



Pension Fund Board minutes

Minutes of the meeting of the Pension Fund Board held on Thursday 26 October 2023 in The Paralympic Room, Buckinghamshire Council, Gatehouse Road, Aylesbury HP19 8FF, commencing at 10am and concluding at 11:48am.

Members present

B Black, P Dearden, R Ellis, A Rulton, I Thompson and J Whiteley

Others in attendance

J Edwards M Preston and S Price

Agenda Item

1 Apologies / Declarations of interest

Apologies were received from Claire Lewis-Smith and Tina Pearce.

2 Minutes of the Pension Fund Board

RESOLVED: Members of the Board AGREED the minutes of the Pension Fund Board held on 19th July 2023.

The following matters arising were discussed:

My Pensions Online - The testing and development of the Heywood software employee module had been progressing well and things were on track for the scheduled December/early January deadline to go live. A more comprehensive update would be provided at the December meeting of the Board as that deadline approached.

Following the comments made about difficulty accessing back copies of newsletters via My Pension Online, it was confirmed that broken links had been found and replaced with ones that took visitors to the correct document.

3 Minutes of Pension Fund Committee

RESOLVED: That the minutes of the Pension Fund Committee held on 27th September 2023 be noted.

The following matters arising were discussed:

DLUHC LGPS Pooling Consultation – The Government consultations that related to a 10% allocation to Private Equity for the LGPS and the consolidation of LGPS Assets into the Pools by March 2025 had concluded on 2nd October 2023. The Government was considering the responses received. The Assistant Director of Finance was happy to provide feedback to the Board once the Government had issued its guidance. There was no timetable currently in place for this.

4 Breaches of the Law

Buckinghamshire Council had developed a procedure reflective of the guidance contained in The Pension Regulator’s Code of Practice to enable individuals responsible for reporting and whistleblowing under Section 70 of the Pensions Act 2004 (“the Act”) to identify, assess and report (or record if not reported) a breach of law relating to the Buckinghamshire Pension Fund. An appendix detailed instances in the period Q2/3/4 for 2022/23 and Q1 for 2023/24 in which breaches had occurred.

The Assistant Pensions Administration Manager clarified that there had been an increase in the number of refunds issued between Q3 and Q4 2022/23, with 47 refunds of employee contributions paid in excess of 5 years since their date of leaving (up from 23). This increase was due to a successful member tracing exercise. The LGPS Regulations 2013 stipulated that all contribution refunds must be paid before the expiry of 5 years of the member leaving. However, if a member did not claim the refund, or could not be reached due to outdated contact/banking information, there was little that the Pensions Administration Team could do to meet the deadline, causing an administrative breach.

A discussion was held about the manageability of situations where an individual (often a younger person) had been enrolled in several pension schemes as their employment situation changed. It was hoped that Department for Work and Pensions’, ‘Pensions Dashboard’ programme might mitigate this problem in the future.

The annual benefit statement breach has been removed from the breach log as 100% were issued for the 2022/23 scheme year.

RESOLVED: That the report be noted.

5 Annual Report Extract

The Local Government Pension Scheme (LGPS) Regulations 2013 required the Buckinghamshire Pension Fund to draft an Annual Report each year in accordance with Chartered Institute of Public Finance (CIPFA) guidance. The report detailed governance arrangements of the Fund, scheme administration, financial and investment performance, the Buckinghamshire Pension Fund Statement of Accounts, and the Fund’s policy statements.

Members noted the following highlights:

- Membership of the Fund increased by 1.1% from 83,809 at 31 March 2022 to

86,769 at 31 March 2023.

- The Fund processed 1,157 retirements during 2022/2023.
- The Fund paid out a total of £132,997,000 in pension benefits.
- The Fund collected a total of £165,961,000 in contributions.
- The triennial actuarial valuation estimated the funding level increased from 94% on 31 March 2019 to 104% on 31 March 2022.
- Net assets available to Fund benefits were £3,741,873,000.
- On 31 March 2023, 96% of the Fund's assets had been transitioned to the Brunel Pension Partnership.

Following the request made by the Chairman at the meeting on 19th July, pages 1-44 of the Annual Report had been brought back to the Board for comment. The following key points were raised:

The 'Pension Fund Accounts' had been amended and updated to reflect amendments requested by auditors.

During discussion around the balance between the provision of a stable pension, and ethical investment, the Pensions & Investments Manager confirmed that the Brunel Pension Partnership (in which 96% of the Buckinghamshire Pension Fund's assets were currently transitioned), aligned its investments with the targets set under the Paris Agreement in relation to greenhouse gas emissions and carbon neutrality, as set out in their Responsible Investment Policy Statement and Climate Change Policy.

Attention was drawn to some figures contained in the report extract which appeared anomalous to members, and were earmarked for double checking to ensure their veracity. These were as follows:

- The 'Return' figure of 8.8% (Page 44) which was also reflected in Tables 1,2 and 3 on pages 81,82 and 83.
- The 'Forecast' figures related to management expenses in Table 1 (Page 69)
- The percentage figures of 'Payments Received Late' and 'Payments Received on Time' in 2022/23 in Table 7 (Page 71)
- The 'Average Employee's Contribution' figures for Princes Risborough Town Council and Priory Rise School in Table 9 (Page 76)

The Pensions & Investments Manager also agreed to produce a report to compare the amount paid in fees (detailed in the cost transparency table on page 83) against other Funds. This would be submitted to a future meeting of the Board, likely in the new year.

