

AGENDA

Meeting: Wiltshire Pension Fund Committee
Place: Kennet Room - County Hall, Bythesea Road, Trowbridge,
BA14 8JN
Date: Thursday 5 October 2023
Time: 10.00 am

Please direct any enquiries on this Agenda to Ben Fielding - Senior Democratic Services Officer of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line 01225 718656 or email Benjamin.fielding@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:

Voting Membership

Wiltshire Council Members:

Cllr Richard Britton (Chairman)
Cllr George Jeans
Cllr Gordon King
Cllr Christopher Newbury
Cllr Stuart Wheeler

Substitute Members

Cllr Ernie Clark
Cllr Sarah Gibson
Cllr Gavin Grant
Cllr Carole King
Cllr Dr Nick Murry
Cllr Ian Thorn
Cllr Robert Yuill

Swindon Borough Council Members

Cllr Kevin Small
Cllr Vijay Manro

Substitute Members

Vacant

Employer Body Representatives

Claire Anthony

Non-voting Membership

Observers

Stuart Dark
Mike Pankiewicz

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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](#).

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Items to be considered

Time

PART I

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

1 **Apologies** 10.00am

To receive any apologies or substitutions for the meeting.

2 **Minutes of Previous Meetings** (Pages 7 - 12)

To approve and sign the Part I minutes of the Investment focused Committee meetings on 14 September 2023.

3 **Declarations of Interest**

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

4 **Chairman's Announcements**

To receive any announcements through the Chairman.

5 **Review of Actions arising from previous meeting(s)** (Pages 13 - 14)

To review progress on any actions requested by the Committee in previous meetings.

6 **Review of the Minutes of the Local Pension Board** (Pages 15 - 24)

To receive the minutes of the meeting of the Local Pension Board held on 10 August 2023. To review the summary of the recommendations made by the Board.

7 **Public Participation**

The Council 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 on the front of the agenda for any further clarification.

Questions

To receive any questions from members of the public or members of the Council received in accordance with the constitution.

Those wishing to ask questions are required to give notice of any

such questions in writing to the officer named on the front of this agenda no later than 5pm on **Thursday 28 September 2023** in order to be guaranteed of a written response. In order to receive a verbal response, questions must be submitted no later than 5pm on **Monday 2 October 2023**. Please contact the officer named on the front 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 Committee members prior to the meeting and made available at the meeting and on the Council's website.

8 **Headlines and Monitoring (HAM)** **10.10am**

A report for the committee's ongoing oversight of:

- Scheme, Regulatory, Legal and Fund Update
- Risk Register
- Administration KPI update – 1 July 2023 to 31 August 2023
 - a) Key business plan items – Aggregation Backlogs / i-Connect & Controls / Resourcing. Plus, presentation of a general business plan update.
 - b) Outsourcing updates
 - c) Review of Annual Benefit Statement issuance
- Audit update
 - a) Audit update
 - b) SWAP Audit 2022/23
 - c) Training plan update 2023/24

Please note that this report and appendices will follow as an agenda supplement.

9 **Key Financial Controls** *(Pages 25 - 34)* **10.30am**

An update by the Investment and Accounting Team Lead concerning the operational accounting arrangements, to include budget monitoring.

10 **Training** **10.40am**

Presentation by Hymans on Employer Covenants reviews and the process of managing new and ceasing scheme employers.

11 **MiFID II Compliance** *(Pages 35 - 40)* **11.00am**

The Governance Manager will present an update requesting completion by members of their self-certification of MiFID II.

12 **Committee Forward Work Plan** *(Pages 41 - 44)* **11.10am**

To review the work plan for the committee.

13 **Date of Next Meeting**

To determine the date of the next Committee meeting dates:

- Investment focused meeting 23 November 2023
- Administration focused meeting 14 December 2023

14 **Urgent Items**

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 **Exclusion of the Public**

11.20am

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 16 – 21 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.

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

16 **Minutes of Previous Meeting** *(Pages 45 - 52)*

11.25am

To approve and sign as a true and correct record the Part II (private) minutes of the previous meeting held on 14 September 2023.

17 **Local Pension Board minutes (Part II)** *(Pages 53 - 60)*

A review of the last Local Pension Board minutes (10 August 2023).

18 **KPI Improvement Plan**

11.35am

The Head of Wiltshire Pension Fund will provide a verbal update on the development of a KPI Improvement Plan.

19 **Integrated payroll system project** *(Pages 61 - 62)*

11.45am

The Head of Wiltshire Pension Fund will present an update concerning the new Altair payroll system and the migration from SAP to Oracle. To include the SWAP audit report.

Wiltshire Pension Fund Committee

MINUTES OF THE WILTSHIRE PENSION FUND COMMITTEE MEETING HELD ON 14 SEPTEMBER 2023 AT WEST WILTSHIRE ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Cllr Richard Britton (Chairman), Cllr Kevin Small (Vice-Chairman), Cllr George Jeans, Cllr Gordon King, Cllr Christopher Newbury, Mike Pankiewicz and Claire Anthony

101 **Apologies**

Apologies for absence were received from Cllr Stuart Wheeler and Cllr Vijay Manro.

102 **Minutes**

The minutes of the meeting held on 13 July 2023 were presented for consideration, and it was,

Resolved:

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

103 **Declarations of Interest**

There were no declarations of disclosable interests.

104 **Chairman's Announcements**

The Chairman noted that Tracy Adams had recently resigned from her position as an Employer Body Representative with the process to recruit a replacement under way.

The Chairman and Committee placed gratitude towards Liam Robson, Investment and Accounting officer, who was set to leave his post.

It was noted that Cllr George Jeans would have to leave the meeting at 10:30am to attend another meeting.

105 **Local Pension Board minutes (Part I)**

The Committee reviewed the minutes of the Local Pension Board meeting held on 10 August 2023, and it was,

Resolved:

To note the minutes of the Local Pension Board meeting on 10 August 2023.

106 **Public Participation**

No statements or questions were submitted.

107 **Responsible Investment Update**

Jennifer Devine, Head of Wiltshire Pension Fund, provided an update on responsible investment. The update covered the following points, that following feedback, a table had been included to show progress. Additionally, an item around equality, diversity and inclusion had been taken to the August Pension Board meeting due to increased emphasis from the Pension Regulator, with a recommendation agreed to have a joint training session on the topic. It was also noted that the Q2 voting report had been appended to the agenda and that the Stewardship report had been submitted to the FRC and the Fund has had signatory status to the 2020 Stewardship Code renewed.

The Committee discussed the update with comments received on but not limited to, seeking clarity as to the extent in which the Committee was involved in voting on shares and investment, to which it was noted that this depended on who the investment was with.

