

Local Pension Board

MINUTES OF THE LOCAL PENSION BOARD MEETING HELD ON 5 MAY 2022 AT COUNCIL CHAMBER - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Mark Spilsbury (Chairman), Marlene Corbey, Laura Fisher and Mike Pankiewicz

Also Present:

Cllr Richard Britton, Cllr Gordon King, Jennifer Devine, Christopher Moore, Richard Bullen, Andy Cunningham and Stuart Figini

96 Membership

Officers noted that there were now two vacancies on the Board for both an Employer and Scheme Member representative due to Ian Jones resigning, the Chairman thanked Ian for all his input in Board meetings and wished him well for the future.

Richard Bullen, Fund Governance and Performance Manager, briefly detailed the recruitment process and noted that a suitable candidate had been found for one of the vacancies and proposed that the Board appointed them ahead of Full Council so that they could be ratified.

Resolved

The Board recommended that Asifa Ashraf be appointed to the Board as a Scheme Member representative.

97 Apologies

Apologies for absence were received from Paul Smith and Ian Jones.

98 Minutes

The Part I (public) minutes of the previous meeting held on 17 February 2022 were considered. Following which, it was:

Resolved

The Board approved and signed the Part I (public) minutes of the previous meeting held on 17 February 2022 as a true and correct record, and the Board's action log was noted.

99 **Declarations of Interest**

There were no declarations of interest.

100 **Chairman's Announcements**

The Chairman congratulated the Fund and officers on winning the award for “Best Approach to Responsible Investment” at the LAPF awards (the LGPS main awards event of the year) and commended officers for all their hard work in the area. It was highlighted that the awards were judged by a panel of industry experts and as such, it was a big kudos to have won an award.

Board insurance was then raised, and officers noted that they had been in regular talks with Aon and that the insurance was paid up until the end of April 2022, however an unpaid extension was agreed until the middle of May 2022. Officers were still working on drafting the policy documents but that the changes to the premiums were still not confirmed. The Chairman reaffirmed his opinion that he felt the insurance was unnecessary due to the nature of the Board as a non-decision-making body. Officers stated that they would follow up with the Administering Authority to see if they would be willing to take a parental view in case a situation arises in which Board insurance would be used.

101 **Public Participation**

There were no statements or questions from the public or Councillors.

102 **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 held on 3 March 2022 and 5 April 2022 were considered. Following which, it was:

Resolved

The Board noted the Part I (public) minutes from the last ordinary meetings of the Wiltshire Pension Fund Committee held on 3 March 2022 and 5 April 2022.

103 **Business Plan and Budget 2022/23**

Jennifer Devine, Head of Wiltshire Pension Fund, introduced the item and began by explaining that the report had been approved by the Committee in their previous meeting and as such, this agenda item was for information only.

Reference was made to Page 41 of the agenda pack which detailed the Business Plan actions. It was noted that officers had only planned for one year as they felt there were many key improvements to focus on first before creating

a longer-term plan, however the long-term aspirations of the Fund were outlined on Page 37 of the agenda pack. The Chairman welcomed the Committee's decision to approve additional resources to tackle the backlog issues and asked officers to confirm how the action plan would be monitored and brought forward to both the Board and Committee. Officers noted that a lot of the information would be included in internal emails throughout the year but that a paper detailing what had been completed or taken forward would be brought forward to both the Board and Committee at the end of the year.

104 **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.

The timeframes for the pension dashboard project were noted as still being unclear but the public sector staging date was confirmed as April 2024. Furthermore, officers informed Members that they were intending to work with Aquila Heywood, the Fund's software provider, to provide and submit the data required for the dashboard. It was highlighted that the project was still in the early days and that more clarification was needed on the specifications. Reference was also made to the new item, Finance Act 2022, but that officers were awaiting further advice on how these changes might apply in the LGPS.

Resolved

The Board noted the report.

