

Local Pension Board

MINUTES OF THE LOCAL PENSION BOARD MEETING HELD ON 7 NOVEMBER 2024 AT KENNET ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Mark Spilsbury (Chairman), Laura Fisher, Mike Pankiewicz and George Simmonds (Vice-Chairman)

Also Present:

Cllr Richard Britton and Cllr Robert Yuill

74 **Membership**

The Chairman reminded the Board that he would be stepping down as Chairman and Board Member as of 31 March 2025 and that his last meeting would be on 11 February 2025.

The Head of Wiltshire Pension Fund outlined the plans and timetable in place for a replacement Board Member, and it was anticipated that an appointment would be made by January 2025, with a formal handover being made at the Wiltshire Pension Fund Committee on 27 February 2025.

75 **Attendance of non-members of the Board**

The following Councillors attended the meeting:

- Cllr Richard Britton in his capacity as Chairman of Wiltshire Pension Committee.
- Cllr Robert Yuill in his capacity as a member of the Wiltshire Pension Committee.

76 **Apologies**

Apologies were received from Marlene Corbey and Karl Read.

77 **Minutes**

The Part I (public) minutes of the previous meeting held on 23 September 2024 were considered.

In addition, the Board noted it's latest Action Log.

Resolved:

The Board approved and signed the Part I (public) minutes of the previous meeting held on 23 September 2024 as a true and correct record, and the Board's action log was noted.

78 **Declarations of Interest**

There were no declarations of interest.

79 **Chairman's Announcements**

There were no Chairmans announcements.

80 **Public Participation**

There were no public statements or questions submitted.

81 **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 meetings held on 19 September 2024 and 10 October 2024 were considered.

Resolved:

The Board noted the Part I (public) minutes from the ordinary meetings of the Wiltshire Pension Fund Committee held on 19 September 2024 and 10 October 2024.

82 **Headlines & Monitoring (HAM) Report**

The Board considered the report of Jennifer Devine - Head of Wiltshire Pension Fund which provided information highlighting key issues and developments to enable the Board to fulfil its monitoring role.

The report detailed updates in the following areas:

- Headlines
- Scheme, Regulatory, Legal and Fund Update
- Health Check Dashboard
- Risk Register
- Administration KPIs, including a strategic projects update
- Audit Update – KC actions update

Officers provided comment and responses to Board questions as follows:

- The topics covered during the Pension Awareness week held between 9-13 September 2024 were highlighted and good attendance and feedback was reported.

- Sample checking during quarter 3 had reduced to 83% and this was due mainly to grammatical oversights and there was a need to improve the quality of work undertaken to achieve a higher standard.
- It was confirmed that there were no concerns regarding the investment performance dipping into the amber rating for quarter 3, as the threshold for a green rating is 4.1% p.a. over 5 years and this quarter was 4.0% p.a. over 5 years.
- Confirmation of the funding level measures and methodologies employed by the previous and current actuaries was commented upon, with the funding level measure still unavailable due to the transition between actuaries. The new actuaries indicating that the level has remained stable since the 2022 evaluation, and officer anticipating that the rating will be green once the official information is received.
- The Board noted that the Pension Administration Standards Association (PASA) accreditation status was being sought and this was the 'Gold Standard' for local government pension funds.
- Budget monitoring and forecasting for the cost per member has been disrupted due to the new finance system in place, making accurate data unavailable at the present time.
- Staff engagement indicators were all moving towards a green rating due to improvements across the board.
- The rating of Member Services at 104% was due to the speed that an action had taken to complete.
- The changes in the risk register between July and September related to Fund Governance and Projects.
- The main recommendation from SWAP related to the integration with the Council's risk management framework. The Fund risk register has started to be updated following the recent workshop with the Council's Corporate Support team, with a target date to complete the update by the end of November 2024.
- The majority of the Administration KPI's would have a green rating for the December reporting period, with the top three priorities being deaths, retirements and refunds.
- Both Wiltshire and Swindon employers have onboarded to I-Connect

Resolved:

- a) to note the Fund updates.**
- b) to endorse the risk, register in Appendix 3 & the summary of risk changes since the last review, as a true and fair view.**
- c) to note the progress against the SWAP KC audit recommendations.**

83 KPI Improvement Plan

The Board considered the update report of James Franklin, Administration Team Lead which highlighted progress against the KPI Improvement Plan.

The Board noted that reporting includes every case, and the Administration Team are on course to have less than 100 cases open at 31 December 2024, down from 3,000 currently. The Team is currently running with 3 vacancies.

Resolved:

That the KPI Improvement Plan be noted.

84 **Key Financial Controls**

The Board considered the report of Christopher Moore – Pension Fund Accounting and Investment Team Lead, which highlighted the significant issues in relation to the Fund's key financial controls.

The Team Lead reported that final sign off of the Full Wiltshire Council Accounts for 2019/20 had progressed, although a few additional issues were raised by Deloitte which officers are responding to. The sign off on the Pension Fund Accounts for 2020/21, 2021/22, 2022/23 continued to be delayed due to an issue within the Wiltshire Council figures, meaning the pension fund accounts have not received their final audit opinion.

