

Local Pension Board

MINUTES OF THE LOCAL PENSION BOARD MEETING HELD ON 23 SEPTEMBER 2024 AT SALISBURY ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Mark Spilsbury (Chairman), Laura Fisher, Mike Pankiewicz and Karl Read

Also Present:

Cllr Richard Britton

49 **Membership**

The Board were informed of the following changes to its membership:

- Marlene Corbey's term of office being renewed by Wiltshire Unison Branch for a further 4 years from 20 October 2024.
- The resignation of James Nicholson as the Active member of the Board.

Resolved:

1. **To note that Marlene Corbey had her term of office renewed by Unison for a further 4 years from 20 October 2024, to be ratified by Full Council on 15 October 2024.**
2. **To note the resignation of James Nicholson.**

50 **Attendance of non-members of the Board**

Cllr Richard Britton attended in his capacity as Chairman of Wiltshire Pension Committee.

51 **Apologies**

Apologies were received from George Simmonds (vice-chairman), James Nicholson and Marlene Corbey.

52 **Minutes**

The Part I (public) minutes of the previous meeting held on 22 May 2024 were considered.

In addition, the Board noted it's latest Action Log.

Resolved:

The Board approved and signed the Part I (public) minutes of the previous meeting held on 22 May 2024 as a true and correct record, and the Board's action log was noted.

53 **Declarations of Interest**

There were no declarations of interest.

54 **Chairman's Announcements**

The Chairman reminded the Board that he would be stepping down as Chairman and a Board Member as of 31 March 2025 and that his last meeting would be on 11 February 2025.

The Fund Governance Manager outlined the plans and timetable in place for a replacement Board Member, and it was anticipated that a appointment would be made by January 2025, with a formal handover being made at the Wiltshire Pension Fund Committee on 27 February 2025.

55 **Public Participation**

There were no public statements or questions submitted.

56 **Minutes and Key Decisions of the Wiltshire Pension Fund Committee**

The Part I (public) minutes from the last ordinary meetings of the Wiltshire Pension Fund Committee meetings held on 20 June 2024 and 11 July 2024 were considered.

Resolved:

The Board noted the Part I (public) minutes from the ordinary meetings of the Wiltshire Pension Fund Committee held on 20 June 2024 and 11 July 2024.

57 **Headlines & Monitoring (HAM) Report**

The Board considered the report of Jennifer Devine - Head of Wiltshire Pension Fund which provided information highlighting key issues and developments to enable the Board to fulfil its monitoring role.

The report detailed updates in the following areas:

- Headlines
- Scheme, Regulatory, Legal and Fund Update
- Health Check Dashboard
- Risk Register
- Audit Update – KC actions update

In response to questions, officers explained that the transition to Barnett Waddingham is going well, a very successful Pension Awareness week was held from 9-13 September 2024 with good attendance and feedback, The Chairman welcomed the clarity contained in the investment performance slide and asked for this to be replicated for other relevant slides. It was noted that SWAP would undertake their own individual audit and officers confirmed that staff physically attended monthly engagement meetings. Fund officers' intention to start the process to apply for accreditation to the Pension Administration Standards Association (PASA) was also communicated to the Board on the recruitment of a QA Lead officer.

Resolved:

- a) to note the Fund updates.
- b) to endorse the risk, register in Appendix 3 & the summary of risk changes since the last review, as a true and fair view and to recommend those changes to the Committee.
- c) to note the progress against the SWAP KC audit recommendations.

58 **Key Financial Controls**

The Board considered the report of Christopher Moore – Pension Fund Accounting and Investment Team Lead, which highlighted the significant issues in relation to the Fund's key financial controls.

The Pension Fund Accounting and Investment Team Lead reported that sign off on the Pension Fund Accounts for 2019/20, 2020/21, 2021/22, 2022/23 continued to be delayed, a draft set of accounts for 2023/24 has been prepared and these were provided after the 31 May 2024 deadline due to issues caused by the Oracle system implementation. He explained that external audit work has been undertaken by Grant Thornton and fieldwork on final audit started in July 2024.

Resolved:

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

59 **Fund Annual Report & Accounts 23/24**

The Board considered a report of Jennifer Devine, Head of Wiltshire Pension Fund which provided an update about the Wiltshire Pension Fund annual report and accounts for the year ended 31 March 2024.