At the conclusion of debate, it was,

Resolved:

The Committee:

Agreed to use the report as a basis for monitoring the progress that is being made towards implementing responsible investment policy;

Noted the progress made against the Responsible Investment Plan 2023/24 actions and discussed whether any additional actions were needed at the current time;

Approved that a joint training session on equality, diversity and inclusion is arranged for the Local Pension Board and Committee.

108 **Responsible Investment Policy**

Jennifer Devine, Head of Wiltshire Pension Fund, presented the draft responsible investment policy 2023. The presentation covered that this was the third annual revision of the policy with a summary provided within the report to what changes had been made.

The Committee discussed the report in detail, with the following comments received but not limited to how the report used the wording “well below 2 degrees”, to which it was clarified that this was to be in line with the Paris Agreement. In addition, clarity was provided that regarding the climate commitments within the report, commitments 1,2 and 3 had been in place for a couple of years and that commitments 4 and 5 were new with it outlined that these had been set with the best financial interests of the Fund in mind. An example was cited of improving the EPC ratings of residential properties as this in turn would mean lower vacancies due to having an incentive for residents to stay due to having lower bill costs. In turn from a selling perspective such properties would be attractive and add value to the local community. It was suggested by officers that climate modelling would be redone within the next year and brought back to the Committee to assess whether the objectives should be changed.

A further suggestion was made that commitment 5 was inline with the existing policy in place as it was concerned with helping the worst carbon emitting investments to improve. It was additionally clarified that within the report, the newest element was a framework on biodiversity, which was consistent with the existing climate commitments. Further clarity was also added in relation to how short term the Fund would monitor investments which would fall under a definition of a fossil fuel company, however if their activities were moving away from fossil fuel use, then the fund would be happy to continue to invest in them in order to help finance real-World change.

At the conclusion of debate, it was,

Resolved:

The Committee approved the Responsible Investment Policy 2023.

Cllr Christopher Newbury voted against the recommendation.

109 **Climate update and progress**

Jennifer Devine, Head of Wiltshire Pension Fund, provided an update on climate and progress. The presentation covered the following points that the report was in line with the TCFD requirements and included both progress and real examples in practice. It was noted that officers had been to visit some investments and work was taking place on the top ten emitters with transparency provided on where the Fund has got to and what is to follow.

The Committee received a presentation from Mercer on Analytics for Climate Transition (ACT), which had been included within the agenda pack. The presentation provided detail on ACT as well as a summary of the progress made towards the Net Zero approach and of the current fund commitments in place. In addition, two areas to strengthen targets were outlined as being

Stewardship/Engagement and Alignment. Furthermore, data was provided in relation to the decarbonisation path as well as engagement targets relating to the top ten contributors to carbon footprint. Enhancements and next steps were also outlined.

The Committee discussed the update with comments received on but not limited to how it was positive that the anonymised report from Mercer had been included within Part 1 of the agenda, as well as it clarified that the report would not be going back to the Wiltshire Council Climate Team unless requested, as it would be important to distinguish between work streams due to separate targets. It was suggested that it would be positive to see an introductory section in relation to why the Fund was involved in decarbonisation. Officers clarified that this was included in the Fund's own climate report.

At the conclusion of debate, it was,

Resolved:

The Committee agreed:

To use the report as a basis for monitoring the progress that is being made towards the Fund's target of net zero emissions across all portfolios by 2050.

To approve the Climate Report for publication.

110 **Annual Report and accounts**

Jennifer Devine, Head of Wiltshire Pension Fund, presented the draft annual report and accounts. The presentation covered the following points that officers had gone through the accounts in detail, with it noted that the numbers had not changed since the accounts were presented at the Committee's last meeting. It was noted that the report contained information on how the Pension Fund was run, and that due to length it would be published alongside a mini-magazine version as well as a one-page fact sheet. Additionally, it was stated that the report had not been audited.

The Committee discussed the report and accounts with comments received on but not limited to that it was suggested that an explanation be added to the report as to why the auditing had been delayed in order to be open and transparent. Additionally, clarity was provided in relation to benefits paid out and contributions received.

At the conclusion of the discussion, it was,

Resolved:

The Committee approved the proposed publication of the unaudited annual report and accounts 2022/2023 and summary documents, and authorise officers to make any necessary minor amendments following the conclusion of the audit.

111 **Office Space**

Jennifer Devine, Head of Wiltshire Pension Fund, presented a proposal for new office space.

After which, it was,

Resolved:

The Committee approved the new ways of working and associated spend of £84,605 per annum.

112 **Date of Next Meeting**

The date of the next meeting was confirmed as 5 October 2023.

113 **Urgent Items**

There were no urgent items.

114 **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 15 - 19 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.

115 **Minutes**

The private minutes of the meeting held on 13 July 2023 were presented for consideration, and it was,

Resolved:

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

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

The private minutes of the Local Pension Board meeting held on 10 August 2023 were presented for consideration, and it was,

Resolved:

To note the minutes as a true and correct record.

117 **Consultation Response**

Jennifer Devine, Head of Wiltshire Pension Fund, presented a draft response to the consultation on LGPS pooling.

At the conclusion of the discussion, it was,

Resolved:

The Committee approved that the draft consultation response is submitted, subject to any amendments as discussed and agreed in the meeting.

118 **Quarterly Investment update**

Chris Moore, Accounting and Investment officer, presented a report on the Fund quarterly investment performance. The presentation provided an outline of the investment performance of the fund to 30 June 2023.

At the conclusion of the discussion, it was,

Resolved:

The Committee agreed to use the investment reports and the update provided by officers and advisers at the meeting as a basis for monitoring the investment performance and implementation of the strategic asset allocation.

119 **Manager Presentation - PineBridge**

The Pension Fund Committee received a presentation from Steven Oh and Kevin Wolfson, Managing Directors of PineBridge.

(Duration of meeting: 10.00 am - 1.35 pm)

The Officer who has produced these minutes is Ben Fielding - Senior Democratic Services Officer of Democratic Services, direct line 01225 718656 or e-mail Benjamin.fielding@wiltshire.gov.uk

