdf document has been downloaded. Instructions on how to do this were on the website and the form as a reminder.
- It was confirmed that members of the Board would receive a copy of the new employer's newsletter. There would be an opportunity for members of the Board to raise any questions that they have on the content of the newsletter at the next Board meeting.

**RESOLVED that the report be noted.**

*Peter Dearden joined the meeting at 10.15am*

## **6 i-Connect/Pensions 'Online' Update**

Ms S Price, Assistant Pensions Administration Manager, introduced the report which provided the Board with an update on the roll-out of i-Connect to scheme employers and the 'my pension online' service for scheme members.

Ms S Price highlighted the following points:

- The online service continues to be used as standard practice for scheme members to receive communications from the Administration Team, as well as being used to update personal details and obtain pension estimates.
- Overall, 28.54% of membership of the Buckinghamshire Pension Fund were fully registered to use this service, with a further 7.09% partially registered. A breakdown between membership status was set out in a table in the report.
- There was a surge in pensioner opt outs in April last year as a result of the pensioner newsletter going out in March 2020, which confirmed that paper copies of p60s and payslips would not be sent unless the scheme member opts out of the online service. However, since then there had not been an increase in opt outs and the number of pensioner opt outs had remained around 2600.
- Targeted communications to those who have partially registered or not registered was being worked on and a letter was due to be issued to all pensioner scheme members who were partially registered or not registered.
- Through the 'my pension online' service, scheme members could run benefit calculations, update contact details and death grant nominations and view communications from the Benefit Administration Team including benefit statements and retirement packs. The table in the report provided a breakdown of the number of actions taken by scheme members between 1 October 2020 and 28 February 2021 and showed that the service was being used.
- At the end of February 2021, 122 employers had been onboarded onto i-Connect and were successfully submitting data on a monthly basis via this service, which covers approximately 25% of active scheme membership. Since then, a further 3 employers had also been onboarded.
- All employers who were not yet using i-Connect had been issued with communication confirming that they would either need to be live from 1 April 2021 or have an onboarding date agreed otherwise charges would be imposed on a monthly basis if data was submitted in an alternative format.
- The Systems team had re-started discussions with the fund's biggest employer, which had previously been put on hold. This employer accounts for approximately 35% of all active scheme membership. It was hoped that testing with 37 Academies that fall under this employer would begin shortly with the main payroll to follow.

The following points were discussed as a result of questions/comments from members of the Board:

- It was noted that the facility to update bank details on 'my pension online' was not available to members. Officers had requested that this facility be made available to members and it was hoped that this was something that would be developed in the future. At present, members could submit a letter with any bank changes by uploading it onto 'my pension online' as long as a signature was included.
- To increase the number of members registering for 'my pension online', the

team had used a number of methods to increase registration uptake including reminders in employer's newsletters and member communications. The team had also been encouraging members to register when speaking to them on the telephone.

- Following a question regarding whether there were any plans to create an app for 'my pension online', officers explained that they were not aware of any plans to create one, but that it was something that could be raised at the next review meeting. **Action: Ms S Price**
- The rationale for the amount being charged to employers for not using i-connect was explained to members of the Board. Whilst it was recognised that this was not a large amount of money for the larger employers, discussions were underway with these larger employers regarding the next steps forward. The members of the Board were advised that the impact of the charge and the amount being charged would be kept under review.

**RESOLVED that the report be noted.**

## **7 Annual Review of Buckinghamshire Pension Board**

Mrs C Lewis-Smith, Pensions Administration Manager, introduced the report which reviewed the work of the Buckinghamshire Pension Board for the year 2020/21. The report provided feedback to the Board on the work undertaken during the year and meets the legislative requirement for producing the Board's Annual Report, a draft version of which was attached at Appendix 1 of the report.

Mrs C Lewis-Smith highlighted the following points:

- Attendance at meetings of the Board was higher this year with a 94% attendance rate. The move to meetings being held online might have contributed to this higher attendance rate.
- A range of online training was held for members throughout the year. Attendance was higher this year. This might again have been due to training being held online.
- Items which had been discussed by the Board over the year were set out in the report.

In the discussion which followed, the benefits of being able to attend meetings and training online was noted by the Board.

