

Wiltshire Pension Fund Committee

MINUTES OF THE WILTSHIRE PENSION FUND COMMITTEE MEETING HELD ON 23 NOVEMBER 2023 AT KENNET ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Cllr Richard Britton (Chairman), Cllr Kevin Small (Vice-Chairman), Cllr George Jeans, Cllr Gordon King, Cllr Christopher Newbury, Cllr Vijay Manro, Cllr Stuart Wheeler and Mike Pankiewicz

120 **Apologies**

Apologies for absence were received from Claire Anthony and Mark Spilsbury.

121 **Minutes**

The minutes of the meeting held on 13 July 2023 and 14 September 2023 were presented for consideration, and it was,

Resolved:

To approve and sign the minutes as a true and correct record.

122 **Declarations of Interest**

There were no declarations of disclosable interests.

123 **Chairman's Announcements**

The Chairman apologised for any confusion regarding the meeting of the Committee set for 5 October 2023, which was cancelled and outlined that this meeting would be a hybrid investment and administration meeting.

124 **Review of Actions Log**

The Committee reviewed the list of ongoing actions.

125 **Minutes and Key Decisions of the Local Pension Board**

The Committee reviewed the minutes of the Local Pension Board meetings held on 10 August 2023 and 1 November 2023, and it was,

Resolved:

To note the minutes of the Local Pension Board meetings on 10 August 2023 and 1 November 2023.

126 **Public Participation**

No statements or questions were submitted.

127 **Headlines and Monitoring (HAM)**

Jennifer Devine, Head of Wiltshire Pension Fund, supported by other officers, presented the Headlines and Monitoring report. The report included that regarding the backlog project, Hymans had completed 2,5k cases and it was thought that the work would be done in January with Aon aware that they need to complete their remaining 200 cases by the end of the year, which was dependent on a calculator for dependents being built.

Reference was drawn to the business plan priority area progress updates on page 44 of the agenda, which outlined that resourcing had a progress rating of red. It was outlined that four roles needed to be filled and that a lot of effort needed to be put into training and improving morale, as suggested by a staff survey.

Information regarding the Risk Register covering the period from April to September was provided, with the most noticeable change being that investment had changed from red to green progress rating. Fund governance had changed from green to amber, however this was mostly to do with the audit strategy and fraud case, which was now largely concluded. Data management had also improved from red to amber, with a lot of annual benefit statements issued.

It was updated that KPI audits had taken place over the course of November, and it was hoped that something could be brought to the December meeting.

The actions log for the KFC audit was discussed, with it noted that there had been good progress made since the last assessment on 16 October and that a new audit from SWAP was now awaited. Key elements outstanding included policies and procedures had now been drafted but would need to be signed off, though some target dates had been missed. It was also asked that the aggregation process be extended to 31 March 2024 to align with Status 2 “to be decided cases”, with the primary reason being its close relationship with what actions should be taken on identifying case types.

An update was provided on training, which included that a training plan would be circulated for Member consultation, which would cover the next scheme year. It was hoped that the training plan could be brought to the December meeting for approval.

The Committee discussed the report and presentation in detail, with the following comments received but not limited to discussion around the failure to find an Employer Services Manager and how this has impacted the Fund. It was stated that though the role had been advertised 5 times, the correct calibre of

applicant hadn't been found and that other local authorities had struggled to such roles even with a higher salary.

Positive feedback was received regarding the streamlining of work streams and the introduction of recipe cards to improve efficiency and effectiveness.

It was clarified that that the risk relating to "Project" had moved from an amber rating to red due to an Aon project being delayed, which should have finished in October and would now finish in December. Clarity was also provided regarding audit approvals, that the process of signing off audit approvals could be reviewed.

Feedback was provided regarding the 2022/23 training programme. Whilst the content was good, some Members felt training sessions would be better placed at the end of the meeting. Further points relating to training included concerns about the MIFID II self-certification, with a desire expressed for members to receive some training on this area, or direction to written document. It was outlined by officers that there was- no legal requirement to sign the self-certification form and that it was just a preference of the Fund so that it can demonstrate that its professional client status can be maintained. The use of experts for assurance when making decisions was also discussed.

Further detail was provided regarding the risk register fund governance, with part one of the recommendations with the audit plan for the next year set to come to the Committee in December. Discussion also took place regarding the contract for internal audit work and that should there be areas which the Fund desired to be investigated, the Fund should be able to pay for a specific contract. The officer also advocated the continued use of SWAP..

At the conclusion of debate, it was,

Resolved:

The Committee agreed to:

- a) to approve the risk register recommendations made by the Board and the officer assessment of risk as presented in the September version of the risk register:**
- b) to note progress in the SWAP audit actions log and to recommend any extension to action 6's target date to 31 March 2024:**
- c) to approve the 2022/23 training plan set out in Appendix 6.**

128 **Training**

The Committee received a presentation from Hymans regarding Employer Covenants reviews and the process of managing new and ceasing scheme employers.

The presentation included the following points:

- An overview was provided as to why employer covenant is monitored and reviewed, including the perspectives of risk management, diversity and appropriate funding strategies.
- Guidance was provided as to when and how a covenant should be monitored and reviewed.
- It was outlined how covenant can be reflected in contribution rates.
- An overview of managing new employers and ceasing employers was provided.