Resolved:

The Board agreed to use the report to monitor progress against resolving the issues which have been identified.

85 **Pension Administration Strategy**

Resolved:

To defer consideration of the item until the next meeting of the Board on 11 February 2025.

86 **Integrated payroll system update**

The Board received a verbal update from James Franklin, Pension Administration Lead about transfer of the Fund's from Oracle to Altair.

The Team Lead was pleased to report that a successful migration took place on 25 October 2024, and all issues have been fixed, the project just needs to be closed off. A successful connection to HMRC has recently taken place and the first large PAYE payment is being made very shortly.

The Team Lead confirmed that staff involved in the integrated payroll system will now devote their time to their other day to day administrative duties and other tasks.

Resolved:

That the Pension Administrative Lead update about the transfer from Oracle to Altair be noted.

87 **Integrated immediate payments update**

The Board considered the report of James Franklin, Pension Administration Lead which provided an update 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.

The Pension Administration Lead informed that Board that since the last update in September 2024 where £17,896.10 was still outstanding, the current amount outstanding is £7,509.05. The Board noted that the Council's debt recovery process is currently being following to recover the outstanding amounts, and the action to be taken if outstanding amounts are not recovered, which includes legal action and raising the matter with the Council's Legal Services.

Resolved:

To note the Boards agreed actions the Fund should take if outstanding monies are not received.

88 **Cyber Security and Business Continuity update**

The Board considered the report of Mark Briggs, the Fund Operations Manager about the Fund's cyber security policy (appendix 2) and in addition, received a presentation about the Fund's Business Continuity Plan (appendix 1).

The Board noted that cyber risk is recognised as a real and growing threat and the aim of the Cyber Security Policy is to set out how the Fund intends to assess and manage cyber risk. The report detailed the Funds approach to cyber governance and indicated that the Fund would assess all advisers, providers and partner organisations identified by its Cyber Security Data Map to ensure they have appropriate arrangements in place to protect themselves against cyber threats.

The Board noted that when the contract is renewed with external providers, they would have their cyber security reviewed annually by the Pension Fund. The Operations Manager explained that he was sufficiently confident in this area and that staff would receive appropriate training.

Resolved:

That the Board recommends the Cyber Security Policy to the Wiltshire Pension Fund Committee.

89 **General Code of Practice Plan**

The Board considered the report of Mark Briggs, Fund Operations Manager on the progress being made to implement changes to the Fund's internal controls as a result of the new General Code of Practice.

The Operations Manager explained that the new Code consolidates 10 of the existing Codes into one Code and addresses the governance requirements arising from the UK's implementation of IORP II which expects trustees to have an 'effective system of governance' and the schemes to complete an 'own risk assessment'.

The Action Plan listed Training, Gap Analysis and Review or establish new policies as items requiring additional work.

The Board noted that work on the Plan and compliance needed to be completed by the end of April 2025. The filling of the Quality Assurance vacancy would help with the completion of the Plan; however, other officers would be tasked with responsibility to complete the Plan in the event that the vacancy was unfilled during this time.

Resolved:

To note the progress of implementing changes to the Fund's internal controls as a result of the new General Code of Practice.

90 **Employer Update**

The Board considered the report of Matt Allen, Employer Funding and Risk Lead which provided an update about employer related activities undertaken by the Fund.

The report provided detail in relation to employer scorecards, employer covenant exercise, Employer Forum, employer activity and triennial valuation. It was noted that all employers identified as high risk have been informed that they may incur higher employer contributions.

Resolved:

That the report be noted.

91 **Urgent Items**

There were no urgent items.

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

The next ordinary meeting of the Board will be held on 11 February 2025.

The Board also considered the Scheme Year Forward Work Plan for the new scheme year and approved its content.

Resolved:

The Board noted the date of the next meeting and approved the Scheme Year Forward Plan.

93 **Exclusion of the Public**

The Board considered the recommendation to exclude the public.

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 21-24 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.

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

The Part II (private) minutes from the ordinary meetings of the Wiltshire Pension Fund Committee held on 19 September 2024 and 10 October 2024 were considered.

Resolved:

The Board noted the Part II (private) minutes from the ordinary meetings of the Wiltshire Pension Fund Committee held on 19 September 2024 and 10 October 2024.

95 **Brunel Governance Update**

Jennifer Devine, Head of Wiltshire Fund provided a verbal update summarising the ongoing Brunel governance arrangements.

Resolved:

That the verbal update from the Head of Wiltshire Fund be noted.

96 **LPB Minutes**

The Part II (private) minutes of the previous meeting held on 23 September 2024 were considered.

Resolved:

The Board approved and signed the Part II (private) minutes of the previous meeting held on 23 September 2024 as a true and correct record.

97 **Urgent Items**

There were no urgent items.

(Duration of meeting: 10.00 - 11.55 am)

The Officer who has produced these minutes is Stuart Figini of Democratic Services, direct line 01225 718221, e-mail stuart.figini@wiltshire.gov.uk

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