



## Pension Fund Board minutes

Minutes of the meeting of the Pension Fund Board held on Tuesday 13 December 2022 in MS Teams, commencing at 10.00 am and concluding at 12.15 pm.

### Members present

P Dearden, R Ellis, T Pearce, I Thompson and L Wheaton

### Others in attendance

J Edwards, K Farooqi, C Lewis-Smith and S Price

### Apologies

B Black, J McGovern and J Whiteley

### Agenda Item

#### **1 Apologies / Declarations of interest**

Apologies were received from B Black, J Whiteley and J McGovern.

The Chairman thanked Lisa Wheaton and Joe McGovern as they were retiring from the Pension Fund Board on 31 December 2022 and 31 January 2023 respectively.

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**

It was clarified that 600 pensioners had opted out to receive an online P60 with a paper copy requested.

The action points of the previous meeting were highlighted:

- The number of scheme members moved to the 50/50 scheme were provided in agenda item 7 page 32.
- There was a typo on page 36 of the last meeting's agenda report. The table showing the number late payments was 39 not 40.
- Further breakdown of incoming communications was provided on agenda item 7 page 28.
- Further breakdown of overdue cases was provided on agenda item 7 page 31.

- The Annual Accounts 21/22 would feature on the March 2023 agenda.

A member of the Board highlighted the Pensions General Meeting held on 8<sup>th</sup> December was very informative. There were presentations from the Pensions Fund Board, Pensions Fund Committee and Brunel. Brunel covered information in the Funds' performance and valuation report from Barnett-Waddingham. The presentations were circulated to Board members after the event for members who were unable to attend.

**RESOLVED Members of the Board AGREED the minutes of the Pension Fund Board held 19 October 2022.**

### **3 Minutes of Pension Fund Committee**

**RESOLVED Members of the Board NOTED the minutes of the Pension Fund Committee held 24 November 2022.**

### **4 Internal Dispute Resolution Procedure**

S Price Assistant Pensions Administration Manager, Buckinghamshire Council, provided an update on the formal internal dispute resolution procedure cases for 2021/22.

The following points were highlighted:

- There were five internal dispute resolutions procedure cases (IDRP) for the year 2021/22. This figure was down from seven cases the previous year. In previous years, IDRP cases mainly related to ill health retirements however, there were none of these type of cases recorded this year.
- The report listed the five appeals and the decisions which were upheld against the Council. Cases four and five were a result of human error in the administration team. Case five was partially upheld and related to an error in the calculation of benefits. The team reviewed these errors and put further training in place.
- Cases one and three related to transfers out of LGPS pension rights. There was a rising trend in the number of transfer appeals due to the rise in claims management companies acting on behalf of scheme members. The management companies identify scheme members who have transferred their pension rights to check if there was any financial loss incurred and if the administration authority was at fault. The Council's legal team investigated the two cases at stage 2, one appeal was declined as no fault was found with the administrative authority's transfer process. The appeal for the second case was partially upheld as there was no evidence a Scorpion transfer leaflet had been sent to the scheme member during the transfer process. In this case compensation was awarded to the members for the distress and inconvenience caused. However, the absence of this leaflet was considered as unlikely to have affected the member's decision to transfer out.
- It was noted there were cases of members fraudulently transferring out of the scheme to an occupational scheme for companies they were not

employed by. The pensions scams guidance and more stringent checks on transfers would reduce the number of these cases.

A member of the Board queried if there would be a significant increase in the number of appeals from claims management companies. The officer advised they would raise this with other LGPS funds to gauge how many cases are being raised. These cases can end up with the Pensions Ombudsman which requires a thorough investigation by the administrative authority.

A member of the Board asked if the Council would require insurance if the number of compensation claims was likely to increase. It was advised compensation would only be due if there was evidence the administrative authority did not follow the correct process. There were instances where scheme members had fraudulently provided documentation to initiate a transfer. There were procedures in place to check contracts of employment and employer details. The number of these cases being upheld on appeal were expected to be few.

It was queried if any legal action could be initiated against scheme members who committed fraud when transferring their pension rights. It was advised the claims management companies were acting within the law when investigating these claims. It was noted if scheme members transfers were complete and it was found the fund did not follow the correct process and due diligence, they would likely be reinstated to the scheme instead of receiving financial compensation.

There had been four cases raised in 2022/23 so far with one case related to ill health. The compensation payments were locally set between £250-£500 for stage one complaints, about £750 for Stage 2 complaints and payments were based on circumstances.

A member of the Board highlighted as these cases were time consuming to investigate and resolve was there an option to reclaim officer time. It was advised scheme members were permitted to make stage one and two appeals under scheme regulations and these would be monitored going forward. The compensation fees were based on guidance from the Pensions Ombudsman and reclaiming costs would require changes to legislation.

**RESOLVED Members of the Board noted the update.**

## **5 Training Opportunities**

C Lewis Smith, Pensions Administration Manager, Buckinghamshire Council provided an update on training opportunities.

The report attached highlighted online webinars and seminars board members had attended throughout the year. Training opportunities for the next year would be circulated and board members could review these.

Board members had attended a variety of training sessions from different providers. The only event not attended by any members was the LGA Annual Governance Conference held in Cardiff in January 2022.

