

# AGENDA

**Meeting:** Local Pension Board  
**Place:** [Access the online meeting here](#)  
**Date:** Thursday 20 May 2021  
**Time:** 10.00 am

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## Membership:

Mark Spilsbury (Chairman)  
Paul Smith (Vice-Chairman)  
Cllr Richard Britton  
Marlene Corbey

Ian Jones  
Rod Lauder  
Mike Pankiewicz

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Statements should:

- State whom the statement is from (including if representing another person or organisation)
- Clearly state the key points
- If read aloud, be readable in approximately 3 minutes

Up to three speakers are allowed for each item on the agenda.

### Questions

Those wishing to ask questions are required to give notice of any such questions electronically to the officer named on the front of this agenda no later than 5pm on **Thursday 13 May 2021** 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 17 May 2021**.

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 members prior to the meeting and made available at the meeting and on the Council's website; they will be taken as read at the meeting.

- 8 **Minutes and Key Decisions of the Wiltshire Pension Fund Committee and Investment Sub-Committee** *(Pages 25 - 44)*
- To consider the Part I (public) minutes, and recommendations arising, from the last meetings of the Wiltshire Pension Fund Committee held on 30 March 2021 and Investment Sub-Committee held on 25 February 2021.
- 9 **Scheme, Legal, Regulatory and Fund Update** *(Pages 45 - 50)* **10.15**
- A report providing an update on the latest Scheme, Legal, Regulatory and Fund developments for the Board's information by the Head of Pension Administration and Relations.
- 10 **Training Update** *(Pages 51 - 62)* **10.25**
- To receive a presentation on the role of the Scheme Advisory Board from the Governance and Performance Manager. Followed by a brief update on the release of Hymans Robertson on-line training portal.
- 11 **Administration Quarterly Key Performance Indicators Key Performance Indicators (KPIs)** *(Pages 63 - 72)* **10.35**
- A report presenting the Fund's administration Key Performance Indicators for review by the Board from the Head of Pension Administration and Relations.

- 12 **Low Volume Key Performance Indicators** *(Pages 73 - 80)* **10.45**  
 To receive a report from the Fund Governance and Performance Manager.
- 13 **Draft LPB Annual Report 2020/21** *(Pages 81 - 112)* **10.55**  
 The Local Pension Board is asked to approve the contents of its annual report for the preceding year.
- 14 **Responsible Investment** *(Pages 113 - 116)* **11.05**  
 A brief report updating the Board and presented by the Head of Pension Fund Investments.
- 15 **TPR Code of Practice 14 Self-Assessment for 2020/21** *(Pages 117 - 120)* **11.15**  
 Officers' annual self-assessment against Code of Practice No 14.
- 16 **Local Pension Board outturn report 2020/21** *(Pages 121 - 122)*  
 A report on the spend against the LPB budget for 2020/21
- 17 **Fund Annual Report and Accounts and Audit update** **11.25**  
 A verbal update by the Head of Pension Fund Investments and the Fund Governance and Performance Manager.
- 18 **Risk Register Update** *(Pages 123 - 130)* **11.35**  
 A report presenting the Risk Register for the Wiltshire Pension Fund for review by the Board by the Fund Governance and Performance Manager.
- 19 **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.
- 20 **Date of Next Meeting and Forward Work Plan** *(Pages 131 - 136)* **11.45**  
 The next meeting of the Board will be held on 19 August 2021. The Board to review and approve its new Scheme Year Forward Work Plan which is attached for members' consideration.
- 21 **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 22-27 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.*

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|----|--|---------------------|
| 22 | <b><u>Pension Payroll Database reconciliation</u></b> (Pages 137 - 166)  | <b><u>11.55</u></b> |
|    | A report updating the progress of this project by the Head of Pension Administration and Relations   |                     |
| 23 | <b><u>New pension payroll and immediate payments system</u></b> (Pages 167 - 170)  | <b><u>12.05</u></b> |
|    | A brief report outlining the early plans by the Heads of the Pension Fund service to introduce a new pensioner payroll and immediate payments system.                    |                     |
| 24 | <b><u>Key Financial Controls (Budget outturn 2020/21)</u></b> (Pages 171 - 178)  | <b><u>12.15</u></b> |
|    | An update report on the Fund's key financial controls by the Head of Pension Fund Investments.   |                     |
| 25 | <b><u>Minutes and Key Decisions of the Wiltshire Pension Fund Committee and Investment Sub-Committee</u></b> (Pages 179 - 206)   | <b><u>12.25</u></b> |
|    | To consider the Part 2 (confidential) minutes of the Wiltshire Pension Fund Committee held on 30 March 2021 & Investment sub-Committee minutes held on 25 February 2021. |                     |
| 26 | <b><u>Brunel Governance Review Update</u></b>  | <b><u>12.35</u></b> |
|    | An update on the BPP governance arrangements by the Head of Pension Fund Investments.  |                     |
| 27 | <b><u>Local Pension Board Minutes</u></b> (Pages 207 - 222)  | <b><u>12.45</u></b> |
|    | To confirm the Part 2 (confidential) minutes of the meeting held on 18 February 2021.  |                     |

### Local Pension Board

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#### MINUTES OF THE LOCAL PENSION BOARD MEETING HELD ON 18 FEBRUARY 2021 AT ONLINE MEETING.

##### Present:

Marlene Corbey, Mike Pankiewicz (Vice-Chairman), Paul Smith, Mark Spilsbury (Chairman), Cllr Richard Britton, Ian Jones and Rod Lauder

##### Also Present:

Richard Bullen, Andy Cunningham, Jennifer Devine, Cllr George Jeans and Cllr Tony Deane

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#### 102 Membership

It was noted that there was one impending change to the membership of the Local Pension Board which was the requirement to elect a Vice-Chairman for the forthcoming year.

