

Local Pension Board

MINUTES OF THE LOCAL PENSION BOARD MEETING HELD ON 20 MAY 2021 AT ONLINE MEETING

Present:

Mark Spilsbury (Chairman), Smith (Vice-Chairman), Marlene Corbey and Rod Lauder

Also Present:

Richard Bullen, Andy Cunningham, Jennifer Devine

1 **Membership**

Following the meeting of Full Council on 18 May 2021 after the local elections on 6 May 2021 it was confirmed that Cllr Richard Britton had been appointed as Chairman of the Wiltshire Pension Fund Committee. Accordingly, he would no longer be a Member of the Local Pension Board.

The Chairman thanked Cllr Britton for his support while a Member of the Board, and noted that a new employer representative would be appointed for the next meeting.

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

There was no additional attendance at the meeting.

3 **Apologies**

Apologies were received from Ian Jones.

4 **Minutes and Action Tracking**

The public minutes of the meeting held on 18 February 2021 were presented for consideration, along with the action tracking summary, and it was,

Resolved:

To approve and sign the Part I (public) minutes as a true and correct record.

5 **Declarations of Interest**

There were no declarations.

6 **Chairman's Announcements**

The Chairman noted the outcome of the local elections on 6 May 2021. Three new members from Wiltshire Council had been appointed to the Wiltshire Pension Fund Committee, with membership from Swindon Borough Council soon to be announced.

The Chairman gave thanks to Cllr Tony Deane, who had not been returned to the Council, who had been Chairman of the Wiltshire Pension Fund Committee since 2009. He paid tribute to Cllr Deane's work to ensure the Fund was delivering a high quality and value for money service and that the strategic allocation was effective.

7 **Public Participation**

There were no public statements or questions submitted.

8 **Minutes and Key Decisions of the Wiltshire Pension Fund Committee and Investment Sub-Committee**

The public minutes and key decisions of the Wiltshire Pension Fund Committee on 30 March 2021 and the Investment Sub-Committee held on 25 February 2021 were received for consideration.

Resolved:

To note the Part I (public) minutes from the meetings of the Wiltshire Pension Fund Committee on 30 March 2021 and the Investment Sub-Committee on 25 February 2021.

9 **Scheme, Legal, Regulatory and Fund Update**

Andy Cunningham, Head of Pension Administration and Relations, updated the Board on the various Scheme, Legal, Regulatory and Fund updates. Details were provided on Covid-19 and return to work policies, with Wiltshire Council undertaking a pilot scheme, and Fund officers looking at the trial in respect of its own working practices.

It was then,

Resolved:

That the Board note the report.

10 **Training Update**

Richard Bullen, Fund Governance and Performance Manager, provided a training update verbal and written report.

Details were provided of an online tool developed by Hymans, and Legal Services was currently reviewing the proposed contract. The online tool would include 20 minute training items on specific topics.

The role of the Scheme Advisory Board (SAB) was highlighted, established as part of arrangements to address concerns regarding the increasing complexity and knowledge and understanding requirements in respect of Local Government Pension Schemes. The SAB could provide advice to the Secretary of State on the desirability of making changes to the Scheme and provide advice to administering authorities and Local Pension Boards in relation to effective and efficient administration and management. Further details were provided on functions of the SAB, which it was felt the terms of reference could be clearer on, and how processes such as vacancy process for members could be improved.

The Board discussed the update and sought additional information. It was confirmed that there were multiple SABs, but each was service specific, meaning there was only one SAB for Local Government Pensions. The online training portal from Hymans was confirmed to be available to go live, once the legal processes had been resolved. All Board members would receive instructions for the portal, and it was stated the portal may be referred to as a Learning Academy in some Hyman emails.

Board support for the Pension Fund Committee was discussed, with the Chairman confirming he intended to attend as many Committee meetings as he could, and was happy to offer support to the new Chairman of the Committee, Cllr Richard Britton, if this would be of assistance.

11 **Administration Quarterly Key Performance Indicators Key Performance Indicators (KPIs)**

A report was received from Andy Cunningham, Head of Pension Administration and Relations, in respect of the Fund's performance against Key Performance Indicators (KPI) in relation to the administration of pension benefits. This was stated to be a measure of data quality. The use of the i-Connect system had seen improvements toward meeting targets, which was expected to improve further through further implementation of the system, with 75% active members now covered. There was an intention to get close to 100% by the end of the next financial year.