The Chairman confirmed they would attend the LGA Annual Governance Conference in January 2023 and the Vice-Chairman would attend the next. It was noted it would be useful for half of the Board members to attend CIPFA/ISIO training and the other half Barnett Waddingham to gain a comparison and share the training materials provided.

A member of the Board highlighted they attended the CIPFA Annual Full Day Event with the next event planned for May 2023 in Birmingham. It was noted in-person events often provided greater interaction than online sessions.

**RESOLVED Members of the Board noted the update.**

## **6 Forward Plan**

C Lewis Smith, Pensions Administration Manager, Buckinghamshire Council provided an update on the forward plan.

**Action:** C Lewis Smith to remove election of chairman from forward plan for March 2023 meeting.

It was noted the Annual Accounts Audit 2021/22 would be presented at the Board meeting in March. There would be an update from the auditor at the Pension Fund Committee meeting in March. If the draft minutes from the Committee could not be circulated before the Board meeting a verbal update would be provided to members.

There was a discussion regarding the annual accounts and the delay in signing off of Buckinghamshire Council's accounts. It was highlighted the idea to decouple the Council's accounts and Pension Fund accounts was discussed by government however, any changes would require legislation.

**RESOLVED Members of the Board noted the update.**

## **7 Administration performance statistics**

S Price Assistant Pensions Administration Manager, Buckinghamshire Council, referred the report circulated with the agenda.

The following points were highlighted:

- The report covered the period 1 October 2022 to 30 November 2022, Board were asked to note the figures did not cover a full quarter.
- Incoming communications had increased with a greater number of

communications coming through the i-Connect online portal instead of via email.

- It was highlighted the team were dealing with member queries quickly with the telephone call queue time at an average of 15 seconds. The team answered 99% of calls received.
- The priority areas turnaround target was over 95% in all areas. This was a slight reduction from 97% in the previous quarter however, the team were up to date with current workflows and were focusing on older overdue cases.
- There were no areas for concern within administration, the AVCs at retirement cases completed had dropped to 80% however this was a complex area with a small volume of work. There were five cases completed with one case completed outside the ten working days.

The officer highlighted an error on page 31 of the report, the table showing open and overdue cases from opt outs to general queries. The figures showing cases overdue and external should be reversed. There was an increase in overdue cases however this was outside the team's control as delays were due to external causes .

A breakdown of overdue external cases by employer was included in the confidential appendix of the report. The figures for scheme members opting out and moving to the 50/50 option would be included in all quarterly reports. The figures included in the report covered October and November therefore, they did not reflect a whole quarter. There had not been a noticeable increase in opt outs based on the team's workload.

A member of the Board queried how the number of members choosing to opt out or the 50/50 option compared to previous years. These figures would be included in the administration performance statistics report for the next meeting. It was noted Buckinghamshire Council's payroll department had seen an increase in the number of members opting out and reducing contributions, this would be monitored closely. It was confirmed if scheme members opt out they would not receive death in service benefits. The opt out guidance issued to scheme members' stated benefits lost and highlighted the 50/50 option.

There would be an article in the next employer newsletter to highlight the 50/50 option to members. The scheme advisory board have requested opt out and 50/50 data from all administrative authorities. Members do not need to provide a reason as to why they are opting out.

A member of the Board highlighted as consumer price index (CPI) was particularly high this would result in an increase in pension payments, could this be mentioned in the employer newsletter. The newsletter could highlight the death in service cover and ill health cover however, whilst CPI was currently high this could change in the future.

**RESOLVED Members of the Board noted the update.**

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

S Price Assistant Pensions Administration Manager, Buckinghamshire Council, referred the report circulated with the agenda.

It was highlighted 99.9% of annual benefit statements had been issued with five queries outstanding which was a reduction from eleven. The four outstanding queries related to four scheme employers who were issued with financial penalties. Further penalties could be imposed if the scheme employers continued to withhold information.

The administration team were thanked for their hard work in achieving nearly 100% of annual benefit statements issued in the statutory timeframe.

**RESOLVED Members of the Board noted the update.**

**9 Exclusion of Press and Public**

**10 Annual Benefit Statements - Confidential Appendix**

**RESOLVED Members of the Board noted the report.**

**11 Administration performance statistics - Confidential Appendix**

**RESOLVED Members of the Board noted the report.**

**12 Confidential minutes of Pension Fund Board**

**RESOLVED Members of the Board AGREED the confidential minutes of the Pension Fund Board held 19 October 2022.**

**13 Confidential minutes of Pension Fund Committee**

**RESOLVED Members of the Board NOTED the confidential minutes of the Pension Fund Committee held 24 November 2022.**

**14 Cyber Security**

**RESOLVED Members of the Board noted the report.**

**15 Pension Fund Performance**

**RESOLVED Members of the Board noted the update.**

**16 Actuarial Valuation 2022**

**RESOLVED Members of the Board noted the update.**

**17 Date of next meeting**

Date of the next meeting: 29 March 10am via MS Teams

The Chairman highlighted there were no updates on the McCloud consultation documentation.

A member of the Board queried the process for multi-academy trusts (MATs) across county boundaries. In certain cases, the academies were funded from one central academy instead of individual MATs. It was noted there was an instance of this in Buckinghamshire with the academy funded from the Northamptonshire fund. The government had considered all schools becoming academies by 2030 however, this bill was scrapped in favour of letting schools decide.

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