

AGENDA

Meeting: Local Pension Board

Place: Kennet Room - County Hall, Bythesea Road, Trowbridge, BA14 8JN

Date: Wednesday 24 May 2023

Time: 10.00 am

Please direct any enquiries on this Agenda to Stuart Figini of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line 01225 718221 or email stuart.figini@wiltshire.gov.uk

Press enquiries to Communications on direct lines (01225) 713114/713115.

This Agenda and all the documents referred to within it are available on the Council's website at www.wiltshire.gov.uk

Membership:

Mark Spilsbury (Chairman)

Marlene Corbey (Vice-Chairman)

Paul Smith

Laura Fisher

Mike Pankiewicz

George Simmonds

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Public Participation

Please see the agenda list on following pages for details of deadlines for submission of questions and statements for this meeting.

For extended details on meeting procedure, submission and scope of questions and other matters, please consult [Part 4 of the council's constitution](#).

The full constitution can be found at [this link](#).

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PART 1

Items to be considered when the meeting is open to the public.

1 Membership

To note any changes to the membership of the Board.

2 Attendance of non-members of the Board

To note the attendance of any non-members of the Board present.

3 Apologies

To receive any apologies for absence or substitutions for the meeting.

4 Minutes (Pages 7 - 20)

To approve and sign as a true and correct record the Part I (public) minutes of the previous meeting held on 1 February 2023.

The Board's action log is also attached for members' information.

5 Declarations of Interest

To receive any declarations of disclosable interests or dispensations granted by the Standards Committee.

6 Chairman's Announcements

To receive any announcements through the Chairman.

7 Public Participation

The Board welcomes contributions from members of the public.

Statements

If you would like to make a statement at this meeting on any item on this agenda, please register to do so at least 10 minutes prior to the meeting. Up to 3 speakers are permitted to speak for up to 3 minutes each on any agenda item. Please contact the officer named above for any further clarification.

Questions

Those wishing to ask questions are required to give notice of any such questions in writing to the officer named above (acting on behalf of the Corporate Director), no later than 5pm on Wednesday 17 May 2023 in order to be guaranteed a written response prior to the meeting. Any question received between the above deadline, and no later than 5pm on Friday 19 May 2023,

may only receive a verbal response at the meeting.

Please contact the officer named on the first page of this agenda for further advice. Questions may be asked without notice if the Chairman decides that the matter is urgent.

Details of any questions received will be circulated to Board members prior to the meeting and made available at the meeting and on the Council's website.

8 **Minutes and Key Decisions of the Wiltshire Pension Fund Committee** *(Pages 21 - 34)*

To consider the Part I (public) minutes of the Wiltshire Pension Fund Committees held on 2 March 2023 and 23 March 2023.

9 **Headlines & Monitoring (HAM) Report** *(Pages 35 - 70)* **10:10am**

A report for the Board's ongoing oversight of:

- Scheme, Regulatory, Legal and Fund Update
- Risk Register
- Administration KPI update – 1 January 2023 to 30 April 2023
 - a) Key business plan items – Aggregation Backlogs / i-Connect & Controls / Resourcing
 - b) Outsourcing updates
 - c) McCloud & Dashboard update
- a) Fund SWAP audit update 2022/23
- Training –
 - To update members on the Fund's approach to member training.

10 **Training** **10:30am**

To receive training on the annual administration life cycle from the Fund Operations Manager.

11 **Key Financial Controls (Budget outturn 2022/23)** *(Pages 71 - 78)* **10:40am**

To receive an update by the Investment and Accounting Team Lead concerning the operational accounting arrangements, to include a Corporate Recharge update.

12 **Low Volume Performance Report** **10:50am**

To receive a report from the Fund Governance Manager.

- 13 **Draft LPB Annual Report 2022/23** (Pages 79 - 96) **11:00am**
- The Local Pension Board is asked to approve the contents of its annual report for the preceding year.
- 14 **Urgent Items** **11:10am**
- Any other items of business which, in the opinion of the Chairman, should be considered as a matter of urgency. Urgent items of a confidential nature may be considered under Part II of this agenda.
- 15 **Date of Next Meeting and Forward Plan** (Pages 97 - 106) **11:15am**
- To note that the next ordinary meeting of the Board will be held on 10 August 2023.
- The Board's will be asked to review its Scheme Year Forward Work Plan is attached for members' consideration.

16 **Exclusion of the Public**

To consider passing the following resolution:

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 17 – 18 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.

PART II

Item(s) during consideration of which it is recommended that the public should be excluded because of the likelihood that exempt information would be disclosed.

- 17 **Minutes and Key Decisions of the Wiltshire Pension Fund Committee** (Pages 107 - 122) **11:20am**
- To consider the Part 2 (confidential) minutes of the Wiltshire Pension Fund Committee held on 2 March & 23 March 2023.
- 18 **Brunel Governance Update** **11:30am**
- To receive a verbal update on the report from officers updating members on the ongoing Brunel governance arrangements. To include the Clearglass audit update.

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Local Pension Board

MINUTES OF THE LOCAL PENSION BOARD MEETING HELD ON 1 FEBRUARY 2023 AT KENNET ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Mark Spilsbury (Chairman), Marlene Corbey (Vice-Chairman), Paul Smith, Laura Fisher, Asifa Ashraf and Mike Pankiewicz

Also Present:

Cllr Richard Britton, Christopher Moore, Richard Bullen, Ellen Ghey, Cameron Osborn, Jennifer Devine, Denise Robinson and Liam Robson

166 **Apologies and Membership**

Apologies were received from Juliet Weimar.

The Chairman informed Members that Asifa Ashraf would shortly be leaving Wiltshire Council and as such would be unable to continue as an Employee Board Member. The Chairman thanked Asifa on behalf of the Board for her attendance and time invested into attending and participating in training and meetings over the course of her term.

167 **Minutes and Action Tracking**

The Part I (public) minutes of the previous meeting held on 27 October 2022 were considered. After which, it was:

Resolved

The Board approved and signed the Part I (public) minutes of the previous meeting held on 27 October 2022 as a true and correct record, and the Board's action log was noted.

168 **Declarations of Interest**

There were no declarations of interest.

169 **Chairman's Announcements**

There were no Chairman's announcements.

170 **Public Participation**

There were no statements or questions submitted.

171 **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 (WPFC) meetings held on 17 November 2022 and 10 January 2023 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 17 November 2022 and 10 January 2023.

172 **Scheme, Legal, Regulatory and Fund Update**

Jennifer Devine, Head of Wiltshire Pension Fund, updated the Board on the various Scheme, Legal, Regulatory and Fund updates.

Additional information was provided regarding actions in respect of the McCloud decision and the Pensions dashboard data. It was stated that good progress had been made against recommended actions.

There being no further comments, it was then:

Resolved

The Board noted the report.

173 **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.

It was explained that a new Risk Register was introduced in November 2022 with officers subsequently undertaking an exercise whereby they compared the old register to the new one to ensure that all risks had been migrated across and the new document was fully embedded and established. Furthermore, the previous incarnation focussed on inherent risk whereas the new document focussed on residual risks once mitigations had been applied, and as such, the ratings in many respects would appear reduced. The register was noted as being updated monthly by officers and then reviewed internally to ensure consistency, and once approved brought forward to Committee and Board meetings.

Recent changes were highlighted with the review undertaken in January 2023 increasing the level of case work and data management risks experienced in December 2022. However, officers emphasised that they were not overly

concerned with the issues presented as they felt they would be minimised with time. Officers felt that the new design would support Board Members in making recommendations to the Committee through the observation of trends and themes.

The Board discussed the report and update and made comments on the graphics displaying the risks in the report. It was explained that the risk assessments depended on the weighting of the issues, for example a major administration risk that could significantly impact the operation of the Fund would be weighted more highly in comparison to others rated as less critical. It was further noted that officers would circulate information to Members after the meeting with regard to the effects of the Altair system on valuation reporting.

The Chairman welcomed the new design on behalf of the Board and commended officers on their work.

Resolved

The Board noted the attached Risk Register and recommended to the Committee that the risk assessments being made by the CROC Group were appropriate.

174 **Local Pension Board Budget 2023/24**

Chris Moore, Pension Fund Accounting and Investment Officer, briefly presented a proposed Local Pension Board Budget for 2023/24 for the consideration of the Board.

It was explained that officers were forecasting a small underspend with a slightly smaller proposed budget than the budget for 2022/23, however it was noted that the rising rates in inflation were accounted for.

Queries were raised in regard to training spends with Members seeking reassurance that all training opportunities were being passed on to Board and Committee Members. Officers confirmed that they were having discussions around signing Denise Robinson, Employer Engagement and Training Officer, onto the mailing lists for key providers such as Hymans Robertson so that she would have sight of all upcoming webinars and conferences and could then circulate to Members when appropriate.

Following which, it was:

Resolved

- 1) The Board agreed the draft Local Pension Board Budget and recommended to the Wiltshire Pension Fund Committee that this is included in the Fund's Administration Budget for 2023/24.**

- 2) The Board agreed to monitor their budget on a quarterly basis as Local Pension Board budget monitoring will form part of the quarterly budget report which is reviewed by the Wiltshire Pension Fund Committee.**

175 **Training Item**

Richard Bullen, Fund Governance and Performance Manager, introduced a report setting out a draft training programme for Board and Committee Members for the Scheme Year 2023/24 based on the Hymans Robertson National Knowledge Assessment (NKA) questionnaire completed by Members during 2022.

Officers commended all Board Members for completing the questionnaire. It was noted that there were a few Committee Members who had not completed the questionnaire, causing a slight disparity between the two groups' answers, however officers referred to the possible reasons outlined in the paper. Namely, the Board was more established, and the Committee had undergone a lot of Membership changes and thus many Members had experienced a big learning curve and weren't as experienced. However, officers emphasised that the results were just a snapshot in time. Key items gleaned from the report from Hymans Robertson were detailed, such as the order of training with 8 respondents out of 14 seeking further training on accounting and audit standards. Topical administration subjects were also noted. Officers noted that they were considering organising a training session clarifying roles and responsibilities of the Administering Authority, various advisers, officers and Members.

The attached training plan itself was raised and it was stated that it was not yet finalised and further changes could be made if required. The plan would be delivered in a variety of methods including online training, conferences, tPR toolkit and training sessions during meetings. It was confirmed that training was not mandatory for Committee Members, but the Board were reassured that the issue of training generally was being recognised at a national level relating to the need for the Committee as a decision-making body to undertake training.

In response to queries it was confirmed that training resources had been made available for Board and Committee Members online. During discussion it was agreed that it was not practical for all Board and Committee Members to attend the entirety of a meeting of the other body, for instance to attend a specific training item. It was suggested that training could take place at the beginning of or prior to a formal meeting, with hybrid capability, to enable all Members to attend the training only.

The Chairman further asked if there was scope for more detailed administration training which he felt could be more beneficial which officers agreed could be produced.

Following which, it was:

Resolved

The Board endorsed the implementation of the new Members training strategy covering the scheme year 2023/24, and the training plan for the Board, with the inclusion of additional training on Pensions Administration.

176 **Effectiveness Review**

Richard Bullen, Fund Governance and Performance Manager, presented the report which outlined the recommendations identified by Hymans Robertson in their “Member Effectiveness Review” report 2022 and updated Members on the Fund’s implementation of the Pension Regulator’s (tPR) anticipated new single code of practice and its effective system of governance (ESoG) requirement.

The Chairman began by thanking all Board Members who responded to the questionnaire and acknowledged that there was scope for improvements. He expressed some disappointment in the wording used in the Hymans Robertson report, which he felt presented a more negative position than was the case. He additionally sought further clarification as to the reasoning behind some of the recommendations not all of which may have been justified by the presented responses.

Officers responded to the points raised and highlighted that in the interim since the previous report in 2018, many processes and areas had been introduced or refreshed and were well received and embedded within the operation of the Fund. It was proposed to seek further clarification to better understand the recommendations. Noting the update on training, it was considered that additional training for Members may not be realistic.

Officers informed Members that they were intending to present tPR actions log, however they had attended the National Governance Conference prior to the meeting which notified attendees that a new guidance document was due for publication and many changes were anticipated. As such, officers felt that it would be ineffective to communicate information that may change, therefore they were awaiting the new guidance which would be reviewed and then brought back to the Board.

The Chairman welcomed the feedback from officers and stressed that any actions taken from the recommendations should be proportionate and realistic. Following which, it was:

Resolved

The Board recommended the actions outlined in the Member Effectiveness Report 2022 be implemented by officers but, given that many relate to areas where only a small number of Members have expressed a need for additional training and/or training, the Board requested that the issues are addressed in a proportional manner,

including the signposting of relevant information already available on SharePoint.

177 **Administration Quarterly Update**

Jennifer Devine, Head of Wiltshire Pension Fund, briefly presented the report to Board Members.

Members were informed that Andy Cunningham, Pension Administration Lead, would be leaving the Fund at the end of February 2023 and officers were in the process of recruiting a replacement. A plan was being developed for future improvements for the Fund which officers were targeting to be included in next years Business Plan. There was discussion of internal work to streamline administration processes to improve achievement of targets, as well as reorganisations of service areas to increase effectiveness.

The Chairman welcomed the openness on the difficulties which had been faced, and stated he was confident that the actions taken would lead to an improvement in achieving targets. Clarification was sought on raised risk ratings regarding underperformance due to staff shortages in December 2022. It was explained that the beginning of the month had been going well but the shortages had impacted on backlog work towards the end of the month.

In response to queries, officers confirmed that the Board would have sight of the improvement plan at their next meeting after consideration by the Committee in March 2023.

It was then:

Resolved

The Board noted the update.

178 **Key Financial Controls**

Chris Moore, Pension Fund Accounting and Investment Officer, presented the report to Members.

The Annual Report & Accounts for 2019/20 and 2020/21 were noted as being closer to being signed off with all work on the Fund's side being completed and the delay due to audit work with the Council accounts. However, as so much time had passed since 2019/20, officers were required to prepare a 'subsequent events note' to be included in accordance with accounting regulations. Payroll reconciliations were then raised with officers noting that the discrepancies between the two systems were continuing to be resolved. It was confirmed that officers had selected an investment manager to implement the SALAMI (Strategic Allocation to Liquid Asset Matching Investments) portfolio and strategy which would ultimately allow the Fund to maintain a smaller cash balance aiding in managing cashflow. Lastly, officers noted that an updated Service Level Agreement charge from the Wiltshire Council Finance Team had

been received after Fund officers sought details from the Council on their proposed methodology. Officers were awaiting the finalisation of a formal legal document that would outline the agreement.

In response to a question, officers clarified that the national pensions Liability Driven Investment (LDI) issue had led to a delay on the audit and was not as a result of the Fund itself, but instead due to the gilts crisis which forced the auditors to quickly undergo urgent reviews on other Funds, thus delaying auditing work being completed for the Fund.

It was then:

Resolved

The Board agreed to use the report to monitor progress against resolving the issues which have been identified, and the progress being made to develop accounting and control improvements.

179 **Draft Investment Strategy Statement**

Liam Robson, Pension Fund Accounting and Investment Officer, updated the Board in relation to changes to the Fund's Investment Strategy Statement (ISS).

It was explained that the Strategic Asset Allocation (SAA) of the Fund was reviewed in November 2022 with minor amendments being recommended, predominantly around changes to investment classification and category rationalisation. Officers noted that the modelling predicted a slight increase in expected overall returns but would have a slight impact on risk. Furthermore, the ISS had been redrafted in consideration of expected higher inflation periods, and a new policy document had been developed covering Environmental, Social and Governance (ESG) factors. It was explained that further amendments to the ISS may be made as a result of expected upcoming consultations and as such the strategy would be kept under review. Employers would be consulted in the next few weeks with officers hoping for the updated document to be brought to the March 2023 meeting of the Pension Fund Committee for final sign off.

In response to a question, officers explained that Mercer had provided advice as the Fund's Investment Consultant which had helped draft a detailed paper alongside a presentation for the November 2022 meeting of the Committee. Committee Members were noted as having received training on the SAA in early 2022 which aided them in asking many questions to Mercer, ensuring a thorough process had been undertaken. Officers acknowledged that a mistake had been made in the paper on Page 122 which stated that the current and long-term SAA were displayed but it was only the long-term SAA. Reference was then made to the approach to pooling investments and Members requested that the governance structure of Brunel be revisited in a future training session.

The Board also briefly discussed the recent news in regard to the Royal Borough of Kensington and Chelsea (RBKC) stating that they were considering

exiting their membership of the London CIV Local Government Pension Scheme pool. It was noted that the RBKC had not yet transferred any assets within their pool, which was not the case with Wiltshire and Brunel, with a commitment to making the relationship work.

Resolved

The Board noted the attached draft Investment Strategy Statement and agreed to provide any comments to the Wiltshire Pension Fund Committee (via officers) by Thursday 23 February 2023.

180 **Investment Governance Update**

Liam Robson, Pension Fund Accounting and Investment Officer, provided a verbal update for the Board on the Fund's TCFD (Taskforce for Climate-Related Disclosures) response and confirmation of the Fund's compliance with the CMA (Competition and Market Authority).

It was explained that the TCFD consultation was opened in September 2022 and officers had produced a response which was under consideration. Officers highlighted that many of the proposals were already being fulfilled by the Fund. However, it was expected that following the consultation and subsequent review, certain provisions would be put in place to make the proposals mandatory and what the Fund was already doing voluntarily would align with the rest of the LGPS by December 2023.

With regard to the CMA Order, it was explained that the Order covered the whole pensions space and mandatorily required pension funds to produce a compliance statement every January to confirm that funds were complying with requirements around fiduciary management and objective setting. Reference was then made to MiFID II and it was explained that it was a compliance piece of work related to the Committee with a refresher training session delivered in their November 2022 meeting, with one response pending on self-certification by Committee Members.

It was then:

Resolved

The Board noted the update.

181 **Audit Update**

Richard Bullen, Fund Governance and Performance Manager, updated the Board on the Fund's audit plan for 2023/24 approved by the Committee at their meeting on 10 January 2023.

It was noted that SWAP had undertaken a KFC (Key Financial Controls) audit in March 2022 in which a rating of "no assurance" was given, however this had been raised following the November 2022 audit to a rating of "limited

assurance". Officers noted that a significant programme of work had been undertaken over the summer of 2022 as a result and whilst further improvements were needed, officers were pleased with the increased rating. It was recorded that the key areas preventing further assurance were the aggregation processing and backlogs, pension payroll reconciliation project, new i-Connect enrolments, and the management of undecided leavers. Officers reiterated that these were large, slow-moving projects that were taking a lot of time and effort to complete. It was confirmed that none of the concerns raised in the audit were unknown to officers who were working hard to rectify any/all issues and that the actions log would be provided for Board Members at their next scheduled meeting.

The Brunel Cost Savings Audit was then raised, and officers noted that ClearGlass had been appointed as the auditor in November 2022, with field work still being undertaken. Members were assured that a report summarising the findings would be brought to the Board when completed.

Members highlighted that a few of the target dates felt close and sought reassurance that officers were on track to meet those targets. In response, officers confirmed that discussions would be taking place in the coming weeks among various managers and contractors. With regard to the Annual Report & Accounts, officers noted that they had been advised that there were concerns that the scheme year 2021/22 accounts may not be signed off by December 2023 due to the delays still being experienced, but they confirmed that all work had been completed. They further reassured Members that if a Fund does not meet their publication deadline for the Annual Report & Accounts due to an auditing delay, then they can be published with an explanation as to why they were yet to be audited, thus mitigating any legal repercussions and abiding by regulations.

In response to a query, officers noted that no employers responded to the consultation that had been circulated with regard to the introduction of imposing additional charges to employers that don't sign up to i-Connect. However, officers were working on further communications to provide more detail for employers through their Employer Engagement Services Team.

It was then:

Resolved

- 1) The Board noted the Committee's approval of the audits commissioned on 10 January 2023.**
- 2) The Board endorsed the recommendations made by SWAP in their 2022/23 audit report and that officers should prepare an actions log based on those recommendations.**

182 **Cost of Living Review**

Chris Moore, Pension Fund Accounting and Investment Officer, introduced on the findings of a review into the impact of the cost-of-living crisis on the Fund.

Following from the results of the report, the Committee had commissioned Hymans Robertson to analyse the cash flow data for the SAA with a report summarising the results to be delivered at a future meeting of the Committee. The Fund and Committee welcomed the chance to review all areas of the Fund with the consideration of cost-of-living factors. The Chairman commended the report and noted how well received it had been by the Committee and looked forward to future updates.

Resolved

The Board noted the work done and the impacts on the Fund.

183 **Urgent Items**

There were no urgent items.

184 **Date of Next Meetings and Forward Work Plan**

The next ordinary meeting of the Local Pension Board would be held on 24 May 2023.

Future meetings are scheduled for 10 August 2023 and 1 November 2023.

The Board additionally considered the Scheme Year Forward Work Plan.

Resolved

The Board noted the Scheme Year Forward Plan.

185 **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 21-23 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.

186 **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 (WPFC) meetings held on 17 November 2022 and 10 January 2023 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 17 November 2022 and 10 January 2023.

