

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD

11 February 2025

Employer Related Activities Update

Purpose of the Report

1. The purpose of this report is to update the Wiltshire Local Pension Board with employer related activities undertaken by the Fund. The Board is asked to note the report and to seek from Officers such clarifications or further information as they require.

Background

2. Employer Scorecards

The purpose of employer scorecards is to introduce a method by which employers and the Fund can track employer performance against the responsibilities and obligations. A significant amount of work has been completed in this in obtaining the relevant data from different data sources e.g. employer database, i-Connect, employer contributions received and Rates and Adjustments Certificate data. This project was paused for 9 months in 2024, due to the former Employer Training and Communications Officer being absent, then eventually retiring in late 2024. This role has been replaced by the new role of Employer Liaison Officer, whereby this project has recommenced in January 2025. A review has taken place of the content and format of the employer scorecards, which some additions or amendments requested.

Each employer will be scored using a RAG rating (red, amber and green). Where an employer isn't performing at a satisfactory level, the Fund will engage with them to address and discuss the issues including putting in a plan to improve employer performance. Where poor performance continues and additional administrative resources are required to rectify issues, the Fund will utilise the Employer Underperformance Charges process.

The Employer Relations and Communications and Stakeholder Teams are working closely to finalise the employer scorecards content and format with the intention is to issue the employer scorecards to all Fund employers, each quarter from April 2025 or sooner.

3. i-Connect Onboarding

The Employer Services Team lead by the Employer Services Manager, as of 31st December 2024, have onboarded 153 employers to i-Connect. This represents 84% of the total number of employers (179).

With TUPE transfers and employer cessations, the total employer number is a constantly moving figure. The Employer Services Team have contacted all those yet to be onboarded and in the process of onboarding these as soon as possible.

Having all employers on i-Connect before the year end, particularly a triennial valuation year, would increase efficiency and minimise the impact on Fund resources.

Additionally, monthly submitted i-Connect data is considered as part of the Employer Data and Contributions Working Group discussions each month.

4. **Employer Forum**

On 27th November 2024 the Fund held it's face to face Employer Forum at the Civic Centre in Trowbridge, with over 40 employers attending. Some were unable to attend due to the flooding in Bradford on Avon and Chippenham on that day.

There were two key note speakers, our new actuaries Barnett Waddingham and The Pension Regulator. Other areas covered included Fund updates and performance review, the Pensions Review, investment insights, Pension Dashboards, the employer survey and communications, TUPE transfers and responsibilities and i-Connect updates.

After the event, a survey was conducted of those that attended with positive feedback being received: 100% agreed that attending the forum will benefit their role, 8 out of 10 found the content engaging and rated the forum 4.5 out of 5.

Planning has already started for the 2025 Employer Forum, with the main focus being the triennial valuation.

5. **Employer Covenant Review**

The Employer Funding and Risk Lead has been working with the new actuaries Barnett Waddingham to conduct a covenant risk review of high risk employers.

The review assesses the employers ability to make contributions, likelihood of exit and outcomes in an exit e.g. current deficit amount, securities and guarantees.

This has included issuing a questionnaire to employers requesting projected cash flow information, key employer information and key financial metrics for each initially assessed high risk employer. The closing date for completion of the questionnaire has now passed, with the actuaries and the Fund currently reviewing the responses ahead of the 2025 triennial valuation.

The intention is to include the covenant status for each employer in the employer scorecards.

6. **Academy Pooling Consultation**

The Fund is currently consulting on academy pooling with academies and admitted bodies, who have passthrough arrangements in place.

The Fund are proposing pooling all academies into a single academy funding pool thereby potentially give more stable contribution rate patterns and funding levels for employers than if they participated in the Fund as an individual employer. As many academies are smaller employers, without pooling, they are currently subject to significant risk of volatility in funding positions and contribution rates.

The closing date for responses to this consultation is 31/01/2024. The Employer Funding and Risk Lead will also provide a verbal update on the consultation given the time of writing this report to Board meeting date, with the closing date between these.

7. **Key Employer Changes**

Diocese of Bristol MAT (DBAT)

It was reported in the local media in 2024 that the employer was looking to withdraw as Multi Academy Trust (MAT) in the Swindon and Wiltshire areas following an adverse Ofsted report. At the time, DBAT had 12 schools in the Wiltshire and Swindon area with 250+ active members so the Employer Funding and Risk Lead contacted DBAT immediately following the report and has been working closely with them since to facilitate the relevant TUPE transfers.