The Chairman thanked Mike Pankiewicz for undertaking the role for the previous year.

##### **Resolved**

**The Board elected Paul Smith as the Vice-Chairman of the Local Pension Board for the forthcoming year, 2021-22.**

#### 103 Apologies

There were no apologies for absence received from members of the Board but apologies from Andy Brown, Director of Finance and Procurement, were noted.

#### 104 Minutes

The Part I (public) minutes of the previous meeting held on 15 October 2020 were considered. The Chairman noted, with regard to Minute Item 85, the positivity of the Committee's decision to adopt the Hymans-Robertson training platform for all Committee members. In response to a question from the Chairman regarding when it would be made available, officers confirmed that the toolkit was still in the development process and that they would update Board members as soon as they had further details.

Richard Bullen, Fund Governance and Performance Manager, raised three comments with regard to the Board's action log. Members were made aware

that the Wiltshire Pension Fund's (WPF) 2019-20 accounts were not signed off during the last meeting of the Audit and Governance Committee on 10 February 2021. Cllr Richard Britton, Chairman of the Audit and Governance Committee, noted that they were not signed off as a result of resourcing issues between the external auditors and Wiltshire Council, not due to any issues with the Fund's accounts, and that members should not be concerned by the delay. Officers confirmed that they were expecting the accounts to be signed off at the next meeting of the Audit and Governance Committee which was due to be held on 28 April 2021.

Item 83 was highlighted, and it was noted that as it formed part of the KPI reporting, officers were recommending that it be closed from the Board's action log. Item 12 was also highlighted, and it was noted that as regular updates were brought forth to the Board, and their budget formed part of the quarterly budget report reviewed by the Committee, officers were recommending that it also be closed from the Board's action log.

Following which, it was:

#### **Resolved**

- 1) The Board approved and signed the Part I (public) minutes of the previous meeting held on 15 October 2020 as a true and correct record, and the Board's action log was noted.**
- 2) The Board resolved that in the event that the 2019-20 Annual Report and Accounts were not signed off and approved by the Audit and Governance Committee at their next meeting on 28 April 2021, the matter would be brought back to the Board for further consideration.**
- 3) The Board agreed to close Items 83 and 12 from the Board's action log.**

#### 105 **Declarations of Interest**

There were no declarations of interest.

#### 106 **Chairman's Announcements**

The Chairman reiterated the role of the Board as a non-decision-making body that seeks to support the Wiltshire Pension Fund in being compliant with legislation and regulations.

#### 107 **Public Participation and Councillor Questions**

There were no statements or questions from the public or Councillors.



## 108 **Minutes and Key Decisions of the Wiltshire Pension Fund Committee**

The Part I (public) minutes from the last ordinary meeting of the Wiltshire Pension Fund Committee held on 17 December 2020 were considered.

The Chairman emphasised for the benefit of any members of the public listening, that the minutes for the last extraordinary meeting of the Wiltshire Pension Fund Committee and last ordinary meeting of the Investment Sub-Committee held on 14 January 2021 and 2 December 2020 respectively, were under Part II of the agenda. It was highlighted that if members of the public wanted to access the Part I papers for both meetings, they could do so by visiting the Wiltshire Council website.

Following which, it was:

### **Resolved**

**The Board noted the Part I (public) minutes from the last ordinary meeting of the Wiltshire Pension Fund Committee held on 17 December 2020.**

## 109 **Scheme, Legal, Regulatory and Fund Update**

Andy Cunningham, Head of Pension Administration and Relations, updated the Board on the various Scheme, Legal, Regulatory and Fund updates.

Officers noted that since the report had been written, the Treasury had unexpectedly decided to disapply the legislation around the exit cap payments, with the intention that it would therefore be legally revoked in the coming months. Exact details and reasonings were not publicised, but officers explained that the statement made reference to unintended consequences of the legislation. As such, all of the past issues concerning the contradictory legislative position were eliminated. Officers emphasised that as the Fund was operating under conflicting legislation, they had encouraged employers to delay taking action until further clarity on the situation was achieved but had noted in previous meetings that the majority of redundancy cases had fallen under the cap. As a result of this advice, officers did not need to correct anything, and the Fund did not need to make any additional payments. It was confirmed that employers had already been contacted by Fund officers to make them aware of the legislative changes.

Officers additionally noted that The Department of Work and Pensions consultation was due to go live during March 2021. It was clarified that it did not apply to the WPF, but it would be looking at how pension schemes handle climate change risk, and that a similar consultation from MHCLG was anticipated to be released soon. Officers confirmed that if the changes being consulted on came into law, then the WPF were in a good place as they were already implementing a lot of the recommendations, such as climate change modelling.

## **Resolved**

**The Board noted the report.**

### 110 **Training Update**

Richard Bullen, Fund Governance and Performance Manager, provided a verbal update outlining the training plan for 2021-22, and Andy Cunningham, Head of Pension Administration and Relations, delivered a presentation on Administering Authority Discretions to lead into the subsequent Agenda Item.

It was requested that members submit their training records to allow officers to update their master records. The new Hymans-Robertson training tool was raised, and members were asked to express their opinions as to the recommendation that Board members, in addition to participating in, also monitored the training for members of the Board and Committee. The Chairman noted his personal support of the recommendation. The Chairman of the Wiltshire Pension Fund Committee (WPFC), Cllr Tony Deane, noted his apprehension of both the recommendation and the extent of the training proposed which he felt was compelling members to become experts in the field of pensions. The Chairman of the Board acknowledged his concerns and offered his understanding of the training tools, which were to be a more general overview of the relevant topics. Officers reinforced this and clarified that each module, including topical modules, would take members approximately 10-20 minutes to complete and were designed to make members aware, and give them context of, the different areas/topics that could and would be discussed.