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

Agenda Item 5

Wiltshire Pension Fund Committee - Actions Log					
Minute reference	Section	Meeting Action	Task owner	Target date for completion	Date completed
24 (24/06/21)	Procurement (New Payroll System)	Updates on the integrated payroll and payments system project to be brought back to committee	JD	05/10/23	On agenda
49 (23/03/23)	Governance (Risk Register)	To request that time bound resolutions be included in the risk register.	RB	13/07/23	13/07/23
50 (23/03/23)	Governance (Business Plan)	A business plan action plan would be brought back to Committee in 6-months' time which would demonstrate timescales	JD	05/10/23	On agenda
71 (15/06/23)	Governance (Training)	The Committee agreed that the Officer would contact Committee Members to collate their views and look to set the Training Plan in context of the provided feedback	DR	05/10/23	On agenda
78 (15/06/23)	Governance (Audits)	The Committee agreed that Officers would formulate questions to work with ClearGlass to seek clarifications on unknown elements which had been identified within the report	CM	23/11/23	
78 (15/06/23)	Governance (Audits)	Officers to draft a letter for approval by the Chair encouraging Brunel to use caution when publicising fee savings, and focus more on meaningful measures of pooling success, such as investment performance and responsible investment	CM	14/09/23	09/08/23
86 (13/07/23)	Administration (KPIs)	Admin KPI reports to include previous target figures with an arrow to demonstrate the direction of travel	JF	05/10/23	On agenda
99 (13/07/23)	Administration (Fraud)	To receive an update on the fraud case, to include SWAP concluding the matter quickly and that if fraud is evidence, that the Police should be involved. Additionally, comment on any assessment of recompense and that an emergency response procedure is in place for the future.	JF	05/10/23	On agenda
107 (14/09/23)	Governance (Training)	Approved a joint training session on equality, diversity and inclusion to be arranged for the Local Pension Board and Committee members	DR	tbc	
118 (14/09/23)	Investment (SAA)	The Committee sought a divestment from a Brunel Investment portfolio of £1.5m due to a company within that portfolio which did not align with the Fund's investment strategy. Additionally a tightening of the policy in place by Brunel was also sought including the way that they instruct their managers to convey the policy	CM	23/11/23	

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Local Pension Board

MINUTES OF THE LOCAL PENSION BOARD MEETING HELD ON 10 AUGUST 2023 AT KENNET ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Mark Spilsbury (Chairman), Paul Smith, Laura Fisher, Mike Pankiewicz and George Simmonds

Also Present:

Cllr Richard Britton and Cllr Nick Botterill

208 **Membership**

The Board were informed of the following changes to its membership:

- Mike Pankiewicz's term of office being renewed by Unison for a further 4 years from July 2023
- The appointment of James Nicholson as the Active member of the Board.

Resolved:

1. **To note that Mike Pankiewicz had his term of office renewed by Unison for a further 4 years from July 2023.**
2. **To support the appointment of James Nicholson to be ratified by Full Council.**

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

Cllr Nick Botterill attended the meeting in his capacity as the Cabinet Member for Finance, Development Management and Strategic Planning, and Cllr Richard Britton attended in his capacity as Chairman of Wiltshire Pension Committee.

210 **Apologies**

Apologies were received from Marlene Corbey (Vice-Chairman).

211 **Minutes**

The Part I (public) minutes of the previous meeting held on 24 May 2023 were considered.

In addition, the Board noted that the Key Performance Indicator Improvement Plan would be delayed from November 2023 until March 2024 to allow input from James Franklin (Pensions Administrative Lead).

Resolved:

The Board approved and signed the Part I (public) minutes of the previous meeting held on 24 May 2023 as a true and correct record, and the Board's action log was noted.

212 **Declarations of Interest**

There were no declarations of interest.

213 **Chairman's Announcements**

There were no Chairman's announcements.

214 **Public Participation**

There were no public statements or questions submitted.

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

The Part I (public) minutes from the last ordinary meetings of the Wiltshire Pension Fund Committee meetings held on 15 June 2023 and 13 July 2023 were considered.

Resolved:

The Board noted the Part I (public) minutes from the ordinary meetings of the Wiltshire Pension Fund Committee held on 15 June 2023 and 13 July 2023.

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

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

The report detailed updates in the following areas:

- Headlines
- Key business plan items – Aggregations backlog, i-Connect & controls and Resourcing.
- Scheme, Regulatory, Legal and Fund Update
- Risk Register
- Administration KPI update – 1 April 2023 to 30 June 2023.
- Audit Actions

- SWAP audit 2022/23
- ClearGlass audit – update
- SWAP KPI audit
- Effectiveness review update

In response to questions, officers explained that issues raised during the recent employee engagement survey could be eased with a return to working from County Hall, which the Board fully supported, particularly as a dedicated space had been secured for the Teams use; there was an expectation that the backlog of cases will continue to reduce significantly following a reorganisation of the Team; that the KPI Change column would be reintroduced in the Administrative KPI's Internally Set Targets (Fund) table for future reports, as requested by the Board; the Team would prioritise reducing the backlog in open cases for deaths and retirement; confirmed that Table 3 detailed the backlog of open cases; confirmed that actions 1 and 10 on the SWAP audit actions log should be paused due to material changes to actions since the SWAP recommendations were made (SWAP difficulties in acquiring staff and the training of new staff in a timely manner); and a schedule of SWAP audit priorities along with resources to be employed for each audit to be considered by the Wiltshire Pension Fund Committee.

Resolved:

- 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 and in light of material changes to actions since the SWAP recommendations were made endorse the pausing of actions 1 & 10.**
- d) **To prepare a schedule of SWAP audit priorities along with resources to be employed for each audit for consideration by a future meeting of the Wiltshire Pension Fund Committee.**

217 **Equity, Diversity and Inclusion**

The Board considered the report of Jennifer Devine – Head of Wiltshire Pension Fund which highlighted the important topic of equality, diversity and inclusion (EDI).

The Head of Wiltshire Pension Fund referred to guidance on EDI published by the Pensions Regulator in March 2023 explaining why EDI is an important topic and offering practical ways that pension schemes can improve EDI on the governing body. For Wiltshire this would incorporate the Wiltshire Pension Fund Committee and the Local Pension Board. The report highlighted ways in which

the topic could be taken forward by Wiltshire Pension Fund with the inclusion of additional wording in the Responsible Investment Policy, due for renewal in September 2023.

It was suggested that the first step would be for Committee and Board members to attend a joint training workshop, similar to the training being provided to staff of the Pension Fund Team.

Resolved:

1. That Wiltshire Pension Fund Committee is recommended to include the following wording in the next revision of the Fund's Responsible Investment Policy:

'The Fund regards EDI as an important ESG factor, a stewardship priority, and an area where investment managers should focus their voting and engagement efforts, as several pieces of research have shown that diverse boards lead to better financial outcomes (for example, [this publication](#) by the FRC).

Consideration of EDI is embedded at an operational level, and has been [highlighted as an important area](#) in the running of pension funds by the Pensions Regulator. Training will be provided to the full Pension Fund team as well as the Committee and Local Pension Board, in order to improve the way we are run as a fund, and to deliver better outcomes for our employers and members.'

2. That a joint training session on EDI is arranged for the Board and Committee
3. That the Wiltshire Pension Fund Committee be recommended that Committee members should attend training on the topic of EDI.

218 **Training**

The Board received an update presentation from Christopher Moore – Investment and Accounting Team Lead on Accounting and Audit Standards and the role of the internal and external auditor.

The Board noted that questions relating to the sign off of the Council's accounts and impact on key financial controls due to a recent fraud case would be covered in detail later in the meeting.

Resolved:

To note the presentation update.

