

Wiltshire Pension Fund Committee

MINUTES OF THE WILTSHIRE PENSION FUND COMMITTEE MEETING HELD ON 10 OCTOBER 2024 AT KENNET ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Cllr Richard Britton (Chairman), Cllr Gavin Grant, Cllr Gordon King, Cllr Vijay Manro, Cllr Robert Yuill, Mike Pankiewicz and Claire Anthony

100 **Apologies**

Apologies for absence were received from Karl Read, Jodie Smart, Cllr Nick Botterill, Cllr Stuart Wheeler and Cllr Kevin Small.

101 **Minutes**

The minutes of the meeting held on 19 September 2024 were presented for consideration.

The Chairman noted that a minor amendment had been made to minute of Item 85, Chairman's Announcements, as follows:

"The Chairman noted that at the last Committee meeting feedback had been requested from Members to remove reference of the Investment Sub-Committee from the Constitution. No comments had been received; therefore, the Chairman and Members were now happy to proceed with the required changes".

After which, it was,

Resolved:

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

102 **Declarations of Interest**

There were no declarations of disclosable interests.

103 **Chairman's Announcements**

There was no Chairman's Announcements.

104 **Review of Actions Arising from Previous Meeting(s)**

The Committee reviewed the Actions Log.

105 **Review of the Minutes of the Local Pension Board**

The Committee reviewed the minutes of the Local Pension Board meeting held on 23 September 2024 and the included recommendations, and it was,

Resolved:

To note the minutes of the Local Pension Board meeting on 23 September 2024.

106 **Public Participation**

No statements or questions were submitted.

107 **Welcome to the Actuarial Consultants**

Melanie Durrant (Partner), Hagen Eichel (Actuary) and Lucy Byrne (Actuary) from Barnett Waddingham provided the Committee with a presentation which included but was not limited to the following points:

- The team provided an introduction as well as an overview of their experience.
- An overview of the role of an actuary was provided.
- A timeline for the work set to be conducted with the Wiltshire Pension Fund was provided that covered a three-year period concluding with the finalised valuation report in March 2026.
- An overview of the work currently being conducted was provided. Detail was provided surrounding the development of the employer covenant monitoring with it noted that a questionnaire had been released last month that had a 40% response rate with information to then be gathered to inform the Covenant Policy.
- Detail was provided on the methodology and funding approach used by Barnett Waddingham as well as how smoothing is used to mitigate market fluctuations.
- Barnett Waddingham had taken the 2022 valuation results and had rebased them using their own methodology which had resulted in results within a 2% similarity, which presented a positive starting position. Individual results would now be worked through as well as inter-valuations.
- An overview was provided on Section 13, which was a review that formed part of the Public Service Pensions Act and was conducted by the Government Actuary to investigate whether all LGPS funds were consistent and compliant. It was outlined that in the 2022 iteration of Section 13 the Wiltshire Pension Fund was green rated across each metric. Next steps relating to Section 13 were outlined.
- Barnett Waddingham outlined their next steps of work to be completed, including finalising onboarding, preparing for the 2025 valuation and supporting the Fund.

The Committee discussed the presentation with clarity sought regarding the difference between the methodologies used by the previous actuary and Barnett Waddingham. Questions were also posed in relation to the rebased data regarding how assumptions had been used.

The relationship between Barnett Waddingham and the LGPS Pool was discussed, with it noted that the actuary spoke to consultants rather than the Pool directly. It was also clarified that in relation to Section 13, there was a general need for all funds to consider climate risk when setting actuary assumptions.

An offer was made that the Barnett Waddingham team would be happy to return to the Committee during the valuation process to further demonstrate their methodology in practice. It was also stated that the actuary was not aware of any significant risks currently and that the timetable should enable them to work to the Fund's deadlines.

It was agreed that Members would consider areas for training regarding the valuation process in consultation with Officers before confirming to Barnett Waddingham.