187 **Cyber Security Update**

A verbal update was provided on the report on Cyber Security received at the last meeting of the Committee. It had been confirmed that as a result of Aon being commissioned to consider the risks associated with cyber security and that there was no unstated additional duty on the part of the Fund regarding pressing of the Council to introduce any supplementary cyber security protections, the Committee had fulfilled its due diligence expected by the Regulator. Furthermore, it had been agreed that any future cyber security work would be delegated to officers and reviewed annually, with any reporting provided to the Committee and Board on an exception basis.

188 **Departmental Restructure**

It was explained that a staffing restructure was being undertaken to better position the Fund to deliver an improved service for the future. Many changes were explained to Members with updates provided on vacancies at both lower and senior levels and how specific changes would impact on the operation on the Fund. Further discussions were had in regard to contracting recruitment agencies and ensuring that any vacancies were filled with people who possessed the right skills for the role.

(Duration of meeting: 10.00 - 11.45 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

Press enquiries to Communications, direct line 01225 713114 or email communications@wiltshire.gov.uk

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Wiltshire Pension Fund Board - Actions Log					
Minute reference	Section	Meeting Action	Task owner	Target date for completion	Completed and reported to last meeting
118 (18/02/21)	Governance (GCS)	Officers should change the Governance Compliance Statement to include external assurance in conjunction with any confirmed changes arising from the Scheme Advisory Board's Good Governance Review	RB	10/08/23	
89 (17/02/22)	Governance (Scheme of sub-Delegation)	To propose changes be made to the structure of delegations and controls & consider the breakdown of responsibilities outlined in the "Guidance to Delegations"	RB	10/08/23	
131 (18/08/22)	Governance (TPR Code of Practice)	The Board request a further update of the implementation of the new Single Code of Practice on publication of the Regulator's final guidance	RB	10/08/23	
150 (27/10/22)	Administration (KPI Improvement Plan)	Presentation of a KPI Improvement Plan to be submitted to the LPB meeting in February	JD	10/08/23	
156 (27/10/22)	Administration (SWAP Audit)	To monitor that the Committee review the SWAP audit actions are completed at their meeting on 14/12/22	RB	01/02/22	Committee meeting 23/03/2023
174 (01/02/2023)	Accounting (Budget review)	Agreed to monitor their budget quarterly as this will form part of the quarterly budget reviewed by WPFC	CM	10/08/23	
176 (01/02/2023)	Governance (Effectiveness review)	That proportionate actions outlined in the Member Effectiveness Report 2022 be implemented, which should include signposting of relevant information already on SharePoint	RB	10/08/23	
178 (01/02/2023)	Accounting (Key Financial Controls)	To use the Financial Controls Report to monitor progress against resolving issues and to develop accounting and control improvements	CM	10/08/23	
179 (01/02/2023)	Invsetment (ISS)	The Board would provided any comments on the draft Investment Strategy Statement to the Committee (via officers) by Thursday 23 February 2023	MS	23/02/23	23/02/23

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Wiltshire Pension Fund Committee

MINUTES OF THE WILTSHIRE PENSION FUND COMMITTEE MEETING HELD ON 2 MARCH 2023 AT KENNET ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Cllr Richard Britton (Chairman), Cllr Pauline Church, Cllr George Jeans, Cllr Gordon King, Cllr Christopher Newbury, Cllr Kevin Small, Cllr Vijay Manro and Mike Pankiewicz

Also Present:

Anthony Fletcher and Cllr Nick Botterill

23 **Apologies**

Apologies were received from Tracy Adams and Claire Anthony.

Following his appointment to the Cabinet of Swindon Borough Council, Councillor Steve Heyes was removed as a Member of the Committee. He was replaced by Councillor Vijay Manro.

24 **Minutes of the Previous Meeting**

The minutes of the meeting held on 10 January 2023 were presented for consideration, and it was,

Resolved:

To approve and sign the minutes as a true and correct record.

25 **Declarations of Interest**

There were no declarations.

26 **Chairman's Announcements**

There were no announcements.

27 **Review of the Minutes of the Local Pension Board**

The Committee reviewed the minutes of the Local Pension Board meeting held on 1 February 2023. After noting a correction to one word of the Budget item of the draft minute, it was,

Resolved:

To note the minutes of the Local Pension Board meeting on 1 February 2023.

28 **Public Participation**

No statements or questions were submitted.

29 **Hymans Cashflow Modelling**

Christopher Moore, Investment and Accounting Team Lead, presented a report on key outcomes of modelling work undertaken by Hymans Robertson to review the cashflow position of the Fund.

The report from Hymans set out further detail of scenarios tested for higher inflation, and the methodology used to complete the modelling.

The Committee discussed the report and update, noting the conclusion of the Fund becoming cashflow negative by 2030 if inflation was in line with the valuation assumptions. Questions were raised on scenarios of high inflation and low growth, contributions from employers outweighing payouts which was common with Local Government Pension Schemes and other details. It was confirmed officers continually monitored the cashflow position.

At the conclusion of discussion it was,

Resolved:

To undertake a further full review of the cashflow position in 2026.

30 **Responsible Investment Update**

Liam Robson, Investment and Accounting Officer, delivered a presentation on responsible investment issues as set out in the report. An update on the responsible investment roadmap was provided, along with updates on training, investment strategy and the Fund's position on Fossil Fuel divestment.

The Committee discussed a draft statement in the report relating to fossil fuel divestment, whether it was consistent with the approach on responsible investment agreed by the Committee, its flexibility, and responsibility on financial returns. It was noted that a definition was included clarifying that a company was defined as primarily a fossil fuel company if, among other criteria, at least 50% of its revenues came from the exploration, extraction, distribution or refining of fossil fuels. Any such statement would not therefore mandate exclude any company with some level of fossil fuel involvement, and could take account of mitigation and offsetting measures in place. The limited nature of the Fund's current investment in fossil fuels was raised.

It was agreed to defer approval of a statement on fossil fuel divestment to a future meeting, taking account of the comments made during the discussion.

At the conclusion of debate, it was therefore,

Resolved:

To note the progress made against the Responsible Investment Plan 2022/23.

Councillor George Jeans arrived at 1045.

31 **Biodiversity**

Liam Robson, Senior Investment and Accounting Officer, delivered a presentation on biodiversity and, the general themes of the Taskforce for Nature Related disclosures (TFND) in the context of the Responsible Investment Plan, as set out in the report.

Questions were raised by some Members about the evidence supporting statements regarding better investment returns from those companies and solutions minimising environmental impacts, with some comments requesting that any factual statements provide links to appropriate sources or opinions. There was discussion about financial risks of not taking into account ecological and biodiversity implications, and that the report was providing a briefing on relevant issues alongside the fiduciary duty of the Fund. The Committee discussed the paper as a training and informational aid and to assist engagement with asset managers, rather than endorsing any additional commitments.

At the conclusion of debate, it was,

Resolved:

To note the report and its recommendations, taking account of the comments raised in debate.

Councillor Christopher Newbury requested his vote in opposition to the resolution be noted.

32 **Investment Strategy Statement**

The Chairman introduced the final draft of the Investment Strategy Statement, which had been considered on several occasions and which he stated was a good, user friendly document. Subject to a minor change to simplify one of the section headings within the investment strategy statement.

Resolved:

- 1) To agree the attached final Investment Strategy Statement (ISS), (Appendix 1) for publication.**
- 2) To note the benchmark review completed by Mercer and the recommendation that no additional actions are proposed following the review, and that the benchmarks used are generally considered reasonable and appropriate.**

Councillor Christopher Newbury requested his vote in opposition to the resolution be noted.

33 **Date of Next Meeting**

The date of the next meeting was noted as 23 March 2023.

34 **Urgent Items**

There were no urgent items.

35 **Exclusion of the Public**

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 36 - 40 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.

36 **Minutes of the Previous Meeting**

The Part II minutes of the meeting held on 10 January 2023 were presented for consideration, and it was,

Resolved:

To approve and sign the minutes as a true and correct record.

37 **Quarterly Investment Update**

Christopher Moore, Pension Fund Accounting and Investment Team Lead, presented the investment quarterly progress report.

Details were provided on quarterly performance, and ratings from Mercers for each investment manager.

Following discussion, it was,

Resolved:

To note the quarterly investment update report.

38 **Brunel SRMs**

Andy Brown, Corporate Director Resources, Deputy Chief Executive, and Treasurer to the Pension Fund, gave a verbal update on the upcoming

shareholder's meeting to consider proposals from the Brunel Pensions Partnership on a new budget, objectives, and people strategy.

The Committee noted that the Corporate Director was the Shareholder representative for the Fund and responsible for casting a vote along with the other nine Funds included within the partnership. They discussed the update and proposals from Brunel and made comments as appropriate.

It was then,

Resolved:

That the Corporate Director, Resources, take account of the comments of the Committee in making a decision as shareholder representative on proposals from the Brunel Pensions Partnership.

39 **Manager Presentation - Brunel Pensions Partnership**

Richard Fanshaw, Head of Private Markets at the Brunel Pensions Partnership delivered a presentation on the performance and direction of the Fund's investments with the private markets portfolio, including case studies of current or potential investment opportunities, and took questions from the Committee.

40 **Manager Presentation - Ninety One**

The presentation from Ninety-One was deferred.

(Duration of meeting: 10.00 am - 1.35 pm)

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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Wiltshire Pension Fund Committee

MINUTES OF THE WILTSHIRE PENSION FUND COMMITTEE MEETING HELD ON 23 MARCH 2023 AT KENNET ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Cllr Richard Britton (Chairman), Cllr Pauline Church, Cllr George Jeans, Cllr Gordon King, Cllr Christopher Newbury, Cllr Kevin Small, Cllr Vijay Manro, Mike Pankiewicz, Tracy Adams and Claire Anthony

Also Present:

Cllr Nick Botterill and Mark Spilsbury (Local Pension Board Chairman)

41 **Apologies**

No apologies for absence were received.

42 **Minutes of the Previous Meeting**

The minutes of the meeting held on 2 March 2023 were presented for consideration, and it was,

Resolved:

To approve and sign the minutes as a true and correct record.

43 **Declarations of Interest**

There were no declarations of disclosable interests.

44 **Chairman's Announcements**

The Chairman ratified the election of Cllr Kevin Small as Vice-Chairman.

45 **Review of Actions arising from previous meetings**

The Committee received the recommendations from the Local Pension Board, which would be considered under the relevant agenda items.

The Committee reviewed the list of ongoing actions.

46 **Review of the Minutes of the Local Pension Board**

The Committee reviewed the minutes of the Local Pension Board meeting held on 1 February 2023, and it was,

Resolved:

To note the minutes of the Local Pension Board meeting on 1 February 2023.

47 **Public Participation**

No statements or questions were submitted.

48 **Final valuation report**

The Committee received a presentation by Barry Dodds (Hymans Robertson) regarding the final valuation report and review of the process, including the level of data quality. The presentation covered the following matters, including but not limited to, an update on the 2022 Actuarial Valuation exercise, how assumptions had been used to predict what appropriate contribution rates would look like, that the sign off process was on track for the deadline of 31 March 2023, how the reported funding level had remained a similar level. Other elements included a discussion of the reconciliation of funding level, with investment returns higher than expected, an outline of the assumptions used as well as the consideration of climate change and the importance of the Rates and Adjustment Certificate.

The Chairman thanked Barry Dodds for his presentation.

After the presentation, the following questions and comments were raised by the Committee, including but not limiting to, what the present advice on climate risks was and whether this linked to estimates on profits for certain sectors or for the whole economy. It was clarified that there was no definitive way of modelling and that Hymans had considered the whole perspective rather than solely an investment perspective, modelling 5,000 different scenarios. Further clarity was provided that for the purposes of the project, predictions had been made for 10-20 years in the future as that would be when a lot of pension benefits would be paid out, therefore allowing for a better understanding of the risk involved and how returns might vary.

Further comments were made in relation to the assumptions made on CPI and how these were modelled on a 20-year period, clarity was sought that the spread of primary rates was typical with different membership profiles and that there was not a standout difference between the Wiltshire Pension Fund and others. Additional information was provided about obtaining a pensions assurance letter and that within the report there were some bodies with no secondary rate contributions and that this could be down to the funding level.

At the conclusion of discussion, it was,

Resolved:

The Committee noted the Valuation update provided, including the appendix and that the valuation report would be published.

The Committee noted that officers & the Scheme Actuary would distribute the valuation information as required.

49 **Headlines and Monitoring (HAM)**

Jennifer Devine, Head of Wiltshire Pension Fund, supported by other officers presented the Headlines and Monitoring report. The report included consideration of the risk register, key performance indicators, and other updates to enable the Committee to monitor relevant aspects of the Fund. Information was also provided on the outsourced projects taking place by Hymans and Aon.

An update was provided on the collapse of the Silicon Valley Bank and how this would impact on Pension Funds, with reassurance provided that the Fund had not incurred any wider losses because of the event at this time.

The Committee discussed the risk register, with queries raised that the Committee had been receiving a different version of the register compared to the Board. It was noted that there was a slight difference in focus, with Committee Members wanting to see more strategic risks and that the Board would comment on risk ratings and make recommendations to the Committee. It was suggested that it could be positive if the items in the risk register could be time bound with indications of when risks could be resolved.

There was discussion regarding audit, with it noted that an internal audit had been completed in November 2022, which had seen an improvement from no assurance in March 2022 to limited assurance. Details were provided on the recommendations within the new action log. It was noted that actions with a target date 31 March had been completed and those with a target date of 30 April were nearing completion. Additionally, regarding the approval of the Business Plan, it was suggested that there might be changes to target dates based on the decisions of the committee.

Regarding the training and effectiveness review, which had been conducted by Hymans, Members were thanked were they had completed both reviews. Details were provided of the 2023/2024 training plan for approval of the committee. It was suggested that training should be conducted in an environment separate to that of a meeting.

An update was provided on Regulatory, Legal and Fund matters which had been remodelled in line with the strategic risks of the Fund. It was noted that the Retained EU Law Bill would be considered during 2023 which had a sunset clause at the end of this year. During 2023 all EU laws would be reviewed by ministers, with a view to determining which would be retained or be no longer binding. It was anticipated that up to 4,000 pieces of legislation could affect

pension Fund's and officers would appraise themselves of legislation for consideration that might have an impact on how the pension Fund is run.

At the conclusion of debate, it was,

Resolved:

The Committee:

a) Approved the risk register recommendations made by the Board and the officer assessment of risk as presented in the February version of the risk register. Noting the request for time bound resolutions:

b) Approve the changes in SWAP Audit target dates, notably Action 7 within that actions log and those adjusted by the approval of the new business plan:

c) Deferred to approve the member training plan for 2023/24 (Appendix 7) until further discussions had taken place:

d) Approve the proportionate implementation of effectiveness review changes outlined in Hyman's report and 15(i) in the officer report to members.

50 **Business Plan & Budget 2023/24, plus KPI Improvement Plan**

Jennifer Devine, Head of Wiltshire Pension Fund, presented the latest Fund Business Plan and Budget to Committee for approval. Part of the presentation included details of a revised RI plan and training setting out the approach to the improvement plan and explaining the administration content impacted by the plan.

The Chairman called the meeting to a break at 11.30am and then resumed at 11.35am.

The Committee discussed the report and presentation in detail, with the following comments received but not limited to whether the undertaken restructure could risk leading to another backlog, to which it was stated that the structure had been put in place to address issues. Additionally, though there was a risk in having to deal with the workload, the Business Plan aimed to approach objectives into chunks and deal with them in a priority order. Timescales were discussed with it suggested by officers that it would likely be a 2/3-year plan and that potentially this year it might be possible to commit to a time frame once the team was up and running.

The Committee further discussed the need to identify what work was a priority to then reduce KPIs, to which it was acknowledged that a hit squad would be

set up to tackle this issue and clear records with a focus now on completing the higher priority ones. It was suggested that data indicated that there would not be enough resource, with it questioned what this would equate to in people, to which it was stated that Aon had looked at the data and suggested between 6-21 people, however it was strongly believed that at this stage, and additional people would be absorbed in the team and have limited impact. Once efficiencies had been identified and new ways of working embedded, it would be possible to make a more accurate assessment of the resources required.

The Committee queried whether the budget of £3.6million was a realistic figure, to which it was clarified that it may not be, but should the Pension Fund request more money, then there would be a data driven business case for it. Additionally, reference was drawn to the priorities outlined in the report and that it would be positive to know at which point during the foundations stage officers would be able to see the end in sight.

At the conclusion of debate, it was,

Resolved:

The Committee:

- a) Approved the Business Plan 2023/24, including the actions for the year.**
- b) Approved the Pension Fund budget for 2023/24 shown in Appendix 1 totalling £4.783m (0.16% of total fund value).**
- c) Agreed that a plan would be brought back to the meeting in 6-months' time which would demonstrate timescales.**

51 **Key Financial Controls**

Chris Moore, Investment & Accounting team lead, provided a presentation on Key Financial Controls, including the Budget Monitoring 2022/23 and the corporate recharge arrangements.

The Committee discussed the report in detail, with the following comments received but not limited to that it was inconsistent for the Altair checks on the RAG rating to indicate no material concerns when there were major issues.

Additionally, the Chairman stated that he had been requested to attend the Audit and Governance Committee to discuss the SWAP rating of limited assurance. The Chairman discussed the protocols and procedures of the Audit and Governance Committee with it suggested and agreed that any questions for the Chairman be provided in writing, in advance of the meeting with the questions to also be circulated to the Pension Fund Committee.

At the conclusion of debate, it was,

Resolved:

The Committee agreed to use the report to monitor progress against resolving the issues which have been identified, and the progress made to develop accounting and control improvements.

52 **Treasury Management Strategy:**

Chris Moore, Investment & Accounting team lead, provided a presentation on the Treasury Management Strategy for 2023/24 which included a report summarising the performance to date during 2022/23.

The Committee discussed the report with clarity sought on the role of the Wiltshire Investment Team and the Investment Manager.

At the conclusion of debate, it was,

Resolved:

The Committee:

a) Approved the Treasury Management Strategy.

b) Noted the performance by the Council Treasury team to March 2022.

53 **Divestment Statement**

Jennifer Devine, Head of Wiltshire Pension Fund, presented a paper agreeing a position and statement regarding the topic of divestment. The report featured a proposed revised statement following on from the meeting which took place on 23 March 2023.

The Committee discussed the report, with the following comments received as to whether it would still be possible for the Fund to have a presence in a company with fossil fuel activity, with it noted that the Fund would look at factors for companies such as emissions and scores for climate efficiency. It was suggested that there wasn't an assessment of the financial implications of adopting the statement. Support for the statement was shown with officers thanked for their work following the previous Pension Fund Meeting to clarify the definitions included. Discussion took place regarding the primacy of financial concerns and that it was suggested that this was self-evident and embodied in consultation that took place.

At the conclusion of debate, it was,

Resolved:

The Committee approve the statement and supporting wording on fossil fuel divestment.

Councillor Christopher Newbury requested his vote in opposition to the resolution be noted.

54 **Stewardship Report**

Liam Robson, Fund Investment & Accounting Officer presented plans for the draft stewardship report process and submission.

At the conclusion of the discussion, it was,

Resolved:

The Committee agreed that the final report may be submitted to the FRC following circulation via email.

55 **Committee Forward Work Plan**

It was,

Resolved:

To note the Forward Work Plan.

56 **Date of Next Meeting**

The dates of upcoming meetings were confirmed as 15 June 2023 and 13 July 2023.

57 **Urgent Items**

There were no urgent items.

58 **Exclusion of the Public**

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 Minute Numbers 19 - 22 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraphs 1 & 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.

59 **Minutes of Previous Meeting**

The private minutes of the meeting held on 2 March 2023 were presented for consideration, and it was,

Resolved:

To approve and sign the minutes as a true and correct record.

60 **Local Pension Board minutes (Part II)**

A review of the last Local Pension Board minutes (1 February 2023). The private minutes of the Local Pension Board meeting held on 1 February 2023 were presented for consideration, and it was,

Resolved:

To note the minutes as a true and correct record.

61 **Departmental Restructure**

Jennifer Devine, Head of Wiltshire Pension Fund, provided an update on the restructure implementation and recruitment.

62 **Brunel Governance Update**

Andy Brown, Corporate Director Resources, Deputy Chief Executive, and Treasurer to the Pension Fund, provided an update on the ongoing Brunel governance arrangements.

(Duration of meeting: 10.00 am - 1.00 pm)

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WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND COMMITTEE
24 May 2023

WILTSHIRE PENSION FUND HEADLINES AND MONITORING REPORT

Purpose of the Report

1. The purpose of this report is to provide the Board with information in relation to various standard issues, to enable the Board to fulfil its monitoring role.
 - a) Headlines
 - b) Key business plan items – Aggregations backlog, i-Connect & controls and Resourcing.
 - c) Scheme, Regulatory, Legal and Fund Update
 - d) Risk Register
 - e) Administration KPI update – 1 January 2023 to 30 April 2023.
 - f) Fund SWAP audit actions log 2022/23
 - g) Training
 - i. Update members on the Fund's approach to member training
2. This report is intended to highlight key issues and developments. Full detail is provided in the Appendices.