**RESOLVED that the report be noted.**

## **8 Governance Compliance Statement**

Mrs C Lewis-Smith, Pensions Administration Manager, introduced the report on the Governance Compliance Statement.

The Governance Compliance Statement, attached as appendix 1 to the report, was approved by Pension Fund Committee on 25 February 2021 and would be effective from 1 April 2021. There were no material changes to the statement.

**RESOLVED that the report be noted.**

**9 Administration performance statistics**

Ms S Price, Assistant Pensions Administration Manager, introduced the report which provided the Board with a review of the Pensions Administration Team's performance since the last meeting of the Board.

Ms S Price highlighted the following points:

- The Pensions Administration Team had continued to receive a high volume of communications from scheme members, employers and others. The sub-teams had been very proactive in processing these within set timeframes to ensure that requests were dealt with as quickly and efficiently as possible.
- An additional Member Liaison Officer had now been recruited into the Member Liaison Officer Team which was responsible for dealing with telephone enquiries. It was hoped that this would help to reduce telephone queue times and increase the number of telephone calls answered.
- The Pensions Administration Team had continued to process the priority cases quickly and achieve a good turnaround time. In Quarter 4, 96.3% of priority cases were completed within the turnaround time.
- There had been a decrease in performance against the target within the leavers table specifically around processing the deferred benefits and the recalculation of the deferred benefits. This was due to the team receiving a large number of leaver notifications in bulk from an employer, some of which dated back 5 or 6 years. These targets should get back on track once the backlog had been worked through.
- The percentage achieved in terms of new starter creations was lower than the previous quarter. This was due to one team member moving from a Pensions Assistant role to a Pensions Officer role. This should now improve going forward.
- In relation to transfers, whilst being one of the lower priority areas, the team were hoping to put more resources into this area in the future.
- With regard to overdue cases, the Pensions Administration Team were continuing to work with one of the largest scheme employers and a third-party payroll provider where outstanding information was the reason for the majority of the overdue cases. Significant progress had been made with the one employer in particular and a lot of the outstanding information had now been received. Unfortunately, there had not been much success with the third-party payroll provider, despite working closely with them and holding regular meetings. Due to this, a decision had been made that from 1 April 2021, where monthly submissions of data were not received from this third party payroll provider, the team would liaise directly with the individual schools rather than the payroll provider.
- In addition to reporting and reviewing turnaround statistics, the Pensions Administration Team were also now reviewing the total open cases on a monthly basis to identify overdue cases and look at how to reduce these. Of the total overdue cases, 80% of these cases were classed as 'external' meaning the team were unable to proceed as a result of either waiting on

information from an employer, scheme member or a third party. The remaining 20% of these overdue cases were waiting to be reviewed. These were reviewed by a Senior Pensions Officer on a monthly basis to see whether further action was needed.

- The report provided an update on the current projects being carried out by the team. Agreement for additional resource for the McCloud project had been given by Pension Fund Committee in light of the additional workload from the McCloud remedial action. The additional resource would consist of 1 Seniors Pensions Officer & 3 Pensions Officers, with agreement for an additional Pensions Officer as a result of a review of the current structure.

The following points were discussed as a result of questions/comments from members of the Board:

- The Board were advised that there was a cost associated with the extra resource required for the McCloud project, but the cost would be significantly higher if external companies were to be used instead to provide project support.
- It was confirmed that the additional posts being recruited to for the McCloud project were permanent positions. It may be that in the future more additional temporary resource would be required depending on how the workload progresses over time.
- With regard to employer contributions and whether these would need to be raised to cover the costs of McCloud, the Board were advised that employer contributions were set for this three-year period and that McCloud had been taken account of when these were set. In the future there might be an increase in employer contributions, but these figures were not known as of yet as it was not known how members' salaries would progress.

**RESOLVED that the report be noted.**

## **10 GMP reconciliation/rectification**

Ms S Price, Assistant Pensions Administration Manager, introduced the report which provided an update on the Guaranteed Minimum Pensions (GMP) Reconciliation/Rectification project.

Ms S Price highlighted the following points:

- As at 31 March 2020, 59,025 scheme member records had been reconciled and ITM had identified 10,051 pensioner and dependant scheme members that needed a further reconciliation. A 'dry run' of the rectification was completed in February 2021 and of the 10,051 scheme members it had been identified that:
  - 8,699 members did not require rectification.
  - 806 members did require their records to be updated with a correct GMP figure, but this would not affect any payments.
  - 370 scheme members did require pensions in payment to be recalculated.