Chris Moore, Investment and Accounting Team Lead introduced the report and explained that it largely followed the same format as the previous year. It was designed to be engaging as possible with the inclusion of new case studies. Reference was also drawn to the process of auditing accounts and that a further

mini-magazine and one page summary would be produced for engagement purposes.

The Board discussed the report in detail and commented on the investment management expenses and the increase in transaction costs, and the need to add brackets around the Management expenses for 2023/24 of £39,822,000, so that it becomes a negative figure, as detailed on page 96 of the annual report.

Resolved:

To note the annual report and accounts for 2023/24.

60 **Responsible Investment Update.**

The Board considered a report of Chris Moore, Investment and Accounting Team Lead which provided an update on responsible investment issues.

The Investment and Accounting Team Lead introduced the report and referred to the progress against actions in the Plan 2024/25, changes in the 2024 version of the Responsible Investment Policy to streamline, re-format the Policy and provide clarity to some of the content.

The Chair thanked officers for an excellent report and congratulated them on progress being made in this area.

Resolved:

To note the report and that it is used as a basis for monitoring the progress being made towards implementing the responsible investment policy.

61 **Pension Administration Strategy**

The Board considered a verbal update from James Franklin, The Pensions Administration Lead, about the requirements for an employer consultation process.

The Pensions Administration Lead explained that the aim is to have a written report available for future meetings. The Strategy would be re-written to improve outdated formatting, language and standards issues. A key issue being the current timeframe of 56 days to respond to letters. It was noted that this was a legacy from the days when officers used to write letters and physically post them. It was acknowledged that this was no longer acceptable and would be brought in line with current expectations and standards initially a response timeframe of 10 days would be introduced, reducing over time to a 5 day response timeframe.

Resolved:

That the verbal update be noted.

62 **Administration Charging Strategy**

The Board considered the report of Matt Allen, Employer Funding and Risk Lead, outlining the proposed charges applied to underperforming Scheme employers for additional administration costs.

The Pensions Administration Lead introduced the report and explained that the LGPS Regulations 2013 provided pension funds with the ability to recover any additional administrative costs incurred due to underperforming Scheme employers. Currently, additional costs were shared across all employers, whereas these should be met directly by the underperforming employer. The report detailed the proposed steps to recover these costs, the proposed charges and that these would be based on 'time spent' working on underperformance issues, with a minimum charge being half a day per officer undertaking the work.

The Board noted that no employers had been charged for any additional work undertaken to date, information about the length of time spent by an officer on each individual issue would be available for inspection, that employers would be invoiced for any additional work undertaken and, as an example, additional work carried out for Swindon Borough Council equated to about 30 days and equivalent to £20,000 which had not been charged for.

Resolved:

To support proposals to start charging underperforming employers for additional administrative costs as outlined in the report.

63 **Integrated payroll system update**

The Board considered the report of Jennifer Devine, Head of Wiltshire Pension Fund, providing an update on the integrated payroll system and an update following the Council's migration of the Payroll Service from SAP to Oracle and Oracle to Altair.

The Pension Administration Lead introduced the report and indicated that payment was successfully made on 25 April 2024 to all pensioners and dependants, with Altair and Oracle now being fully aligned. The final step of the migration to Oracle with the full increase included in the May 2024 payment.

The report detailed issues experienced with member payments, in particular with the timescales for the receipt of payslips for members during April and May 2024, resulting in a large spike of phone calls from concerned pensioners and dependents. In addition, there were a number of reporting issues concerning payments, submission of AVC data to Prudential during April, May and June 2024, and the late submission of iConnect for April 2024. Board members noted

the issues associated with the initial stages of the migration and were pleased that the process had now improved.

Resolved:

That the progress concerning the Evolve migration and the Integrated Payroll System be noted.

64 **Integrated immediate payments update**

The Board considered the report of Jennifer Devine, Head of Wiltshire Pension Fund, providing an update on the impact to the Fund of immediate payments and payroll to scheme members following the Council's migration of service from SAP to Oracle.

