



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.