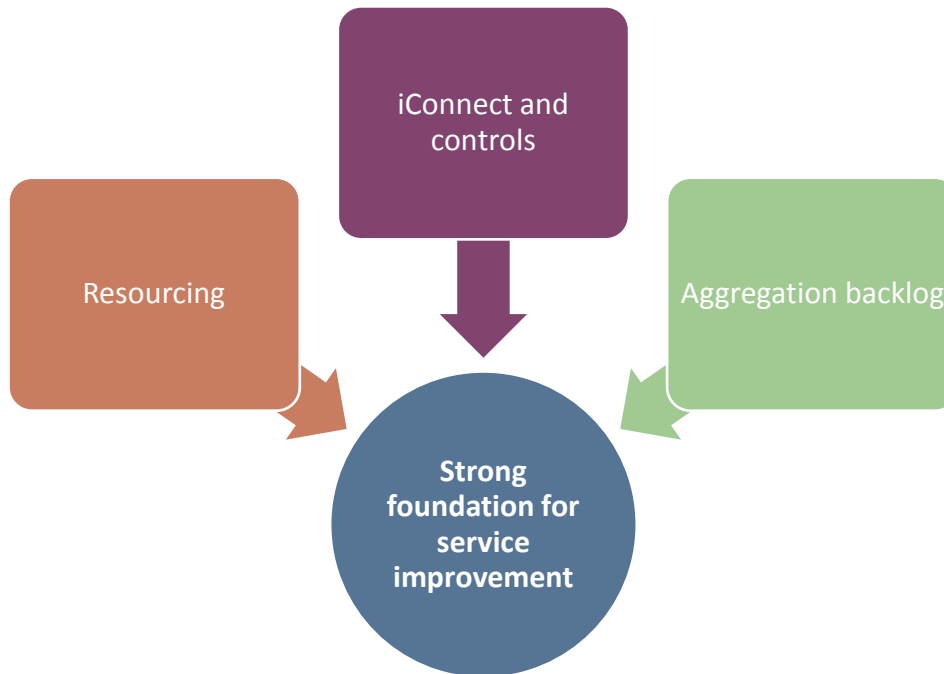
Report from Head of Wiltshire Pension Fund

3. This section summarises key events across the Pension Fund over the last quarter.
 - a) Investment performance for the quarter to Mar-23 was +3.3%, compared to a benchmark return of +2.1%. The fund value at the end of Mar-23 was just over £3bn.
 - b) The funding level remains at around 125% (based on a roll-forward of the 2019 funding level).
 - c) The backlogs project and the pensioner payroll rec projects are now both up and running. Hymans have now completed around 1.3k cases, and Aon 200. Pace has slowed on both projects. For Hymans this is due to the complexity of some cases – Hymans are completing all outstanding work for an individual, but if this contains case types which were outside the original scope, then none of the work is being completed. Therefore, we have now slightly broadened the scope of cases that Hymans can look at, in order to ensure more work can progress. For Aon there have been delays due to not making amendments over the pensions increase being implemented for this year. Progress should pick up again now that this has been completed.
 - d) The SALAMI portfolio (Strategic Allocation to Liquid Asset-Matching Investments) has now been successfully set up. This will help us to meet the funding requirements for our private markets investments without holding excess cash and missing out on investment returns, and will also make things more efficient from an operational perspective.
 - e) Several of the roles within the new team structure have now been filled (or offers have been accepted and the individuals are working their notice periods at their current employer). One final key role is proving very challenging to recruit to and we are now on the fifth round of advertising. This is likely to mean that actions against the key priority of “iConnect and controls” will take longer to be implemented – more detail below.
 - f) The Stewardship report for 2023 has now been completed and will be submitted to the FRC in time for the end of May deadline. We will also publish a mini-

magazine to provide some of this information in a more accessible and non-technical format to the wider group of stakeholders. The Fund has also published the first report into the impact of the affordable housing portfolio:
<https://wiltshirepensionfund.org.uk/Affordable-Housing-Impact-Report-2023>

Business Plan Priority Area Progress Updates

4. As set out in the Business Plan 23/24, the priority areas where we need to focus in order to deliver the maximum improvements to our admin service are as follows:



Resourcing – progress rating red

5. We have now appointed to all key vacant roles, with the exception of the Employer Services Manager role, where we are currently on the fifth round of advertising. For some key roles (Pensions Admin Lead and Employer Funding and Risk Manager), we have made offers which have been accepted, but the individuals are still working their notice and are therefore not in post yet. We are also currently recruiting for an admin assistant.
6. Staff training plans are in development. We are promoting training opportunities such as the Wiltshire Council leadership programme for new team leads, training on creating an inclusive workplace for all staff, targeted external training for new members of the operations team, and training plans for processing staff who wish to progress up the career grades.
7. More work still needs to be done to create a structured framework to use all the tools at our disposal to promote maximum efficiency in the processing teams. We have identified a blocker to productivity, which is the fact that staff are working inconsistently on the same process. We plan to develop “recipe cards” for all processes to streamline work. We are currently consulting with an external provider to see if we can obtain support for this piece of work in order to make faster progress.

iConnect and related controls – progress rating red

8. More issues have emerged around the lack of a proper framework for monitoring whether data has been received, loaded, and processed from employers. Preliminary discussions have been held around the principles behind what data we check and why, but without the Employer Services Manager role in post, it is challenging to move this forward as swiftly as we would like.
9. The same delays around progress apply to developing a monthly cycle of work for the employer services team, defining employer roles and responsibilities, and building on employer training and escalation (this is also being held up by the Employer Funding and Risk Manager not yet being in post),
10. Work on defining an efficient and effective control framework has not yet begun, but is strongly linked to the above point about recipe cards, and we may be able to use external support to progress this.

Aggregation backlog – progress rating red

11. As mentioned above (under para 3c), Hymans are making progress, but there have been issues on the way. Hymans report that this is not uncommon for a project of this nature, and are working with us to find solutions.
12. The Service Improvement Team has now been set up as of 9 May 2023, and the Service Improvement Lead Analyst role has now been approved and we are asking for expression of interest from the team. This will enable us to make data-driven decisions to identify high-impact efficiencies. We are still some way off being able to make a proper assessment of resource requirements.
13. We have identified that there have been issues with receiving data from some large non-iConnect employers. Due to the issues mentioned above with monitoring, it is currently not clear what this means for workloads, and our measure of “open cases” is unlikely to be accurate (understated).

Scheme, Regulatory and Legal Update (Appendix 1)

14. Officers have added updates to the appendix and will provide members with a verbal summary.

Risk Register (Appendix 2)

15. The version of the risk register presented in Appendix 2 relates to the month of April 2023. Whilst officers review the risk register each month, the April 2023 version will be the version submitted to the Committee meeting in July. During the interim period between each quarterly submission to the Board and Committee the officer led CROC Group will process and moderate ratings of monthly manager reviews in a consistent manner.
16. For members to be able to monitor the key changes between versions submitted to meetings officers will provide a summary table within this report to members. The purpose of this summary of changes is intended to assist the Board in making its recommendations to the Committee.
17. The Board are able to make their recommendations in line with two basic categories. These are:

- a) In relation to any patterns or themes which have occurred since the last Board meeting, as determined by the summary table: and
 - b) In relation to the assessment of the risk register in Appendix 2.
- In assessing the risk register members are asked to focus on the mitigations in the “Updates to note” column rather than the ratings in the “Risk Assessment” column.

18. The summary of key changes to the April version, since the Board last looked at the February version of the risk register are:

Risk Section	Section rating change	Key notes and mitigations during the period
Data Management	Amber to Red	<ul style="list-style-type: none"> a) Employer asset and liability allocations should be monitored to avoid distorting an employer’s funding positions. Key officer to be assigned as well as accurate transaction coding reporting recommended. b) I-Connect processes including relevant checks, requires reform. Forms part of the KPI improvement plan. c) Employer TUPE transfers and cessations to be managed more effectively. Key recruit appointed, starting in June. d) Year End work has caused higher work volumes, in addition to the backlog of work which already exists and the timeliness of the delivery of data from employers. Officers are focusing on clearing this work. e) Management of record data associated with PI exercise. Officers reviewing all short-term pension changes.

Administration KPIs (Appendix 3)

19. Tables 1 & 2 show the admin performance over the period from 1 March to 30 April 2023. Regarding the overall Admin KPI picture, this continues to be challenging. Due to the improved work allocation system (which prioritises work in line with meeting the KPIs), the high priority administration KPIs were have now been maintained at “amber” for five months. Open case volumes have come down slightly over the last two months, but it is advised to be cautious in interpreting this data. There are still volumes of work which are not yet recorded on the system. Additionally, we have been experiencing problems in obtaining data from employers, and need to make improvements in our own framework for monitoring this information. Consequently, the volume of open cases may be larger than it appears in the figures.

20. Tables 3 & 4 provide some analysis of the open cases. Table 4 shows the volume of open cases which are top of the list for completion. This needs to be reduced, and when this is brought down, the team will be able to tackle work as it comes in, and hit the KPIs more reliably.

21. Members are reminded that the lifecycle of the Fund will now be entering its year end phase, which brings with it an increased number of associated tasks at this time of year.

Internal Audit update (Appendix 4)

22. SWAP Audit review 2022/23:

- a) Summary – The SWAP raised its assurance level from “no assurance” to “limited assurance”, recognising the work by officers during 2022:

- b) SWAP November 2022 audit – Appendix 4 presents the Fund’s Key Financial Controls actions log based on the recommendations made by the SWAP auditor in November 2022:
- c) Target dates – Dates amended as a result of the approval of strategic business plan activities by the Committee at their meeting in March 2023 include:
 - I. Action 3 – Lumpsum payments. Extended to 31 July.
 - II. Action 5 – Amendments. Extended to 30 June.
 - III. Action 7 – Status 2 members. Extended to 31 March 2024.
 - IV. Action 11 – Quality Assurance. Extended to 30 September.
- d) All actions with an existing 31 March and 30 April deadline – These have been completed, with the exception of:
 - I. Action 2 – Overpayments. The key reason being the final sign off of policies and procedures associated with the writing off and authorisation of payments.
 - II. Action 10 – KPIs, Reports & Monitoring of Staff Productivity. The key reasons being the Committee’s request for a further SWAP audit into the accuracy of KPI reporting, a review of the quality controls in the employer services team, the associated reporting requirements of for that team and verification of the resulting productivity performance of staff members.
- e) Although only 3 of the 13 actions are currently recorded as completed, progress has been made in relation to the 10 outstanding actions. In particular, key progress steps include:
 - I. Action 1 – Issuance of the employer scorecard to employers
 - II. Action 3 – Reporting on deceased members to ensure final letters have been issued.
 - III. Action 5 – The procurement of a new tracing and mortality verification provider: &
 - IV. Action 6 – The processing of 1200 outsourced aggregation backlog cases

Training update

23. Following the Committee members’ decision on 23 March 2023 to defer approval of their proposed training plan for 2023/24, an email was circulated to all Committee & Board members on 29 March setting out the members preferred approach to developing their own training plan. Whilst it was noted that the formalised training plan derived from the Hymans training survey and effectiveness review fulfilled the CIPFA LGPS Knowledge & Skills framework 2021 and the members current training policy, Committee members had become anxious to avoid the existing training strategy in favour of submitting their own preferences for knowledge & development.
24. A Fund Officer is currently contacting members to request their feedback, following which a new training plan will be submitted to Committee for their approval. It is anticipated that, that plan will be submitted to the Committee’s first meeting of the new scheme year on 15 June. It should be noted that the Local Pension Board, who had recommended the original training plan for 2023/24 to Committee, are content to continue to adopt that plan in order to fulfil their training and development obligations under the PSPS Act 2013.

Financial Implications

25. No direct implications.

Legal Implications

26. There are no known implications from the proposals.

Environmental Impacts of the Proposals

27. There is no known environmental impact of this report.

Safeguarding Considerations/Public Health Implications/Equalities Impact

28. There are no known implications currently.

Proposals

29. The Board is asked:

- a) to note the Fund updates and progress against the Business Plan 2023/24 key priorities;
- b) to endorse the risk register in Appendix 2 & the summary of risk changes since the last review, as a true and fair view of the risks currently being experienced by the Fund and to recommend that endorsement to the Committee;
- c) to note the progress recorded on the SWAP audit actions log, as well as the changes to the target dates, which are in line with the key business plan activities approved by the Committee at their meeting in March 2023:

JENNIFER DEVINE
Head of Wiltshire Pension Fund

Report Authors: Richard Bullen (Fund Governance Manager) and Jennifer Devine (Head of Wiltshire Pension Fund)

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

Appendices:

- Appendix 1 – Scheme, Legal, Regulatory and Fund updates
- Appendix 2 – Full risk register
- Appendix 3 – Administration KPIs
- Appendix 4 – SWAP Audit Actions log

Scheme, legal, regulatory and Fund update

Source & Subject	Update Status	Subject detail & comments	Risk mitigation comments	Residual risk rating
Fund Update: Business Focus	Updated	A 1-year business plan to cover the period 1 April 2023 to 31 March 2024.	WPFC & LPB to review officer progress against the business plan through quarterly updates against the three priority areas (resourcing, iConnect and controls, and aggregations backlog) in the HAM report.	ST101
HM Treasury: Reforms to public sector exit payments	No change	<p>After a brief period of 'going live', the Restrictions on Public Sector Exit Payment Regulations were revoked in early 2021.</p> <p>On 8 August 2022 HM Treasury published a consultation on Administrative Controls Process for Public Sector Exits, seeking views on a "new administrative control process for public sector exit payments over £95,000". The consultation closed in October 2022, and we are waiting to hear further information. Initially, the changes will not apply to Councils/most LGPS employers, which may be a sign of things to come. The major difference on the revised proposal is that rather than the employee receiving capped benefits (after the employer made a decision), the cap applies to the stage before (i.e., the employer approval). Therefore, if the costs are going to be above £95,000 then the employer needs approval to go ahead. From a pension's perspective, such an approach would quite possibly avoid nearly all the issues from initial implementation. However, it may well still be unwelcomed for employers in other respects.</p>	<p>Officers will continue to appraise themselves of developments via Hymans updates and the following links:</p> <p><u>Public Sector Exit Payments: a new controls process for high exit payments - GOV.UK (www.gov.uk)</u></p> <p><u>Return of the £95k cap - News Barnett Waddingham (barnett-waddingham.co.uk)</u></p>	ST102
Scheme Advisory Board (SAB): Good Governance Project	No change	Good Governance Project (formerly known as the Separation Project)	<p>Hymans-Robertson, on behalf of the SAB, has released its report on phase II which outlines a number of specific recommendations.</p> <p>Hymans Robertson and SAB are now moving towards Phase III of the project and a proposal is going to MHCLG to implement the proposals.</p> <p>Implementation is likely in 2023.</p>	ST102

The Pension Regulator (tPR): Single code of practice	No change	<p>TPR have released a consultation concerning its intention to produce a single code of practice covering all pension schemes (Consequently, 10 of the 15 existing codes will be merged).</p> <p>Whilst this will impact the Fund's current adherence to Code of Practice 14, it is understood that the new Single Code will be modelled on Code of Practice 14.</p>	<p>Whilst some of the exercise is merely one of administrative consolidation, tPR have also used this as an opportunity to make some changes.</p> <p>Implementation is likely in 2023.</p>	ST102
Scheme Advisory Board (SAB): Goodwin Case	No change	<p>With some similarities to McCloud, another discrimination case affecting public service schemes including the LGPS is the Goodwin case. This time it's on the grounds of sexual orientation whereby it has been shown that it is discriminatory for female partners of members who are in a same sex or opposite sex marriage to receive different survivor benefits from one other.</p>	<p>Although the funding costs will be small, this will be a further administration and communication burden to address.</p> <p>Little information has still been provided of the impact on the LGPS, but the DfE has started a consultation in relation to the Teacher's Pension Scheme to start the process of altering the scheme rules. It is expected DLUHC will undertake a similar process for the LGPS in due course.</p>	ST102
DLUHC: Fair Deal Consultation	No change	<p>A DLUHC proposal to strengthen the pension protections that apply when employees are outsourced from their LGPS employer.</p> <p>https://www.gov.uk/government/consultations/local-government-pension-scheme-fair-deal-strengthening-pension-protection</p>	<p>Officers have responded to the consultation but have yet to hear anything further from DLUHC. The next step is likely to be either another consultation or the introduction of legislation.</p> <p>Due to the Parliamentary backlog, further progress may not be seen until late 2023.</p>	ST102
DLUHC: Education Sector reforms & Changes to the Local Valuation Cycle and the Management of Employer risk Consultation	No change	<p>Education sector reforms</p> <p><u>Sixty Second Summary - Education sector in the LGPS - Hymans Robertson</u></p> <p><u>Management of employer risk regulations - Hymans Robertson</u></p>	<p>Education sector reforms: These are outlined in the helpful 'sixty second summary' link to the left. Some of these discussions related to point 5 of the Consultation outlined below.</p> <p>One positive area being considered by Government is the introduction of guarantee to protect Funds against FE Colleges defaults.</p> <p>Scope:</p> <p>1). Amendments to the local fund valuations from the current three-year (triennial) to a four-year (quadrennial) cycle.</p>	ST102

			<p>Nothing further has been heard on this. As contribution rates are currently being set for the period 2023-2026, it is likely that any changes would not take place for a number of years.</p> <p>2). A number of measures aimed at mitigating the risks of moving from triennial to quadrennial cycles. As above.</p> <p>3). Proposals for flexibility on exit payments.</p> <p>4). Proposals for further policy changes to exit credits.</p> <p>Legislation has been introduced in relation to 3) & 4) and is embedded in the Fund's cessation policy.</p> <p>5). Proposals for policy changes to employers required to offer LGPS Membership (allowing further education, sixth form colleges to close entry to new employees)</p> <p>The Fund is unaware of any further developments in this area.</p>	
Brexit Freedoms: Retained EU Law Bill	Updated	<p>The Retained EU Law (Revocation & Reform) Bill will assess all EU derived subordinate legislation and all retained directly applicable EU legislation. It excludes primary law, subject to certain conditions. This will be assessed by a Minister or devolved authority (not Parliament) Initially circa 4,000 pension related laws were to be reviewed by 31st December 2023; however recent media statements indicate that this may now reduce to circa 600.</p> <p>There is the power to retain legislation until 23 June 2026. Retained EU laws from 31 December will be known as Assimilated Law. In addition, EU case law will no longer be binding.</p>	<p>Relevant Ministers will review the laws. Pension related issues are expected to include laws around Employment, Age Discrimination & material events prior to December 2006.</p> <p>Officers will take guidance from their professional advisers concerning any changes impacting the Fund.</p> <p>The key risk will be officers' ability to apply all the changes within the required time frames.</p>	ST102
GDPR: Data Protection & Digital Information Bill	No change	To amend the current GDPR & Data Protection Act 2018. Its aim is to providing organisations with greater flexibility on how to comply with some aspect of data protection legislation. In particular, less box-ticking, improvements in the clarity of the framework and reforming the ICO.	A project plan will be developed. At present, whilst it is noted that the data mapping requirements could be simplified (Article 30), the existing data map will receive it annual review. It is anticipated that DPIAs will be more targeted, DPO's replaced by senior responsible individuals, vexatious SARs can be more easily rejected,	ST102

			personal data definitions altered, new rules around the legal basis for processing, greater flexibility around data security, reforms around international data transfers rules, changes to provider contracts and the ICO reformed. The key risk being the acceptability of these changes to the EU.	
DLUHC: Cost control consultation	No change	<p>Proposed amendments to the Scheme Advisory Board's cost control mechanism have been published for consultation. Closing date 24 March 2023.</p> <p>The mechanism operates in addition to the HM Treasury cost control valuations (which apply to all public sector pension schemes) to recognise that the LGPS is unique in having funded schemes that are administered locally. The broad purpose of the consultation is to update the SAB mechanism to align with the HMT cost control valuations (ensuring the SAB mechanism can still influence the HMT outcome) and give the SAB greater flexibility in how it manages any cost variations</p>	Hymans are responding to the consultation and officers will take guidance from Hymans response.	ST102
DLUHC: Edinburgh Reforms	No change	<p>On 9 December, over 30 regulatory reforms were announced, with the aim of driving growth and competitiveness in the UK financial services sector.</p> <p>The proposed reforms are designed to maintain and build a competitive marketplace and promote the effective use of capital, secure the UK's leadership role in sustainable finance, ensure the regulatory framework supports technology and innovation and deliver for consumers and businesses.</p> <p>From a pensions perspective this means encouraging schemes to invest more of their assets in illiquid investments, such as UK infrastructure through the removal of performance fees & repealing & replacing EU law on financial services. Other considerations are also on the table.</p>	Officers await details of the proposed regulatory changes before considering the impact and associated risks.	ST102
DLUHC: Revaluation	No change	The Govt. has announced that a full 10.1% increase (from last September's CPI) will apply to pensions in payment and Career Average Revalued Earnings	The move is designed to bring the revaluation of LGPS CARE benefits into line with the Pension Input Period (PIP) used for Annual Allowance	ST102