DBAT's Kingfisher and Deanery Schools TUPE transferred to The Park Academies Trust on 01/09/2024.

DBAT's remaining 10 schools TUPE transferred to Blue Kite Academy Trust on 01/01/2025.

DBAT also moved their central function from the Avon Pension Fund to schools within the Wiltshire Pension Fund area from 01/09/2024.

The Employer Funding and Risk Lead also identified another Fund employer (Sodexo Limited) with 5 active member linked to DBAT, whereby should that employer fail, there would be no ceding Scheme Employer to pick up any liabilities. Therefore, the Fund is currently working with Sodexo and Blue Kite to arrange for a new admission agreement to be put in place and thereby reduce the risk to other Fund employers.

Equa Mead Learning Trust

On the 01/06/2024, The Mead Trust merged with EQUA Multi Academy Trust to form Equa Mead Learning Trust. At the same time, 6 Local Authority schools joined.

The Mead Trust had 3 schools and EQUA Multi Academy Trust had 9 schools.

The new single Trust, has 2 secondary schools and 16 primary schools with currently 698 active LGPS members.

Mosaic Partnership Trust

A new Academy Trust was formed in Wiltshire called Mosaic Partnership Trust from 01/04/2024. This was formed when Wiltshire Council transferred Local Authority Neston and Box Schools to Mosaic Partnership.

Mosaic Partnership Trust currently has 48 active LGPS members.

Grove Learning Trust

Three Single Academy Trust (SATs) and Scheme Employers transferred into Grove Learning Trust on 01/03/2024. The SATs were Millbrook Academy, Peatmoor Academy and Shaw Ridge Academy.

At that time: Millbrook had 74 active LGPS members, Peatmoor had 37 active LGPS members and Shaw Ridge has 50 active LGPS members – meaning 161 active LGPS members moved in this transfer.

Pickwick Academy Trust

In April and May 2025, 4 Wiltshire Council schools and Single Academy Trust Woodford Valley Academy are scheduled to transfer into Pickwick Academy Trust. The Employer Funding and Risk Lead is working with Pickwick Academy Trust to ensure there is a smooth transition and is also updating Wiltshire Council's Academy Conversion Group.

Further Education Bodies

On 12th November 2024, the Education and Skills Funding Agency (ESFA) published a policy paper announcing that they will guarantee outstanding Local Government Pension Scheme (LGPS) liabilities when a further education body closes, in line with the guarantee in place for academies.

On 13 November 2024, the Scheme Advisory Board (SAB) published a news item on their website, it included the following statement:

“For clarity, the Board Secretariat has sought confirmation from the DfE that this guarantee does not cover Higher Education institutions and covers only the organisations that were reclassified as public sector by the Office for National Statistics in November 2022.”

Based on the above, only 2 colleges have been identified that would fall under this new guidance: New Swindon College and Wiltshire College. The Employer Funding and Risk Lead has contacted both to advise and explain that the Fund will review the treatment of their organisation at the 2025 triennial valuation e.g. consider whether to amend the funding approach similar to the level of risk to the Fund as academies. However, in January 2025, Wiltshire College has requested a formal review of their contribution rate from December 2024 – the Employer Funding and Risk Lead is currently working with them to obtain the necessary additional information to form part of the review.

Considerations for the Board

8. It is proposed that the Board note this report and the work currently being undertaken to resolve the employer changes issues, seeking reassurance as required.

Environmental Impact of the Proposal

9. There are no known environment implications from this report.

Financial Considerations & Risk Assessment

10. Appropriate risks are suitably mitigated for the employer changes identified in this report. Actuarial work may be required for the DBAT dissolution and Imperial Cleaning (South West) Ltd joining the Fund.

Legal Implications

11. New admission agreements may be required for Imperial Cleaning (South West) Ltd.

Safeguarding Considerations/Public Health Implications/Equalities Impact

12. There are no known implications at this time.

Reasons for Proposal

13. To bring to the attention of the Local Pension Board the ongoing employer activity currently being undertaken by the Fund.

Proposal

14. The Board is asked to note the report and to seek from Officers such clarifications or further information as they require.

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