108 **Headlines and Monitoring (HAM)**

Jennifer Devine, Head of Wiltshire Pension Fund, supported by other officers, presented the Headlines and Monitoring report. The report included but was not limited to that the Annual Report had now been published online and had been sent out to Members. Engagement had continued with the ongoing pensions review and that following the Government call for evidence, the Fund had submitted a response as well as a covering letter as agreed during the last Committee meeting.

It was noted that Pension Awareness week had taken place last month and that drop-in sessions had taken place in the Atrium which Members and Officers had attended. Webinars had also taken place and were oversubscribed, therefore mop up sessions were set to take place. The staff engagement survey had also recently concluded and showed positive responses compared to the previous iteration with a whole Fund meeting taking place to take a deep dive into the response feedback with training still cited as a topic.

An overview of the Risk Register was provided, with it noted that the Fund Governance rating had now changed from red to green following strategic procurements completed. Compliance and regulations had risen from green to amber due to the call for evidence and data management had changed from green to amber because of the migration to Oracle and late data in relation to i-Connect. It was also noted that resourcing had been altered back to a red rating due to there being vacancies to be filled within the administration areas.

An update on audits was provided with it noted with an action plan in place to cover the recommendations made by SWAP in June 2024. It was noted that there were now only 5 audit recommendations compared to the 13 previously, with most areas progressing ahead of deadline. An extension was however requested for the Complaints Monitoring & Reporting action and that meetings were taking place to align with the corporate risk register.

Detail was provided on the Quarter 3 2024 Health Check Dashboard which included that service delivery KPIs still showed as having a lot of red rated percentages however there was more green areas than previously and that this was expected to further increase once the backlog had gone. It was noted that customer service excellence standards had been given an amber rating with an assessment set to be taken next May once the KPIs were in a better position. The internal audit position was an amber rating with the number of recommendations reduced and there having been a positive direction of travel. Detail was provided that budget plans suggested that the Fund would be under the expected cost per Member based on the size of the Fund with officers working prudently to manage the costs in line with the budget. Regarding staff engagement this was given an amber rating though it was in a better position following the recent staff survey result.

The Committee discussed the report with clarification sought regarding the engagement with detail provided that the fact sheet sent out had been opened 59,000 times by members with 300 people attending the webinar and drop in event and a further 140 people waiting for subsequent webinars. The area of recruitment issues was discussed, with an update provided that sadly though the Fund had appointed a new Principal Officer they had subsequently pulled out. It was however noted that salary benchmarking had led to generating more interest in roles as well as better quality applicants.

Further detail was provided regarding the training that had been given to the Fund team and how there was a reliance on feedback from the team with it recognised that different people learn in different ways.

It was agreed that a copy of the Pensions Review covering letter would be sent round to Committee Members following the meeting. Clarification was also provided that the process of producing budget monitoring reports was soon to be up and running again.

Clarification was sought regarding the service delivery KPIs, with it stated that the red rated KPIs generally occur when a case is missed within the minimum agreed time, however a sweep up is conducted at the end of each day to ensure that payments are not missed. It was outlined that generally the missed cases were down to complex cases or staff absences. It was suggested that the target to get all employers using i-Connect before 2027 wasn't ambitious, to which it was suggested by officers that onboarding would likely be completed

ahead of this date with the majority being onboarded by the end of the scheme year.

At the conclusion of debate, it was,

Resolved:

The Committee agreed to:

- **Approved the risk register recommendations made by the Board and the officer assessment of risk as presented in the July version of the risk register:**
- **Noted the SWAP Key Controls action log and approved an extension to the Complaints Monitoring & Reporting action to 31 December 2024.**

109 **Key Financial Controls**

Christopher Moore, Investment and Accounting Team Lead provided an update concerning the operational accounting arrangements. The update included but was not limited to that the final sign off for the full Wiltshire Council Accounts for 2019/20 had progressed with a final drafted version with the external auditors for signing. It was outlined that changes had been made to the original wording, and no numbers had been amended. The final version would be shared once available.