Date Change Consultation		pension revaluation. However, the impact of this apparently minor change actually has material implications for the Pension Input Period (PIP) used for Annual Allowance tax calculations. Consequently, changing the date on which CARE pensions are revalued, from 1 April to 6 April is being consulted on.	tax calculations. The consultation lasted only 2 weeks from 10 February 2023 to 24 February 2023. The tight timescales are likely to mean that, if any changes are implemented, pension administration systems will not be updated in time for April's increases to be applied. In addition, if this change is not, it is likely to mean that twice as many members will be impacted by the annual allowance tax charges than usual.	
DLUHC: Consultation: Taking action on climate risk	No change	DLUHC have released the consultation, and WPF has responded (as approved by Committee on 17 Nov 22) https://www.gov.uk/government/consultations/taking-action-on-climate-risk-improving-governance-and-reporting-by-occupational-pension-schemes-response-and-consultation-on-regulations The Fund intends to manage investment portfolios, and/or to take advantage of the investment opportunities which arise from the transition to a low carbon economy.	The Fund is in a good place here as the Committee has already done significant work to address this risk, via modelling, education (both of Committee members and the wider scheme membership), transparent reporting and meaningful actions. Quarterly reviews and reporting submitted to the WPF. Plus, annual TCFD reporting. Preparation of (and monitoring against) an annual Responsible Investment Plan and RI Policy (including climate action plan). Further mitigations (not mapped as controls here) include review of the strategic asset allocation, and climate scenario modelling from both an investment and actuarial basis.	ST103
Fund Update: Control and risk framework:	No change	A poor operating control and risk framework could lead to negative outcomes for the Fund, such as incorrect financial transactions and/or records, incorrect member records, or fraud and misappropriation. Onward adverse outcomes could include minimal internal audit assurance, qualified audit reports and reputational damage.	This Scheme, legal, regulatory and Fund update has been integrated with the officer led risk register to provide strategic updates for the LPB and WPF. In addition, Committee tab of the main risk register will provide a summary of the prevailing operational risks. An annual internal audit action plan, focussed on high priority areas. Risk and control meetings are now regularly happening with full engagement from managers	ST104
Fund Updates: Funding position	No change	Failure to consider the multiple factors affecting the Fund's funding position could lead to adverse outcomes, including lack of awareness around the impact of macroeconomic events on the Funding position, failure to act in a timely manner in response to significant falls	Regular review of the funding level, including reporting movements (and reasons) to key stakeholders, via monthly update emails	ST105

		(>20%) in the funding level, or failure to proactively address employer cessation and solvency issues.		
Fund Update: Evolve programme	No change	Evolve programme – which involves the Council changing the pensioner payroll system and Fund accounting system.	The target system implementation date was 1 April 2023, but officers understand from the Evolve project team that the target date is now in doubt, and it is possible the new systems will not be implemented until later in 2023. SAP contract expires in December 2023. PF officers are engaging with the Evolve programme. In addition, officers are implementing an integrated payroll, and in ensuring that pension increases are correctly applied through Oracle.	ST106 (supported by PJ106)
Fund Update: Operational resilience	No change	The Fund is not appropriately resourced and staff all adequately trained to enable the service to be delivered in a sustainable and reliable way	A KPI improvement plan is in draft. Weekly insights reports have now been launched for half the processing staff. The team restructure represents an increase in headcount and there may be issues with recruitment. Recruitment is proving to be challenging for senior roles. Progress has been made to assess the level of resource needed to deliver the service. A new operational model is being implemented, and this will take time to embed and assess its effectiveness.	ST107
Fund Update: Cost of living crisis	No change	The cost-of-living crisis could impact the Fund from numerous perspectives including funding, investments, communications, administration, cash flow, resourcing etc.	A report has been prepared on the impacts, with the largest impact expected to be on cashflow. Modelling work has been undertaken by Hymans and supports the initial analysis that this is not an immediately issue.	ST108
DLUHC: McCloud	Updated	The Public Service Pensions and Judicial Offices Act 2022 is the primary legislation The LGPS Regulations associated with that legislation is to be released. It is anticipated that the remedy legislation will apply from 1 October 2023, with backdated effecting across the remedy window of 1 April 2014 to 31 March 2022. On 6 th April DLUHC published its response to its autumn 2020 consultation on the McCloud judgment. There were no real surprises although there are some areas where DLUHC has delayed decisions, including aggregation and flexible treatment. These topics will be taken forward into a further consultation which will include the proposed approach to interest and compensation.	The Fund's software provider continues to release software updates in stages in anticipation of the final remedy legislation being laid before parliament. A Project plan has been established and officers have identified how much data has already been collected. Officers are widening the data collection process to all employers & validated and started uploading data to the pensions administration system. In particular, as part of i-Connect onboarding, officers continue to update part-time hours histories for active staff. Requested part-time hour history for all other employers which are not currently on i-Connect, albeit it	ST109 (supported by PJ101)

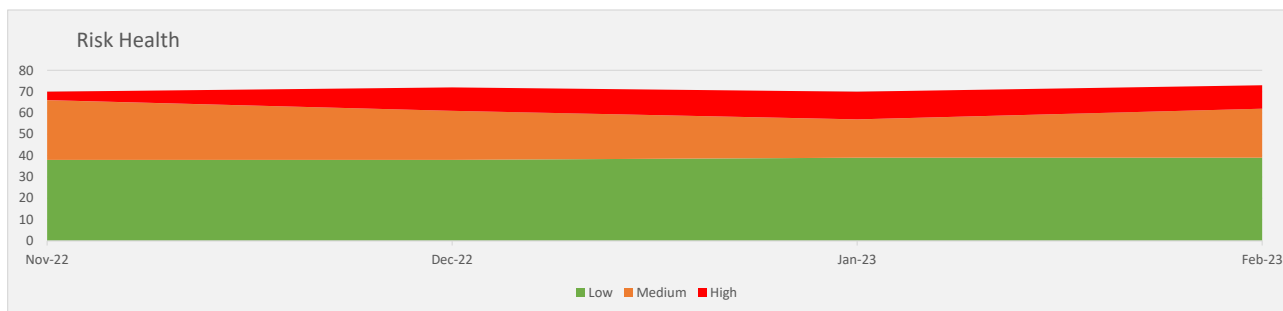
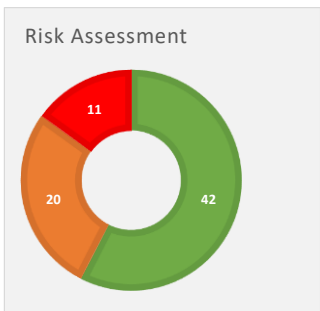
			<p>is noted that this is problematic due to some employers having incomplete records covering the remedy period.</p> <p>Aon was commissioned to provide some advice on McCloud including a summary of what work a standard LGPS fund should have completed to date in order to be prepared. These reports have now been received, and officers have reviewed the reports.</p>	
<p>The Department of Work and Pensions (DWP): Pension dashboard project</p>	No change	<p>DWP consulted on draft regulations earlier this year, and the consultation closed on 13 March 2022. A further consultation was issued in June 2022, and this closed on 19 July 2022.</p> <p>The consultation raises some issues due to the different rules that apply in the LGPS in comparison to other schemes. Such as: excluding deferred refunds, issues around missing starter notifications and the value of benefits if the vesting period is not met etc.</p> <p>The public sector staging date has been pushed back by 5 months and is now targeting September 2024.</p>	<p>The Fund's software provider, Aquila Heywood, is designated as an 'Integrated Service Provider' and is part of the national working party to help deliver the Pensions Dashboard. The Fund intends to work with Aquila Heywood to provide the data required.</p> <p>Aon was commissioned to provide some advice on the Pensions Dashboard, including a summary of what work a standard LGPS fund should have completed to date in order to be prepared. These reports have now been received, and officers have reviewed the reports</p> <p>https://pensionsdashboardproject.uk/industry/about-the-pensions-dashboard-project/</p>	<p>ST110 (supported by PJ102)</p>

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Committee Risk Register

Owner: Richard Bullen

Medium Overall Risk



Risk Area	Key Risks	Risk Assessment	Target Date	Updates to note
Service Delivery	<p>Level of post and work volumes remain high in spite of increased productivity, and there is still a failure to meet the KPI targets. Resourcing constraints means that work is not being received and allocated in a timely manner.</p> <p>Issues with post being received/sent and records updated in an accurate and timely manner.</p> <p>Bulk upload processing has improved efficiencies but further work is still required.</p> <p>A manual adjustment process is required for cases of flexible retirement in relation to the CARE screen. This should be completed as part of the Year End process.</p> <p>TV-out processing has been suspended, pending process review. This is hampering productivity output.</p>	High	31/03/24	<p>As part of the business plan 2022/2023, the backlog was outsourced to Hymans. A work allocation system has been embedded for member services (with employer services to follow), which is forward-looking and enables tasks which are about to go out of date to be prioritised.</p> <p>In March the Key activates of i-Connect and controls, the aggregations backlog and resourcing were identified as factors to overcome in order that the business plan 23/24 could improve on productivity. A Service Improvement team will come into operation on 9th May to facilitate data preparation and in turn productivity.</p> <p>Weekly KPIs are now circulated and analysed, and weekly insights have been launched for the member services team (the employer services are having their own KPIs formulated), which show staff productivity.</p> <p>Embedding the use of bulk processing is now better supporting this.</p> <p>The year end process concerning flexible retirees is being updated.</p>
Financial Management	<p>The employer contribution rate schedule is not accurately maintained and the Fund is unable to determine if it is receiving the correct contributions, or identifying ceasing employers at an early stage.</p> <p>The Fund pays incorrect pensions, lump sums and other one off payments to pensioner members.</p> <p>Ceasing Employer challenge actuarial reports due to the size of deficit payments they are required to make.</p>	Low	31/03/24	<p>Officers have set up an Employer Contribution and Data Management Working Group to mitigate the risk of the schedule not being maintained. Internal audit has highlighted further improvements over the internal controls in relations to financial management. An update will be presented to members at each meeting cycle.</p> <p>Strategic employer cessations are being managed by officers, who take legal and actuarial advice to ensure employer understand their cessation obligations.</p>
Fund Governance	<p>Members and senior officers do not maintain their knowledge and understanding leading to poor decision making and poor governance.</p> <p>Although implemented, embedding the risk and control framework into departmental culture is an ongoing process</p>	Low	15/06/23	<p>Approval of a Committee member training strategy for 23/24 was deferred by the Committee in favour of their own strategy. Details of the new strategy is yet to be published in order to mitigate issues in relation to insufficient knowledge and understanding.</p> <p>Officer training on the risk and control framework has been completed and regular meetings are held to reinforce the concept.</p>

Systems Management	<p>Poor KPI reporting providing incorrect data which could lead to poor decisions being made.</p> <p>Old user accounts, including i-Connect logins and inaccurate profiles which aren't being removed on a timely basis and being attributed to team members, means users could access/perform tasks that they shouldn't be completing.</p> <p>Ineffective controls of mortality screening could result in the paying of benefits that should have ceased.</p> <p>It is noteworthy to highlight that the Council's contract will SAP expires in December 2023</p> <p>Changes to the transfer value guidance and factors has caused a suspension to the calculation routines</p>	Medium	31/12/23	<p>insights, a new software tool provided by the Fund's database manager has enabled more accurate and timely reporting.</p> <p>User Accounts and Profiles are monitored, but reporting that monitoring requires development.</p> <p>A re-tender exercise has been completed in respect of the Fund's current mortality screening and training provider. Although the new appointment should have started from 1st April there have been delays in completing the contract. The former supplier is continuing to provide a service until negotiations have been completed.</p> <p>The migration to a new payroll databases is crucial. In addition, other SAP functions such as HR could also impact the Fund. Implementation of the Altair payroll to mitigate the cessation of SAP will help, however the Fund remains reliant on the Council's Evolve programme to move forward.</p> <p>On receipt & loading of new GAD factors and completion of a TV process review, the TV calculations will be able to recommence.</p>
Investment	<p>Investment performance by managers is poor or misaligned with expectations leading to risk of funding level, achievement of investment strategy and poor benchmarking.</p> <p>BPP needs to operate effectively to ensure funds are well managed, investments are made on a timely basis and delivering their objectives.</p> <p>A letter responding to recent SRM's has increased this risk to red.</p> <p>BPP has been set up to deliver cost savings, if mismanaged this could lead to higher costs and poor investment returns.</p>	High	u/k	<p>The Fund is working with Brunel on pooling arrangements. The Fund is currently benefitting from net fee savings, but costs are under constant pressure to rise with high budget increases being proposed. Key person departures are also an ongoing concern in relation to resourcing.</p> <p>BPP's governance continues to be monitored due to concerns over levels of pay, budgets and staff losses. Officers are working with BPP and other authorities in the partnership to update BPP's constitution.</p>
Compliance with Regulations	<p>Anticipated changes in legislation could impact the Fund adversely, specifically regarding compliance and resourcing.</p>	Low	n/a	<p>Regular updates to the Committee and Board enable all stakeholders to monitor any potential changes in legislations. This work is supported by adviser guidance.</p>
Performance	<p>Employers not performing their roles effectively, such as not sending timely and accurate information in the required format.</p>	Low	n/a	<p>Extra training is given to employers as part of the Fund's Employer training strategy. A new employer training strategy for 2023 has been prepared and employer scorecards have started to be issued to all employers notifying them of their performance against the Pensions Admin Strategy.</p>
Employer Management	<p>Employers not engaging with the Fund highlighted through poor data, poor timeliness of submissions and not complying with the regulations. This can lead to poor decision-making effecting scheme members</p> <p>Contacts have inadequate knowledge, skills and experience to administer the Scheme correctly and effectively. In addition, current contact maintenance requires improvement.</p> <p>Employers are not set up, maintained or leave the Fund correctly. This can effect the starting position for funding, unitisation adjustments, pooling or cessation arrangements due to untimely or incorrect information.</p> <p>Employers not joining the Fund in line with legislation e.g. unsigned admission agreements, resolutions not being passed and not keeping track of mergers/demergers.</p> <p>The Fund needs to consider a covenant strategy review following completion of the valuation.</p>	Medium	31/03/24	<p>As mentioned under Performance the Fund offers training to employers to mitigate the risks highlighted.</p> <p>With increased academisation of Schools, MAT breakups and cross fund movements if all schools were to convert, then the number of employers in the Fund could jump from 180 to between 400 and 500.</p> <p>Implementation of the Stabilisation Policy provides a certain amount of increased security for employers. The Fund also works closely with our Actuarial advisers to ensure new sets up are managed correctly. In addition, officers need to maintain the Fund's unitisation database.</p> <p>A risk exists of employers failing and not funding their liabilities could occur, where their financial position weakens. Fund officers to liaise with the Scheme Actuary concerning a covenant review strategy.</p> <p>The completion of Admission Agreements will assist areas such as i-connect and contribution reconciliation. Monthly meetings are now being held with Legal Services to conclude outstanding agreements.</p> <p>An exercise updating the employer contacts is being reviewed.</p>

Data Management	<p>Information is posted through i-Connect or employer spreadsheets late which can delay processing. In addition, a lack of i-Connect checks may impact data accuracy.</p> <p>There's risk that cessations are not advised resulting in delays to the start of this process.</p> <p>TUPE transfer are being delayed due to a backlog in Legal Services.</p> <p>Employer asset and liability allocations should be monitored to avoid throwing out an employer's funding position.</p> <p>The Pension Increase exercise was run, however an associated risk continues due to an increase in discrepancies between databases arising from the increase and adjustments to short term pensions.</p>	High	30/09/23	<p>To enable the i-Connect onboarding process officers are working closely with the outstanding employers, particularly where they are major employers who will have an impact on the Fund. This process continues even though actual onboarding has been temporarily suspended. Relevant checks associated with i-Connect submissions are being reviewed.</p> <p>Whilst the TUPE & cessation reporting issue has been resolved as part of a new Heywood's release, officers now need to work with Legal Services to progress delays in this area.</p> <p>Assignment of the responsibility to a specific officer as well as accurate transaction coding and Altair reporting will be implemented on the imminent appointment of a key staff member.</p> <p>Work on reviewing short-term widows pensions has been implemented and</p>
Stakeholder Engagement	<p>Inaccuracy of communications by the Fund could result in reputational damage.</p> <p>There is a risk that as a Fund we are delivering poor customer service to our members, with slow response times and disclosure breaches.</p>	Medium	n/a	Peer review arrangements are in place prior to publication and a strategy to maintain the compliance and content on MSS & the website is being implemented
Funding	Pension payment adjustments caused by the Rectification project may impact Fund. The PI exercise has now been completed.	Low	n/a	The Accounting team is working with the project manager to ensure Funding is not adversely impacted
Resourcing	The Fund is not appropriately resourced and staff all adequately trained to enable the service to be delivered in a sustainable and reliable way. In addition, key departures have led to a loss of crucial knowledge in the team.	High	u/k	<p>Key people in the team are seeking to transfer specialist knowledge to colleagues by documenting procedures and notes. In addition, a training strategy is under review for the department. However, in the event of a knowledge gap, we can call on our external consultants and independent advisors for help in the short-term;</p> <p>Following a recent restructure, certain key vacancies remain to be filled in the team. A recruitment campaign involving specialist recruitment agencies has been instigated and some places have been filled.</p> <p>New employer services staff members receiving focussed training relating to their roles to mitigate processing errors and encourage -Connect data checks</p>
Climate risk	Failure to manage the risks in the investment portfolios, and/or to take advantage of the investment opportunities which arise from transition to a low carbon economy could cause the Fund to suffer material negative financial impacts.	Medium	30/09/23	The Fund has a climate change policy (within the responsible investment policy), decarbonisation targets, and has assessed alignment of all portfolios. The Fund already reports against the requirements of the Task Force on Climate-related Financial Disclosures (TCFD).
Projects	<p>Projects are managed by a designated Project Manager. Key projects currently being managed are the Backlogs project, the rectification project and McCloud. The first two have been outsourced to 3rd party administrators. Regular updates are provided to the management team, Committee and Board in respect of the McCloud.</p> <p>At present, the outsourced backlog and rectification projects are progressing, however the McCloud has faulted.</p> <p>A delay in the Evolve programme is also contributing to risk in this area.</p> <p>Payroll staff will be recruited to implement Altair's payroll system over the next few months.</p>	Medium	31/03/24	<p>As part of the oversight of Evolve Payroll Programme periodic strategic updates are received from the s151 Officer to assess level of risk;</p> <p>Significant retrospective legislation changes related to the McCloud case could lead to higher levels of administration resource. Factors addressed by the restructure and the business plan. In addition, factors relating to consistent working practices are being resolved.</p> <p>To mitigate delays on McCloud the Project Manager is working with internal and external stakeholders to set milestones and reporting frameworks.</p> <p>Mitigations relating to the Evolve project involve the implementation of Altair's payroll system in the Autumn to take on new pensioners in a phased approach.</p>
Other External Risks	No "other" risks currently identified.	Low	n/a	

Administrative use only

Risk Assessment		73
Low	42	58%
Medium	20	27%
High	11	15%

	Nov-22	Dec-22		Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23
Low	38	38		39	39					
Medium	28	23		18	23					
High	4	11		13	11					

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Appendix 2: Admin KPIs

1. tPR Data performance measures

Measure	Score	Change since last period
Common Data	98% (at 1 Nov 2022)	-1% since Nov 2021
Conditional (Scheme Specific) Data	96% (at 1 Nov 2022)	+1% since Nov 2021
Annual Benefit Statement production rate	98.7% (at 31 Aug 2022)	-0.8% from 2021
Pension Saving Statements	100%	No measure

Performance commentary for the year

The **common and conditional scores** for this year have remained close to last year.

The Fund is already above average and some of the remaining gap to 100% is hard to fill due to factors outside of the Fund’s control.

For the Common Data metric, virtually all the remaining data issues relate to missing postal addresses, where the member has failed to keep us up to date when they have changed address. Furthermore, as the Fund’s main form of communication is now electronic, the member’s postal address is becoming less important, and it is more difficult to identify if it is correct.

For the Scheme Specific measure, many of the errors are of a technical nature due to the way the metric is calculated but these require further review.

The **active Annual Benefit Statement** score (98.7%) for this year is slightly short of the target of 99%. Most of failures relate to Swindon Borough Council employees, due to their ongoing administrative difficulties following their change of payroll system early this year. Most of the remaining failures are resolved but officers are still liaising with Swindon Borough Council to clear the last remaining issues.

However, this score is still relatively high compared to 2018-2020, albeit lower than 2021.
 2021: 99.5%
 2020: 96.9%
 2019: 95.0%
 2018: 93.9%.

All **Pension Saving Statements** were sent on time despite a number of delays with receiving data from certain employers (in particular, Swindon Borough Council). All active members were analysed (c23,000) to see whether they exceeded the annual allowance limit and the final exercise resulted in 90 statutory statements being sent and 36 members being likely to need to pay a tax charge.

Explanatory – background to the measures above.

The Pension Regulator (tPR) helps regulate each LGPS's Fund compliance with various legislation. It has various enforcement powers such as setting improvement plans and fining.

In respect of administrative performance, tPR focuses on two types of measures as explained separately below. The Fund is required to submit its scores against these measures each year as part of its Scheme Return.

tPR target is for all of these scores is 100% although there is an informal acceptance that scores are likely to often be slightly less.

a). Common and Conditional/Scheme Specific data scores

Common data scores test the Fund's data quality (existence and accuracy of data) against various data measures it expects all Pension Funds to hold (e.g., name, address etc). Conditional/Scheme Specific data scores are those data types which are needed for the administration of that specific scheme. For the LGPS, the Scheme Advisory Board (SAB) has determined the relevant data items.