219 **Key Financial Controls**

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

Officers commented on pension increase in April 2023 and the impact on current systems, and the Evolve project which will deliver a replacement to the existing SAP payroll and accounting software and the transfer of existing pensioners to the new payroll system.

In response to questions, officers confirmed the Council have provided a new fee for 2023/24 based on reasonable methodology for all key items, which have been included in the agreed budget for the year and Fund officers would continue to seek the finalisation of a formal legal document outlining the Service Level Agreement Recharge from Wiltshire Council Finance Team. In addition, officers confirmed that they were processing the impact of the Evolve project and pension increases, and would include updates in future reports.

Resolved:

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.

220 **Fund Annual Report and Accounts**

The Board considered the report of Jennifer Devine, Head of Wiltshire Pension Fund about the Wiltshire Pension Fund annual report and accounts for the year ended 31 March 2023.

Officers reported that the set of accounts have not been subject to audit review due to the auditors unable to resource a timely audit. The Board noted that if an audited set of accounts cannot be published then an unaudited set should be. This would be completed prior to the statutory deadline, with auditors expected to commence their audit in the autumn 2023.

In response to questions officers explained that the primary cause for an increase in management expenses is due to an increase in investment transaction costs mainly in the funds property portfolio, along with an increase in operational running costs as outsourced work to reduce operational backlogs of work to reconcile payroll differences commenced. A written response would be provided in relation to the reasons for a reduction in long term investments by Brunel.

Resolved:

That the Board:

- a) **Note the unaudited statement of accounts for 2022/23; and**

b) Note and endorse the appended statement of going concern.

221 Employer Cessation & New Employer Policies

The Board considered the report of Matt Allen, Employer Funding and Risk Lead which presented an updated Cessation Policy and New Employer Policy for approval.

Officers reported that following the appointment of the new Employer Funding and Risk Lead in June 2023, the two policies were reviewed to ensure that they were still relevant and met current regulation requirements and best practice.

Resolved:

That the revised Cessation Policy and New Employer Policy be approved.

222 Urgent Items

There were no urgent items.

223 Date of Next Meeting and Forward Plan

The next ordinary meeting of the Board will be held on 1 November 2023.

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

Resolved:

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

224 Exclusion of the Public

The Board considered the recommendation to exclude the public.

Resolved:

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Item Numbers 18-23 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.

225 Minutes and Key Decisions of the Wiltshire Pension Fund Committee

The Part II (private) minutes from the ordinary meetings of the Wiltshire Pension Fund Committee held on 15 June 2023 and 13 July 2023 were considered.

Resolved:

The Board noted the Part II (private) minutes from the ordinary meetings of the Wiltshire Pension Fund Committee held on 15 June 2023 and 13 July 2023.

226 **Swindon Borough Council Update**

The Board received a verbal update from Jennifer Devine, Head of Wiltshire Pension Fund, following consideration of an issue concerning the reporting arrangements of an employer to the Wiltshire Pension Fund.

Resolved:

That the update be noted.

227 **Fraud Case**

The Board received a verbal update from Jennifer Devine, Head of Wiltshire Pension Fund about the case of stolen identity of a Scheme member. SWAP had investigated the case, confirmed that fraud had taken place and the member had been fully recompensated. A more detailed report would be available at the next Board meeting.

Resolved:

That the update be noted.

228 **Employer GLL Bond**

The Board considered the report of Matt Allen, Employer Funding and Risk Lead, which provided an update on the Greenwich Leisure Limited Bond renewal issues.

Resolved:

That the report update be noted.

229 **Brunel Governance Update**

There was no update for this meeting.

230 **LPB Minutes**

The Part II (private) minutes of the previous meeting held on 24 May 2023 were considered.

Resolved:

The Board approved and signed the Part II (private) minutes of the previous meeting held on 24 May 2023 as a true and correct record, and the Board's action log was noted.

(Duration of meeting: 10.00 - 11.45 am)

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

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

Wiltshire Council

Wiltshire Pension Fund Committee

05 October 2023

Recommendations of the Local Pension Board 10 August 2023

Minute at Board	Recommendation	Committee Agenda
Minute 216 – Risk Register Update	To endorse the Risk Register and summary of risk changes since the last review and to recommend the Committee accept the proposed changes as set out in the HAM Report.	Item 08 – Headlines and Monitoring – Risk Register
Minute 216 – SWAP Audit update	To endorse progress on the SWAP actions and to express disappointment that the SWAP KPI audit had been delayed.	Item 08 – Headlines and Monitoring – SWAP Audit
Minute 217 – Training	To recommend that a joint training session on EDI is arranged for Board and Committee members	Item 08 – Headlines and Monitoring – Training
Minute 226 – SBC update	To note the issuance of Annual Benefit Statements to all Fund Members by the statutory deadline, including members employed by the Council.	Item 08 – Headlines and Monitoring – ABS issuance update

Summary comments from the Wiltshire Local Pension Board meeting held on 10th August 2023 which cannot be included in reports to the Wiltshire Pension Fund Committee meeting on 5th October 2023.

Addressed in the Committee meeting dated 14 September 2023.

Annual Report and Accounts

The Board noted the accounts and the unsatisfactory position regarding the auditing of the accounts for the year ending 31 March 2023, with the audit not planned to commence until Autumn 2023.

Addressed in the Committee meeting dated 13 July 2023

Employer Cessation and New Employer Policies

The Board approved the new policies.

Mark Spilsbury – Chair of the Wiltshire Local Pension Board.

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WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
5th October 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.

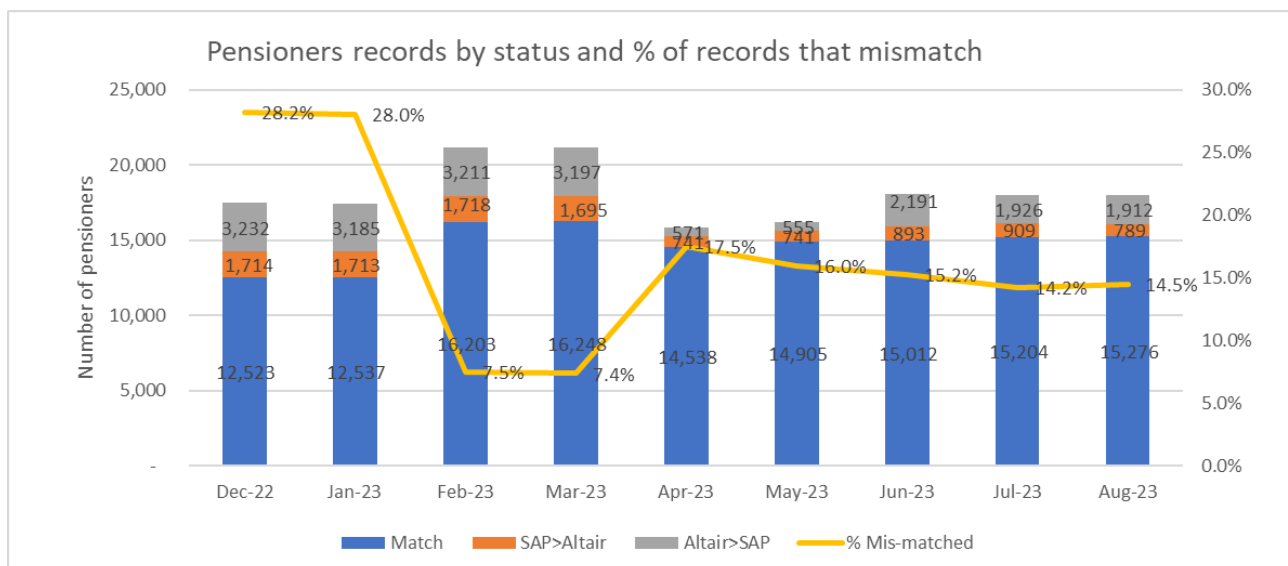
Key Considerations for the Committee / Risk Assessment / Financial Implications