It was stated that there were issues identified with reconciliation and rectification, to be discussed further under Minute 22, and that there had been a focus on clearing backlogs, with one post filled since December with approval for further staff to be recruited. In response to queries it was stated that recruitment was a national problem, as even with entry admin positions the technical complexity of systems and processes meant it took time for an impact to show.

At the conclusion of discussion, it was,

Resolved:

That the Board note the current situation.

12 **Low Volume Key Performance Indicators**

A report was presented by Richard Bullen, Fund Governance and Performance Manager, in relation to the Fund's performance measures in respect of data protection, Freedom of Information, complaints and other governance measures as detailed in the report, in order to provide the Board with oversight of all key functions.

It was detailed that this was an annual report designed to focus on Key Performance Indicators (KPI) that may not be necessary or appropriate to report on a quarterly basis. The previous report had focused on data breaches and Pension Regulator (tPR) breaches, with complaints, freedom of information, and subject access request logs also included in the latest update.

It was stated that there had been a slight drop in tPR and data breaches reported, with many borne out of historic case work. Details were provided on the internal dispute resolution procedure (IDRP), a formal process typically involving payment of benefits, with some recent examples which would need to be monitored.

The Board discussed the report, with the officer team praised for the very low number of breaches. Details were sought on 2 outstanding tPR breaches regarding late payments, which were being addressed. It was also stated that developing a scorecard reporting system to better quantify the status of specific issues was being looked into.

At the conclusion of discussion, it was,

Resolved:

- 1) **The Board noted the findings of the low volume performance measures being monitored by officers on behalf of the Fund.**
- 2) **In view of the low level of activity recorded within this annual report the Board recommended that the content of the report is only submitted to the Committee on an exceptional basis, where it is felt that a material operational need is present that would warrant the attention of the Committee.**

13 **Draft LPB Annual Report 2020/21**

The Chairman presented a draft annual report on the activities of the Local Pension Board for 2020, which the Board was required to produce and which would be provided to the Wiltshire Pension Fund Committee and published on the Pension Fund site. He thanked officers for preparing the report and stated

that a number of changes had been made in response to comments he had made, and he had produced the summary introduction.

The recommendations made by the Board to the Committee were set out in the report, and it was noted that all had been accepted by the Committee, and details provided of actions taken in response, including accepting requests or additional resources and facilitating staffing increases. The Chairman stated that the report indicated the Board was able to provide assurance that it was complying with its statutory duties.

The Board discussed the draft annual report. It was noted that the Fund's 2019/20 accounts had not been signed off at the Audit and Governance Committee on 10 February 2021 and remained unsigned, although it was stated this was not due to any issue with the Fund's accounts.

It was then,

Resolved:

To approve the draft Local Pension Board Annual Report.

14 **Responsible Investment**

Jennifer Devine, Head of Pension Fund Investments, presented a report on progress made in implementing responsible investments, following Committee focus and Mercers being commissioned to carry out climate change scenario modelling on strategic asset allocation. The business plan for 2021/22 had a high priority to further developing the Fund approach to responsible investment.

The Board received the update, welcoming the plan and progress report, and requested biannual updates on progress against that plan.

Resolved:

To note the progress made in developing the Fund's approach to responsible investment issues, and to receive biannual updates to be received by the Board.

15 **TPR Code of Practice 14 Self-Assessment for 2020/21**

Richard Bullen, Fund Governance & Performance Manager, presented an update on the findings of an internal review of the Wiltshire Pension Fund's compliance with the Pension Regulator's Code of Practice 14 for the Fund year 2020-21. The review had found 7 out of 8 areas marked for improvement had seen such an improvement in the last 12 months. A key factor had been the introduction of a digital platform, i-connect, which had helped with data quality and processing in a timely fashion. This was the fourth year in a row to see an improvement. The remaining area for improvement was around communications and disclosure, related to a backlog of work requiring further resource to address.

The Board discussed the update, and it was confirmed the findings of the review was not audited in 2020, partly as a new Code of Practice had been anticipated for the year, but that the findings would be reviewed for the next year.

At the conclusion of discussion, it was,

Resolved:

To note the internal self-assessment undertaken.

16 **Local Pension Board outturn report 2020/21**

The Chairman presented the outturn report for 2020/21, detailing the Board's spend against its budget. It was emphasised that this was small in context of the overall Fund.