Note: It was somewhat onerous and costly to do this analysis so at present the Fund only revisits these scores annually, normally in August-October, in order to complete its annual return to the tPR.

b). Active Annual Benefit Statement (ABS) production

The Fund is required under the LGPS Regulations to produce active ABSs by the 31 August of each year (related to the member's pension as at 31 March of that same year). The Fund currently uploads all ABSs to the MSS member portal (My Wiltshire Pension). It only sends out paper statements to members who have opted in to receiving paper statements.

c). Pension Saving Statements

The Fund is required to send pension saving statements (relating to annual allowance tax charges) to all affected members by the 6 October each year.

2. Internally set targets (Fund)

The Fund's internally set administration targets are set to help met the goals of the Fund's business plan. The Fund also must meet certain disclosure targets, but these will now only be monitored on an exceptions basis (i.e. if we are failing).

a). Administration payment processing scores (higher priority administrative tasks)

The following table shows the Fund's process times against the timeframes set out in the administration strategy. It covers the high priority tasks, processing data on lower priority administrative tasks (such as deferrals and aggregations) will be shared at a later date. The tasks which are deemed as higher priority are the ones which relate to making a payment to the member (or a beneficiary). Members are now able to instantly access benefits estimates and therefore there is no longer a disclosed target related to this.

Table 1: Performance over March to April 2023

Performance over the period 1 March to 30 April 2023

Priority Category	Process	SLA (Working days)	Tolerable Performance	Closing cases prior report	*Reporting adjustment over period	Cases Open at Start	Cases received	Cases processed	Cases open at end	Case Change	Completed on target	KPI change
High	Deaths	5/10/20 days	95%	435	-8	427	291	398	320	▼	85%	▲
High	Retirements	10/20 days	95%	535	-58	477	528	586	419	▼	76%	▼
High	Refunds	10 days	95%	9	0	9	146	153	2	▼	97%	▼
Medium	Transfers Out	10/20 days	90%	267	-37	230	181	161	250	▲	37%	▲
Medium	Transfers In	10/15/20 days	90%	25	-3	22	29	31	20	▼	68%	▲
Medium	Aggregations	23 days - 1 year	90%	3157	-166	2991	773	558	3206	▲	75%	▼
Medium	Leavers	23 days - 46 days	90%	3352	-151	3201	1122	1315	3008	▼	53%	▶
Medium	Divorce	20 - 25 days	90%	24	-2	22	50	48	24	▲	81%	▲

Table 2: Monthly breakdown of completion on target percentage

Priority Category	Process	SLA (Working days)	Tolerable Performance	March	April
				Completed on target	Completed on target
High	Deaths	5/10/20 days	95%	84%	85%
High	Retirements	10/20 days	95%	87%	83%
High	Refunds	10 days	95%	99%	94%
Medium	Transfers Out	10/20 days	90%	46%	62%
Medium	Transfers In	10/15/20 days	90%	57%	67%
Medium	Divorce	20 - 25 days	90%	64%	100%
Medium	Aggregations	23 days - 1 year	90%	87%	80%
Medium	Leavers	23 days - 46 days	90%	51%	54%

Table 3: 'Ready to go' aging analysis (as at 30 April 2023)

Priority level	Age analysis (working days)						Total
	1-5	5-10	10-15	15-20	21-40	2+ months	
High	2	7	20	7	12	24	72
Medium	3	4	120	148	465	4632	5372

Table 4: 'In office' tasks within 6 days off the target date (excluding backlog areas) as at 30 April 2023

	High priority	Medium priority	Total
In office tasks	89 (-50)	94 (-39)	183 (-89)

Notes:

Table 1 & 2: All high priority cases are maintained at “amber”.

Table 4: This table acts as an ‘early indicator’ to show whether the processing teams (in the non-backlog areas) are sufficiently up to date with processing work. The goal is for the numbers to be zero, or close to zero, to ensure that work is picked up with sufficient time available to complete it with the target time.

Since monitoring of this metric began, the figures have typically remained between 200 and 250.

The leaver and aggregation scores are reliant on bringing case numbers down and therefore the existing KPI target scores are likely to worsen while older cases are cleared. With both Officers and Hymans working on aggregations we can see that this is starting to have an impact on the statistics.

b). i-Connect onboarding progress (31 December 2022)

The following table shows the progress in onboarding employers on to i-Connect. I-Connect onboarding is currently on hold while we establish solid foundations for the checking and monitoring of receipt of employer data.

	Number onboarded	Number left to onboard	Completion rate
Active members	15260	8,240 (total = 23,880)	64.9%
Employers	142	48 (total = 190)	74.7%

Outstanding employers updates (major employers):

*Swindon Borough Council (SBC) and FS4S (a payroll provider), Wiltshire Police and New College (which collectively cover over 90% of remaining active membership not already onboarded). In all cases, their onboarding has been complicated by changes they have made to their payroll system.

c). MSS (My Wiltshire Pension) take up

	RECORDS
ACTIVE	30 April 2023
Registered	11,559*
Total	23,877*
Percentage	48.4%*
DEFERRED	
Registered	13,312*
Total	31,696*
Percentage	42.0%*
TOTAL	
Registered	24,871*
Total	55,573*
Percentage	44.7%*

**Excludes members with password resets or disabled account.*

4. Internal targets - Employers

a). i-Connect submission performance

Note: Newly onboarded employers are not included with the performance statistics as typically more support is needed in the initial months and therefore the normal deadlines do not apply.

Timeliness measure of submissions

All employers onboarded on to i-Connect are required to submit their return by the 19th of the month following the month the data relates to.

Month		Jan			Feb			Mar		
		On-time	Late		On-time	Late		On-time	Late	
iConnect Submissions	Large (250>)	7	0	100%	6	0	100%	7	0	100%
	Medium (50-250)	29	0	100%	26	1	96%	26	0	100%
	Small (10-50)	28	1	97%	29	1	97%	31	1	97%
	X Small (<10)	62	3	95%	50	8	86%	51	9	85%
Total		126	4	97%	111	10	92%	115	10	92%

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Appendix 1:

Table 1 – Key Controls Report 2022/23 - Progress against outstanding internal audit recommendations:

No	Priority score	Issue	Recommendation	Agreed management action	Agreed management timescale	Est. Progress	Progress at 12 April 2023
1	2	New Enrolments	<p>The Fund is having difficulty onboarding the remaining employers as they were unable and or unwilling to provide the data submissions in the required format to be uploaded into I-Connect. This has a negative effect on the Fund to process administrative duties and there is a greater risk of things being processed incorrectly.</p> <p>To encourage employers' administrative charges, need to be issued to cover the additional time and an employer score card finalised.</p>	<p>We will finalise the employer score cards to help identify employers which require additional administrative time and implement reasonable charges to address this.</p> <p>We will continue to encourage employers to join i-Connect, prioritising the largest remaining employers.</p>	30 September 2023	50%	<p>Scorecard</p> <p>1) Phase 1 of the scorecard to be published to employers in April. Officers to clarify data load requirements concerning timely contribution submissions.</p> <p>Administrative charging</p> <p>2) The right behaviours to be encouraged first, with the scorecard highlighting to key employer contacts any i-Connect failures and then escalating any issues with the contact through direct meetings. Charging to be considered a last resort. Consideration of the trigger points and arrangements for additional administrative charging to be determined, to avoid being contested. It is noted that this should form part of the monthly processing cycle.</p> <p>i-Connect onboarding pause.</p> <p>3) Until data validations and clear processing instructions are established further onboarding to i-Connect has been suspended. No target date set by officers, as process needs to be correct. Note: Evolve project responsible for Oracle migration.</p>
2	2	Overpayments	<p>The review highlighted member overpayments since 2016 amounting to £153,509. Since 2021 £24,002 has been written off. We were informed that anything which is below £250 is automatically written off however, the Fund was not following the write off process for values above this amount.</p> <p>As mentioned in finding J below, there are no KPIs for chasing aged debt and as</p>	<p>Outstanding overpayments to be reviewed and chased on a regular basis. The monitoring of this will form part of the KPI (Action J) below.</p> <p>We will ensure the aged debt is reviewed on a regular basis to</p>	30 April 2023	50%	<p>Outstanding overpayments</p> <p>1) The view is that cases have been on "reply due" and have therefore not been chased historically. Officers now ensure these cases are followed up on receipt of the monthly aged debt report. Inclusion, on the KPI report is impacted by the cases being on "reply due".</p> <p>Aged debt – write offs</p> <p>2) A monthly report of aged debt is issued by the Accounts team to the Member Services team. Cross referenced cases are reviewed to</p>

			such it is not monitored in the management report	determine if anything should be written off. This will follow the write off process contained in the overpayment's procedure			established whether the debt should be written off. The write off process 3) The Scheme of sub-delegation & Officer Approval policy have both been redrafted. Cascading down from the Officer approval policy is the write off of overpayments on death procedure which needs to be reviewed.
3	2	Lumpsum Payments	<p>Deaths: Cases closed without final letters being sent to the beneficiary or the estate. The Fund had identified this as a reoccurring issue during our audit and as such were determining if a quarterly report could be run to identify any anomalies.</p> <p>Transfers out: Lump sum payments made were signed off after the SLA deadline. This payment exceeded 100k. The Member Services Team were not aware that the Head of the Wiltshire Pension Fund has authority to sign off payments above this value and should be contacted if another staff member with authority is not available.</p>	<p>We will finalise the report to help identify death cases which have been closed without final letters being sent. We will ensure letters are sent for any cases identified and run the report to identify anomalies on a regular basis.</p> <p>We will ensure that all team members are aware of who has authority to sign off lump sum payments and to what level.</p>	30 April 2023 Revised date 31 July 2023	70%	<p>Death casework 1) A report has been prepared by the Systems team. Member services are also finalising the letter.</p> <p>Transfer out – Sign offs 2) The implementation of the “Immediate payments” system will address any issues as it has segregation of duties built into it. Replacement Officers to be added to the Officer Approval policy authorisation list. JD to liaise with Andy Brown in relation to authorisation limits. £250k was suggested.</p> <p>3) A review and update of all related procedures will need to take place on introduction of the immediate payments system.</p> <p><i>See Table 2 – Outstanding SWAP actions March 2022 - Officer to liaise with ICT concerning the setting in place of Paygate software. This action can then be closed.</i></p>
4	2	Transfers into the Fund	We were advised that any cases that are not allocated within 20 days of receipt of the money fall outside of the Fund's SLA deadline and as such should be flagged as an issue. We reviewed the aging analysis for unallocated transfers in and noted there were 153 cases which date back to 2018. This has not been flagged in the weekly KPI and performance reports which go to the Management team as an issue. There is therefore a risk of this going unresolved.	<p>We will ensure Altair is updated with any historical missing liabilities.</p> <p>Any delays will be accurately highlighted in the weekly KPI report. This action is also reflected in the Finding J below regarding KPIs.</p>	31 December 2023	80%	<p>Updating historical transfer-in liabilities on Altair 1) Member Services receive a monthly report from the Accounts team. The set-up of IWAS was also considered appropriate. Embedding the existing process of cross referencing the Accounts report with IWAS was considered the best way forward to highlight the processing TV-in to the Fund cases on a timely basis (SLA 20 days). The outstanding value unallocated in January was £880k.</p> <p>Inclusion in the weekly KPI report 2) A separate workflow in the KPI report was considered as overcomplicating the process.</p>

5	3	Amendments	<p>Nomination change: The Fund had not saved evidence in Altair to support the reason for the nomination change.</p> <p>Address change: Correspondence addresses had not been updated in Altair; the Fund had overwritten the address on a correspondence letter only. It was noted that the Fund had been trying to trace a member address since 2020 through a tracing agency. Whilst matches had been received from Target, a workflow had not been set up to schedule a full search</p>	<p>To remind staff of the importance of saving evidence to support any changes made in Altair.</p> <p>To remind staff of the processes which should be followed when making address changes and ensure this is monitored as part of the Quality Assurance (Action K) below.</p>	30 April 2023 Revised date 30 June 2023	60%	<p>Staff reminder</p> <ol style="list-style-type: none"> 1) It was confirmed that staff had been reminded to ensure evidence of a change is recorded and that changes cannot be made without evidence. 2) A QA/checking review to be considered. Sample reviews to be replaced with a more comprehensive peer review arrangement. <p>Address & nomination changes</p> <ol style="list-style-type: none"> 3) The Fund's current processes are designed to encourage members to either complete a form or go on-line via MSS. The acts as the evidence gathering. <p>Tracing Agency casework</p> <ol style="list-style-type: none"> 4) The Operation Manager to liaise with the Systems Manager and his team concerning quality checking arrangements. Heywood's has been appointed as the new tracing Agent; however contractual terms need to be concluded. As new Agent workflows will automatically set up to monitor activity. It was noted that this work will ultimately be passed to the new payroll manager.
	1	Aggregation processing and backlog	<p>Aggregations Historical Backlog: Since our last audit the Fund has outsourced 3500 cases to work through over the next 11 months. However, during our review 500 additional cases were identified. We were advised that these had not been picked up as a workflow status had not been set against them.</p> <p>Aggregations Ongoing Backlog: We reviewed the process to manage ongoing aggregations and if they are being processed in a timely manner. The Employer Services Team did not have a robust workflow allocation process to manage this work. Furthermore, no targets have been set for processing the work and the manager believed that the team saw the importance of it.</p>	<p>The identified 500 aggregation cases are analysed and workflows updated to ensure a complete picture is reported in the weekly KPI reports. A plan will be developed to ensure timely completion of these tasks and progress updates reported to the Committee regularly.</p> <p>Determine if there are any other historical aggregations which have not been outsourced.</p>	30 September 2023	40%	<p>Aggregations Historical Backlog</p> <ol style="list-style-type: none"> 1) The number of outsourced aggregations can be quantified; however, aggregation type can remain difficult to define. At present, 2,000 members (involving multiple records) have been referred to Hymans. Hymans have currently processed 900 cases and checked 450 of them. 2) Officers monitor Hymans KPI reports and on issues. The report/log includes a comment section. <p>Additional pockets of work</p> <ol style="list-style-type: none"> 3) Reporting of Altair has identified additional areas of work, hampering the accurate analysis of cases. Officers continue to assess these additional areas and allocating identified work as required. <p>Aggregations Ongoing Backlog</p>

				<p>Implement a process to ensure future aggregations are processed in a timely manner, defining SLAs for their completion. This action also forms part of the Workflow (Action I). Regularly monitor for adherence and include in the weekly KPI report. This action is also reflected in the Finding J regarding KPIs.</p> <p>Remind staff of the importance of completing the aggregations tasks will under performance addressed.</p>			<p>4) Officers continue to progress the management of the in-house aggregation backlog.</p> <p>5) Staff engagement concerning aggregation completion currently involves a review of Employer Services processes. This includes the verification stages of data received via i-Connect and what data can be confirmed as correct and signed off on at each stage.</p> <p>KPI Improvement Plan</p> <p>6) A matrix of work for inclusion the business plan is ongoing. The matrix is designed to operate over a 2-year period and is split into a strategy for addressing the backlog and then ensuring KPI's are maintained. The Improvement Plan is also subject to a number of dependencies, which have been built into it.</p> <p>7) Officers to upgrade the KPI reporting to split outsourced and in-house aggregations.</p> <p><i>See Table 2 – Outstanding SWAP actions March 2022 – Operational backlog cases number still to be confirmed. This action can then be closed.</i></p>
	2	Status 2 Members	<p>A backlog of 4277 Status 2 cases currently exists. However, comparison against the KPIs reports identified only 3501 cases. We were advised that the figures differed as the KPI report does not include Status 2 cases where a workflow has not been set up or assigned a 'Status 2 Chase' workflow.</p> <p>The Employer Services Team does not have a robust workflow allocation process to manage this work and no targets have been set. Furthermore, a clear picture of the types of unprocessed leavers is not present. Forecasting clearance of outstanding work is therefore difficult.</p>	<p>The KPI report will be amended to capture outstanding Status 2 cases & form part of the KPI action in Action J.</p> <p>To ensure Status 2 cases are processed in a timely manner against defined SLAs is implemented. This will form part of the Workflow (Action I).</p> <p>To monitor performance and address underperformance.</p>	30 September 2023 Revised date 31 March 2024	50%	<p>Status 2's</p> <p>1) The analysis of Status 2 types initially involves barriers to completion. These include ceased employers or employers who are unable or unwilling to provide the required data & missing leaver forms. To progress the backlog a framework of record reconstruction will need to take place and resourcing appointed to complete the reconstruction. The mini project is proposed to address the backlog and a service improvement team created.</p> <p>2) In addition to inclusion in the KPI Improvement Plan the actioning of Status 2's will also be included as a mini project within the business plan. Progress reporting monitoring of output and productivity will form part of that plan.</p>

				The leaver backlog is fully analysed as a priority, and a plan to clear cases not outsourced.			3) The Operations Manager to prepare a report reconciling the accurate number of Status 2's cases.
8	3	Retired members (Over 75's)	All retired members had been contacted; however, a report is to be written to enable bulk letters to be sent out to members on a regular basis. In the absence of this, each retired member has to be contacted individually. This was seen as inefficient.	Finalise a report to enable letters to be sent to retired members in bulk	31 March 2023	100% COMPLETED	Retired members report 1) Systems has drafted a report to enable bulk letters to be issued regularly. In addition, its intended that birthday emails and correspondence will be issued to members as a reminder, as they approach 75. 2) Officers are currently managing the bulk processing of letters, however in the longer term this task may be moved to Employer Services.
9	2	Workflow Management	<p>Member Services Team: IWAS helps the Member Services Team to distribute tasks by a pre-defined priority of high to medium. High tasks first followed by medium tasks once all high tasks have been completed. Medium tasks were now falling behind the SLA deadlines on a regular basis, noting that:</p> <p>Retirements – 20% were not sent within the SLA deadline.</p> <p>Transfers out – Circa 50% were not sent out within the SLA deadline.</p> <p>Employer Services Team: IWAS has not been implemented in the Employer Services Team, although this is planned. As a result, SLA adherence has not occurred namely:</p> <p>Name change – Circa 40% of name changes.</p> <p>Nomination change – 25% of nomination changes.</p> <p>Address change – 10% of address changes.</p> <p>Findings in the Aggregations and Status 2 sections also highlighted this issue.</p>	<p>To review how medium tasks are managed and ascertain if any of these should be re prioritised. This will consider if the backlog of tasks is impacting compliance with the SLA deadlines.</p> <p>To introduce a process to manage overpayments (see Finding B above).</p> <p>To implement a robust workflow system to manage the tasks completed by the Employer Services Team</p>	30 June 2023	60%	Review IWAS prioritisations 1) IWAS is considered to be operating the right order of prioritisation. 2) Although the IWAS tool identifies work priorities, as required, output has not improved. Officers are considering the root causes relating to this. Implement IWAS into the Employer Services Team 3) At present a strategy to manage Employer Services work is still in progress, however due to the nature of Employers Services work IWAS is now not considered the appropriate tool. On appointment of a Work Management Officer the intention will be to prioritise the cyclical work first and then consider the non-standard tasks within the team.

