

MINUTES OF THE LOCAL PENSION BOARD MEETING HELD ON 27 OCTOBER 2022 AT KENNET ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Mark Spilsbury (Chairman), Marlene Corbey (Vice-Chairman), Laura Fisher, Asifa Ashraf, Mike Pankiewicz and Juliet Weimar

Also Present:

Cllr Richard Britton

143 Apologies and Membership

There were no apologies.

It was confirmed that Full Council had ratified the appointment of Juliet Weimar at its meeting on 18 October 2022.

144 Minutes and Action Tracking

The public minutes of the meeting held on 18 August 2022 were presented for consideration. The action log was noted, in particular in relation to the recharging of services from Wiltshire Council.

It was then,

Resolved:

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

145 Declarations of Interest

There were no declarations.

146 Chairman's Announcements

The Chairman updated the Board on discussions held with the Chairman of the Wiltshire Pension Fund Committee and officers on actions to further strengthen the working relationship between the Board and Committee. This would include the Board Chairman providing a brief comment- summarising the minute where a Board recommendation had also been made.

147 Public Participation

There were no questions or statements submitted.

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

The public minutes of the Wiltshire Pension Fund Committee meeting held on 5 September 2022 were received for any comment. The minutes of the meeting of the Committee held on 6 October 2022 were included in Agenda Supplement 1, and would be formally noted at the next meeting, due having been published the day prior to the Board meeting.

It was then,

Resolved:

To note the minutes of the Wiltshire Pension Fund Committee meeting held on 5 September 2022.

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

A written update was received on Scheme, Legal, Regulatory and Fund matters.

Minor changes were included as detailed in the agenda papers, and it was noted that the Department for Work and Pensions, Pension Dashboard project had now been pushed back to September 2024 because of more time being needed to resolve issues for public service pensions arising from the McCloud legal judgement.

Resolved:

To note the update.

150 **Business Plan 2022-2032**

The Head of Wiltshire Pension Fund, Jennifer Devine, presented an update on the Business Plan. Progress was reported against most items, as detailed in the agenda papers, however an action on implementing integrated payments was now expected to take place during the next financial year due to resolving software issues.

The Board discussed the update, and details were sought on development of an improvement plan in relation to action 3, in respect of achieving key performance indicator targets. It was stated data was being analysed, and a plan was expected to be completed in 2022, to be presented at the next meeting in February 2023.

Details were also sought on the customer service excellence review, and collaboration with partner funds on defining the future direction of the Brunel Pensions Partnership.

Resolved:

To note the updated Business Plan 2022-32.

151 **Training Update**

The Head of Wiltshire Pension Fund, Jennifer Devine, presented an update on the Business Plan. Progress was reported against most items, as detailed in the agenda papers, however an action on implementing integrated payments was now expected to take place during the next financial year due to resolving software issues.

The Board discussed the update, and details were sought on development of an improvement plan in relation to action 3, in respect of achieving key performance indicator targets. It was stated data was being analysed, and a plan was expected to be completed in 2022, to be presented at the next meeting in February 2023.

Details were also sought on the customer service excellence review, and collaboration with partner funds on defining the future direction of the Brunel Pensions Partnership.

Resolved:

To note the updated Business Plan 2022-32.

152 **Administration Quarterly Key Performance Indicators and Data Improvement Plan**

The Board received an update from Andy Cunningham, Pension Administration Lead.

The Board discussed the report and update, seeking detail of backlogs of work, outsourcing, and monitoring volumes of remaining tasks. The improvement in high level key performance indicators was noted, but worsening in the percentage for medium priority tasks. It was also confirmed the Board would still receive detailed reports in future as well as more high level presentation of the key data.

It was,

Resolved:

To note the report.

153 **Key Financial Controls**

Jennifer Devine, Head of Wiltshire Pension Fund, presented a report on Key Financial Controls.

Details were provided the external audit, and further delays to the council's accounts being signed off. It was reported the remaining pensioner payroll reconciliation work was being outsourced, which would reduce the open cases moving forward.

The Board discussed the reports. Dissatisfaction was expressed with a lack of updates from the council regarding reviewing the calculation for charging the Fund for council services. It was noted that the council was beginning its budget setting for the next year, and the Committee should raise the matter urgently with the Corporate Director, Resources at its next meeting.

Further details were sought on the payroll reconciliation, where over or underpayment occurred due to discrepancy between the pension administration system and SAP.

At the conclusion of discussion, it was,

Resolved:

To note the report.

154 **Responsible Investment Plan**

A report was received from Liam Robson, Pension Fund Accounting and Investments Officer, on updates relating to the Responsible Investment Plan.

The report provided updates on training and engagement, that all actions scheduled for quarters 2 and 3 2022 had or were due to be completed, and gave details of events such as a climate stocktake with Brunel to discuss priorities and for Brunel to update on progress and development of its own climate policy.

The Board discussed the update, asking questions on how Hymans tested strategies to determine the effect of different responses to climate scenarios on the Fund

Details were sought on the Employer Strategic Focus Group, which was a growing group of employers which looked at funding and investment issues as well as engaging on responsible investment.

At the conclusion of discussion, it was,

Resolved:

To note the progress made against the Responsible Investment Plan 2022/23.

155 **Data Retention Policy**

The Board received an update from Andy Cunningham, Pension Administration Lead on the Data Retention Policy. Changes set out in the report were stated to be mostly minor, with changes including to deletion of membership data dates.

After a short discussion, including noting the allocation of resources to transition to new Sharepoint systems, once higher priority actions had been completed.

It was then,

Resolved:

To endorse the Data Retention Policy.

156 **Audit Update**

A report was received updating the Board on the progress of 2022/23 audits commissioned by the Wiltshire Pension Fund Committee, and the actions log of SWAP key financial controls audit March 2022.