105 **Training Update**

Richard Bullen, Fund Governance and Performance Manager, updated the Board on the Hymans Robertson six monthly report.

Officers congratulated and thanked Board Members on almost completing all of their training. Officers further noted that good progress had been made by all Committee Members since March but highlighted that there were still 2 Members who were yet to complete their mandatory tPR toolkit training despite being sent a reminder. The Chairman asked that officers continue to follow up until completion.

Resolved

The Board requested that officers send a further reminder to Members who had not completed their mandatory training.

106 **Key Performance Indicators (KPIs)**

Andy Cunningham, Head of Pension Administration and Relations, introduced the report presenting the Fund's administration KPIs.

The disclosure requirements were raised, and it was noted that most of the figures were close to 100% but that officers were struggling to make improvements to the Joiners figures due to technical difficulties in producing these on time. Additionally, the figure of 68.2% for Deferments had dropped due to lagging and backlog issues but those issues had been resolved in Q2 and as such, the figure was expected to be much higher in the future. The table on Page 58 was then referenced and it was explained that officers were looking closely at the data in relation to deaths and where improvements could be made, and it was highlighted that actions in the Business Plan would help these figures. Furthermore, it was noted that the Death Implication Process had changed and as such, officers were expecting to see the figures improving easily due to the amount of work undertaken. i-Connect was highlighted as the real priority with officers regularly speaking to the remaining outstanding employers. Progress was being made but the onboarding had been delayed due to the largest employers changing payroll providers at the same time, however officers were unable to provide an accurate time frame due to these technical issues.

The Chairman commended officers on the improvement to the Annual Benefit Statement production rate but questioned why most of the percentages on Page 58 had dropped. Officers clarified that the previous quarter had been high and that members of staff had been working on different projects. Moreover, the details of those figures were being reviewed on a weekly basis and officers were working alongside Aquila Heywood to produce a report evaluating how to monitor more effectively internally.

Resolved

The Board noted the current situation and the Fund's plans for improvement.

107 **Low Volume Performance Report**

Richard Bullen, Fund Governance and Performance Manager, introduced and explained the purpose of the report; namely, to update the Board on the Fund's performance measures for 2021/22 in connection with the following areas:

- a) ICO Data Protection breaches
- b) tPR breaches
- c) Freedom of Information (FOI) requests
- d) Complaints
- e) Internal Dispute Resolution Procedures (IDRPs)
- f) Subject Access Requests (SAR)

Appendix 1 was referenced, and it was explained that it set out turn around times for completion alongside officer's comments that provided further insight into each area. The payroll reconciliation project was raised, and the hard work undertaken by Andy Cunningham was highlighted. tPR breaches were then explored and it was explained that a new more robust method of contribution monitoring had been introduced and as such, more breaches had occurred than expected by re-evaluating these processes. Furthermore, with regard to FOI requests it was explained that officers had received a few and a transition moving from fully responding to referring people to a webpage was taking place as the Fund migrated towards Brunel. Officers acknowledged that the response times for complaints were slower than desired but emphasised that it was an area of focus for officers.

The Chairman asked for further clarity with regard to reporting data breaches to which officers explained it was an area of focus which was not picked up in the business plan but that officers were aware and thus on top of the issue to ensure its properly managed. A further question was asked with regard to IDRPCs, and officers explained the process for both a Stage 1 and Stage 2 dispute. It was clarified that consultancy advice was always sought when making these decisions but that officers felt the process was as robust as possible.

Resolved

The Board noted the findings of the low volume performance report being monitored by officers on behalf of the Fund.

108 **Draft LPB Annual Report 2021/22**

The Chairman thanked Richard Bullen, Fund Governance and Performance Manager, for his hard work in producing the draft report.

Officers noted that there were cosmetic issues to change such as references to Committee minutes and links to other documents which would be updated. It was also noted that officers were working to reduce the number of pages and to make it a tighter more evidence-based document. Officers further highlighted that there were ongoing discussions between the Committee and Administering Authority on finalising the report but that the Committee itself had accepted it.