ACTION

RESOLVED: That the report and the Board's comments be noted.

6 Forward Plan

The Board made the following comments on the forward plan:

The title of the 'i-Connect/Pensions Online Update' item scheduled for 27th March 2024 would be adjusted by the Assistant Pensions Admin. Manager to better reflect the intended discussion focusing on the My Pensions Online. It would also be listed as an annual item, as opposed to a bi-annual.

The 'Internal Administration Benchmarking' item had been moved to the December meeting in order to include results from the CIPFA benchmarking exercise.

The proposed 'Valuation Update' item had been removed from the December meeting, as it was no longer considered relevant.

The Cyber Policy item had been moved forward from December to allow any comments made by the Board to be passed on to the Pension Fund Committee in time for their next meeting on 15th November.

Official sign off was still being sought on the 2020/21 and 2021/22 accounts because the council's overall accounts had still not been signed off, and this needed to be done simultaneously. It was anticipated that the 2020/21 accounts would be signed off around December.

RESOLVED: That the work programme be noted.

7 Administration Performance Statistics

The Board received a report on the performance of the Pensions Administration Team as follows:

Benefit Administration - Priority Areas

The target was to achieve a minimum of 95% of priority tasks completed within relevant turnaround times which were reported on quarterly. The team had achieved an average 97.08% completion rate over 2022/23 and had been meeting the 95% average target throughout the first two quarters of 2023/24. The previous area of underperformance (AVC's at retirement) had improved from 64% to 77%, though refunds had dropped from 99% to 90%. The Assistant Pensions Admin. Manager confirmed that this was due to delays caused by a GAD review, causing refunds to be put on hold for a short period of time, though the backlog had now been eliminated, and this would be reflected in future updates.

Open and Overdue Cases

The team regularly reviewed older overdue cases. As of 12th October 2023, there were 68 cases that were due for completion before 30 June 2023. Of these 68 cases, 60 were waiting for information from a scheme employer/scheme member/next of kin, 3 where information has been received within the last 2 days and 5 waiting to

be checked and complete. It was agreed that in future, the absolute number of cases would also be included in the table, to contextualise the percentage figures of overdue cases.

Employer Submissions/Data Reconciliation

Employers were due to submit data via i-Connect by 19th of each month. Monitoring took place monthly by the Employer Liaison Team to ensure submission. The aim was for 100% submission by the deadline however whilst i-Connect was still relatively new for some employers, the target was 95% with the intention of this increasing to 100%. 40 employer submissions were made after the deadline during quarter 2 of 2023/24, with 43% of these under 5 days late and it was hoped that late submissions would continue to reduce. It was explained that Employer Liaison Officers were on hand to help employers with late submissions to this end. Over quarter 2 of 2023/24, 1700 reconciliation reviews took place.

The Assistant Pensions Admin. Manager confirmed that she would check the figures for the number of new opt-out cases created in the Benefit Administration table on page 134 against the number of opt-outs listed for Q1 and Q2 2023/24 on page 139.

ACTION

RESOLVED: That the content of the report be noted.

8 Annual Benefit Statements - Administration Year End Update

The Assistant Pensions Administration Manager reported on the current position with regard to annual benefit statements.

100% of statements were issued to entitled active scheme members prior to the statutory deadline for the 2022/23 scheme year. All queries were resolved with employers and there were no outstanding queries.

Preparations had started for next year's statements with the intention to achieve the same result again. The Assistant Pensions Admin. Manager explained that owing to previous delays caused by the Communications Working Group, the team sought to issue their own communications moving forward. As many of the smaller employers already submitted their returns prior to the 30th April deadline, it was intended for the 2023/24 statements to be issued progressively from April onwards next year.

The officers were commended for achieving the issuance of 100% of ABS before the 2023 statutory deadline.

RESOLVED: That the report be noted.

9 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).

10 Administration Performance Statistics - Confidential Appendix

The Board Members discussed the contents of the confidential appendix and its implications.

RESOLVED: That the confidential appendix be noted.

11 Confidential minutes of Pension Fund Board

The Board Members discussed the matters arising from the confidential minutes of the Buckinghamshire Pension Fund Board.

RESOLVED: That the confidential minutes of the Buckinghamshire Pension Fund Board held on 19th July, be approved as a correct record.

12 Confidential minutes of Pension Fund Committee

RESOLVED: That the confidential minutes of the Buckinghamshire Pension Fund Committee held on 27th September, be noted.

13 Employer Risk Analysis

Board Members made comments on the contents of the employer risk analysis as requested.

RESOLVED: That the Board's comments on the results of the employer risk analysis be noted.

14 Cyber Policy

Board Members discussed and made comments on the contents of the cyber policy report.

RESOLVED: That the Board's comments on the Cyber Policy be noted.

15 Risk Register

RESOLVED: That the report be noted.

16 Pension Fund Performance

Board Members discussed and commented on the contents of the investment performance report.

RESOLVED: That the report be noted.

18 Any Other Business

The scheme members' webinar last year had been positively received. A similar webinar was scheduled for 29th November 2023, and details could be found in the Inform Newsletter.

17 **Date of Next Meeting**
13th December 2023

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