10	2	KPIs, Reports & Monitoring of Staff Productivity	<p>Inaccuracy of KPIs The aggregations KPIs were not accurate. The Status 2 KPIs fall under the leavers data but this was not accurate. Transfers in backlog allocations was not flagged. The weekly KPI reports were not consistent with themselves. Closing and opening positions differed.</p> <p>KPIs not captured No KPIs to monitor overpayment aged debt chasing. No KPIs to monitor new joiners processing. No KPIs to monitor amendments.</p> <p>Data Quality A data quality report can be run but this is only done on an ad hoc basis and is not reported to management to monitor.</p> <p>Staff Productivity Weekly report introduced for the Member Services Team, including determination of the average time it should take to complete a task. This is not yet live for the Employer Services Team but will be.</p>	<p>To review the KPIs and address the inaccuracy issues identified.</p> <p>To introduce KPI monitoring for overpayments, new joiners, amendments.</p> <p>To monitor the data quality for active members and ensure tPR requirements are met.</p> <p>To implement the staff productively monitoring report in the Employer Services Team.</p>	30 April 2023	50%	<p>Inaccuracy of KPIs</p> <ol style="list-style-type: none"> 1) A resolution concerning the opening and closing balances on the KPI reports had been found, through the removal of the deletion button and reporting on terminations. A separate SWAP review is planned to oversee that resolution. The Operations Manager will provide periodic updates concerning the reconciliation of cases. Separate Accounting team reporting exists for TV-in allocations, therefore there is no requirement for this to be included in the KPI reports. <p>KPIs not captured</p> <ol style="list-style-type: none"> 2) The outstanding new joiner reporting is assigned to the Systems Manager. In addition to this reporting, better controls around bulk processing are under review to address subordinate actions such as aggregations at an earlier stage and evidence that work through additional reporting. Overpayment aged debt chasing falls into two parts. Part 1 – The reporting is provided monthly by the accounting team and Part 2 – The procedure to chase up overpayments/ write off is under review. Due to resourcing the monitoring of amendments has been deferred. <p>Data Quality reporting</p> <ol style="list-style-type: none"> 3) Initially monthly reporting of data quality will be completed. The Operations Manager to implement the process. <p>Employer Services Productivity reporting</p> <ol style="list-style-type: none"> 4) Reporting to be split into standard cyclical work and non-standard work. Testing of performance levels is underway and will be circulated to team members.
11	2	Quality Assurance	<p>The Member Services Manager and their deputy have been completing quality assurance reviews, but weaknesses were identified: Sampling may not be representative and not proportionality to the split by Officers and transaction types.</p>	<p>All samples to be representative. To define how many cases should be reviewed each month and ensure the reviewer has not been involved.</p>	30 April 2023 Revised date 30 September 2023	50%	<p>Member Service Team Quality Assurance checks</p> <ol style="list-style-type: none"> 1) Consideration of the benefits of QA checks is under review, with a view to replacing this arrangement with a more comprehensive peer review strategy. <p>Employer Service Team Quality Assurance checks</p>

			<p>The number of cases reviewed each month differed. To define how many cases should be reviewed each month. The quality assurance sign offs are not being independently assessed.</p> <p>No quality assurance reviews have been carried out by the Employer Services Team. The Fund is hoping to have this in place by the end of January 2023.</p>	<p>Adherence monitored through the Risk register and management reports.</p> <p>A quality assurance process is implemented for the Employer Services Team and adherence monitored on a regular basis. To ensure the issues identified in Findings E are included.</p>			<p>2) To date, QA arrangements remain outstanding. The interim Administration Lead will consider the appropriate arrangements with the Member Services Manager.</p>
12	1	Pensions Payroll Reconciliation Project	<p>Although outsourced it was noted that 35 outstanding cases still sit with the Fund to resolve: 11 cases are not in the correct payroll area, and they need to be altered by the Payroll Team. 4 cases have an issue on Altair which need to be resolved (not payment related); and 20 cases have payment discrepancies that need to be resolved.</p> <p>No deadlines had been set to resolve the above and resolution is not being monitored.</p>	<p>To ensure the issues noted with the 35 outstanding cases still sat with the Fund are resolved</p>	31 March 2023	100% COMPLETED	<p>35 outstanding payroll cases</p> <p>1) It is understood that only about 3 or 4 of the 35 cases remain outstanding. These appear to relate to non-pension Fund related pension payments (Employer ex-gratia payments) which Wiltshire Council have included on the Fund's payment. The payments need to be moved to another payment area.</p>
13	2	Pension Fund's Risk and Controls Register	<p>Each month it is the managers responsibility to document and evidence in the Risk Register if their controls for the month have been completed. Not all managers have been updating the register and output on risks is not accurate.</p>	<p>To continue to embed the Risk Register and formally address managers performance when controls are not updated.</p>	31 March 2023	100% COMPLETED	<p>Risk Register updates</p> <p>1) It was noted that embedding of the risk register had been completed, however it was agreed that this should be monitored for a couple of months before this item was closed.</p>

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WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
24TH May 2023

KEY FINANCIAL CONTROLS REPORT

Purpose of the Report

1. The purpose of this report is to highlight the significant issues in relation to the Fund's key financial controls.

Background

2. Officers in the investments and accounting team have been reporting on various key accounting measures for some time and have developed a program of planned improvements to various processes and controls. The purpose of this report is so that the Committee and Local Pension Board can easily review key areas and monitor progress against planned improvements.

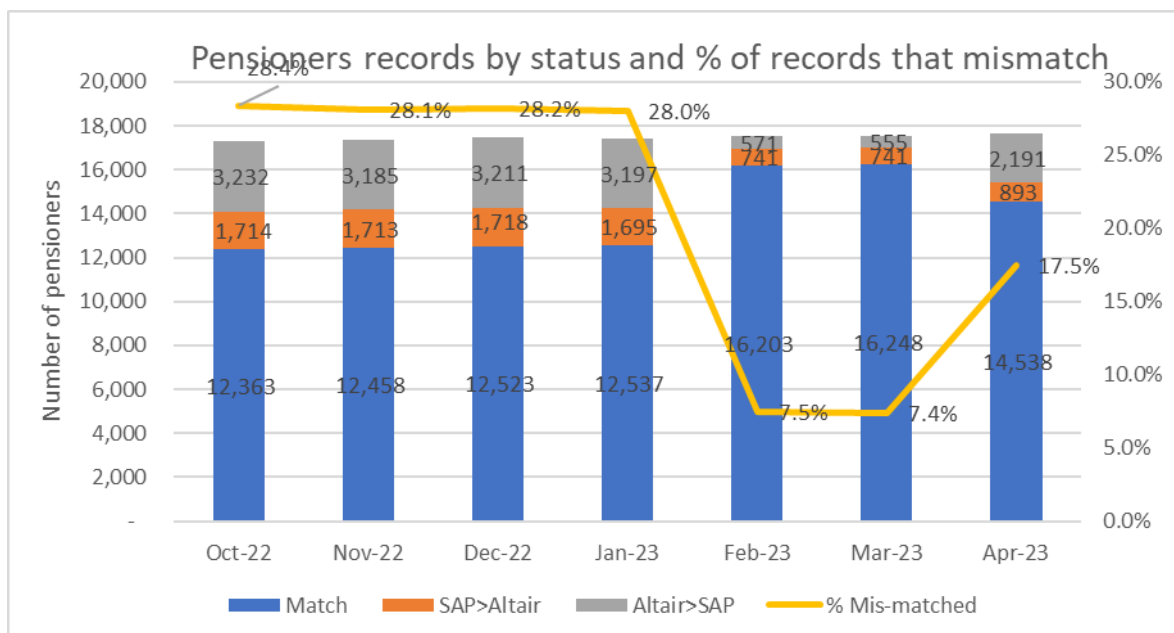
Key Considerations for the Committee / Risk Assessment / Financial Implications

Accounts and Annual Report

3. Final sign off for the full Wiltshire Council Accounts for 2019/20, 2020/21 and 2021/22 continues to be delayed, the Pension fund accounts form a part of the full Council accounts and the delay, which is due to an issue within the Wiltshire Council figures, has meant the pension fund accounts have not received their final audit opinion for inclusion in the annual report. Officers have responded to all requests by the external auditors for information for all years of accounts. To ensure we comply with The Pensions Regulator (TPR) requirement to publish the report, they are available on the website for all years.
4. Work is well progressed with completing the accounts and annual report for 2022/23 to present to the Committee in July 2023.

Payroll reconciliations

5. Work to reconcile and correct discrepancies between the Altair pension admin system and SAP payroll records continues. The reconciliation compares the annual pension payable on each system and quantifies the number of cases and value of discrepancies. The following graph shows the extent of the variances between the two systems. The reconciliation classifies anything >£1 per annum as a variance. There can be multiple reasons for the discrepancies which can range from a fundamental incorrect payment to data mismatch problems. Therefore the gross value of SAP>Altair or SAP<Altair figure represents the extent of the mismatch. Because all of these issues require resolution for the fund to move to a single integrated payroll it is relevant to report all such discrepancies.



- The reconciliation data shows a significant improvement in February, this is as a result of work to bulk correct cases <£5pm different. The overall mismatch by cases reduced to 7.5%. However following the application of the pension increase in April 2023 this has created an increase in the mismatch between the systems to 17.5%. The reconciliation has identified this issue and work is underway to understand the cause and to correct the issue.

Integrated Systems

- Project Evolve is ongoing within Wiltshire Council, this will deliver a replacement to the existing SAP payroll and accounting software. The pension team are members of implementation working groups, officers are working with the payroll and Evolve implementation teams to transfer existing pensioners to the new payroll system.
- Officers have commenced work with Heywoods, who provide the Altair system, to implement integrated payments. This will provide a new process for making all one-off payments to pensioners, e.g. lump sums, without the need to run reports and send separate information to the council accounts payable team. Initial training and testing of the system is underway. Following implementation of the new Evolve payroll a plan will be prepared to transfer pensioners onto the new integrated payroll within Altair. Any new payment system will only go live following extensive review and establishment of clear procedures.

Quarterly Financial Performance Dashboard

Wiltshire Pension Fund - Key Financial Controls Dashboard				
Control Area	RAG	Items reviewed under this control area	Comments on Performance	Ongoing Actions
	Mar-23			
1. Employer Contributions	Green	Timely and accurate payment of employer contributions each month.	See summary performance table for full details. Almost all employers paying on time and with the correct rate.	Work ongoing to improve reconciliation process to i-connect submissions
2. Payroll	Yellow	Monthly payroll sign off process checking starters and leavers plus reconciliation of Altair to Payroll	New reconciliation process being used to monitor discrepancies between the pension admin system and payroll, reported on within this paper.	Outsourced provider working to resolve discrepancies above £5p/m and many variances under £5p/m resolved in Feb 23.
3. Cashflow, banking and capital calls	Green	Maximum and minimum cash balances, private markets capital calls and distributions and treasury performance.	See summary performance table for full details. All capital calls met on time.	None
4. Balance Sheet Reconciliations	Green	All balance sheet control codes are reviewed for accuracy and outstanding issues.	All control codes have been reviewed and checked, no unexplained balances.	None
5. Altair Checks	Green	Check between the ledger and pension admin system (altair) that any transactions, such as payments or receipts match the admin system.	All reconciliations have been undertaken discrepancies have reduced following active engagement with the Admin team to review old cases.	Administration team working with finance team to resolve discrepancies and reduce final outstanding items
6. Financial Budget Reporting	Green	Review of year to date and forecast operating budget performance, or any unusual monthly movements on the overall fund account.	Expenditure for 22/23 in line with forecast and budget agreed for 23/24	None
No material concerns	Green			
Minor issues outstanding	Yellow			
Major issues outstanding	Red			

9. The following table provides further details for performance dashboard item 1. Employer contributions.

Quarter	Payroll Month	Paid contributions £000's				Average late and overdue contributions total days		Number of employers payments status		
		Total Payment	On Time Payment	Late Payment	Late Payment %	Days Late Recd	Days Overdue	On time	Late	Not Received
Q1	Apr-22	8,099	5,256	2,842	54.1%	19.4	-	161	18	-
Q1	May-22	7,732	4,723	3,003	63.6%	7.9	-	159	20	-
Q1	Jun-22	7,815	7,794	22	0.3%	18.9	-	169	10	-
Q2	Jul-22	7,835	6,993	66	0.9%	5.8	-	171	6	-
Q2	Aug-22	7,519	7,265	254	3.5%	16.1	-	166	10	-
Q2	Sep-22	7,536	7,522	14	0.2%	8.1	-	165	14	-
Q3	Oct-22	7,814	7,004	811	11.6%	8.8	-	170	8	-
Q3	Nov-22	9,207	9,182	25	0.3%	9.5	-	167	12	-
Q3	Dec-22	9,814	9,807	7	0.1%	1.0	-	176	3	-
Q4	Jan-23	7,989	7,273	715	9.8%	9.0	-	166	13	-
Q4	Feb-23	9,130	8,377	754	9.0%	1.4	-	171	8	-
Q4	Mar-23	6,829	6,824	5	0.1%	8.5	-	171	8	-
Total	Q1	23,646	17,773	5,867	33.0%	15.4	-	489	48	-
Total	Q2	22,891	21,780	334	1.5%	10.0	-	502	30	-
Total	Q3	26,834	25,992	842	3.2%	6.4	-	513	23	-
Total	Q4	23,948	22,474	1,474	6.6%	6.3	-	508	29	-

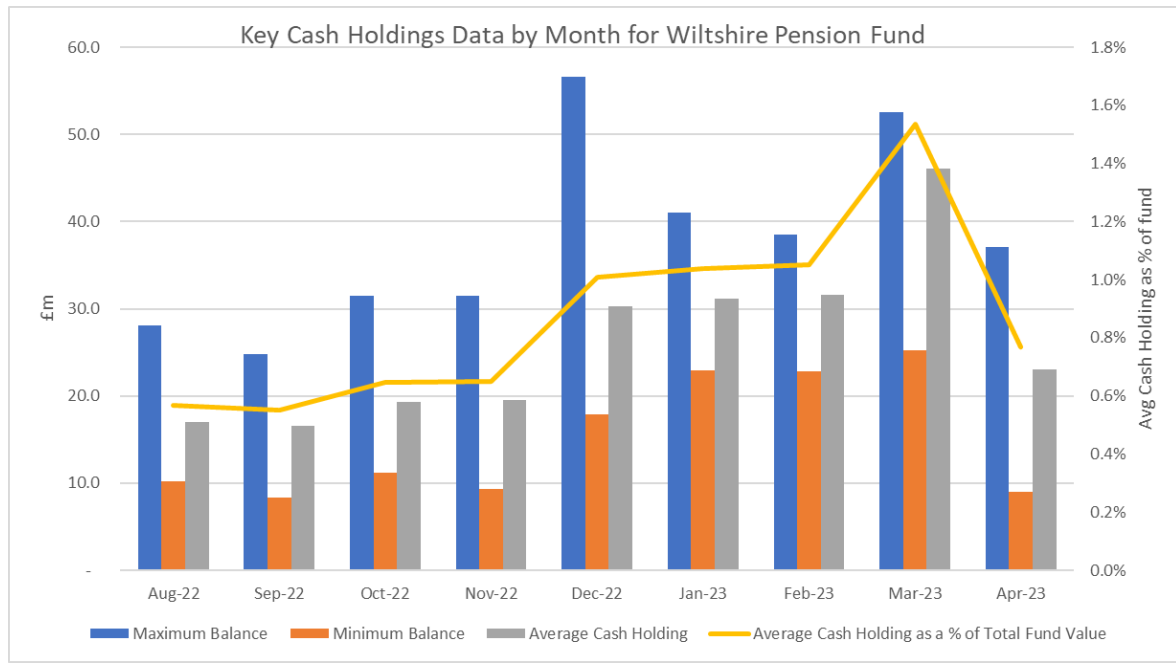
10. The majority of the late payments are received within a day or two of the deadline and all employers who have not paid are contacted immediately after the deadline day to remind them to pay. Persistently late payments or employers where we have problems are escalated to the employer relationship manager for resolution.

11. The following table provides further details for performance dashboard item 3. Cashflow, banking and capital calls. This table sets out the actual cashflow movements for 2022/23 and forecast for the year ahead. In April 23 the fund received a large prepayment of employer contributions from Wiltshire Council.

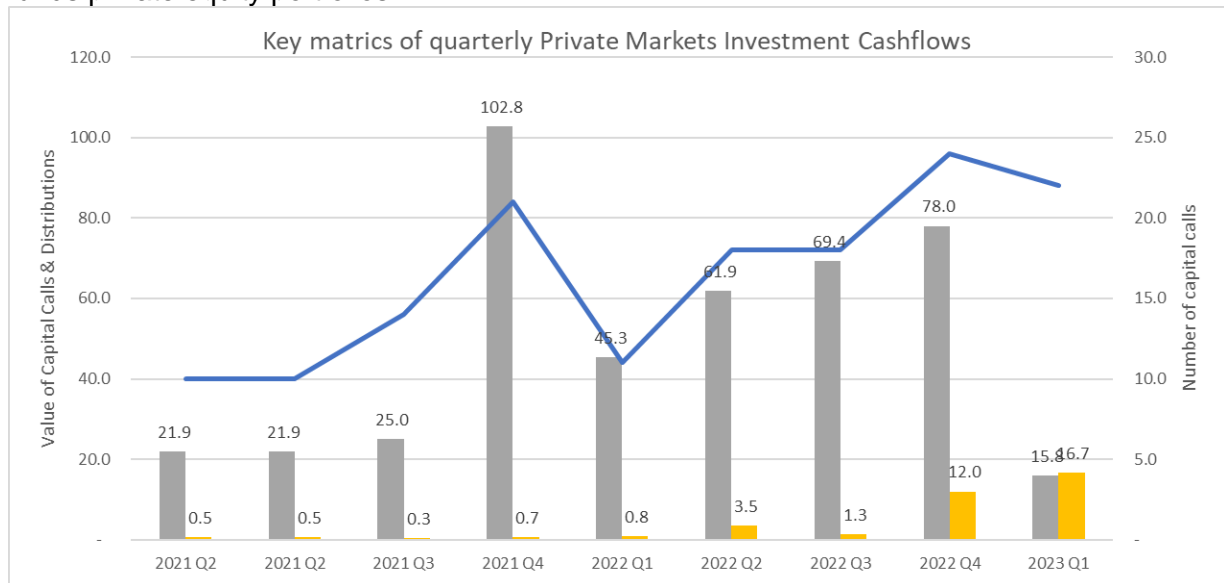
Summary Cashflow statement for Wiltshire Pension Fund														
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
£m equivalent		Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	2022/23
Opening Cash Balance		28.7	19.0	25.9	22.4	10.1	12.0	16.9	31.5	18.0	22.9	29.1	30.6	28.7
Operating	Income	39.9	6.9	11.6	8.8	8.7	9.2	8.9	9.3	10.4	11.1	9.6	11.1	145.5
Operating	Expenditure	(9.5)	(10.9)	(9.1)	(11.4)	(10.0)	(10.1)	(9.7)	(10.3)	(13.5)	(9.6)	(10.6)	(10.1)	(125.0)
Investing	Private Market - Capital Investment	(40.1)	(5.8)	(15.9)	(43.8)	(21.2)	(4.4)	(6.3)	(22.5)	(49.2)	(9.0)	(4.4)	(2.4)	(225.1)
Investing	Private Market - Capital Distribution	0.0	3.5	0.0	0.0	1.3	0.0	1.6	0.0	10.3	0.0	0.7	16.0	33.5
Investing	Listed Market - Capital Withdrawal	0.0	13.3	10.0	34.0	23.0	10.0	20.0	10.0	47.0	10.0	10.0	0.0	187.2
Investing	Listed Market - Capital Investment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(20.0)	(20.0)
Investing	Other	0.0	(0.0)	(0.0)	0.1	0.0	0.2	(0.0)	0.1	(0.1)	3.8	(3.8)	0.1	0.3
Closing Cash Balance		19.0	25.9	22.4	10.1	12.0	16.9	31.5	18.0	22.9	29.1	30.6	25.3	24.9
Maximum Balance		35.2	25.9	31.8	51.4	28.1	24.8	31.5	31.5	56.7	41.0	38.5	52.6	
Minimum Balance		18.6	12.6	22.4	9.7	10.2	8.4	11.2	9.3	17.8	22.9	22.8	44.0	
Average Cash Holding		28.1	19.2	26.6	25.6	17.0	16.5	19.4	19.5	30.3	31.1	31.6	46.7	
Average Cash Holding as a % of Total Fund Value		0.9%	0.6%	0.8%	0.8%	0.5%	0.5%	0.6%	0.6%	0.9%	1.0%	1.0%	1.5%	
Number of capital calls		6	6	6	7	8	3	5	8	11	9	5	8	82
Number of listed market withdrawals		0	1	1	1	2	1	1	1	2	1	1	0	12

Summary Cashflow statement for Wiltshire Pension Fund														
		Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
£m equivalent		Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	2023/24
Opening Cash Balance		25.3	32.8	7.2	(0.6)	(0.3)	(0.6)	(0.3)	(0.3)	(0.3)	0.0	0.1	0.1	25.3
Operating	Income	38.2	9.5	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	135.5
Operating	Expenditure	(11.7)	(10.5)	(10.8)	(10.5)	(11.1)	(10.5)	(10.8)	(10.8)	(10.5)	(10.8)	(10.8)	(10.5)	(129.1)
Investing	Private Market - Capital Investment	(11.7)	(0.7)	(16.0)	(16.0)	(16.0)	(16.0)	(16.0)	(16.0)	(16.0)	(16.0)	(16.0)	(16.0)	(172.1)
Investing	Private Market - Capital Distribution	0.8	1.1	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	43.7
Investing	Listed Market - Capital Withdrawal	2.3	0.0	6.0	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	132.3
Investing	Listed Market - Capital Investment	(11.0)	(25.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(36.0)
Investing	Other	0.7	0.0	0.0	(0.0)	0.0	(0.0)	0.0	0.0	(0.0)	0.0	0.0	(0.0)	0.7
Closing Cash Balance		32.8	7.2	(0.6)	(0.3)	(0.6)	(0.3)	(0.3)	(0.3)	0.0	0.1	0.1	0.4	(0.4)
Maximum Balance		32.8	33.5	8.2	8.5	8.3	8.6	8.6	8.6	8.9	8.9	8.9	9.2	
Minimum Balance		4.8	7.1	(0.6)	(0.4)	(0.6)	(0.3)	(0.3)	(0.3)	0.0	0.1	0.1	0.3	
Average Cash Holding		18.9	12.6	2.9	2.4	2.5	3.2	2.8	2.6	3.4	2.9	3.0	3.7	
Average Cash Holding as a % of Total Fund Value		0.6%	0.4%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	
Number of capital calls		10	4	0	0	0	0	0	0	0	0	0	0	14

12. The new Salami portfolio has allowed the fund to reduce the amount of cash it holds to meet capital calls, this can be seen from the lower average balances in April, it has also improved operational efficiency in meeting call notices.