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 with a note in the audit report section explaining the unaudited status.
4. Work is completed on the accounts and annual report for 2022/23, the external auditors have commenced their work in September.

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. The reconciliation has identified this issue which was caused by the application of the pension increase which highlighted errors in the way payroll records for GMP had been set up. Work is ongoing to correct this issue, which has mostly created a high number of small value underpayments.

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.
- The new Evolve system is scheduled to go live in November 2023, the finance team are working hard to ensure all current processes can be carried out via the new system, making payments, accounting for income and costs.
- 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 and new processes and procedures are being developed. 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, and final sign off to proceed from the Head of Wiltshire Pension Fund and the Treasurer to the Fund.

Wiltshire Pension Fund - Key Financial Controls Dashboard				
Control Area	RAG	Items reviewed under this control area	Comments on Performance	Ongoing Actions
	Aug-23			
1. Employer Contributions		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		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.	Correction of errors created from the Pension Increase exercise required
Cashflow, banking and capital calls		Maximum and minimum cash balances, private markets capital calls and distributions and treasury performance.	See summary performance table for full details.	Issue with a single approval required by the banking provider for large payments has increased the risk to making timely payments. Treasury limit for operational cash temporarily exceeded due to higher employer contributions, review of treasury policy required.
4. Balance Sheet Reconciliations		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		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.	None
6. Financial Budget Reporting		Review of year to date and forecast operating budget performance, or any unusual monthly movements on the overall fund account.	Forecast inline with budget.	None
No material concerns				
Minor issues				
Major issues				

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

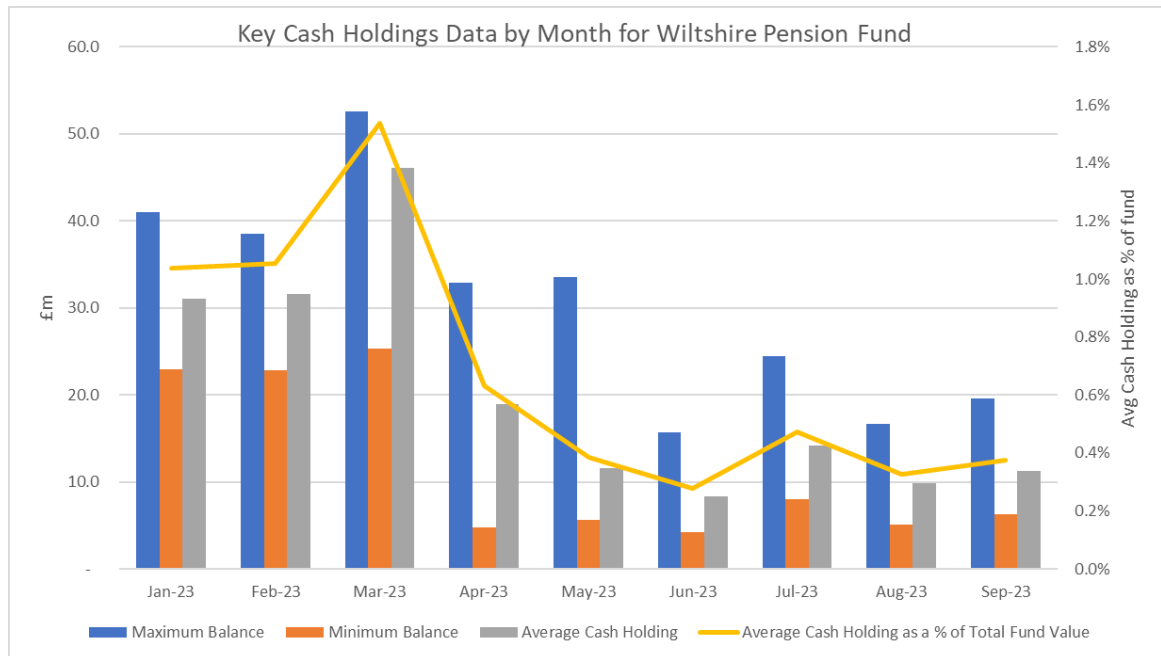
Summary of Contributions Payment Performance										
Quarter	Payroll Month	Paid contributions £000's				Average late and overdue contributions total days		Number of employers payments status		
		Total Payment	On Time Payment	Late Payment	Late Payment %	Days Late Recd	Days Overdue	On time	Late	Not Received
Q1	Apr-23	35,498	34,625	873	2.5%	6.6	-	167	7	-
Q1	May-23	8,281	6,267	2,014	32.1%	6.2	99.0	164	10	1
Q1	Jun-23	8,288	8,286	-	0.0%	-	69.0	174	-	1
Q2	Jul-23	8,267	5,998	2,269	37.8%	6.6	38.0	161	10	2
Q2	Aug-23	8,219	8,217	2	0.0%	1.3	10.5	167	4	2
Total	Q1	52,067	49,178	2,887	5.9%	4.3	56.0	505	17	2

11. 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 engagement and training officer for resolution. There remain a few payments which have not yet been received from small employers, the fund has received assurance these outstanding payments will be received soon.

