

## Local Pension Board

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**MINUTES OF THE LOCAL PENSION BOARD MEETING HELD ON 10 AUGUST 2023 AT KENNET ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.**

**Present:**

Mark Spilsbury (Chairman), Paul Smith, Laura Fisher, Mike Pankiewicz and George Simmonds

**Also Present:**

Cllr Richard Britton and Cllr Nick Botterill

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208 **Membership**

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

- Mike Pankiewicz's term of office being renewed by Unison for a further 4 years from July 2023
- The appointment of James Nicholson as the Active member of the Board.

**Resolved:**

1. **To note that Mike Pankiewicz had his term of office renewed by Unison for a further 4 years from July 2023.**
2. **To support the appointment of James Nicholson to be ratified by Full Council.**

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

Cllr Nick Botterill attended the meeting in his capacity as the Cabinet Member for Finance, Development Management and Strategic Planning, and Cllr Richard Britton attended in his capacity as Chairman of Wiltshire Pension Committee.

210 **Apologies**

Apologies were received from Marlene Corbey (Vice-Chairman).

211 **Minutes**

The Part I (public) minutes of the previous meeting held on 24 May 2023 were considered.

In addition, the Board noted that the Key Performance Indicator Improvement Plan would be delayed from November 2023 until March 2024 to allow input from James Franklin (Pensions Administrative Lead).

**Resolved:**

**The Board approved and signed the Part I (public) minutes of the previous meeting held on 24 May 2023 as a true and correct record, and the Board's action log was noted.**

212 **Declarations of Interest**

There were no declarations of interest.

213 **Chairman's Announcements**

There were no Chairman's announcements.

214 **Public Participation**

There were no public statements or questions submitted.

215 **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 15 June 2023 and 13 July 2023 were considered.

**Resolved:**

**The Board noted the Part I (public) minutes from the ordinary meetings of the Wiltshire Pension Fund Committee held on 15 June 2023 and 13 July 2023.**

216 **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
- Key business plan items – Aggregations backlog, i-Connect & controls and Resourcing.
- Scheme, Regulatory, Legal and Fund Update
- Risk Register
- Administration KPI update – 1 April 2023 to 30 June 2023.
- Audit Actions

- SWAP audit 2022/23
- ClearGlass audit – update
- SWAP KPI audit
- Effectiveness review update

In response to questions, officers explained that issues raised during the recent employee engagement survey could be eased with a return to working from County Hall, which the Board fully supported, particularly as a dedicated space had been secured for the Teams use; there was an expectation that the backlog of cases will continue to reduce significantly following a reorganisation of the Team; that the KPI Change column would be reintroduced in the Administrative KPI's Internally Set Targets (Fund) table for future reports, as requested by the Board; the Team would prioritise reducing the backlog in open cases for deaths and retirement; confirmed that Table 3 detailed the backlog of open cases; confirmed that actions 1 and 10 on the SWAP audit actions log should be paused due to material changes to actions since the SWAP recommendations were made (SWAP difficulties in acquiring staff and the training of new staff in a timely manner); and a schedule of SWAP audit priorities along with resources to be employed for each audit to be considered by the Wiltshire Pension Fund Committee.

**Resolved:**

- a) **to note the Fund updates and progress against the Business Plan 2023/24 key priorities.**
- b) **to endorse the risk register in Appendix 2 & the summary of risk changes since the last review, as a true and fair view of the risks currently being experienced by the Fund and to recommend that endorsement to the Committee.**
- c) **to note the progress recorded on the SWAP audit actions log and in light of material changes to actions since the SWAP recommendations were made endorse the pausing of actions 1 & 10.**
- d) **To prepare a schedule of SWAP audit priorities along with resources to be employed for each audit for consideration by a future meeting of the Wiltshire Pension Fund Committee.**

217 **Equity, Diversity and Inclusion**

The Board considered the report of Jennifer Devine – Head of Wiltshire Pension Fund which highlighted the important topic of equality, diversity and inclusion (EDI).

The Head of Wiltshire Pension Fund referred to guidance on EDI published by the Pensions Regulator in March 2023 explaining why EDI is an important topic and offering practical ways that pension schemes can improve EDI on the governing body. For Wiltshire this would incorporate the Wiltshire Pension Fund Committee and the Local Pension Board. The report highlighted ways in which

the topic could be taken forward by Wiltshire Pension Fund with the inclusion of additional wording in the Responsible Investment Policy, due for renewal in September 2023.

It was suggested that the first step would be for Committee and Board members to attend a joint training workshop, similar to the training being provided to staff of the Pension Fund Team.