The Chairman suggested that the Board have sight of the training information on a biannual basis; once as part of the Annual Report and once at another point in the year. Other members of the Board echoed their support of the recommendation.

Andy Cunningham began the presentation by providing a quick background on Administering Authority Discretions Policies and moved onto explaining the objectives and general approach of the policy, namely: transparency; consistency; to act reasonably; balance; pragmatism; and complaint management. The key existing policy areas were discussed, such as: requiring a satisfactory medical before agreeing application to pay APC, allowing transfer of (non-club) pension rights into the Fund, and deciding to whom a death grant is paid. It was noted that the most frequent and significant policy area was death grants. It was explained that the Fund ultimately had discretion over who it pays a death grant to; this could in some cases be different to a named preference submitted by the member. It was clarified that as a result there was a separate policy to manage this and that it would be discussed later on in the Agenda.

## **Resolved**

**The Board agreed to monitor members' training records and self-development progress on a no more than sixth-monthly basis.**

## 111 **Administering Authority's Discretion Policy**

Andy Cunningham, Head of Pension Administration and Relations, briefly introduced the report which followed on from discussions in the previous Agenda Item.

It was highlighted that the last time the full policy had been reviewed was 2016, and as such officers were looking to undertake more frequent reviews into the future. Additionally, officers noted that the main change to the policy was regarding death grants which would be discussed in more detail in the next Agenda Item.

There were no suggested recommendations for changes by members of the Board.

### **Resolved**

**The Board noted the proposed amendments to the Administering Authority Discretions Policy.**

## 112 **Death Grant Policy**

Andy Cunningham, Head of Pension Administration and Relations, introduced a report outlining the key contents and changes to the Death Grant Policy.

Officers explained that who could be entitled to a death benefit and how it was calculated varied depending on when a member joined the Scheme; generally speaking, for an active member it is a multiple of their salary at the point of death. For deferred members it is a multiple of their deferred salary, but this was dependant on when they left the Scheme and what their salary was. Pensioners usually received a balance of 10 years, so if they received 6 years' worth of benefits then they would receive a death grant of 4 years to make the total to 10 years.

With regard to the Fund's discretion itself, it was clarified that the Fund could choose to split the grant between more than one recipient and that they could decide what the split itself would be. However, three principles would be applied to that decision: firstly, around the deceased's stated or perceived wishes. For example, has the deceased completed an expression of wish form and who have they named on it? Officers however could look at the reasonability of the named person(s) and see if this matches other documents such as a Will or marital status. Secondly, Fund officers have the responsibility to make reasonable decisions, for example; if a person names a friend on their expression of wish form without full reasoning as to why, and the deceased had young dependent children who were not financially looked after, then the Fund could use their discretion to go against the deceased's wishes. Thirdly, Fund officers have a responsibility to act reasonably, professionally and robustly, meaning they must take reasonable efforts to gain the information needed to fully understand the circumstances of the deceased and make a decision. Whilst the Fund ultimately had discretion, any decision taken needs to be

justifiable. However, officers did note that in certain situations there could be a level of subjectivity, with two officers potentially coming to different conclusions, nevertheless both of these conclusions would need to be justifiable. Officers acknowledged that this area was one that occasionally received complaints as there were situations in which you could not appease two opposing parties, however, officers were confident that the decisions made were appropriate.

One member of the Board asked for more clarity surrounding the expression of wish form and questioned what would happen if a situation arose in which the deceased's Will contained an explicit statement of the distribution of the benefits which contradicted that made in a past expression of wish form. Officers clarified that in that specific circumstance they would investigate the order in which the declarations were made, however as the Fund ultimately have discretion then the Will didn't necessarily have to be considered, but timings would be critical and they would fully investigate the case to gather all of the information needed to make a decision. However, officers felt that that scenario was rare as contradictions did not occur often.

Officers clarified that members were regularly encouraged to keep their expression of wish forms updated either annually as part of their annual benefit statement or when their circumstances materially changed such as a member reaching retirement.

Cllr Tony Deane, Chairman of the WPFC, raised the issue of subjectivity when coming to a conclusion as to who a death grant should be paid to and suggested the introduction of a panel system to assess each grant. Additionally, he asked officers how long it typically took for a death grant to be paid. Officers explained that all death grant cases were looked at as a matter of priority and that it was the Fund officer's aim to make the right decision, even if that caused a delay to any payments. It was further explained that there was an escalation process that was followed dependant on the amount of the death grant, for example if a grant exceeded a certain threshold then the line manager would become involved and so on. Additionally, if two people could not agree on who the grant should be paid to then again, it would be raised to senior officers who would then investigate further to come to a decision. However, officers reiterated that these contradictory cases or complex situations were rare, and the vast majority of cases were clear cut. In response to a question, officers clarified that if a case were to be challenged, then they would undergo an internal dispute process and if that could not solve the issue then an independent advisor would be sought to make a decision. If the challenge was still being sustained after these steps, then a second stage would be initiated and would finally be submitted to the ombudsmen if the challenge persisted.

One member of the Board noted that officers had two years to make a decision, allowing a certain level of freedom and time to ensure that the correct decision is made.

There were no suggested recommendations for changes by members of the Board.

## **Resolved**

**The Board noted the contents of the policy.**

### **113 Proposed Business Plan - 2021/22**

Andy Cunningham, Head of Pension Administration and Relations, introduced the report providing an update on the Fund's Business Plan actions for 2020-21 with a proposal for new actions for 2021-22.

It was noted by officers that there were a number of actions which were partially completed and would therefore be carried forward to the next financial year. Additionally, certain high priority actions had been reclassified as although officers would still like them actioned, they could not justify them remaining on the high priority list. Officers highlighted key administrative strategic actions such as the continued rollout of i-Connect and E-Communication improvements.