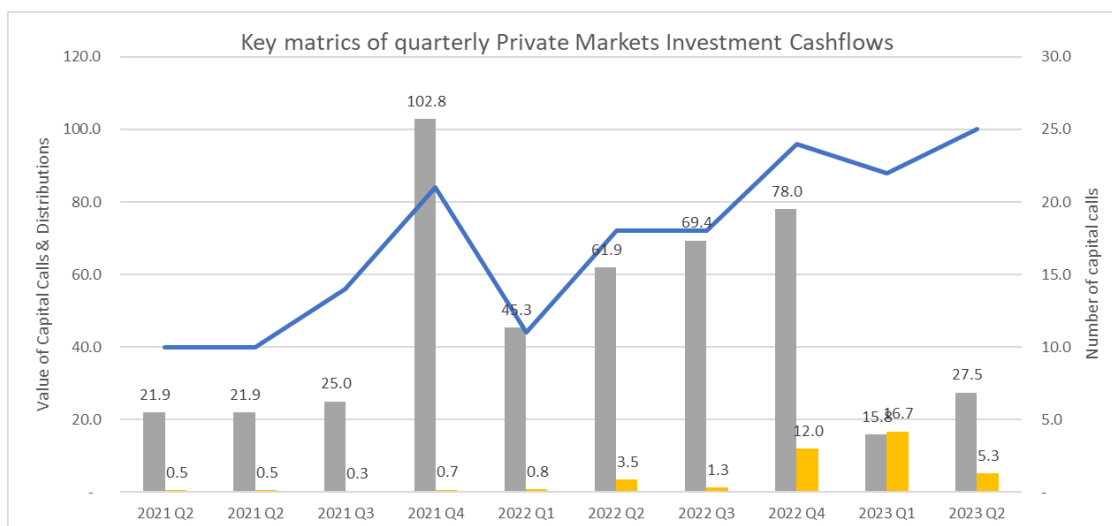
12. The following table provides further details for performance dashboard item 3. Cashflow, banking and capital calls. This table sets out the actual cashflow movements for 2022/23 and forecast for the year ahead. In April 23 the fund received a large prepayment of employer contributions from Wiltshire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

Summary Cashflow statement for Wiltshire Pension Fund													
	Actual	Actual	Actual	Actual	Actual	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	32.9	7.6	8.1	8.0	6.1	9.7	6.0	5.5	5.2	5.3	5.3	25.3
Operating Income	38.2	9.6	9.9	13.2	11.0	13.7	8.8	8.8	8.8	8.8	8.8	8.8	148.3
Operating Expenditure	(11.7)	(11.9)	(12.3)	(11.5)	(11.9)	(12.1)	(11.3)	(11.3)	(11.0)	(10.8)	(10.8)	(10.5)	(137.0)
Investing Private Market - Capital Investment	(11.7)	(3.7)	(12.1)	(17.3)	(4.5)	(21.7)	0.0	(16.0)	(16.0)	(16.0)	(16.0)	(16.0)	(150.7)
Investing Private Market - Capital Distribution	0.8	2.6	1.9	1.7	0.0	4.8	0.0	4.2	4.2	4.2	4.2	4.2	32.7
Investing Listed Market - Capital Withdrawal	2.3	3.0	10.0	3.0	11.8	8.0	0.0	13.8	13.8	13.8	13.8	13.8	107.0
Investing Listed Market - Capital Investment	(11.0)	(25.0)	0.0	0.0	(10.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(46.0)
Investing Other	0.7	0.0	3.1	10.7	1.7	10.8	(1.1)	(0.0)	(0.0)	0.0	0.0	(0.0)	25.9
Closing Cash Balance	32.9	7.6	8.1	8.0	6.1	9.7	6.0	5.5	5.2	5.3	5.3	5.6	(20.4)
Maximum Balance	32.9	33.5	15.7	24.5	16.7	19.6	15.4	14.9	14.6	14.1	14.1	14.4	
Minimum Balance	4.8	5.7	4.2	8.0	5.2	6.3	6.0	5.5	5.2	5.2	5.3	5.5	
Average Cash Holding	18.9	11.5	8.3	14.2	9.8	11.2	9.3	8.7	8.9	8.1	8.2	8.9	
Average Cash Holding as a % of Total Fund Value	0.6%	0.4%	0.3%	0.5%	0.3%	0.4%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	
Number of capital calls	10	7	8	12	5	8	0	0	0	0	0	0	50

13. The operational cashflow is managed on a daily basis by the Wiltshire Council team, this covers all cash not held by the funds custodian or investment managers. This cash forms a part of the overall cash reported in the tables above. The pension fund officers work closely with this team to ensure sufficient liquidity is always available.
14. The new SALAMI (strategic allocation to liquid asset-matching investments) 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 from April 2023, it has also improved operational efficiency in meeting call notices.



15. 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.



Planned improvements and key items to monitor

16. 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.
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		

Budget Forecast

17. The fund is forecasting expenditure slightly above budget for the year 2023/24, this is after including additional costs approved by Committee for the office space rental (Annual Cost £84k, 2023/24 cost £49k for 7 months) and a proposed additional cost for investment advisory work, covered in point 20 below. Excluding this additional approved cost the fund is forecasting a small underspend of £49k.
18. The forecast assumes work on the major outsourcing projects of payroll reconciliation and backlog clearance remain within budget.
19. Underspends are forecast on staffing costs due to vacancies within the team and delays in recruiting staff. The national pay award for local government staff has not yet been agreed, this forecast assumes a pay award in line with the budget plan (Pay Inflation – Based on the latest pay award offer as at February 2023 of a fixed £1,925k increase for all grades).
20. The forecast includes an additional £50k of investment consultancy costs above the original budget to enable implementation of the Climate Opportunities Investment portfolio. This covers investment advice and due diligence reporting for the >£200m allocation to new investment managers. Officers are requesting approval from the Committee of these additional costs above the budget to enable implementation of the strategic asset allocation.

Wiltshire Pension Fund Budget 2023/24

£000's	Prior Year				2023/24			
	2019/20	2020/21	2021/22	2022/23	Forecast	Budget	Variance	% Variance
Investment administration staffing costs	119	114	206	193	238	245	7	3%
Investment administration travel/conferences/training costs	0	2	24	1	18	18	(0)	-1%
Total investment administration costs	120	116	230	194	256	263	7	3%
Pension scheme administration staffing costs	996	1,036	1,152	1,332	1,639	1,672	32	2%
Staff training	19	22	18	19	21	22	1	3%
Corporate charges	311	311	311	308	565	515	(49)	-10%
Pension administration systems and data cleansing	310	354	328	409	606	618	12	2%
Other administration costs	107	51	28	419	728	727	(1)	0%
Total scheme administration costs	1,743	1,775	1,838	2,487	3,559	3,554	(5)	0%
Oversight & governance staffing costs	246	180	225	236	257	266	9	3%
Training and conferences	8	0	24	18	30	30	0	2%
Subscriptions, memberships and levies	34	32	44	33	36	39	3	8%
Actuarial services	214	154	147	391	142	156	14	9%
Audit	10	37	27	40	91	91	0	0%
Legal fees	13	11	28	54	50	29	(21)	-75%
Advisory fees	142	196	276	230	284	233	(50)	-21%
Corporate charges & other costs	149	165	144	146	47	47	(0)	0%
Total oversight & governance costs	815	775	916	1,146	936	892	(44)	-5%
Local Pension Board costs	14	14	15	17	26	24	(2)	-8%
Total operational running costs	2,692	2,679	2,998	3,845	4,777	4,733	(44)	-1%
Number of Members	80,824	82,454	82,454	82,454	82,454	82,454		
Total Running Cost per member (Admin & Governance)	£ 31.83	£ 31.09	£ 33.58	£ 44.27	£ 54.83	£ 54.21	-£ 0.62	-1%
Additional Costs								
New Office Space					49	0	(49)	
Climate solutions investment costs					50	0	(50)	
Exclude Additional Approved Costs					99	0	(99)	
Amended Costs Excluding additional Approved costs					4,678	4,733	55	

Environmental Impacts of the Proposals

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

22. There are no known implications at this time.

Proposals

23. 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.