It was outlined that there was a national statutory deadline of 13 December for accounts to be signed off with Deloitte not expecting to be able to express an opinion on the accounts for 20/21, 21/22 or 22/23 which would then roll forward to the new auditor's opinion on the 2023/24 accounts. Grant Thornton were at the end of finalising this audit, which required additional sampling and testing due to the unsigned accounts for previous years. However, due to the unsigned previous years accounts Deloitte will have to issue a qualification on the 23/24 accounts in relation to the opening balances.

Regarding budget reporting, work was being done to get the processes up and running again following the Evolve implementation.

The Committee discussed the update with comments made regarding how Deloitte had only recently requested changes to the 2019/20 accounts and that because the accounts were still open Deloitte had a right to raise points. It was clarified that all of the points raised by Deloitte had been answered and that the 2023/24 accounts were in a process of extensive testing by Grant Thornton which would provide assurance.

It was suggested that with the potential for other issues to be raised from unsigned accounts that work was being completed on unstable foundations with

the, to which it was noted that no further changes to figures had been suggested so far. Assurance was also provided by officers that the budget report would be available by the end of the calendar year.

At the conclusion of debate, it was,

Resolved:

The Committee agreed to use the report to monitor progress against resolving the issues which have been identified.

110 **Employer Under Performance Charging**

Matt Allen, Employer Funding & Risk Lead, presented a paper covering the Fund officers proposed administration charging strategy. The report included that this report had already gone to the Local Pension Board and provided an explanation on the charging process for underperformance. It was outlined that under Regulations 70 (1 and 2) of The Local Government Pension Scheme Regulations 2013 that the Fund had the power to recover any additional administrative costs that had been incurred, because of a Scheme employer's underperformance.

It was outlined that currently the additional cost of any underperformance was picked up by all the other employers, which was deemed to be unfair, therefore it was believed that such costs should be met directly by the underperforming employer. A process had therefore been identified to allow for the recovery of administration costs which was included within the report.

It was stressed that this approach was a last result and would not be an approach that the Fund would want to immediately take with a focus instead on working together to create positive outcomes.

The Committee discussed the report with clarity provided that under performance related to a variety of issues including employers not providing data or returning forms, which would then have an impact on Members, staff workload and valuations. It was clarified that initial communications would be friendly and would then progress in severity. It was outlined that communications regarding the charging process would be included within the Pension Administration Strategy and that in the meantime employers would be contacted on an individual basis to maintain positive relationships with employers who had been positively engaging.

At the conclusion of debate, it was,

Resolved:

The Committee agreed to approve the charging of additional costs for underperforming Scheme employers in line with the above proposals and in line with the Local Government Pension Scheme Regulations 2013, and where necessary seeks from Officers such clarifications or further information as they require.

The Chairman called the meeting to a break at 11.55am and then resumed the meeting at 12.01pm.

111 **Covenant Risk Document**

Matt Allen, Employer Funding & Risk Lead to updated members on the progress of the covenant review and provided Councillors with a simplified Covenant Risk document of answers to questions they may experience at Town & Parish Council meetings.

It was noted that Lucy Byrne, Barnett Waddingham Actuary had earlier provided an update on the work regarding the Covenant Risk Document with an employer forum set to take place in November with communications regarding employer scorecards set to be sent out later this year.

At the conclusion of update, it was,

Resolved:

The Committee agreed to note the Covenant Risk Review update and where necessary seek from Officers and Actuaries such clarifications or further information as they require.

112 **Constitutional Amendments**

The Committee received a two-part update by Democratic Services and the Fund Governance Manager on proposed changes to the Council's constitution and associated documents.

Democratic Services – proposed changes to the Council's Constitution

Kieran Elliott, Democracy Manager, provided the following update, which included but was not limited to the following points that it was proposed that minor changes would be made to the Council's Constitution as well as the Committee's Terms of Reference. The changes included the following:

- a) To remove all references to the Investment sub-Committee:
- b) To ensure that all activities in the former Investment Sub-Committee's terms of reference are incorporated into the Committee's terms of reference: and
- c) To reflect that the Committee meets more frequently under the new Committee meeting structure.