One member of the Board noted that it seemed as if a lot of the low priority actions were being completed while the bulk of the high priority actions were still only partially complete. However, they acknowledged that they felt reassured that resources were being put in place to target these high priority areas. Officers emphasised that the high priority actions had not been completed purely because of the complexity of the issues and subsequent high level of resourcing that needed to be invested to be able to complete these tasks. It was also highlighted that some of these actions had never been encountered before and as such, officers did not have any experience or precedent to look back on to aid in the rectification of these issues.

One member of the Board sought further clarification on how officers determined what should be prioritised. Officers explained that within their teams they had groups of staff that covered different areas which involved specific skills and knowledge and as each member of staff was therefore not the same, it made completing certain tasks difficult. In addition, further complications arose, such as the conflicting exit cap legislation which led to more work and preparation and was ultimately abandoned as discussed under Agenda Item 8.

The Chairman noted that while he did not disagree with the list of priorities, he did disagree with the way in which they were presented and instead suggested that the actions across the entire Fund should be displayed in priority order and not by team, for clarity and understanding.

## **Resolved**

- 1) The Board noted the Fund's progress against the actions from 2020-21.**
- 2) The Board recommended that the planned actions were reordered by level of service priority.**

- 3) **The Board recommended that the Committee agreed these recommendations at their next meeting on 30 March 2021.**

114 **LPB Budget Monitoring for 2020-21 and Budget Setting for 2021-22**

Jennifer Devine, Head of Pension Fund Investments, introduced the report that provided an update on the Local Pension Board budget.

The Chairman began discussions by suggesting that the budget was left as proposed in the paper and recommended that, as the budget was relatively small in comparison to the rest of the Fund, the Board should move from monitoring the budget on a quarterly basis to monitoring it annually unless there were significant variances which would then be addressed on an exception basis. It was additionally suggested that, as the Fund purchases investment consultancy from MJ Hudson, they submit a report to the Board annually on the effectiveness of the Fund in order to receive a level of external assurance.

The current climate with regard to budget cuts across the Country's Councils was discussed and it was proposed that the Local Pension Board budget was reduced by £2,000 in consideration of these budgetary constraints.

**Resolved**

- 1) **The Board recommended that the draft Local Pension Board budget be reduced by £2,000.**
- 2) **The Board recommended to the Pension Fund Committee that the Local Pension Budget be included in the Fund's Administration budget for 2021-22.**
- 3) **The Board resolved to review the Local Pension Board budget annually. If significant variances occur, then the budget would be submitted to the Board for review on an exception basis.**

115 **Key Performance Indicators (KPIs)**

Andy Cunningham, Head of Pension Administration and Relations, introduced the report presenting the Fund's administration KPIs.

It was noted that officers were considering utilising an external agency company that could provide quick resourcing to aid with some of the backlog work. However, it was noted that these agreements were being delayed due to GDPR compliance complications.

**Resolved**

**The Board noted the current situation and the Fund's plans for improvement.**

116 **IHER Insurance Proposal**

Andy Cunningham, Head of Pension Administration and Relations, introduced the report which outlined the details of a new approach to providing/facilitating employers with insurance against ill-health retirement strain costs which was to apply from 1 April 2021.

The Chairman noted the benefits of the proposal in protecting particularly smaller employers. It was also highlighted that the proposal had already been approved by the Committee and as such, this report was for the Board's information only.

**Resolved**

**The Board noted the new arrangements that will shortly be in place to manage employer risk.**

117 **Board Insurance Update**

Richard Bullen, Fund Governance and Performance Manager, provided a verbal update on the Local Pension Board insurance cover.

It was noted that the Scheme Advisory Board (SAB) had met on 5 October 2020 in which they reviewed the 2015 legal guidance issued by the Local Government Association and made the decision to continue with it. However, it was additionally noted by officers that the SAB have proposed to include a couple of questions in their biannual survey to Local Pension Boards on their approach to insurance; the results of which could lead to further guidance.

**Resolved**

**The Board agreed to continue with the current arrangements until further advice was received.**

118 **Review of the Governance Compliance Statement and Investment Sub-Committee Terms of Reference**

Richard Bullen, Fund Governance and Performance Manager, introduced a brief report reviewing the updated Governance Compliance Statement and Investment Sub-Committee Terms of Reference.

A summary of the changes relating to the Pension Committee's and Local Pension Board's Terms of Reference were submitted to the Board at their meeting in August 2020 and it was highlighted that the changes to the submitted documents were a natural consequence of the changes to the other Terms of Reference to ensure that they were all synchronised.

Officers explained that the Governance Compliance Statement (GCS) had been changed to reflect the current situation of the WPF; namely, its relationship with the Investment Sub-Committee and the move into the Brunel pool. One member

of the Board compared these documents with those of Wiltshire Council's and stated that they felt that the GCS should reference the way that the Committee seeks assurance from external agencies in order to demonstrate how the Fund executes its responsibilities. Officers acknowledged this suggestion and made reference to the eight mandatory principles that the Fund must abide by. It was highlighted that two additional principles had been included to, again, reflect the current situation of the WPF and the changes made to the Fund's structure since 2015, however these were not legally required. Officers noted that they had sought legal advice from Wiltshire Council as to the content within the documents and confirmed that no objections had been raised.

Officers additionally clarified that the SAB were in the process of undertaking the Good Governance Review and as such, further guidance or amendments may need to be incorporated in the future depending on the outcome of the review.