Details were sought on the funding set aside for consultancy services, which had been reduced as some previous budget had not been utilised, but that it was intended to seek some consultancy service to provide external assessment on reports and governance to ensure best practice was maintained.

It was then,

Resolved:

To note the spend against budget for 2020/21.

17 **Fund Annual Report and Accounts and Audit update**

A verbal update was provided by Jennifer Devine, Head of Pension Fund Investments. It was confirmed the 2019/20 Fund accounts had not been signed off, and that there were no issues identified by the auditors, but that the auditors received the Fund accounts as part of the overall council accounts and there had been delays elsewhere. It was not known when the accounts would be signed off.

The auditors had already begun work on the 2020/21 accounts, with a draft completed the previous week.

The Board agreed to discuss issues relating to the accounts further under Item 24.

18 **Risk Register Update**

Richard Bullen, Fund Governance and Performance Manager, presented a report in relation to updates to the Fund's Risk Register.

The register had been reviewed against the business plan. No additional items had been included, and it was wanted to complete some projects before a new 3 year business plan was in place.

The Board discussed the changes made to the register. It was requested and agreed to amend the register to make clear the risk in relation to payroll and pension reconciliation, which would be discussed further under item 22. Further details were requested for risk PEN022 as set out in the report, to include any other differences between record systems that might be identified.

At the conclusion of discussion, it was,

Resolved:

That the risk register to be amended to be clear that it covers the payroll/pensions reconciliation due to GMP and other issues.

19 **Urgent Items**

There were no urgent items.

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

It was noted that the date of the next meeting conflicted with the rescheduled Police and Crime Commissioner election on 19 August 2021. It was agreed to amend the meeting date, with details to be circulated to Board members once a new date was agreed.

21 **Exclusion of the Public**

The Board considered the recommendation to exclude the public. After which, 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 Item Numbers 22-27 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.

22 **Pension Payroll Database reconciliation**

A report was received on the ongoing reconciliation project between the pension administrations system and the pensioner payroll system.

At the conclusion of discussion, it was,

Resolved:

The Board,

- 1) confirmed its support for the recommendations approved by the Pensions Committee in March 2021 in relation to this matter.
- 2) recommends to officers and the Pension Committee that, before any recovery processes are started, the Fund obtains advice on the legal position in relation to the recovery, or partial recovery, of over-payments, in terms of evidential requirements, any past case law, and the robustness of the decision making processes in this area.

23 **New pension payroll and immediate payments system**

A report was presented to update the Board on proposals to bring the pensioner payroll and immediate payment systems in-house.

At the conclusion of discussion, it was,

Resolved:

The Board supports, and recommends to the Pension Committee, the proposals set out in the report.

24 **Key Financial Controls (Budget outturn 2020/21)**

A report was received highlighting significant issues in relation to the Fund's key financial controls.

At the conclusion of discussion, it was,

Resolved:

The Board,

- 1) notes the issues identified within the report, and the progress made to rectify problems and develop improvements.
- 2) have concerns with the continued delay in the sign-off of the Administering Authority accounts for 2019/20, and recommends that the Pension Committee requests an update from Wiltshire County Council on the position for the next meeting of the Pension Committee.

25 **Minutes and Key Decisions of the Wiltshire Pension Fund Committee and Investment Sub-Committee**

The Part II (private) minutes of the Wiltshire Pension Committee meeting held on 30 March 2021 and the Investment Sub-Committee meeting held on 25 February 2021 were received, and it was,

Resolved:

The Board noted the Part II (Private) minutes from the meetings of the Wiltshire Pension Fund Committee and the Investment Sub-Committee.

26 **Brunel Governance Review Update**

Jennifer Devine, Head of Pension Fund Investments, updated the Board on the governance review in respect of the Brunel Pensions Partnership.

Resolved:

The Board noted the update on the governance review.

27 **Local Pension Board Minutes**

The Part II (private) minutes of the previous meeting held on 18 February 2021 were considered, and it was,

Resolved:

To approve and sign as a true and correct record the Part II (Private) minutes of the meeting held on 18 February 2021.

(Duration of meeting: 10.05 - 11.55 am)

The Officer who has produced these minutes is Kieran Elliott of Democratic Services, direct line 01225 718259, e-mail ellen.ghey@wiltshire.gov.uk

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