Following the training, the comments received but not limited to how academies are affected, with it clarified that they were generally seen as not too different a risk to others. It was clarified that Brunel PP were treated as an admission body within the fund and are considered to be a lower risk as they were backed by ten underlying funds in the Pool. The process of reviewing covenant was discussed and how the Pension Fund would conduct reviews, it was noted that an extensive approach wouldn't be taken for each employer but rather a proportional approach with more extensive reviews taking place for employers with more risk.

Clarity was sought regarding what might alert the Pension Fund to a change in the covenant of employers, to which it was noted that sometimes this can be reliant on the employers' providing information, such as through questionnaires and sometimes information can be gained from the press. It was noted that it is useful for officers to have a continual engagement with employers with regular meetings to find things out in advance. A point was made about mechanisms within covenants to protect contributions, with the example of bonds, insurance and guarantors discussed.

129 **Responsible Investment Update**

Jennifer Devine, Head of Wiltshire Pension Fund, presented a report on the Fund quarterly responsible investment performance. The update covered that actions had progressed as far as officers had wanted them to with some areas not started yet but could be completed by March. Additionally, an update would be provided later in the agenda about climate opportunities.

Resolved:

The Committee is agreed to:

- a) use the report as a basis for monitoring the progress that is being made towards implementing responsible investment policy;**
- b) note the progress made against the Responsible Investment Plan 2023/24 actions and discuss whether any additional actions are needed at the current time.**

130 **MiFID II Compliance**

Richard Bullen, Fund Governance Manager, presented an update which requested completion by members of their self-certification of MiFID II.

The Committee discussed the update, with the following comments received but not limited to that some of the Members were happy to sign the form having done so previously. Reference was also made to the need for some training on the area for Members to be able to satisfy themselves that they could sufficiently respond should they be questioned. It was suggested that a written textbook style approach would be appreciated with it agreed by officers that CIPFA guidance on the area would be reviewed before recirculating to Members. Reference was also drawn to Hymans modules which covered the area.

At the conclusion of debate, it was,

Resolved:

The Committee agreed for members of the Committee wishing to complete the self-certification form to complete the respective form, with others to wait for further guidance.

131 **Committee Forward Work Plan**

The Committee discussed the Forward Work Plan.

It was,

Resolved:

To note the Forward Work Plan.

132 **Date of Next Meeting**

The dates of upcoming meetings were confirmed as 14 December 2023 and 29 February 2024. In addition, a Brunel Investment Manager Presentation was set to take place 28 November 2023 on Microsoft Teams.

133 **Urgent Items**

There were no urgent items.

134 **Exclusion of the Public**

It was,

Resolved:

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Minute Numbers 16 - 23 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraphs 1 & 3 of Part I of Schedule 12A to the

Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

135 **Minutes**

The private minutes of the meeting held on 13 July 2023 and 14 September 2023 were presented for consideration, and it was,

Resolved:

To approve and sign the minutes as a true and correct record.

136 **Minutes and Key Decisions of the Local Pension Board**

The private minutes of the Local Pension Board meeting held on 10 August 2023 and 1 November 2023 were presented for consideration, and it was,

Resolved:

To note the minutes as a true and correct record.

137 **Integrated payroll system project**

Mark Briggs, Operations Manager, provided an update concerning the new Altair payroll system and the migration from SAP to Oracle.

At the conclusion of debate, it was,

Resolved:

The Committee is agreed to note this update and is invited to make any comments or recommendations that it has in relation to this piece of work.

138 **Fraud case update**

James Franklin, Pensions Administration Lead, presented a report on a case of customer fraud which has occurred.

139 **Quarterly Investment update**

Jennifer Devine, Head of Wiltshire Pension Fund presented a report on the Fund quarterly investment performance.

At the conclusion of debate, it was,

Resolved:

The Committee is agreed to use the investment reports and the update provided by officers and advisers at the meeting as a basis for monitoring

the investment performance and implementation of the strategic asset allocation.

Chair called a break at 12:00pm and the meeting resumed at 12:05pm.

140 **Climate Opportunities**

Jennifer Devine, Head of Wiltshire Pension Fund, presented a report which updated the Committee on the Climate Opportunities available to the Fund.

At the conclusion of debate, it was,

Resolved:

The Committee is agreed to endorse the actions taken by officers towards implementation of the Clops portfolio.

Cllr Christopher Newbury voted against the resolution.

141 **Brunel Governance update**

Jennifer Devine, Head of Wiltshire Pension Fund and Andy Brown, Deputy Chief Executive, provided a verbal update on the report from officers summarising the ongoing Brunel governance arrangements.

142 **KPI Improvement Plan**

Jennifer Devine, Head of Wiltshire Pension Fund and James Franklin, Pensions Administration Lead provided a verbal update on the development of a KPI Improvement Plan.

At the conclusion of debate, it was,

Resolved:

The Committee is agreed to:

- **Use the presentation as a basis to discuss options for the model used for service delivery, and to discuss the issues currently faced which are standing in the way of success.**
- **Approve that officers should attempt to resolve the issues and deliver the service via the in-house team.**
- **Approve the high-level principles behind the 3-year plan as set out in this presentation.**
- **Approve that a more detailed plan with actions and time scales will be presented in December 2023, such that this can form part of the Business Plan for 2024-27.**

- **Endorse the approach to carry out a pay review of the whole Fund, such that the findings can be reviewed and, if necessary, incorporated into the Budget to support the 2024-27 Business Plan.**

(Duration of meeting: 10.00 am - 2.00 pm)

The Officer who has produced these minutes is Ben Fielding - Senior Democratic Services Officer of Democratic Services, direct line: 01225 718656 or e-mail: Benjamin.fielding@wiltshire.gov.uk

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