### **Resolved**

- 1) The Board recommended to the Pension Committee that it approves the updated Governance Compliance Statement and Investment Sub-Committee Terms of Reference.**
- 2) The Board agreed that 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.**

### **119 tPR Governance and Administration Survey**

Richard Bullen, Fund Governance and Performance Manager, introduced a brief report outlining the findings and recommendations from the latest tPR (the Pensions Regulator) survey issued in 2019.

The Board enquired about the lateness of the submission of this survey to them, noting the officer's response that the publication had also been late. Based on the historic cycle of this report, it was noted that deadline for completing the survey was usually in February with the results being circulated in June in time for any Q3 meetings. Officers postulated that the lateness of release could be due to the size of the report and as a result of COVID-19 restrictions. Officers stated that they were satisfied with the positive compliance position as a whole.

### **Resolved**

**The Board noted the report.**

**The recommendations for implementation arising from the report in Paragraph 9 were recorded under Agenda Items 9 and 12.**



120 **Risk Register Update**

Richard Bullen, Fund Governance and Performance Manager, updated the Committee in relation to the changes made to the Fund's Risk Register.

The Chairman questioned why the new risk, PEN058, was only categorised as 'Green'. Officers clarified that this was due to the fact that it was classed as a horizon risk and whilst officers were aware of it, nothing had yet been implemented. However, it was confirmed that it would be kept under review as and when more information became available.

**Resolved**

**The Board noted the attached Risk Register and recommended the changes/actions made by officers in points 5-8 to the Committee.**

121 **Investment Strategy Statement Update**

Jennifer Devine, Head of Pension Fund Investments, introduced the report which outlined the process in place to update the Investment Strategy Statement (ISS).

The track changes to the ISS were briefly highlighted. It was noted that the ISS would be brought to the next ordinary meeting of the Committee on 30 March 2021. It was also highlighted that some members of the Committee had suggested that employers should be consulted on the changes which officers confirmed they were discussing.

**Resolved**

**The Board approved the progress regarding updating and obtaining approval for the ISS.**

122 **Overseas Pensioner Existence Update 2020-21**

Andy Cunningham, Head of Pension Administration and Relations, introduced the report updating the Board on the progress of the Fund's overseas pensioners life existence exercise.

It was confirmed that for UK based pensioners the Fund used tracing agents on a monthly basis to flag up cases in which officers had not been informed of a member's death, but it was noted that for overseas based pensioners this process was significantly more complicated due to the increased difficulties in accessing death records in other countries. As such, officers undertake an existence exercise for overseas pensioners where they request proof that the person is still alive. It was confirmed that benefits were stopped for 14 people as they had not responded to any of the requests sent by officers; this then prompted a few more to get in touch which left approximately 10 people who had not responded. Officers explained that they would next be using an

investigator at the tracing company to determine the status of these people, which would then inform any further actions.

Officers stated that it was their intention to repeat this exercise every two years at a minimum but highlighted the need to balance the advantages and disadvantages of doing so. In response to a question, it was confirmed that there was a recovery process in place for those cases that had potentially slipped through the net. However, officers noted that the process sometimes presented difficulties, particularly when determining where the money had gone and as such, there were some situations where officers were forced to write off the costs if it was not possible to recover them.

### **Resolved**

**The Board noted the progress so far and planned next steps and requested a further update at the next Board meeting of the outcome of the remaining non-responders.**

#### 123 **Urgent Items**

There were no urgent items.

#### 124 **Date of Next Meeting and Forward Plan**

The next ordinary meeting of the Local Pension Board would be held on 20 May 2021.

#### 125 **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 25 - 29 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.**

#### 126 **Minutes and Key Decisions of the Wiltshire Pension Fund Committee and Investment Sub-Committee**

Members took a comfort break from 12.40pm – 12.45pm.

The Part II (private) minutes from the last ordinary and extraordinary meetings of the Wiltshire Pension Fund Committee held on 17 December 2020 and 14

January 2021 respectively, and the last ordinary meeting of the Investment Sub-Committee held on 2 December 2020, were considered.

Following which, it was:

**Resolved**

**The Board noted the Part II (private) minutes from the last ordinary and extraordinary meetings of the Wiltshire Pension Fund Committee held on 17 December 2020 and 14 January 2021 respectively, and the last ordinary meeting of the Investment Sub-Committee held on 2 December 2020.**

127 **Pensioner Payroll Database Reconciliation**

Andy Cunningham, Head of Pension Administration and Relations, presented a report on the progress of the reconciliation project.

**Resolved**

- 1) The Board noted the current position and the planned next steps as outlined in the report.**
- 2) The Board requested that updates on the project be brought to all future meetings until the situation is resolved.**

128 **Brunel Pension Partnership Update**

Jennifer Devine, Head of Pension Fund Investments, updated the Board on the Brunel Pension Partnership governance arrangements.

**Resolved**

**The Board noted the progress made towards improving the governance arrangements at Brunel.**

129 **Key Financial Controls**

Jennifer Devine, Head of Pension Fund Investments, updated the Board on the Fund's key financial controls.