- 176 scheme members required a file review by the payroll team before it could be identified whether a recalculation would be required. This review was currently underway.
- Of the 370 scheme members identified, 25% had been underpaid with the remainder being overpaid due to either no GMP held on record or an incorrect GMP meaning that the pensions increase applied annually had been calculated incorrectly. For all cases, the correct rate of pension would be put in place from the rectification date and arrears, plus interest, for any underpaid cases would be paid.
- For any overpaid cases, there was no guidance on whether a fund should recover any overpayment or not and this would be left to the discretion of each administering authority. Historically, the Buckinghamshire Pension Fund had not recovered overpayments as a result of an incorrect GMP. Nationally the majority of funds were not recovering the overpayments.
- Based on the recent report, the average reduction of the scheme members whose pension would be reduced was £132 per annum with an average overpayment of £1,152 per member.
- The planned rectification date was 31 August 2021. This would be further to the Pensions Administration Team running the annual pensions increase on pensions in payment which should be completed by 30 April 2021. ITM would then aim to complete the live run of the rectification by 31 May 2021 and provide all necessary reports. Between 1 June and 30 June, letters would be sent to all affected members with the changes to pensions being applied from 31 August 2021 pension payments.

The following points were discussed as a result of questions/comments from members of the Board:

- Out of the 370 scheme members who require pensions in payment to be recalculated, 2% of these would have their pensions reduced by more than £1,000 per annum. More details on this would be available in May.
- In relation to overpayments not being recovered, the Board requested that information on the final amount of any overpayments written off and the approval process for this be included in the next report being submitted to the Board. **Action: Ms S Price.**

**RESOLVED that the report be noted.**

## **11 Forward Plan**

Mrs C Lewis-Smith provided an overview of the Pension Fund Board's forward plan.

The Board agreed that update reports on the McCloud project should be added to the forward plan for every other meeting, starting with the meeting in July 2021.

**Action: Mrs C Lewis-Smith**

**RESOLVED that the forward plan be noted and that update reports on the McCloud project be added to the forward plan for every other meeting, starting with the meeting in July 2021.**

**12 Annual Benefit Statements - Administration Year End Update**

Ms S Price, Assistant Pensions Administration Manager, introduced the report on Annual Benefit Statements which set out the position of the Buckinghamshire Council administering authority as at 28 February 2021.

Ms S Price highlighted the following points:

- A total of 18,515 statements were issued by the 31 August 2020 deadline with a further 5,329 statements issued to date, bringing the total to 23,844. As of the end of February 2021, 97.07% of statements had been issued to scheme members who were active on 31 March 2020.
- There were 325 outstanding queries relating to the 2019/20 year end return, a reduction from 922 since November 2021. The Employer Liaison Team were currently chasing employers for responses, or reviewing further data provided in order to resolve these queries and issue statements. These queries were with 32 employers; a breakdown of which was set out in the confidential appendix to the report.
- With regard to outstanding queries relating to previous year returns, outstanding queries had reduced from 297 to 131 between December 2020 and February 2021. This had since reduced further to 118 outstanding queries. In addition, 36 responses had also just been received from an employer yesterday which hopefully would result in those queries being resolved, taking the total to below 100. The team were continuing to work with employers to resolve the rest of the outstanding queries. A breakdown of the cases was set out in the confidential appendix.

**RESOLVED that the report be noted.**

**13 Exclusion of Press and Public**

**RESOLVED** 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).

**14 Annual Benefit Statements - Confidential Appendix**

This item was covered under the confidential section of the agenda.

**15 Confidential minutes of Pension Fund Board**

**RESOLVED that the confidential minutes of the Pension Fund Board held on 16 December 2020 be agreed.**

**16 Confidential minutes of Pension Fund Committee**

It was noted that the confidential minutes of the Pension Fund Committee held on 25 February 2021 would be circulated to members of the Board for noting once published.

**17 Pension Fund Performance**

This item was covered under the confidential section of the agenda.

**18 Date of next meeting / AOB**

The date of the next meeting was to be confirmed.