24. The Committee is asked to approve the additional £50k of investment due diligence and advice in relation to the Climate Opportunities Portfolio.

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

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

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WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND COMMITTEE
05 October 2023

MiFID II compliance self-certification

Purpose of the Report

1. The purpose of this report is to request that members who sit on the Pension Fund Committee self-certify that they remain competent to carry out the duties and responsibilities associated with taking investment decisions whilst sitting on this Pension Fund Committee.

Background

2. At the Committee meeting on 13th September 2017 (Minute 25) members confirmed that they would opt for "Professional Investor" status with effect from 3rd January 2018, on the introduction of the MiFID II guidance. This was in order that the Fund could maintain access to the full range of vehicles and investment managers to meet the needs of the Fund's investment strategy.
3. This is achieved by evidencing to managers and advisors that the qualitative requirements are met by a collective assessment of the expertise, experience, and knowledge of the LGPS administering authority in relation to its investment decisions. LGPS administering authorities who are elected professional clients under this process are responsible for keeping their managers and advisors informed of any change that could affect their current categorisation. If not, these firm must take 'appropriate action', which could include re-categorising the Fund as a retail client. It is therefore critically important that the knowledge and skills of all pension committee members and officers are regularly reviewed and maintained.
4. The legislative reference in connection with this requirement is Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.
5. Please note that there is no legal requirement to self-certify continued MiFID II compliance, however it is a good governance recommendation and an opportunity to consider the importance of your training needs. By signing this self- certification form, it can in turn be provided to our investment managers and advisors as evidence for ongoing compliance.

Key Considerations for the Committee / Risk Assessment

6. Members are requested to self-certify that they have undertaken the necessary continuous training to ensure that they remain competent to perform the duties and responsibilities associated investment decision making & consequently are respectfully requested to complete the circulated confirmation letter at this meeting.

Financial Implications

7. No direct implications.

Legal Implications

8. There are no known implications from the proposals.

Environmental Impacts of the Proposals

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

10. There are no known implications currently.

Proposals

11. For all voting members of the Committee to complete the self-certification letter, as required.

Jennifer Devine
Head of the Wiltshire Pension Fund

Report Author: Richard Bullen, Fund Governance & Performance Manager
Unpublished documents relied upon in the production of this report: NONE



Wiltshire Pension Fund, County Hall, Bythesea Road, Trowbridge, BA14 8JN
Tel: 01225 713613 – Email: pensionenquiries@wiltshire.gov.uk
Web: www.wiltshirepensionfund.org.uk

Wiltshire Pension Fund Committee Member confirmation of continued MiFID II Compliance

Introduction

Reference – The Investment sub-Committee meeting dated 13th September 2017 (Minute 25) confirmed the Wiltshire Pension Fund (“the Fund”) to opt for “Professional Investor” status with effect from 3rd January 2018.

The qualification for adopting the “per se” professional investor status under FCA categorisation was based on the Fund’s nature as a Pension Fund and as a local or public authority. To enable the Fund to maintain its opted up status, good governance arrangements have been set in place to ensure Members selected to oversee the Fund’s investment matters continue to discharge their duties and responsibilities in accordance with the regulations.

These arrangements were agreed as part of the Fund’s training strategy at the Wiltshire Pension Fund Committee meeting dated 12th December 2018 (Minute 79) & the WPF Board meeting dated 24th January 2019 (Minute 11).

By reading and acknowledging this document, Pension Committee members agree to annually self-certify that they have undertaken, or are undertaking, the relevant training to maintain their knowledge and understanding of investment matters and ensure that they continue to be MiFID II compliant in order to carry out their duties.

In certifying continued competence to discharge their duties and responsibilities, the Pension Committee Member has given consideration to the following definitions and criteria;

Definitions

- ‘Knowledge’ – acquiring and maintaining an appropriate level of experience to fulfil the Fund’s obligations of a “professional client” status and possess the necessary knowledge to meet the relevant regulatory and legal requirements and business ethics standards;
- ‘Appropriate experience’ – that as a Member they continue to successfully demonstrate their ability to perform the relevant service through their role;
- ‘Competence’ – that as a Member they can assess and review compliance with the MiFID II guidelines, notably that they can understand and apply the Fund’s internal policies and procedures designed to ensure compliance with MiFID II.
- ‘Investment products’ means the financial instruments and structured deposits as defined in MiFID II.

Criteria for the knowledge and competence of Members

The training strategy ensures that Members are provided with training and information in order to carry out their roles. The [CIPFA Knowledge and Skills framework for LGPS committee members](#) provides a list of competencies required.

A general understanding of MiFID II and its context is covered in the section on Financial markets and products, including Investment pools (E&W), this section is set out below:

- a. A general understanding of the primary importance of the investment strategy decision.
- b. A general understanding of the workings of the financial markets, the investment vehicles available to the pension fund and the nature of the associated risks.
- c. An awareness of the restrictions placed by legislation on the investment activities of LGPS funds.
- d. A general understanding of MiFID II requirements relating to the knowledge of decision makers.
- e. A general understanding of the investment pool operator's approach to pooling and delivering access to the different asset classes and/or investment funds.
- f. A general understanding of which assets and investments may sit outside of the investment pool and why their nature and characteristics permit this.
- g. An awareness of how the fund interacts with the taxation system in the UK and overseas in relation to investments.

Competencies required regarding an awareness of the LGPS regulations' main features and requirements relating to investment strategy, asset allocation, the pooling of investments and responsible investments, including associated guidance, are set out in more detail in the CIPFA Knowledge and Skills framework document.



Wiltshire Pension Fund, County Hall, Bythesea Road, Trowbridge, BA14 8JN
Tel: 01225 713613 – **Email:** pensionenquiries@wiltshire.gov.uk
Web: www.wiltshirepensionfund.org.uk

Confirmation of continued MiFID II Compliance – October 2023

Required

1. Name

2. I confirm that I have read and acknowledge the "MiFID-II-continued-competency-confirmation-Nov21.pdf" document included within this meeting pack and endeavour to maintain sufficient knowledge and understanding of investment products, services and markets to continue my role on the Wiltshire Pension Fund Pension Committee. Link to document also provided for information.