**Resolved**

**The Board noted the issues identified within the report, and the progress made to rectify problems and develop improvements.**

130 **Minutes**

The Part II (private) minutes of the previous meeting held on 15 October 2020 were considered, and it was:

**Resolved**

**The Board approved and signed the Part II (private) minutes of the previous meeting held on 15 October 2020 as a true and correct record.**

(Duration of meeting: 10.30 am - 1.30 pm)

The Officer who has produced these minutes is Ellen Ghey of Democratic Services, direct line 01225 718259, e-mail [ellen.ghey@wiltshire.gov.uk](mailto:ellen.ghey@wiltshire.gov.uk)

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**Wiltshire Pension Fund Board - Actions Log**

<b>Minute reference</b>	<b>Section</b>	<b>Meeting Action</b>	<b>Task owner</b>	<b>Target date for completion</b>	<b>Completed and reported to last meeting</b>
59 (11/10/18) (Was 13.3)	Governance (Fund Delegations and Controls)	To request the development of a formal record of Brunel, Committee and officer delegations in respect of; a) clarifying where different responsibilities should sit; b) the flow of communications between the various parties; and c) the level of decision making assigned to each party	AC	31/03/2021 (ASAP)	
35 (23/05/19)	Administration (Data Reconciliation)	A sub-plan had been prepared in respect of the Payroll & Pension database reconciliation. An update on the reconciliation would be provided in six months.	AC	14/11/19	18/02/2021 - Minute 127
83 (14/11/19)	Administration (Communications Strategy)	To track the take up of the digital communications so that adequate monitoring can take place and communication continued with those not using digital platforms	AC	15/10/20	18/02/2021 - Minute 104 (Remove as an action)
83 (14/11/19)	Administration (Communications Strategy)	Information on digitalisation should be made available on all platforms to avoid issues and meet compliance	AC	15/10/20	18/02/2021 - Minute 104 (Remove as an action)
12 (13/02/20)	Governance (LPB Budget)	To propose that the Local Pension Board monitor their budget on a quarterly basis. The Local Pension Board budget monitoring will form part of the quarterly budget report which is reviewed by the Wiltshire Pension Fund Committee	RV	16/07/20	18/02/2021 - Minute 104 (Remove as an action)
73 (06/08/20)	Governance (Cyber Security)	Fund officers to work with ICT to develop an annual report for submission to the Fund's Board & Committee	AC	31/08/21	
73 (06/08/20)	Governance (Cyber Security)	From 2021 the scope of the SWAP internal audit on GDPR is broadened to include internal controls relating to system access & request key security audits of ICT	RB	31/08/21	

86 (15/10/20)	Administration (Discretions Policy)	Approved amendments to the Administering Authority Discretions Policy and officers plans to undertake a further review either later in 2020 or early 2021	AC	18/02/21	18/02/2021 - Minute 111
88 (15/10/20)	Governance (Board Insurance)	The Board recommended to extend the insurance cover for one year and to seek written assurances from Wiltshire Council and to await the updated SAB advice before deciding to withdraw or extend the insurance policy. In the event that no assurance was obtained, a further review on the need for insurance would be undertaken	RB	18/02/21	18/02/2021 - Minute 117
89 (15/10/20)	Governance (SWAP Audit 2020/21)	An update on any outstanding recommendations would be brought forth to the Board in February 2021 to reassure members that action was being taken	AC	18/02/21	On agenda
90 (15/10/20)	Governance (SWAP Audit 2021/22)	In the event that Audit Committee did not sign off the qualified Annual Report & Accounts 2018/19 then the Pension's Committee should request a written report outlining a resolution from the Audit Committee. This also included the 2019-20 accounts.	RB	20/05/21	18/02/2021 - Minute 122
90 (15/10/20)	Governance (SWAP Audit 2021/22)	The Board recommended that Fund officers request sight of SWAP Internal audit reports from other key service areas subject to the adherence of Council protocols.	RB	19/08/21	
100 (15/10/20)	Governance (BPP Governance review)	Officers to update the Board of the outcomes of their BPP meeting	JD	18/02/21	18/02/2021 - Minute 128
104 (18/02/21)	Governance (Actions log)	In the event that the 2019-20 Annual Report and Accounts were not signed off by the Audit and Governance Committee at their next meeting on 28 April 2021, the Board should give the matter further consideration	MS	20/05/21	On agenda
110 (18/02/21)	Governance (Training)	To monitor members' training records and self-development progress on a no more than sixth-monthly basis	MS	11/11/21	
113 (18/02/21)	Governance (Business Plan)	To recommended that the planned Business Plan actions were reordered by level of service priority	AC	30/03/21	30/03/2021 Committee Minute - 251

114 (18/02/21)	Governance (Budget monitoring)	To recommended that the draft Local Pension Board budget be reduced by £2,000	AC	30/03/21	30/03/2021 Committee Minute - 252
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	17/02/22	
122 (18/02/21)	Governance (Overseas pensioner existence exercise)	A further update should be provided at the next Board meeting of the outcome of the remaining non-respondes	AC	20/05/21	On agenda
127 (18/02/21)	Governance (Payroll reconciliation)	Further updates on the project to be brought to all future meetings until the situation is resolved	AC	20/05/21	On agenda

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### Wiltshire Pension Fund Committee

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#### MINUTES OF THE WILTSHIRE PENSION FUND COMMITTEE MEETING HELD ON 30 MARCH 2021 AT ONLINE MEETING.

##### Present:

Tracy Adams, Cllr Pauline Church (Vice-Chairman), Cllr Tony Deane (Chairman), Cllr Robert Jandy, Cllr Gordon King, Chris Moore and Cllr Christopher Newbury

##### Also Present:

Andy Brown, Richard Bullen, Joshua Caughey, Andy Cunningham, Jennifer Devine, Anthony Fletcher, Kieran Harkin and Elizabeth Muir

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#### 241 Membership

It was noted that there was one impending change to the membership of the Wiltshire Pension Fund Committee. Chris Moore, a member of the Committee, had been appointed for a role within the Wiltshire Pension Fund's (WPF) Investments team and would therefore be stepping down as an Employer Representative before the next ordinary meeting of the Committee.

