

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD

7 November 2024

Immediate Payments Update

Purpose of the Report

1. To update the Board 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 2023 the Council migrated 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.

Issues experienced with member payments

3. 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.
4. 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.
5. 40 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. £215,261.78 has been paid back. 5 members have not paid back anything. £7,509.05 is currently outstanding.
6. The Fund has raised invoices for the remaining members, the highest amount being, £3,380.30 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 for two members and three chasers have been sent to three members.
7. 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. The Committee and Board will review any cases that the

Council's Legal Services department decided not to start proceedings against as there may be tax implications for the Fund as detailed in point 8.

8. 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

9. Not applicable.

Financial Considerations & Risk Assessment

10. 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

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

12. There are no known implications at this time.

Proposals

13. The Board is to take note of the steps being taken.

Jennifer Devine
Head of Wiltshire Pension Fund

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Unpublished documents relied upon in the production of this report: NONE