Further minor changes included that currently the Constitution stated that the Chairman and Vice-Chairman should be from the administering authority, Wiltshire Council, however in practice there was no reason why this could not be a Member of Swindon Borough Council. It was outlined that the proposed changes had been taken to the Standards Committee with recommendations made to Full Council on 15 October 2024.

Fund officers – Equivalent changes to Committee’s terms of reference and Governance Compliance Statement

Richard Bullen, Fund Governance Manager, provided the following update, which included but was not limited to the following points that the Governance Compliance Statement was not part of the Constitution however the delegations within came down from the Constitution. A multi-stage process was in place and once the Constitutional changes had been made the Governance Compliance Statement and Terms of reference would be aligned.

It was noted that a further review of both documents would take place following the introduction of the Regulator’s new general code of proactive and the SAB’s good governance review.

At the conclusion of debate, it was,

Resolved:

The Committee agreed to recommend those changes be submitted to the Council’s Constitution Focus group for their own consideration and onward implementation.

113 **TPR Breach Policy**

Richard Bullen, Fund Governance Manager, provided an update on changes to the Fund’s TPR Breach Policy requiring approval. The update included but was not limited to that the Board had previously received the TPR Breach policy in February 2022 on behalf of the Committee with it agreed that a further review would take place following the introduction of the TPR’s new general code of practice, which came into force on 27 March 2024.

Changes to the Policy were outlined the Committee including the development of “material significance” examples and how such should be evidenced; which would be included within a subordinate document with explanations. The Policy was also made to align with the Fund’s escalation arrangements as set out within the Pensions Administration Strategy Document with clarity provided that where a difference may occur, the TPR breach policy’s escalation approach for breaches of law would take primacy. Clarification was also provided on the reporting arrangements to the Pensions Regulator, which would now allow for

another senior officer to submit a report to the Regulator on behalf of the s151 Officer.

It was also noted that it had originally been agreed that Fund breaches would be published within the Annual Report and on the Fund's website, however this approach had been modified with all breaches publicised within the Fund's annual Low Volume Performance Report.

The Committee discussed the updates with clarity provided that no comments or amendments had been suggested by the Local Pension Board. The consequences of breaches were discussed, with it outlined that this could vary from fines to support to make corrective action. It was also noted that data breaches were treated separately and that if a fine was to be levied it would be paid from the Fund itself.

At the conclusion of debate, it was,

Resolved:

The Committee agreed to:

- a) Review the attached TPR Breach Policy Guidelines and approval their alignment with TPR's new general code of practice: &
- b) Approve the practice of publishing the Fund's record of breaches via the annual Low Volume Performance Report as the preferred approach.

114 **Committee Forward Work Plan**

The Committee reviewed the Forward Work Plan.

115 **Date of Next Meeting(s)**

The following dates of the next meetings were confirmed:

- Investment focused meeting 21 November 2024
- Administration focused meeting 12 December 2024

116 **Urgent Items**

There were no urgent items.

117 **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 19 - 22 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.

118 **Minutes**

The private minutes of the meeting held on 19 September 2024 were presented for consideration, and it was,

Resolved:

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

119 **Review of the Part II Minutes of the Local Pension Board**

The private minutes of the Local Pension Board meeting held on 23 September 2024 were presented for consideration, and it was,

Resolved:

To note the minutes as a true and correct record.

120 **Integrated Payroll System Update**

James Franklin, Pension Administration Lead, presented a payroll migration update.

At the conclusion of debate, it was,

Resolved:

The Committee agreed to note the progress concerning the migration to our Integrated Payroll System.

121 **Integrated Immediate Payments Update**

James Franklin, Pension Administration Lead, presented immediate payments update covering Oracle reporting & debt recovery arrangements.

At the conclusion of debate, it was,

Resolved:

The Committee agreed that a decision would be made on the next steps the Fund should take if outstanding monies are not received following a third chase attempt.

(Duration of meeting: 10.00 am - 12.33 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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