#### 242 Apologies

Apologies were received from:

- Cllr Steve Allsopp
- Cllr George Jeans
- Stuart Dark
- Mike Pankiewicz

#### 243 Minutes

The Part I (public) minutes of the previous ordinary meeting held on 17 December 2020 and extraordinary meeting held on 14 January 2021 were considered, and it was:

##### **Resolved**

**The Committee approved and signed the Part I (public) minutes of the previous ordinary meeting held on 17 December 2020 and extraordinary meeting held on 14 January 2021 as true and correct records.**

244 **Review of Actions Log**

The actions log for the Wiltshire Pension Fund Committee was considered, and it was:

**Resolved**

**The Committee noted the actions log.**

245 **Declarations of Interest**

There were no declarations of interest.

246 **Chairman's Announcements**

The Chairman raised the length of the Part II agenda pack and noted that the topic would be discussed further in later agenda items.

247 **Public Participation**

There were no statements or questions from the public or Councillors.

248 **Minutes and Key Decisions of the Local Pension Board and Investment Sub-Committee**

The Part I (public) minutes, and recommendations arising, from the last meetings of the Local Pension Board and Investment Sub-Committee held on 18 February 2021 and 25 February 2021 respectively were considered, and it was:

**Resolved**

**The Committee noted the Part I (public) minutes from the last meetings of the Local Pension Board and Investment Sub-Committee held on 18 February 2021 and 25 February 2021 respectively.**

249 **Training Update**

Richard Bullen, Fund Governance and Performance Manager, provided a verbal update outlining the training strategy for 2021-22.

It was noted that governance, legislation and investment issues would be three key areas of development. Officers confirmed that after the local May 2021 election, the training strategy would be updated to give a more comprehensive perspective taking the next four years into consideration. Members would be asked to assess themselves on a wider scale as to how and in which areas they would like to develop their knowledge and understanding. Officers stated that they would be circulating training records in due course and asked members to notify officers if their records needed to be updated.

The new Hymans-Robertson training tool was raised, and members were informed that officers were awaiting a release date and that this would be communicated to members when received.

Officers additionally noted the Committee and Board training session which took place on 10 March 2021. The session was organised to provide members with further insight and to aid in the discussions surrounding the Wiltshire Pension Fund's (WPF) approach towards tackling climate change related issues and risk.

The Chairman sought further clarification as to the induction process for any potential new members of the Committee post-election. Officers noted that they were in discussions with Democratic Services to finalise the details and noted that the new four year training strategy would be amended to reflect members' opinions as discussed above, and that this would be presented back to the Committee in the scheduled December 2021 meeting.

## 250 **Scheme, Legal, Regulatory and Fund Update**

Andy Cunningham, Head of Pension Administration and Relations, updated the Committee on the various Scheme, Legal, Regulatory and Fund developments.

Officers noted that since the last Committee meeting, the Treasury had unexpectedly decided to disapply the legislation around the exit cap payments, with the intention that it would therefore be legally revoked in the coming months. Exact details and reasonings were not publicised, but officers explained that the statement made reference to "unintended consequences" of the legislation. As such, all of the past issues concerning the contradictory legislative position were eliminated. It was noted that it was believed that the Government's intention was to introduce new legislation surrounding the topic, however timeframes for such a review had yet to be provided.

The Scheme Advisory Board's (SAB) Good Governance Review was briefly raised and officers noted that a number of recommendations were beginning to slowly move forward and would soon be turned into statutory guidance but again, SAB had not provided any further details of when this may happen.

It was highlighted that the Pensions Regulator (tPR) was in the process of consolidating their Code of Practices into one singular Code which would, to some extent, change the way that they view different pension Funds. Officers noted that a consultation was live, but they had not had the chance to review it ahead of the Committee meeting.

Officers reminded members of the resolution made in the December 2020 meeting of the Committee where the cessation policy was approved subject to consultation with employers and no material issues being raised as part of the consultation process. As such, it was confirmed that no concerns were raised, and officers would therefore be implementing the move from the previous outsourcing model to the new internal model from 1 April 2021.

The Chairman raised McCloud and sought further clarification as to why the risk continued to be red on the Risk Register and why there had been no further movement. Officers explained that the McCloud consultation had been circulated at the end of 2020 and it was now closed, with officers awaiting the final outcome, hence why the risk seemed static. It was highlighted that until further communication was released by the Government, officers were limited as to what they could implement in preparation. It was noted that existing resources were expected to be able to handle the forecasted workload but that officers were continuing to recruit additional staff as per the resolution made by the Committee in December 2020 approving an additional resource spending of £105,000.

### **Resolved**

**The Committee noted the report.**

### 251 **Proposed Business Plan - 2021-22**

Both Andy Cunningham, Head of Pension Administration and Relations, and Jennifer Devine, Head of Pension Fund Investments, presented the report that reviewed the progress of actions set for 2020-21 and proposed new actions for 2021-22.

Officers firstly confirmed that the Local Pension Board recommendation that officers reorder the Business Plan by priority had been implemented. It was highlighted that the vast majority of actions set for 2020-21 had been completed and that the 2021-22 actions were strategically similar to the previous year and were focussed on developing more streamlined processes and infrastructure to aid in the move towards a more digital way of working.

One member of the Committee referenced the appraisal enhancements noted in number 40 of the 2020-21 Business Plan and asked if members could have sight of the staff survey results and when the next planned survey was due to go live. Officers noted that the Pension Fund usually released their staff survey alongside any from Wiltshire Council and that they were unsure when this would be scheduled. Officers emphasised that the staff feedback raised no significant fallbacks and it was therefore being used to continue enhancing their processes and workplace to achieve an even better environment.

The Chairman asked how officers monitor the performance of the actions on the Business Plan. Officers responded by explaining that each action was assigned to a specific person and/or team which would then be discussed during their regular one-on-one and team reviews/meetings.

### **Resolved**

**The Committee approved the business plans actions set out in Appendix 2 of the report.**

## 252 **Budget - 2021-22**

Jennifer Devine, Head of Pension Fund Investments, introduced the report seeking approval for the Wiltshire Pension Fund 2021-22 budget.