Resolved

The Board approved the attached draft LPB Annual Report.

109 **Pension Administration Strategy**

Andy Cunningham, Head of Pension Administration and Relations, introduced the report and updated the Board on the proposed changes to the Fund's Administration Strategy.

It was explained that the strategy was reviewed to reflect the changing administration strategies with regard to i-Connect and so forth. The key changes were to make it clear that onboarding onto i-Connect was compulsory for employers and those failing to do so would be opening themselves up to escalation. It was stated that officers were intending to circulate the updated document to employers for consultation and any feedback received would be taken into account before the finalised document was submitted to the Committee.

The Chairman expressed his support of the changes and requested a change to the wording in the last sentence of Page 99 to the first sentence of Page 100 of the agenda pack to make it clear the full additional costs will be implemented if employers do not use i-Connect. A further question was asked as to if there was a limit for a number of estimates per member to which officers explained that as the My Wiltshire Pension portal was self-service, there was no policy on how many they requested.

Resolved

The Board noted the proposed, revised Pensions Administration Strategy.

110 **Employer Charging Policy**

Andy Cunningham, Head of Pension Administration and Relations, updated the Board on the updated administration charging policy.

Officers stated that the changes were minor such as changing the wording around ill-health insurance and updating the risk rate charges which were outdated. It was explained that the changes were more to clarify how charges were calculated rather than state the charges themselves as there were different approaches depending on the situation. Additionally, it was noted that the intention behind charging was not to levy more money but to instead cover the Fund's own cost for the extra work.

Resolved

The Board noted the proposed, revised Employer Charging Policy.

111 **Audit Update**

Richard Bullen, Fund Governance and Performance Manager, updated the Board on activity arising from the 2022/23 audit plan, notably:

- Key Financial Controls
- Cyber Security
- Risks PEN030 and PEN060

It was explained that Appendix 1 set out all the recommendations and the progress made toward them with movement already being made with regard to outsourcing backlogs. Jennifer Devine, Head of Wiltshire Pension Fund, reassured Members that SWAP's audit report for no assurance did not mean the worst, but instead it was due to including the backlog issues in combination with detailed discussions with SWAP to increase the recommendations.

With regard to cyber security, Members were informed that officers had a meeting with Aon the day before the Board meeting which set out the timetable and it was stated that the intention was to have a report and a presentation brought forward to the July meeting of the Committee. In response to a question, officers confirmed that Aon would provide an independent comment on the work and that a copy of the report would be circulated to Members of the Board before the Committee meeting for an opportunity to provide comments.

Finally, the risks were then discussed with officers explaining that there were ongoing negotiations between the Committee and Administering Authority on how to progress the issues and trying to establish what the re-charge figure would be. The Chairman expressed disappointment that the issue was not resolved and proposed that a further recommendation be made to request an update from the Wiltshire Council finance team at the next meeting of the Board. The Chairman then sought further clarity with regard to the Contributions issue detailed in Appendix 1 to which officers explained that there had been changes to the contribution certificates which made that a lot of employers had been inadvertently paying the wrong rate for a long time, but that there was a project team dedicated to rectifying the issue.

Resolved

The Board noted the progress made by officers in respect of the recommendations made by SWAP.

The Board noted the verbal updates provided by officers in connection with other key activities requested by the Board.

The Board requested an update from the Wiltshire Council finance team, which they present at the August meeting of the Local Pension Board, on the proposals to determine the level of the Council recharge to the Wiltshire Pension Fund in a more robust way.

112 **tPR Code of Practice 14 Self Assessment for 2021/22**

Richard Bullen, Fund Governance and Performance Manager, updated the Board on the findings of an internal review of the Wiltshire Pension Fund's compliance with the Pension Regulator's (tPR) Code of Practice 14 for the Fund year 2021-22.