13. Cashflow activity for private markets capital calls have continued to be met as commitments made to Brunel Cycle 2 portfolios (Private Debt, Private Equity, Infrastructure & Secured Income) are called and the fund commitments to affordable housing. Q1 of 2023 included a high number of low value capital calls mainly for the funds private equity portfolios.



Planned improvements and key items to monitor

14. The team has been making improvements to accounting processes in several areas. A summary of planned improvements, current issues and progress to date, is shown below:

Improvement / Issue	Last RAYG* rating	Current RAYG* rating	Comments
Integrated systems			New plans are now being worked on to implement an integrated payroll and a one-off payments system within Altair. The payroll will be set-up, tested etc. and then pensioners would transfer to the new Evolve system and be moved to the Altair payroll in batches when the reconciliation work is complete and the payroll team have capacity. One-off payments is in the process of being implemented. New payroll manager has started to enable these new processes.
Evolve			Implementation of the SAP financial system is now planned for November 2023. The fund will continue to have access to a functional finance system and payroll until the new system is established. The pension is represented on key implementation working groups. The new system is in development to meet the Council and pension fund needs.
Wiltshire Council – Wiltshire Pension Fund SLA charge			LPB Action Point – SLA Recharge The Council have provided a new fee for 23/24 based on a reasonable methodology for all key items, these costs have been included in the agreed budget for the year. Officers are chasing for a formal SLA document to support all the charges, to be drafted by the council.
	Significant concern		
	Not started		
	Work has commenced		
	Significant progress made		
	Completed/situation under control		

Environmental Impacts of the Proposals

15. There is no known environmental impact of this report.

Safeguarding Considerations/Public Health Implications/Equalities Impact

16. There are no known implications at this time.

Proposals

17. The Committee is asked to use this report to monitor progress against resolving the issues which have been identified, and the progress made to develop accounting and control improvements.

Report Author: Chris Moore, Pension Fund Accounting and Investments Team Lead

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

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
24 May 2023

Draft Local Pension Board Annual Report

Purpose of the Report

1. The purpose of this report is to present the draft Local Pension Board's (LPB) Annual Report.

Background

2. As part of its terms of reference the LPB is required to publish an annual report on the work of the Board which will be referenced in the Fund's own annual report. This covers the Board's activities over the past 12 months and looks forward to the proposed work plans for the forthcoming year.

Key Considerations for the Board

3. Attached is the proposed draft 2023 LPB Annual Report for consideration by Members of the Board. The report is based on the structure agreed by the Board. The report will be published as a standalone report on the Wiltshire Pension Fund website.
4. A review of the recommendations made by the Board has been made during the drafting of the report and it was noted that all recommendations made to the Pension Fund Committee and Fund officers were adopted, with the exception of the members 2023/24 training plan. Acceptance of the proposed plan supported by an independent training assessment conducted by Hymans was deferred in favour of a separate plan.

Financial Considerations & Risk Assessment

5. The cost of the annual report is included with the LPB budget, within the Fund's administration budget.
6. The annual report is an integral part of the LPB's role in ensuring the Fund is securing compliance with the regulations and therefore forms another tool in mitigating the risks outlined on the Fund's Risk register.

Legal Implications and Environmental Impact of the Proposal

7. There are no material legal or environmental impacts of these proposals.

Safeguarding Considerations/Public Health Implications/Equalities Impact

8. There are no known implications currently.

Reasons for Proposals

9. The draft LPB annual report is an important document in the governance of the Fund and the formal reporting of the activities of the Board. Therefore, it is important the Board Members approve the document. The Report will also be used by the Wiltshire Pension Fund Committee to ensure that they have considered and taken forward all the recommendations made by the Board concerning the management of the Fund.

Proposals

10. The Board is asked to approve the attached draft LPB Annual Report subject to any amendments suggested and agreed at the meeting.

Jennifer Devine
Head of the Wiltshire Pension Fund

Report Author: Richard Bullen, Fund Governance Manager

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

Appendix 1 – LPB Annual Report 2023



Local Pension Board Annual Report

24 May 2023

Wiltshire Council
Where everybody matters

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Chairman's introduction

Welcome to the Annual Report of the Local Pension Board (LPB) of Wiltshire Pension Fund (WPF). This report covers the period from 1st April 2022 to 31st March 2023 during which the LPB held 4 meetings. Where appropriate pictorial links are made in the report to the WPF's Vision, Goals and Values.

The focus of the LPB has been on ensuring that WPF governance complies with the Public Service Pensions Act, all of the relevant LGPS regulations, LGPS best practice guidance issued by the national LGPS Advisory Board or CIPFA, and the requirements of the Pensions Regulator (TPR).

I am pleased to say that, with the support of the officers of the Wiltshire Pension Fund Committee, the Board continued to make good progress in fulfilling its terms of reference during the 2022/23 financial year, and the LPB is again able to provide assurance that the WPF is complying with its statutory duties.

During 2022/23 the LPB undertook a wide range of work, as set out in the "Outcomes and LPB recommendations made to the Administering Authority (Pension Committee)" section of this Annual Report, on pages 6 to 9, which provides details of the work undertaken and the recommendations made to the Pensions Committee, all of which were accepted by the Committee.

During the year, a number of key areas were examined in detail by the Board given their importance to the Fund and its members. These included:

- **Governance and administration.** The Board highlighted administration performance issues and backlogs which, unless effectively addressed, would have a significant negative impact on the quality of the services provided to the members of the WPF. Following recommendations to the Pension Committee additional staffing resources have now been provided, and actions are now being taken, as set out in the 2023/24 Business Plan of the WPF, to rectify the problems identified. The Board and Committee will continue to closely monitor these areas.
- **Data Security, Cyber resilience and Business Continuity Planning.** Following an external review requested by the Board, IT specialists concluded that all of the Pension Regulator requirements in this high risk area were being met by the WPF.
- **Central Recharges.** The Board highlighted concerns regarding a lack of clarity on service standards and the transparency of cost calculations in relation to the provision of support services to the WPF by Wiltshire Council. These issues have now been rectified.

In past years officers of the Wiltshire Pension Fund (the Fund) have undertaken an internal review of the Fund's compliance against the Regulators Code of Practice 14. However, with the anticipated introduction of the Regulator's new single code of practice in 2023 this review has been stood down and a new Own Risk Assessment (ORA) review, consistent with the requirements of the new code of practice will replace it. Details of this self-assessment are set out on page 9 of this Annual Report, and the results of this new review will be submitted to the Board during the course of the 2023/24 scheme year.

During 2022/23 the Board has also regularly examined the risk register of the fund and the outcomes from internal and external audit reports, as set out in the “Outcomes” table and in the audit section of the annual report on page 10. In relation to the internal audit, during the year an audit of key financial controls was undertaken which provided a “limited assurance” rating, albeit that the report highlighted that there had been key areas of improvement implemented during 2022/23.

However, the new report highlighted a number of key recommendations for further improvements, as set out on page 10 of this report. Actions to address many of these issues have already commenced, and the Board will closely monitor progress in this area during 2023/24.

In order to effectively carry out the roles of the Board, and to meet the knowledge and understanding requirements of Board Members, as set out in the Public Services Pensions Act 2013, the Board has a training plan which is updated and approved annually. Details of training are set out on pages 4 and 5 of this Annual Report, from which it can be seen that a wide range of different training opportunities were taken up by Board members during 2022/23.

Finally, the Pension Board can only function effectively with the input of all Board members, and I would like to thank my fellow Board members for their support and commitment to their roles on the LPB during the last financial year, and I commend this report to you.

Mark Spilsbury - Independent Chair of the Wiltshire Local Pension Board.

LPB members register and declarations of interest

Role	Member	Date of Appointment	Date left Office	Number of meetings attended in 2022/23 (maximum 4)
Independent Chairman	Mark Spilsbury	01/04/2020	-	4
Employer Member Representatives	Paul Smith	25/02/2020	-	2
	Laura Fisher	03/09/2021	-	3
	Juliet Weimar*	27/10/2022	-	2
Scheme Member Representative	Mike Pankiewicz	14/07/2015	-	4
	Marlene Corbey	20/10/2020	-	4
	Asifa Ashraf	17/05/2022	01/02/2023	3

*Attendance includes being present as an observer



Biographies of the Local Pension Board Members

Independent Chairman:

Mark Spilsbury, former Head of the Gloucestershire Local Government Pension Fund & Chair of the Local Pension Board for the Cornwall Pension Fund.

Employer Member Representatives:

Paul Smith, Head of Finance and Deputy S151 officer - Swindon Borough Council

Laura Fisher, HR Consultant, Wiltshire Council

Juliet Weimar, Head of Resources & Venues – Trowbridge Town Council

Scheme Member Representative:

Mike Pankiewicz, Unison representative, retired member

Marlene Corbey, Unison representative, retired member
Asifa Ashraf, Wiltshire Council employee, active member

Full biographies for all Board Members can be found here

<http://www.wiltshirepensionfund.org.uk/wiltshire-pension-fund/about-us/local-pension-board/>

The register of interests for members of the Local Pension Board can be found here

<http://cms.wiltshire.gov.uk/ieListMeetings.aspx?Cid=1280&Year=0>

LPB approved training plan and members training logs

The Public Service Pensions Act 2013¹ requires that members of Local Pension Boards have an appropriate level of knowledge and understanding to carry out their role. Members must be conversant with:

- The regulations of the Local Government Pension Scheme, including historical regulations and transitional provisions, to the extent that they still affect members; and
- any document recording policy about the administration of the scheme

Local Pension Board members must also have knowledge and understanding of;

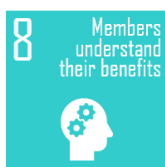
- the law relating to pensions, and
- such other matters as may be prescribed in other legislation

The degree of knowledge and understanding must be appropriate for the purposes of enabling the individual to properly exercise their role. The Wiltshire Pension Fund is committed to supporting members to achieve the level of knowledge and understanding they require by providing the appropriate training and assistance.

Degree of Knowledge and Understanding

Members must “be conversant with” the rules of the LGPS and the policies of the Fund i.e., a working knowledge of what is relevant to the subject under discussion. A Board member be able to identify and challenge a failure to comply with:

- the LGPS Regulations;
- other legislation relating to the governance and administration of the scheme;
- requirements imposed by the Pensions Regulator; and
- any failure to meet the requirements set out in any relevant tPR code of practice



Areas of Knowledge and Understanding

The areas in which Local Pension Board Members would be expected to be conversant include, but are not limited to:

- Scheme approved policies.
- Risk assessment and management
- Scheme booklets and other members’ communications
- The role of Local Pension Board Members and the scheme manager (Wiltshire Pension Fund)
- Policies in relation to the exercise of discretions
- Communications with scheme members and employers

¹ The Public Service Pensions Act 2013 made amendments to the Pensions Act 2004 (see s248A)

- Key policy documents on administration, funding, and investment

Achieving the required level of knowledge and skills

The Board members approved training programme covering the period 2021 to 2025 has been fully implemented and is designed to develop the necessary level of knowledge and skills for members. The strategy integrates with the Pension Fund Committee members training programme & aims to offer the widest opportunity for development. In line with the CIPFA 2021 guidance the Fund approved and published its member training policy, which can be found here: https://www.wiltshirepensionfund.org.uk/media/8972/Committee-and-Board-Training-Policy/pdf/Committee__Board_Training_Policy_2021_.pdf?m=637841427951930000

The Local Pension Board's training plan can be viewed here: [link](#)

This year the Local Pension Board received the following training sessions:

Date of meeting	Topics Covered	Duration (Minutes)	MS	PS	LF	JW	MP	MC	AA
18/08/2022	TPR's new code of practice	30	✓	✓		✓	✓	✓	✓
27/10/2022	SAB: Good Governance Review	30	✓	✓	✓	✓	✓	✓	✓

The following were joint training sessions with the Pension Committee:

Date of meeting	Topics Covered	Duration (Minutes)	MS	PS	LF	JW	MP	MC	AA
05/04/2022	Valuation training - Assumption setting	60						✓	
16/05/2022	Strategic Asset Allocation & the Treasury management strategy	120	✓				✓		
06/10/2022	Cyber Security Review	30	✓				✓		
03/11/2022	New member Induction training	170				✓			✓
17/11/2022	Valuation training - Preliminary results	60	✓				✓		
17/11/2022	Strategic Asset Allocation training	60	✓				✓		
10/01/2023	MiFID II refresher training	20	✓				✓		
02/03/2023	Biodiversity and Taskforce for Nature Related disclosures (TFND) themes	20					✓		
23/03/2023	Administration Plan - Approach to KPI Improvements	20	✓				✓		

The following was additional training opportunities undertaken by Board Members:

Date of meeting	Topics Covered	Duration (Minutes)	MS	PS	LF	JW	MP	MC	AA
Completed 22/23	TPR on-line toolkit completion	420					✓		
Completed 22/23	LOLA - Module 1 - An introduction to the LGPS	60				✓	✓		✓
Completed 22/23	LOLA - Module 2 - LGPS Governance & Oversight Bodies	60				✓	✓		✓
Completed 22/23	LOLA - Module 3 - Administration & Fund Management	75			✓	✓	✓		
Completed 22/23	LOLA - Module 4 - Funding and Actuarial Matters	60			✓	✓	✓		
Completed 22/23	LOLA - Module 5 - Investments	70		✓	✓	✓	✓		
Completed 22/23	LOLA - Module 6 - Current Issues	25	✓	✓	✓	✓	✓		
Oct-22	LGPS Fundamental training - Day 1	285				✓			
Nov-22	LGPS Fundamental training - Day 2	285				✓			✓
Dec-22	LGPS Fundamental training - Day 3	270				✓			✓
21/07/2022	Cyber Security Workshop	90					✓		
28/09/2022	BPP Investment Day	300	✓						

Key:

HP – Mark Spilsbury, Independent Chair
PS – Paul Smith, Employer Representative
LF – Laura Fisher, Employer Representative
JW – Juliet Weimar, Employer Representative
MP – Mike Pankiewicz, Member Representative
MC – Marlene Corbey, Member Representative
AA – Asifa Ashraf, Member Representative

TPR – The Pension Regulator
LOLA – LGPS On-line Learning Academy

LPB workplan and outcomes

In pursuit of the Local Pension Board’s aim to assist the Administering Authority as set out in the Legal Basis section, it has set up a work plan intended to operate in conjunction with the workplan of the Fund whilst being committed to its own primary function.



To achieve this Local Pension Board’s terms of reference requires that it develops and reports to the Wiltshire Pension Fund Committee, at least annually, on its work plan for the year. Examples of the areas work it considers it will include (but are not limited to) can be found in paragraphs 80 and 81 of its terms of reference. <http://www.wiltshirepensionfund.org.uk/media/3560/terms-of-reference-local-pension-board.pdf>

Outcomes and LPB recommendations made to the Administering Authority (Pension Committee)

Decisions about the running of the Pension Fund are made by the Wiltshire Pension Fund Committee which is delegated to carry out that function by Wiltshire Council in its capacity as the Administering Authority for the Wiltshire Pension Fund.

The creation of the Local Pension Board does not change the core role of the Administering Authority nor the way it delegates its pension functions to the Pensions Committee. The role of the Local Pension Board is to oversee decisions made by the Administering Authority and to make recommendations to improve the efficient and effective administration and governance of its pension function, including funding and investments.



This year the Local Pension Board has fulfilled its role in the following ways;

Date - Ref	Area	Minute	Outcome
All meetings	Pension Committee decision making	The Local Pension Board actively scrutinises all Pension Committee papers and minutes.	Minuted in LPB minutes
5 May 2022 (Min 96)	Membership	Resolved: The Board recommended that Asifa Ashraf be appointed to the Board as a Scheme Member representative	The Board recommendation was accepted

Date - Ref	Area	Minute	Outcome
5 May 2022 (Min 103)	Business Plan 2022/23	Resolved: A paper detailing Business Plan completions and what had been taken forward would be communicated to both the Board and Committee at the end of the year	Regular updates on progress against the business plan were provided at meetings
5 May 2022 (Min 105)	Training	Resolved: The Board requested that officers send reminders to Members who had not completed their mandatory training	The Board recommendation was actioned
5 May 2022 (Min 109)	Pensions Administration Strategy	Resolved: To recommend the updated Pensions Administration Strategy to the Pension Committee for approval	The Board recommendation was accepted
5 May 2022 (Min 110)	Employer Charging Policy	Resolved: To recommend the updated Employer Charging Policy to the Pension Committee for approval	The Board recommendation was accepted
5 May 2022 (Min 111)	Audit Update	Resolved: To request that Wiltshire Council finance team provide an update on the determination of the level of the Council recharge to the Fund, including details of the service relating to that charge	The Board recommendation was accepted, but publication anticipated in 23/24
5 May 2022 (Min 115)	Risk Register	Resolved: To recommend the Committee accept the proposed changes set out in the Report	The Board recommendations was accepted
18 August 2022 (Min 122)	Membership	Resolved: The Board recommended that Juliet Weimar be appointed to the Board as an Employer Member representative	The Board recommendation was accepted
18 August 2022 (Min 131)	Training: TPR Code of Practice	Resolved: The Board requested a further update on the new single code of practice on publication of the Regulator's final guidance	The request was accepted, but publication will fall after March 2023
18 August 2022 (Min 135)	Audit update	Resolved: To agree the revised target dates in the SWAP audit recommendations dated March 2022 which are outlined in the actions log	The Board recommendation was accepted
18 August 2022 (Min 136)	Risk Register	Resolved: To recommend the Committee accept the proposed changes set out in the Report	The Board recommendations was accepted
18 August 2022 (Min 141)	Cyber Security Review	Resolved: To recommend that the Deputy Chief Executive of Wiltshire Council attends the next Committee meeting to respond to any questions raised on cyber security by members	The Deputy Chief Executive attended the 6 October meeting
27 October 2022 (Min 150)	Business Plan 2022/23	Resolved: To receive a draft improvement plan concerning the achievement of KPI targets.	The request was accepted, but the provision of information will fall after March 2023
27 October 2022 (Min 152)	Administration KPIs and Data Improvement Plan	Resolved: To provide the Board with detailed reports as well as the existing high-level presentation of the key data. To be encapsulated within an improvement plan.	The request was accepted, but the provision of

Date - Ref	Area	Minute	Outcome
			information will fall after March 2023
27 October 2022 (Min 153)	Key Financial Controls	Resolved: The Committee should raise the matter of progressing the Council's recharge with the Deputy Chief Executive of Wiltshire Council	The Board recommendation was accepted
27 October 2022 (Min 155)	Data Retention Policy	Resolved: To recommend the updated Data Retention Policy to the Pension Committee for approval	The Board recommendation was accepted
27 October 2022 (Min 156)	Audit update	Resolved: To recommend to the Committee that the SWAP audit actions 2022 are reviewed and ensure that they are completed at their Q4 2022 meeting	The Board recommendation was accepted
27 October 2022 (Min 157)	Risk Register	Resolved: To recommend the Committee accept the proposed changes set out in the Report, as well as re-examining the expertise of officers to see if it could now be reduced from amber to green	The Board recommendation was accepted
27 October 2022 (Min 158)	Employer Compliance & Performance	Resolved: Officers agreed to a) How the Employer Scorecard is introduced and how scheme employers should respond to it b) Have a clear strategy of who at the employer should receive this information & c) Consider how any correction to the scorecard would be managed, if an employer's compliance changed during a reporting period	The request was accepted, but the outcomes requested would fall after March 2023
27 October 2022 (Min 163)	Cyber Security Review	Resolved: Officers agreed to contact Aon with any subsequent questions raised by Committee and Board members following the meeting	The Board recommendation was accepted
1 February 2023 (Min 173)	Risk Register	Resolved: To recommend the CROC Group risk register changes relating to Administration and Data Management to the Committee.	The Board recommendation was accepted
1 February 2023 (Min 174)	LPB Budget review	Resolved: To recommend the Board's budget to the Committee and it be included within the Fund's Administration Budget for 2023/24	The Board recommendation was accepted
1 February 2023 (Min 175)	Training	Resolved: Endorsed the new Committee & Board member training strategy 2023/24, subject to inclusion of additional training on administration	The Board recommendation was deferred into the 2023/24 Scheme Year
1 February 2023 (Min 176)	Member Effectiveness review	Resolved: That the proportionate actions outlined in the Member Effectiveness Report 2022 be implemented, including signposting of information.	The Board recommendation was accepted

Date - Ref	Area	Minute	Outcome
1 February 2023 (Min 178)	Key Financial Controls reporting	Resolved: To use the Financial Controls Report to monitor progress against resolving issues and to develop accounting and control improvements	The Board recommendation was accepted
1 February 2023 (Min 181)	Audit	Resolved: The Board recommended the SWAP audit actions for 2022/23 be included in an actions log	The Board recommendation was accepted

LPB Actions log

The Local Pension Board use an Actions Log to track the progress of its actions. The Actions Log forms part of the Board's minutes and is considered at every meeting.

Review of LPB compliance with the Pension Regulator's Code of Practice No.14



One of the key responsibilities of the Local Pension Board is to assist the Administering Authority, Wiltshire Council, to ensure compliance with any requirements imposed by the Pensions Regulator in relation to the Scheme. This guidance can be viewed on the following link;

[Governance and administration of public service pension schemes | The Pensions Regulator](#)

Self-assessment against the Pension Regulator's Code of Practice

Typically, in March each year officers of the Wiltshire Pension Fund (the Fund) will undertake an internal review of the Fund's compliance against the Regulators Code of Practice 14. However, with the anticipated introduction of the Regulator's new single code of practice in 2023 this review has been stood down and a new Own Risk Assessment (ORA) review, consistent with the requirements of the new code of practice will replace it. The results of this new review will be submitted to the Board during the course of the 2023/24 scheme year.

