

## **WILTSHIRE COUNCIL**

LOCAL PENSION BOARD  
23 September 2024

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### **Immediate Payments Update**

#### **Purpose of the Report**

1. To update the Committee 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.

#### **Background**

2. On Monday 13 November the Council formally began to migrate its live SAP service to its new Oracle software platform. The phased transfer of services to the new platform included an administration blackout period of 3 working weeks prior to 13 November to enable readiness for the migration and allow a clean and stable data strategy from day one. Part of this phased transfer included the Pension Fund's immediate payments arrangements.
3. For information, the Fund's immediate payments arrangements include its ability to pay retirement tax free cash sums, refunds, cash equivalent transfer values & death grants for the benefit of the Fund's membership, as those liabilities fall due.
4. In preparing for this transition the Fund communicated with relevant members, likely to be impacted, that there would be a delay in the payment of their benefits, notably during the administration blackout period, this communication allowed some contingency if there were further delays to manage the members expectations. Whilst such a delay was accepted by the majority of members, Fund officers did experience an upturn in complaints from members unhappy with an enforced delay.
5. Additionally, in preparation for the transition Fund officers also sought to liaise with the Evolve team to ensure that the appropriate communication and immediate payment loading arrangements to Oracle were in place, thus clearing the accumulated backlog at the earliest possible opportunity. Due to time constraints the Evolve team faced they were unable to respond to the Fund until 3 days before the Oracle go live date. The Fund officers then received a draft loading template to submit payments for processing through the BACS systems.

#### **Issues experienced with member payments**

6. On 13 November three issues quickly transpired. These were:
  - a) The template designed to load payments to Oracle was not working and consequently payments could not be loaded.
  - b) The spreadsheet had not been tested using the Oracle software to check whether the payment templates could be loaded, and &
  - c) Due to resource issues within the Evolve team, communications were extremely limited, meaning that it was not possible to obtain updates in order to manage the expectations of members, some of whom were growing increasingly agitated about the delays.

7. As a consequence of these issues many payments were further delayed, noting that only critical and complainant payments had been processed via Oracle on a manual basis, and onward via the CHAPS system. The remaining backlog of some 200 payments was finally cleared by 6 December, 3 weeks after the original go-live date, meaning that some members experienced a delay of up to 6 weeks (including the original 3-week blackout period).
8. When the most urgent payments were made via CHAPs the BACs file created for loading into Oracle was not updated for all members. This meant 47 members were paid a second time, £228,257.81 was paid in error. 8 overpayments were less than £250, these payments were written off in the line with the Fund's Overpayment policy.
9. 37 members have now repaid the Fund and 2 members are currently returning the payments in instalments. One further member has had their overpayment £271.81 written off due to the member's current financial position. £208,961.15 has been paid back. 9 members have not paid back anything, one of these members disputes the double payment and we are currently investigating this. £17,896.10 is currently outstanding.
10. The Fund has raised invoices for the remaining members, the highest amount being, £5,108.16 and the Council's debt recovery process is currently be followed. There are currently issues with Oracle reporting, so these invoices are currently being managed manually rather than automatic reminders being sent. The Debt Recovery team have advised they chase 3 times before referring the case back to the relevant service area. Two chasers have occurred.
11. If the members do not engage with the Council's debt recovery process the Committee have agreed, where appropriate, to take legal action and to raise this matter with Council's Legal Services.
12. If the Fund is unable to recover the overpayments the Fund could be subject to a Scheme Sanction Charge for making unauthorised payments to members. This could be up to 55% of the outstanding amount.

### **Environmental Impact of the Proposal**

13. Not applicable.

### **Financial Considerations & Risk Assessment**

14. Risks to the Pension Fund's ability to fulfil core operational requirements and/or breach of agreements with suppliers, and risk of reputational damage.

### **Legal Implications**

15. There are no material legal implications from this report.

### **Safeguarding Considerations/Public Health Implications/Equalities Impact**

16. There are no known implications at this time.

### **Proposals**

17. The Board is asked to take note of the Committee's agreed actions the Fund should take if outstanding monies are not received.

Jennifer Devine  
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Unpublished documents relied upon in the production of this report: NONE