<https://wiltshirecouncil.sharepoint.com/sites/ext-coll-W87/Shared%20Documents/MiFIDII/MiFID-II-continued-competency-confirmation-Nov21.pdf>

Signed

Dated

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Agenda Item 12

Wiltshire Pension Fund Committee - 2023/24

Meeting:	15/06/23	13/07/23	14/09/23	05/10/23	23/11/23	14/12/23	29/02/24	28/03/24	Guidance comments
GOVERNANCE - Committee Specific									Comments
Confirmation of annual election of Chair & Vice Chair	✓								Annual appointments made by Full Council
Review Committee's Terms of Reference (if and as required)								✓	This review should be in conjunction with the Board 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.
Fund's annual budget setting								✓	Prior to 31st March each year
Budget Monitoring		✓		✓				✓	Quarterly spend & allocation of costs review against budget
Budget Outturn		✓							Annual actual review of financial pension fund spend against the previous year's budget
Committee Annual Training Plan Update								✓	To be completed following each Scheme year for subsequent inclusion in the Fund's AR&A
Training Item relevant to agenda	✓	✓	✓	✓	✓	✓	✓	✓	To be consistent with Members training & development strategy
Committee effectiveness review								✓	4 year plan last raised with the Committee on Nov 2022. The Committee should also compare itself against its own terms of reference core functions.
Forward Work Plan Review		✓		✓				✓	Quarterly review of Committee's work plan. Officers to update the next Scheme year's plan with annual reviews undertaken in calendar Q2
GOVERNANCE - Fund Specific									Comments
Scheme Legal, Regulatory & Fund update		✓		✓		✓		✓	Quarterly update by the Head of Pensions
Review of Risk Register		✓		✓		✓		✓	Quarterly review. Request risks to be added & changes made by Board prior to Committee approval.
Updates & comments on the previous Committee & Board meeting minutes	✓	✓	✓	✓	✓	✓	✓	✓	Amongst other purposes Members should use the minutes to identify risks which can be added to the risk register
Review Governance Compliance Statement								✓	5 year plan last approved on 30/03/2021.
Effective System of Governance (ORA document)								✓	To prepare on publication of tPR Single Code of Practice. The self-assessment will be independently audited. To replace tPR Code of Practice 14.
Review Fund Training Programme				✓				✓	Complete 4 year training plan last approved on 16/12/2021. Annual reviews undertaken in Q4 each year
Club Vita update								✓	As at 31st August each year & to be submitted by 1st week of October to Hymans. Purpose - statistical analysis
Review the Fund's Annual Report & Accounts		✓	✓						Annual Report & Accounts to be completed & published by statutory deadline of 1st December
Approve Internal Audit Report scope		✓		✓				✓	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.
Monitor Internal & External Audit Reports		✓		✓				✓	Audit recommendations actioned
Input to Annual Internal & External Audit Plans								✓	Committee to liaise with the Audit Committee concerning the scope of Council's AR&A's and SWAP audits
Treasury Strategy								✓	Annual review, including cashflow forecasting and preferred bank account maintenance (Last reviewed 23/03/2023)

Review service providers, both internal & external. Include advisor appointments, processes, controls & SLAs								✓	Committee to receive an annual update from the Board on the effectiveness of the Fund's advisers
Review Actions from previous meetings	✓	✓	✓	✓	✓	✓	✓	✓	Addressed primarily during meeting agenda planning stage
GOVERNANCE - Fund Plans, policies & strategies									Comments
Review Business Plan				✓				✓	3 year plan last approved on 23/03/2023. Further review due on 05/10/2023
Review Pension Administration Strategy		✓							3 year plan last approved on 28/07/2022
Review Communication strategy							✓		3 year plan last approved on 16/12/2021. E-communication strategy updated and Customer Service Excellence rollout update
Review Data Improvement Plan				✓					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. No review required in 23/24.
Review Admin Charging Policy									2 year plan last approved on 28/07/2022. No review required in 23/24.
Review Admin Authority Discretions								✓	3 year plan last approved in 30/03/2021
Review Employer Cessations policy (New Employer Policy)		✓							3 year plan last approved in 17/12/2022.
Review Funding Strategy Statement									3 year plan last approved on 17/11/2022. Next Fund Valuation 31/03/2025
Review Compliance with FRC stewardship code			✓					✓	Last approved on 23/03/2023. Annually - Consider TCFD requirements as part of the process
Review Investment Strategy Statement								✓	Annual review. last approved on 02/03/2023 (Ensure inclusion of MiFID II arrangements)
Review Fund "Responsible Investment Strategy"			✓					✓	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
ADMINISTRATION									Comments
Review Fund fraud risk prevention and mitigation measures				✓					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 reviewed April 2020. To include Whistleblowing policy in 2022. No review required in 23/24.
Receive an annual report of an complaint & IDPR cases, including a review of the Fund's procedures		✓							Covered in Low Volume Performance Report. To be managed by LPB with issues submitted to the Committee on an exceptions basis
Review of Data Security & Business Recovery							✓		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		✓		✓			✓	✓	Regular update concerning SAP & Altair database reconciliation. To consider migration to new payroll system.
Committee KPIs to monitor		✓		✓			✓	✓	Quarterly Administration performance reporting. Including outsourced backlog KPIs
Benchmark KPIs in Annual Report & Accounts information with other Funds							✓		Annual Report & Accounts must be disclosed each 1st December
Review of Annual Benefit Statement process				✓					Percentage issued, action plan to issue outstanding ABSs & process improvement review
Review employers compliance (data)								✓	Ideally incorporate with ABS review process & update on Fund's Data Improvement Plan. Statistics on Employer Report Cards

Payroll migration, i-Connect & Members Self-service update				✓					Present as part of a Fund digital platform update. Progress report on take up and functional developments
INVESTMENT PERFORMANCE & RISK									Comments
Investment Quarterly Progress Report	✓		✓		✓		✓		Provided by each Investment Manager & the Investment Adviser, Mercer, who summarise the information and offer independent assessment of the market generally
Review Investment performance against Fund's benchmarking criteria	✓	✓	✓		✓		✓		To be presented quarterly and in conjunction with the draft Annual Report & Accounts
Investment Strategy Review / Asset Allocation Review	✓		✓		✓		✓		Quarterly review of strategy, plus an annual document last updated in 17/11/2022. To cover topical changes relating to BPP & ESG
Governance update relating to BPP	✓		✓		✓		✓		Quarterly (generally verbal) update on Brunel governance and operational issues
Cost transparency of BPP, Managers & the Custodian	✓								Usually presented in conjunction with the draft Annual Report & Accounts
Total number of Agenda Items:	9	17	10	17	7	22	10	17	

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