Details were presented as set out in the report. The Board discussed revised dates for actions 2-7 as set out in appendix 1 of the report and if these would remain on track for the end of December 2022. These actions relating to Contribution & Projects were discussed and officers felt confident that the deadlines could be achieved. With regard to the other actions it was noted that officers also felt confident that those target dates could be achieved too, where these outstanding actions were within the control of Fund officers and not 3rd parties. Queries were also raised on reductions in the operational backlog. In this respect officers confirmed that 3rd party service providers had now been appointed in respect of both the identified backlog areas. In addition, further discussions would be held with SWAP at part of their 2022/23 key financial controls audit, which would include revisiting the recommendations made during their 2021/22 audit.

Regarding audits and self-assessments commissioned by the Committee for 2022/23, officers confirmed that the following were in current stages of progress:

- a) Pension Payroll Reconciliation
- b) TPR self-assessment
- c) Statutory Returns: &
- d) Brunel Cost Savings

Officers would report to the Committee and the Board on the progress and outcomes of those audits and self-assessments as they arose.

Resolved:

To note the audit update.

157 **Risk Register Update**

A report was received on the risk register and officers proposed changes for consideration by the Wiltshire Pension Fund Committee, and the Board's recommendation regarding those risks.

The Board supported the proposed changes, though sought details of potential risks from unanticipated outcomes from the cost-of-living crisis or geopolitical situation on the Fund. Officers responded to the term "unanticipated outcomes" stating that this largely revolved around changes in human behaviour, where that be scheme members, employer staff or the Fund's own staff. A watching brief would be maintained around such matters like an increase in scheme members opting out of the scheme. The Board also recommended reviewing risk PEN011 regarding expertise of officers, to see if this could be changed from amber to green. Officers agreed to take this recommendation forward to the Committee.

The Board also received a presentation on the development of a newly formulated and formatted risk register, which was designed to be embedded in the Fund's operational practices. This new risk register would enable easier analysis of tasks, but also retain the capability to monitor strategic activities and other matters by appropriate dates and by level of risk.. Operational risks would be funnelled into 20 risk themes to make it easier for Board and Committee members to assess. Noting that the current dynamically driven risk register had grown in size significantly in the last 3 years making it difficult to review.

It was,

Resolved:

To note the risk register and recommend the changes as set out in the report and as detailed above.

158 **Employer Compliance and Performance**

A report was received on the officer strategy in relation to the monitoring of employer compliance and performance. The terms of reference for the Board included oversight of compliance from employers. A scorecard was being developed which would aim to notify employers on how they fared in relation to compliance and performance requirements. This was to be implemented in 2023.

The Board reviewed the update, seeking details on available monthly data to enable monitoring, improving partnership between the Fund and contributing employers, and any impact on resourcing for the Fund or employers, with as much automation as possible. Queries were raised on where membership data or payments could be incorrect. Officers responded, indicating that whilst it was inevitable that there would be an initial level of resource which would be needed, it was the longer term intention that this regular communication with

employers and in turn the Committee and Board would operate in a low impact way concerning the resource requirements devoted to it.

Officers also agreed to consider the points raised by members concerning the development of this scorecard. In particular;

- a) How its introduced and how scheme employers should respond to it
- b) A clear strategy of who at the employer should receive this information: &
- c) How any correction to the scorecard would be managed, if an employer's compliance changed during a reporting period.

At the conclusion of discussion, it was,

Resolved:

To note the progress made in overseeing employer compliance and performance.

159 **Urgent Items**

There were no urgent items.

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

The date of the next meeting was confirmed as 1 February 2023.

The updated Forward Work Plan was received. It was stated the audit commissioning arrangements for the 2023/24 scheme year had been moved to the February meeting, as well as updates on a training plan and effectiveness review which were currently in progress.

161 **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 162-165 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.

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

The private minutes of the Wiltshire Pension Fund Committee meeting held on 5 September 2022 were received for any comment.

It was then,

Resolved:

To note the minutes of the Wiltshire Pension Fund Committee meeting held on 5 September 2022.

163 **Cyber Security Update**

The Board received reports from AON on cyber security assessments undertaken in respect of the systems of Wiltshire Council and Heywood Pensions Technologies, as well as details of a presentation they had provided to the Wiltshire Pension Fund Committee.

The Chair presented the reports noting the assessment had been excellent for Heywood's and acceptable for Wiltshire Council. Aon recording a reasonable level of cyber maturity and hygiene. A number of recommendations had been made in respect of Wiltshire Council systems, although these had resource implications. Reassurance had been provided that there were no high-risk areas identified. The council's Director of Resources would be responding formally to the update at the Committee's meeting in December 2022.

The Board discussed the update, noting the importance of being compliant with any Regulator guidance. Questions were raised in relation to available resourcing and response plans on systems concerning an out of hours service. Where required, Fund officers would raise questions with Aon in relation to clarifications around the reports and the Fund's associated compliance.

Resolved:

To note the update.

Officers to contact Aon with questions raised by Committee and Board members

164 **Minutes of the Previous Meeting**

The private minutes of the meeting held on 18 August 2022 were provided for consideration, and it was,

Resolved:

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

165 **Urgent Items**

The Board received and discussed a report from South West Audit Partnerships (SWAP) on the pensioner payroll reconciliation programme.

The Board also received an update from the Head of Wiltshire Pension Fund on actions taken on monitoring staff productivity, and career grading.

(Duration of meeting: 10.00 am - 12.25 pm)

The Officer who has produced these minutes is Kieran Elliott of Democratic Services, direct line 01225 718504, e-mail kieran.elliott@wiltshire.gov.uk

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