The Public Service Pension Act 2013 introduced the requirement for the Fund to be compliant with the Pension Regulator's guidance relating to governance and administration. The Code of Practice 14 was subsequently introduced on 1 April 2015 and since then the Fund has self-assessed against the requirements of the Code on an annual basis, using a series of standard questions compiled by an external professional advisor. In turn, the Board has reported on the outcome of each self-assessment within this annual report. In conjunction with that annual self-assessment the Fund's Pension Committee has also periodically requested that its internal auditor reviews the findings of the officer's self-assessment to ensure that an independent oversight of self-assessment was maintained and in turn the Regulator's required standards.

With the introduction of the ORA review, a similar model of completion is proposed, in so far that officers will undertake an ORA, that self-assessment will be independently reviewed on a periodic basis and the results of any officer findings will be submitted to the Board for their consideration. Until the new assessment arrangements are established it is anticipated that the Board will take a prudent approach and request that an independent review is undertaken each year.

Regarding the structure of the new ORA review, the Board has received regular updates from officers and been advised that the modules within the drafted consultation document have been reviewed, a gap analysis of the fund governance and administration framework completed, data points established to assess the Fund's effective system of governance (ESoG), including the challenges, targets & thresholds that those data points will be subjected too, and a draft ORA policy prepared. In addition, a project plan & scorecard, consistent with those prepared by professional advisor has also been designed to undertake the review. On publication of the Regulator final guidance, the draft framework will be finalised, so that a review can be undertaken within the first 12 months.

Internal Audit Update

Whilst the Fund's self-assessment against the Regulator's Code of Practice has been delayed for 2022/23, the Board notes that the internal auditor, the South-West Audit Partnership (SWAP), has continued to provide its oversight function. In March 2022 the auditor's annual review provided a "no assurance" rating, following which a further audit was undertaken in November 2022. The finding of this audit provided a "limited assurance" rating and noted that there had been key areas of improvement during 2022. However, their new report highlighted the following recommendations to be taken forward:

- Rolling out of the Employer scorecard and where required escalating non-compliance through implementation of the Fund's charging policy.
- Enforcing adherence, a Fund writing off process concerning overpayments, management overpayments and ensuring aged debt is reviewed on a regular basis.
- Tighter management concerning the finalisation of death and transfer out cases, particularly in relation to the Fund's authorisation arrangements.
- Database updating of historical transfer-in liabilities, nomination forms, address changes and payroll differences.
- Active management of aggregation and undecided leaver backlogs
- Active management of retirees, where the member has passed 75 years of age.
- Improving the Fund's KPIs, the reporting of KPIs and the monitoring of staff productivity across the whole team
- Ensuring quality assurance checks are implemented and maintained and that sample checking is representative, proportionate, and independent.
- Embedding the Risk Register and addressing manager performance, where required

In all instances a progress plan against the audit recommendations has been implemented and will be regularly submitted to the Local Pension Board for monitoring.

External Audit Update

Whilst an external audit had been undertaken by Deloitte the Board noted that for the fourth year in a row the auditor had not signed the Fund's Annual Report and Accounts by the statutory deadline. This year's accounts being the 2021/22 Scheme Year. During 2022/23 the Board made several enquiries to Wiltshire Council concerning the nature of the delayed sign offs and in turn Wiltshire Council continued to report that the nature of the auditor's delay lay with the Council's accounts and not the Fund's.

It is noted that the Fund's accounts are joint accounts with the Administering Authority, Wiltshire Council, and therefore the auditor will sign off the Fund's accounts at the same time as the Council's accounts. In light of the assurance provided by the Council that the auditor was satisfied with the Fund's accounts being in good order, it was felt that no further action could be taken by the Board. However, recognition of all the delayed signings of Accounts have been recorded on the Fund's TPR

breach log. As a result of the delay, it is noted that no recommendations for improvement can be forthcoming from the external auditor for this period.

Summary of LPB communications outlining links to the website

The Fund's [Communications Strategy](#) (due for review 2024) outlines the different communication methods the Fund adopts. In particular, it focuses on meeting two of the themes:

- To provide outstanding customer service and stakeholder relationships; and
- Embracing technology

Our website, members portal; My Wiltshire Pension and digital campaigns have been consistently reviewed and developed to ensure:



Due to the diverse scheme and employer membership with varying levels of understanding of pensions, access to technology and communication preferences, the key objective for the Fund is to provide effective communications for all preferences, needs and knowledge levels and to meet all legislative requirements.

Last year in our commitment to ensure members are informed on their pensions we carried out a postal mailer to all members who were not opted in to email communications, this resulted in an increased sign up to [My Wiltshire Pension](#) of c1,200 registrations.

We also carried out a week long digital campaign over [Pension Awareness week](#) covering different topical issues and common LGPS queries. This achieved an engagement rate of c50% with over 42,000 people viewing the emails across the week.

Our Employers have been engaging with the digital [quarterly newsletter](#) and [Employers Strategic](#) focus group hosted by the Employers representative. Communicating consistently and transparently with our employers helps to ensure they are kept up to date and are advocates for the scheme.



By diversifying our digital offering through the use of videos, and engaging graphic's we are seeing an overall increase in website visits, email views and My Wiltshire Pension registrations.

Main website link: www.wiltshirepensionfund.org.uk

LPB operational costs for 2022-23 & budget for 2023-24

The cost of the Wiltshire Pension Fund Local Pension Board is part of the overall running costs of the Fund and should be seen in the context of its role in assisting with the good governance and administration of the Fund.

The budget for the Local Pension Board is approved by the Pension Fund Committee as part of the process of setting the Fund’s budget for the year. Any additional expenditure must be approved by the Wiltshire Council’s Corporate Director of Resources & Deputy Chief Executive, s151.

The budget for 2022-23 and 2023-24 can be seen below.

	2022-23 Budget £	2022-23 Actual £	2023-24 Budget £
Independent Chair Remuneration	£10,672	£10,672	£11,750
Consultancy Fees	£2,000	£0	£2,000
Training	£2,000	£0	£2,000
Committee Services	£3,000	£3,000	£3,947
Travel & Subsistence & costs	£1,000	£325	£500
Catering	£400	£0	£400
Insurance	£5,760	£3,217	£3,539
Total	£24,832	£17,214	£24,136

Assurance of the LPB Annual Report

It is the role of the Local Pension Board to assist Wiltshire Council as the Administering Authority for the Wiltshire Pension Fund to secure compliance with:

- The LGPS Regulations and related legislation
- The requirements of the Pensions Regulator; and
- to ensure the effective and efficient governance and administration of the Scheme

The Local Pension Board is not intended to replace existing bodies such as the Wiltshire Pension Fund Committee, nor be responsible for the auditing of the Wiltshire Pension Fund. In carrying out its role, the Local Pension Board has:

- Considered the minutes of the Pension Fund Committee
- Considered the main policies and documents of the Wiltshire Pension Fund
- Considered the Funds Business Plan, Audit Report and Risk Management Strategy
- Received a report on the Fund’s compliance with the Pension Regulator’s Code of Practice No. 14
- Received legal and regulatory updates on LGPS matters.
- Received training from external advisers and Fund officers.

The funds external auditors have reviewed the LPB annual report as part of their annual audit of the Wiltshire Pension Fund, but they do not provide any assurance over its contents.

This report is intended for the information of Wiltshire Council, the Scheme members and employers who participate in the Wiltshire Pension Fund. This report has been formally noted by the Wiltshire Pension Fund Committee at their meeting of 13th July 2023.

LPB Annual timetable 2023-24 and proposed work plans

[Link](#)

Appendix 1

Legal basis of LPB and annual reporting

The Local Government Pension Scheme Regulations 2013 (“the Regulations”) established Wiltshire Council as the administering authority for the Wiltshire Pension Fund. The Regulations further require that Wiltshire Council establish a Local Pension Board for the purposes of assisting it;

- to secure compliance with the LGPS Regulations, other legislation relating to the governance and administration of the LGPS, and the requirements imposed by the Pension Regulator in relation to the LGPS; and
- to ensure the effective and efficient governance and administration of the LGPS

The functions of the Local Pension Board do not sit neatly within to local authority committees, including the Pension Fund’s Pension Committee. Importantly, it cannot be delegated to carry out the functions and responsibilities that legally pertain to the administering authority and has no decision-making authority.

The creation of a Local Pension Board does not change the way the administering authority delegates its pension functions, it serves an advisory and compliance role for the Fund. The role of the Local Pension Board is sometimes likened to that of a “critical friend”.

The Regulations require that the Local Pension Board must be constituted of at least 4 members, who can two of whom act for the membership and two who will act for the fund’s employers. While it is permissible for the Local Pension Board to contain “independent” members, such members are not permitted to vote. Details of how the Chair and members of the Local Pensions Board are appointed can be found in the terms of reference.

<http://www.wiltshirepensionfund.org.uk/media/3560/terms-of-reference-local-pension-board.pdf>

The Wiltshire Pension Fund Local Pension Board is comprised of;

- 3 scheme member representatives, and
- 3 employer representatives, and
- 1 non-voting Independent Chair

The Regulations do permit an administering authority to combine its Local Pension Board with the pension committee to which it has delegated some or all of its decision-making responsibilities in respect of the maintenance of the fund, however the express permission of the Secretary of State for the Dept. of Levelling Up, Housing & Communities is required. Wiltshire Council has chosen not to operate a combined Local Pension Board and Pension Committee.

The Public Service Pensions Act 2013 also brought about a new role with the LGPS for The Pensions Regulator. The Regulator now oversees the good governance within all Public Service Schemes, adopting the same powers of enforcement as it does over other Schemes.

While there is no statutory obligation for the Local Pension Board to publish a report, it is recognised as best practice for the Board to report on its activities for the year and its future plans. In addition, the administering authority is required to publish a governance compliance statement which, in addition to information on the governance of the Fund, should include details of the terms, structure and operational procedures relating to its Local Pension Board.

The Board is accountable solely to the administering authority for the effective operation, reporting only to the Pension Committee on the work that it has done, typically in the form of recommendations. The scope of the Board's reports shall include:

- a) a summary of the work undertaken since the last report:
- b) the work plan for last year and the programme for the next 12 months:
- c) areas to be investigated since the last report and how they were dealt with:
- d) any risks or other areas of potential concern it wishes to raise:
- e) details of training received since the last report and planned:
- f) details of all expenses over the past 12 months and projected for next year; and
- g) details of any conflicts of interest identified and how they were dealt with.

The Governance Compliance Statement of the Wiltshire Pension Fund can be found here https://www.wiltshirepensionfund.org.uk/media/6145/Governance-compliance-statement/pdf/Governance_compliance_statement.pdf?m=637506307796670000

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**LOCAL PENSION BOARD -
WORK PLAN 2023-24**

Meeting:	LPB Term of Reference item	Description of scope as defined by the LPB ToR	24/05/23	10/08/22	01/11/23	13/02/24	No expected review in 2023/24	23/05/24	Guidance comments
GOVERNANCE - Board Specific								Comments	
Election of Vice Chair	42	Appointments made as defined in the Board's Term of Reference	ü					ü	Annual appointment between Member & Employer Reps.
Board Annual Report	85	Recommendation under the legislation	ü					ü	Draft submission to the Board for their approval
Board Budget setting	78	Review & recommend to the Committee the budgetary requirements for the Board during the next Scheme year				ü			Review in conjunction with the Look Forward plan in order to anticipate future costs
Review Board's Terms of Reference (if and as required)	81g	Provide advice and make recommendations when required to the Committee on areas that may improve the effectiveness and efficient operation and governance of the Fund.			ü				This review should be in conjunction with the Committee ToR review to ensure continuity. Lasted reviewed in July 2020. With the ISC meetings discontinued and the publication of final guidance on the Good Governance review and new Single Code of Practice anticipated, this is expected to be a material review.

Effective System of Governance (ORA document)	80b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.			ü				To prepare on publication of tPR Single Code of Practice. The self-assessment will be independently audited. To replacetPR Code of Practice 14.
Board Annual Training Plan Update (To include Member training policy)	80i	Review arrangements for training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.				ü			To be completed each Scheme year for subsequent inclusion in the Board's Annual Report & the Fund's AR&A. Officer training strategy attached too.
Member Training review	80i	Review arrangements for training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.			ü				To review the strategy for Committee and Board member training. Plus, consideration of the 4 year training plan last approved on 16/12/2021.
Effectiveness review	81g	Provide advice and make recommendations when required to the Committee on areas that may improve the effectiveness and efficient operation and governance of the Fund.				ü	Not expected		4 year plan last prepared for the Board in November 2022. The LPB should also compare itself against its own core functions as set out in its ToR.
Training Item relevant to agenda	80i	Review arrangements for training of Board members and those elected members and officers with delegated responsibilities for the management and	ü	ü	ü	ü		ü	To be consistent with Member's training & development strategy

		administration of the Scheme.							
Code of Conduct & Conflicts of Interest Policy (Review all Fund Declarations of Interest)	80d	Review such documentation as is required by the Regulations including the Single Code of Practice and Good Governance Review			ü				3 year plan last approved on 15/10/2020. Annual reviews should be undertaken by Democratic Services in each Q4
Review Actions from previous meetings	n/a	Maintained by officers to enable Members manage their responsibilities	ü	ü	ü	ü		ü	Address primarily during pre-meeting planning meeting
Forward Work Plan Review	87	Maintained by officers to enable Members manage their responsibilities	ü	ü	ü	ü		ü	Annual reviews to therefore be undertaken in Q2
GOVERNANCE - Fund Specific									Comments
Review of Risk Register	81e	Review the risk register as it relates to the scheme manager function of the Administering Authority	ü	ü	ü	ü		ü	Quarterly review. Recommendations are made to the Committee, via LPB minutes and HAM Report.
Fund update & comments on minutes of the Pension Fund Committee	80a	Review regular compliance monitoring reports which shall include reports to and decisions made under the Regulations by the Committee.	ü	ü	ü	ü		ü	In addition to the Fund's operationally based risk register, Members should use the minutes to identify risks for incorporation into the register
Review Governance Compliance Statement	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.			ü				5 year plan last approved on 30/03/2021. To form part of the changes arising from the Good Governance review.

This should consider the Fund's internal escalation strategy and breach reporting.	80b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.		ü					3 year plan last raised with the Board on 17/02/2022. To review again in the 2023/24 to include changes arising from the new Single Code of Practice and SAB Good Governance Review.
Scheme Legal, Regulatory & Fund update	n/a	A summary for Board members the latest legal, regulatory and Fund issues affecting the Pension Fund	ü	ü	ü	ü		ü	Quarterly update by the Head of Pensions
Review service providers, both internal & external. Include advisor appointments, processes, controls & SLAs	81b	Review the effectiveness of processes for the appointment of advisors and suppliers to the Administering Authority.			ü				Committee requested Board annually review advisors & services providers.
Monitor External & Internal Audit Reports	81d	Monitor internal and external audit reports	ü	ü	ü	ü		ü	Audit recommendations actioned
Input to Annual External & Internal Audit Plans	n/a	Recommend to Committee the audit scope & timetable to be commissioned in the next Scheme year			ü				Committee to liaise with the Audit Committee concerning the scope of Council's AR&A's and SWAP audits
GOVERNANCE - Fund Plans, policies & strategies									Comments
Review Business Plan (To include KPI Improvement Plan)	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.		ü		ü			Interim business plan reviewed due on 23/03/2023. 3 year plan to 2026 to be considered in August. 2024/25 plan to be reviewed in Feb '24

Review Pension Administration Strategy	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.					Not expected		3 year plan last approved on 28/07/2022
Review Communication strategy	80e	Review scheme members and employers communications as required by the Regulations and Relevant Legislation					Not expected		3 year plan last approved on 16/12/2021. E-communication strategy update and customer service assessment
Review Data Improvement Plan	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.					Not expected		All 3 year plans Data Improvement last approved on 30/09/2021. Data Protection Policy and Data Retention Policy last approved on 10/01/2023
Review Admin Charging Policy	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.					Not expected		2 year plan last approved on 28/07/2022
Review Admin Authority Discretions	80j	Review the complete and proper exercise of employer and administering authority discretions				ü			3 year plan last approved in 30/03/2021
Review Cessations policy	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.		ü					3 year plan last approved in 10/01/2023. Will need to be updated again this year, within the normal 3 year cycle.

Review Funding Strategy Statement	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.					Not expected		3 year plan last approved on 17/11/2022. Next Fund Valuation 31/03/2025
Review Compliance with FRC stewardship code	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.				ü			Last approved on 23/03/2023. Annually - Consider TCFD requirements as part of the process
Review Investment Strategy Statement	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.				ü			Annual review. last approved on 02/03/2023 (Ensure inclusion of MiFID II arrangements)
Review Fund "Responsible Investment Strategy"	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.				ü			To be reviewed in conjunction with the Investment Strategy Statement. To cover Climate Change Statement. To also cover topical changes on policy relating to BPP & ESG
Review the Fund's Annual Report & Accounts	80l	Review draft accounts and Fund annual Report		ü					To ensure CIPFA compliance requirements have been applied

Review External & Internal Audit Reports	80k	Review the outcome of internal and external audit reports		ü	ü	ü			Audits include 2023/24 - Report 1: AR&A's - Published by 1st December, Report 2: Key Financial Controls, Report 3: Payroll Migration Parts 1 & 2, Report 4 - ESoG & Report 5 - KPI accuracy.
Employer Admissions Policy	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.		ü					3 year plan last approved in 16/07/2020
ADMINISTRATION									Comments
Review Fund fraud risk prevention and mitigation measures	80b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.					Not expected		Stood down in favour of the Council's standard policy. Should be completed every 2 years and will be an update of the Fund's NFI & Certificate of Existence exercises. Anti-Fraud & Corruption Policy (also AML & Whistle Blowing policy) last review in January 2019.
Payroll migration, i-Connect & Members Self-service update	80b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.		ü					Present as part of a Fund digital platform update. Progress report on take up and functional developments

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Receive an annual report of an complaint & IDPR cases, including a review of the Fund's procedures	80f, 80g & 80h	Monitor complaints and performance on the administration and governance of the scheme & review the Internal Dispute Resolution Process & Pensions Ombudsman cases	ü					ü	Covered in Low Volume Performance Report.
Review of Data Security & Business Recovery	80b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.			ü				Report sets out the arrangements in place & when they were last tested. BCP last reviewed April 2023. Scope subject to Retained EU Law Bill and DP & Digital Information Bill.
Review GMP Rectification	81a	Monitor performance of administration, governance and investments against key performance targets and indicators	ü	ü	ü	ü			Regular update concerning SAP & Altair database reconciliation. To consider migration to new payroll system.
Board KPIs to monitor	81a	Monitor performance of administration, governance and investments against key performance targets and indicators	ü	ü	ü	ü		ü	Quarterly Administration performance reporting. Including outsourced backlog KPIs
Benchmark KPIs in Annual Report & Accounts information with other Funds	80f	Monitor complaints and performance on the administration and governance of the scheme				ü			Annual Report & Accounts must be disclosed each 1st December
Review of Annual Benefit Statement process	81a	Monitor performance of administration, governance and investments against key performance targets and indicators			ü				Percentage issued, action plan to issue outstanding ABSs & process improvement review

Review employers compliance (data)	80c	Review the compliance of scheme employers with their duties under the Regulations and Relevant Legislation			ü				Ideally incorporate with ABS review process & update on Fund's Data Improvement Plan. Statistics on Employer Report Cards
FUNDING & INVESTMENTS									Comments
Review Triennial Valuation Process	n/a	Consider how the whole valuation exercise was executed & what recommendations may be made to improve the process next time					Not expected		Next valuation currently due 31/03/2025
Review Triennial Valuation Results	81f	Review the outcome of actuarial reporting and valuations					Not expected		Verify that the FSS, ISS & Valuation results are consistent
Page 105 Brunel Governance review	81g	Provide advice and make recommendations when required to the Committee on areas that may improve the effectiveness and efficient operation and governance of the Fund.	ü	ü	ü	ü			To receive an annual update on Brunel governance and operational issues
Pension Fund budget outturn	81c	Monitor investment costs including custodian and transaction costs.		ü				ü	To receive a monitoring update on the Fund's actual expenditure against its budget for the previous Scheme Year
Treasury Management Strategy	81c	Monitor investment costs including custodian and transaction costs.						ü	Annual review, including cashflow forecasting and preferred bank account maintenance (Last reviewed 23/03/2023)
Cost transparency of BPP, Managers & the Custodian	81c	Monitor investment costs including custodian and transaction costs.	ü						Review of Cleargrass audit. Typically, presented in conjunction final Annual Report & Accounts.

Review Investment performance against Fund's benchmarking criteria	81a	Monitor performance of administration, governance and investments against key performance targets and indicators				ü			To be presented in conjunction final Annual Report & Accounts
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Total number of Agenda Items:	14	18	21	21		13
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