Officers decided to undertake a self-assessment in anticipation of the Single Code of Practice coming into force in the Summer of 2022. The two-stage review process was explained, and it was noted that 8 areas for improvement

were identified which were largely reflected within the March 2022 SWAP audit report and the recommendations made by Aon. The Chairman noted his disappointment that those areas were falling below the required standard and asked for confirmation that a specialist audit would be undertaken with regard to PEN30 – failure to procure and contract manage service providers appropriately. Officers confirmed that was included within the good governance review and that the fee and what they represented would be made explicit to the Wiltshire Council Finance Team.

Resolved

The Board noted the internal self-assessment undertaken.

Officers noted that they would ensure that all non-compliant areas identified in the SWAP audit report recommendations would be included within a Fund action plan for improvement.

113 **Key Financial Controls**

Christopher Moore, Pension Fund Accounting and Investments Officer, presented the report to Members.

Officers updated Members with regard to the continuing delay in signing off the 2020-21 Wiltshire Council accounts and reaffirmed that there were no issues with the Pension Fund accounts themselves. Members were reassured that officers were working with the auditors to publish the accounting information for year ending 2022 accounts. Regarding the payroll reconciliation work, officers noted that they were working to ensure that a standardised report for both the Board and Committee to detail the discrepancies and how they are dealt with to show Members the progress being made. Officers then briefly updated Members on the integration between the payroll and pension administration systems and introduced the quarterly financial performance dashboard detailed on Page 157. The single large late payment as detailed within the employer contribution control area was discussed and officers informed the Board that they had met with the employer and that payment would be made on the following week, but Members were reassured that the employer was small and as such the financial impact of the late payment was immaterial.

The Chairman again expressed his disappointment that the situation with the Wiltshire Council accounts was still to be resolved. He also reiterated that all relevant potential training courses should be forwarded to Board Members to utilise the training budget as much as possible.

Resolved

The Board noted the progress made against resolving the issues identified within the report, and the progress made to develop accounting and control improvements.

114 **Fund Annual Report & Accounts and Audit Update**

Jennifer Devine, Head of Wiltshire Pension Fund, introduced the item and noted that a lot of the information in the report had already been covered in previous agenda items. There were no questions from Board Members.

115 **Risk Register Update**

Richard Bullen, Fund Governance and Performance Manager, updated the Board in relation to the changes made to the Fund's Risk Register.

Officers thanked Cllr Richard Britton, Chairman of the Wiltshire Pension Fund Committee, for his feedback in relation to the Risk Register and combined with the recommendations made by SWAP in their March 2022 audit report, officers had made changes to how they manage the Risk Register to make it a more living document. The Chairman noted his support of Cllr Britton's feedback and emphasised the importance of undertaking the review and making the appropriate changes.

Resolved

The Board noted the attached Risk Register and recommended the changes/actions made by officers in points 8 – 10 to the Committee.

116 **Urgent Items**

There were no urgent items.

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

The next ordinary meeting of the Local Pension Board would be held on 18 August 2022.

118 **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 24 - 26 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.

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

The Part II (private) minutes from the last ordinary meetings of the Wiltshire Pension Fund Committee held on 3 March 2022 and 5 April 2022 were considered.

Following which, it was:

Resolved

The Board noted the Part II (private) minutes from the last ordinary meetings of the Wiltshire Pension Fund Committee held on 3 March 2022 and 5 April 2022.

120 **Brunel Governance Review Update**

An update was provided by Jennifer Devine, Head of Wiltshire Pension Fund.

121 **Minutes**

The Part II (private) minutes of the previous meeting held on 17 February 2022 were considered. Following which, it was:

Resolved

The Board approved and signed the Part II (private) minutes of the previous meeting held on 17 February 2022 as a true and correct record.

(Duration of meeting: 10.00 - 11.40 am)

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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