The Pension Administration Lead introduced the report and indicated that during the migration 47 Fund members received two payments totalling £228,257.81. He explained that since the Board's last update in May 2024, £208,961.15 had been paid back and £17,896.10 was currently still outstanding. The Board noted that the Council's debt recovery process is currently being following to recover the outstanding amounts, and the action to be taken if outstanding amounts are not recovered, which includes legal action and raising the matter with the Council's Legal Services.

Resolved:

To note the Committee's agreed actions the Fund should take if outstanding monies are not received.

65 **Constitutional Amendments**

The Board considered the report of Jennifer Devine, Head of Wiltshire Pension Fund, proposing changes to the Board's terms of reference and the Fund's Governance Compliance Statement (GCS).

The Fund Governance Manager introduced the report and explained that the Board's terms of reference and GCS which was introduced under the Local Government Pension Scheme Regulations in 2008 were last updated in July 2020. Since 2020, a number of operational practices had changed in the way the Fund was governed, and this had led to a number of recommendations for the Board to consider as detailed in the report.

The Board noted the changes required to the appointment process for member representatives in particular the process for appointing union representatives.

Resolved:

To recommend the proposed constitutional changes to the Board's terms of reference and fund's Governance Compliance Statement as detailed in

the report be submitted to the Council's Constitutional Focus Group for their consideration and onward implementation.

66 **TPR Breach Policy**

The Board considered the report of Jennifer Devine, Head of Wiltshire Pension Fund, seeking confirmation that the Fund's existing TPR Breach Policy has been aligned to the requirements of TPR's new General Code of Practice.

The Fund Governance Manager introduced the report and reminded members the Board had agreed a further review of the Policy should be undertaken following the introduction of tPR's new general code of practice, which came into force on 27 March 2024. The review aimed to ensure that the Fund's Policy continued to set out all the responsibilities of relevant stakeholders and provide a framework for the Fund which aligns with the new code.

The Fund Governance Manager confirmed that following the review, officers were satisfied that no material changes were required to the existing policy, although the report detailed a number of associated activities were being completed in order to assist with the execution of the policy.

Resolved:

- a) Following a review of the attached tPR Breach Policy Guidelines, the Board recommends the Policy to the Wiltshire Pension Fund Committee on the basis that it is aligned with the tPR's new general code of practice.**
- b) To recommend to the Wiltshire Pension Fund Committee the practice of publishing the Fund's record of breaches via the annual Low Volume Performance Report as a preferred approach.**

67 **Urgent Items**

There were no urgent items.

68 **Date of Next Meeting and Forward Work Plan**

The next ordinary meeting of the Board will be held on 7 November 2024.

The Board also considered the Scheme Year Forward Work Plan for the new scheme year and approved its content.

Resolved:

The Board noted the date of the next meeting and approved the Scheme Year Forward Plan.

69 **Exclusion of the Public**

The Board considered the recommendation to exclude the public.

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 Item Numbers 22-25 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 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.

70 **Minutes and Key Decisions of the Wiltshire Pension Fund Committee**

The Part II (private) minutes from the ordinary meetings of the Wiltshire Pension Fund Committee held on 20 June 2024 and 11 July 2024 were considered.

Resolved:

The Board noted the Part II (private) minutes from the ordinary meetings of the Wiltshire Pension Fund Committee held on 20 June 2024 and 11 July 2024.

71 **Brunel Governance Update**

Jennifer Devine, Head of Wiltshire Pension Fund, presented a verbal update to the Board summarising the ongoing Brunel governance arrangements.

Resolved:

The Board noted the update.

72 **Training item**

The Board received a presentation from Richard Bullen, Fund Governance Manager about the understanding of roles and responsibilities of Ministry of Housing, Communities and Local Government, the Pensions Regulator, the Pensions Ombudsman and Scheme Advisory Board.

Resolved:

The Board noted the presentation.

73 **LPB Minutes**

The Part II (private) minutes of the previous meeting held on 22 May 2024 were considered.

Resolved:

The Board approved and signed the Part II (private) minutes of the previous meeting held on 22 May 2024 as a true and correct record.

(Duration of meeting: 10.00 am - 12.00 pm)

The Officer who has produced these minutes is Stuart Figini of Democratic Services, direct line 01225 718221, e-mail stuart.figini@wiltshire.gov.uk

Press enquiries to Communications, direct line 01225 713114 or email communications@wiltshire.gov.uk