

**Wiltshire Council**

**Wiltshire Pension Fund Committee**

**17 November 2022**

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### **Referral From Local Pension Board**

## **Corporate Recharge - Calculation of Annual Charge by Wiltshire Council for support services provided to the Wiltshire Pension Fund, and the formulation of a Service Level Agreement**

### **Purpose of the Report**

1. The purpose of this report is:
  - a) To highlight to the Committee concerns of the Pension Board regarding the transparency of the calculation of recharges (circa £0.5 million in 2022/23) from Wiltshire Council to the Pension Fund, for Support Services provided by the Council; and
  - b) To ensure a more transparent process is introduced for the 20223/24 financial year, with a supporting service level agreement.

### **Recommendation**

2. It is recommended that the Committee formally request a report from the Chief Financial Officer and Deputy Chief Executive, to their December 2022 administration focused meeting, setting out the detailed basis of the proposed recharge for support services to the Wiltshire Pension Fund for the 2023/24 financial year, and the timetable for the production of a Service Level Agreement.

### **Background**

3. For a number of years officers have, unsuccessfully, sought details of the calculation methodology related to the annual recharge, and expected service standards, in relation to support services provided by Wiltshire Council to the Fund.
4. This issue has been reported to all of the Local Pension Board meetings held during 2022/23, with the Board being given assurances that progress was being made, and that a more transparent system should be implemented for the 2023/24 financial year.

5. The update provided to the Board at the October 2022 meeting was:

*“Pension Fund Officers have received and reviewed a freshly calculated SLA charge from the Council finance team. Further work is required to revise some of these calculations and then produce a full SLA document, officers are awaiting a response from the council team”.*

Unfortunately, this is exactly the same update that was provided to the August 2022 meeting of the Board. Subsequently, following the October 2022 meeting of the Board, it has been highlighted that this project has again stalled.

6. The Pension Board believes that the current situation, whereby the Fund receives a charge of around £0.5 million pa, without any supporting calculation methodology or service information, is unsatisfactory from a governance viewpoint. To ensure that a more

transparent system is in operation for the 2023/24 financial year, urgent action is now required before budgets are set for the new financial year.

7. The Board is now aware that progress has been made on this issue, but feel that it is essential that officers from the Council finance team, in conjunction with officers from the Pension Fund, produce the report which is the subject of the recommendation at paragraph 2, to be submitted to the December 2022 meeting of the Pension Committee.

**Mark Spilsbury**

**Independent Chair of the Wiltshire Local Pension Board**