**Resolved:**

1. That Wiltshire Pension Fund Committee is recommended to include the following wording in the next revision of the Fund's Responsible Investment Policy:

*'The Fund regards EDI as an important ESG factor, a stewardship priority, and an area where investment managers should focus their voting and engagement efforts, as several pieces of research have shown that diverse boards lead to better financial outcomes (for example, [this publication](#) by the FRC).*

*Consideration of EDI is embedded at an operational level, and has been [highlighted as an important area](#) in the running of pension funds by the Pensions Regulator. Training will be provided to the full Pension Fund team as well as the Committee and Local Pension Board, in order to improve the way we are run as a fund, and to deliver better outcomes for our employers and members.'*

2. That a joint training session on EDI is arranged for the Board and Committee
3. That the Wiltshire Pension Fund Committee be recommended that Committee members should attend training on the topic of EDI.

218 **Training**

The Board received an update presentation from Christopher Moore – Investment and Accounting Team Lead on Accounting and Audit Standards and the role of the internal and external auditor.

The Board noted that questions relating to the sign off of the Council's accounts and impact on key financial controls due to a recent fraud case would be covered in detail later in the meeting.

**Resolved:**

**To note the presentation update.**

## 219 **Key Financial Controls**

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

Officers commented on pension increase in April 2023 and the impact on current systems, and the Evolve project which will deliver a replacement to the existing SAP payroll and accounting software and the transfer of existing pensioners to the new payroll system.

In response to questions, officers confirmed the Council have provided a new fee for 2023/24 based on reasonable methodology for all key items, which have been included in the agreed budget for the year and Fund officers would continue to seek the finalisation of a formal legal document outlining the Service Level Agreement Recharge from Wiltshire Council Finance Team. In addition, officers confirmed that they were processing the impact of the Evolve project and pension increases, and would include updates in future reports.

### **Resolved:**

**To use the report to monitor progress against resolving the issues which have been identified, and the progress being made to develop accounting and control improvements.**

## 220 **Fund Annual Report and Accounts**

The Board considered the report of Jennifer Devine, Head of Wiltshire Pension Fund about the Wiltshire Pension Fund annual report and accounts for the year ended 31 March 2023.

Officers reported that the set of accounts have not been subject to audit review due to the auditors unable to resource a timely audit. The Board noted that if an audited set of accounts cannot be published then an unaudited set should be. This would be completed prior to the statutory deadline, with auditors expected to commence their audit in the autumn 2023.

In response to questions officers explained that the primary cause for an increase in management expenses is due to an increase in investment transaction costs mainly in the funds property portfolio, along with an increase in operational running costs as outsourced work to reduce operational backlogs of work to reconcile payroll differences commenced. A written response would be provided in relation to the reasons for a reduction in long term investments by Brunel.

### **Resolved:**

**That the Board:**

- a) **Note the unaudited statement of accounts for 2022/23; and**

**b) Note and endorse the appended statement of going concern.**

**221 Employer Cessation & New Employer Policies**

The Board considered the report of Matt Allen, Employer Funding and Risk Lead which presented an updated Cessation Policy and New Employer Policy for approval.

Officers reported that following the appointment of the new Employer Funding and Risk Lead in June 2023, the two policies were reviewed to ensure that they were still relevant and met current regulation requirements and best practice.

**Resolved:**

**That the revised Cessation Policy and New Employer Policy be approved.**

**222 Urgent Items**

There were no urgent items.

**223 Date of Next Meeting and Forward Plan**

The next ordinary meeting of the Board will be held on 1 November 2023.

The Board additionally 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.**

**224 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 18-23 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in 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.**

**225 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 15 June 2023 and 13 July 2023 were considered.

**Resolved:**

**The Board noted the Part II (private) minutes from the ordinary meetings of the Wiltshire Pension Fund Committee held on 15 June 2023 and 13 July 2023.**

226 **Swindon Borough Council Update**

The Board received a verbal update from Jennifer Devine, Head of Wiltshire Pension Fund, following consideration of an issue concerning the reporting arrangements of an employer to the Wiltshire Pension Fund.

**Resolved:**

**That the update be noted.**

227 **Fraud Case**

The Board received a verbal update from Jennifer Devine, Head of Wiltshire Pension Fund about the case of stolen identity of a Scheme member. SWAP had investigated the case, confirmed that fraud had taken place and the member had been fully recompensated. A more detailed report would be available at the next Board meeting.

**Resolved:**

**That the update be noted.**

228 **Employer GLL Bond**

The Board considered the report of Matt Allen, Employer Funding and Risk Lead, which provided an update on the Greenwich Leisure Limited Bond renewal issues.

**Resolved:**

**That the report update be noted.**

229 **Brunel Governance Update**

There was no update for this meeting.

230 **LPB Minutes**

The Part II (private) minutes of the previous meeting held on 24 May 2023 were considered.

**Resolved:**

**The Board approved and signed the Part II (private) minutes of the previous meeting held on 24 May 2023 as a true and correct record, and the Board's action log was noted.**

(Duration of meeting: 10.00 - 11.45 am)

The Officer who has produced these minutes is Stuart Figini of Democratic Services,  
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