It was highlighted that officers had updated the budget to include the pre-approved changes from last year such as the backlog agency recruitment drives and staffing changes. The main changes were noted as the increases to advisory fees, the commitment to sign up to the Stewardship Code and the increases/differences in the estimated cost of living. It was noted that the comparable budget had increased by 2.9%. Officers additionally highlighted that the Brunel Pension Partnership budget was included within the Part II agenda pack for transparency.

### **Resolved**

**The Committee approved the Pension Fund Administration, Investment and Governance budget for 2021-22 shown in the Appendix totalling £3.125m (0.1% of total Fund value).**

## 253 **Key Performance Indicators (KPIs)**

Andy Cunningham, Head of Pension Administration and Relations, introduced the report that summarised the Fund's performance against its KPIs for the period of 1 October 2020 to 31 December 2020.

Officers referred to the previous meeting on 17 December 2020 where it was noted that tPR had benchmarked annual benefit statements success rates. It was again confirmed that WPF were similar to the average score but that officers were confident for a higher result next year due to the continued onboarding onto i-Connect. Officers noted that they were yet to have sight of other Funds' performance for comparison with regard to the tPR Common and Conditional Data percentages, however they explained that WPF were in the top quartile in 2020 which was expected to follow into 2021.

i-Connect was discussed and it was noted that officers had not achieved their expected level of onboarding, however it was explained that the system provider had released a new tool which allowed officers to solve some of the complications that employers had encountered which had hindered the progress of the rollout (i.e: the need to obtain data for McCloud first).

The Chairman asked who set the disclosure requirements as per Appendix 1 of the report. Officers explained that the template used was one that CIPFA had created in line with various bits of legislation, therefore multiple other Funds should in theory follow the same template. The Vice-Chair sought further clarity as to what was meant by the "Legal Timeframe" as per the same Appendix. Officers explained that the legal timeframe was set at the same level as what was required by the legislation. It was further questioned if Appendix 1 showed any problems with refunds or deferments and if it helped officers to identify

where further resources could be needed. Officers clarified that the i-Connect rollout would help solve any of those issues with time.

### **Resolved**

**The Committee noted the current situation and the Fund's plans for further improvement.**

#### 254 **Administering Authority's Discretion Policy**

Andy Cunningham, Head of Pension Administration and Relations, introduced the report which was proposing amendments to the Funds regulatory discretions.

Officers noted that a full review of the policy had not been undertaken for approximately 5 years but noted that an employer had approached the Fund and requested a change to the policy which had been agreed upon and approved alongside three other amendments at the 24 September 2020 meeting of the Committee.

Members of the Committee sought further clarification as to the consequences of the changes to which officers explained that the amendments would improve the approach to handling certain discretions/scenarios which the current approach did not cover. In short, the amendments were allowing for more robust decision making. Members requested that further training be provided to aid in their understanding of the topic.

### **Resolved**

- 1) The Committee approved the proposed amendments to the Administering Authority Discretions Policy.**
- 2) The Committee requested that officers provide further training on Administering Authority Discretions at the next ordinary meeting of the Committee.**

#### 255 **Review of the Governance Compliance Statement and Investment Sub-Committee Terms of Reference**

Richard Bullen, Fund Governance and Performance Manager, introduced the report reviewing the updated Governance Compliance Statement and Investment Sub-Committee Terms of Reference.

Officers made reference to the Member Effectiveness Review conducted in 2018 and noted that the changes to the submitted documents were as a natural consequence to the approved changes to the Local Pension Board and Wiltshire Pension Fund Committee Terms of Reference made in 2020, thus ensuring that all of the documents were synchronised.

The eight mandatory principles that the Fund must abide by were raised and it was noted that two additional principles had been included to reflect the current situation of the WPF; namely, the introduction of the Local Pension Board, the Investment Sub-Committee and the move into the Brunel pool. Officers noted that they had sought legal advice from Wiltshire Council as to the content within the documents and confirmed that no objections had been raised.

Officers then highlighted the Local Pension Board recommendation that officers should change the Governance Compliance Statement to include external assurance in conjunction with any confirmed changes arising from the SAB's Good Governance Review. Members noted the recommendation, following which it was:

#### **Resolved**

**The Committee approved the updated Governance Compliance Statement and Investment Sub-Committee terms of reference.**

**The Committee noted that further changes will be made following completion of the Scheme Advisory Board's Good Governance Review and will include the Board's external assurance recommendation.**

#### 256 **Pension Fund Risk Register**

Richard Bullen, Fund Governance and Performance Manager, updated the Committee in relation to the changes made to the Fund's Risk Register.

Officers noted the Local Pension Board's queries concerning PEN058 and why it was categorised as 'Green'. As they clarified during the previous Board meeting in February 2021, officers explained that this was due to the fact that it was classed as a horizon risk and whilst officers were aware of it, nothing had yet been implemented. Officers again confirmed that it would be kept under review as and when more information became available.

#### **Resolved**

**The Committee approved the attached Risk Register and accepted the recommendations for changes/actions made and submitted by the Board in points 5 to 8.**

#### 257 **Investment Strategy Statement**

Jennifer Devine, Head of Pension Fund Investments, introduced the report which explained the process in place to update the Investment Strategy Statement (ISS) for consideration and approval.

Officers explained that the report was a minor update to the 2020 version following on from a full assessment of climate change risk. It was confirmed that after suggestions by Committee members to consult on the changes with

employers ahead of the meeting, officers had received 6 responses to the consultation with an analysis of those responses attached to the agenda pack. Elizabeth Muir, a Wiltshire Council Solicitor and the designated contact for the WPF, was introduced, her role was explained, and reference was made to her memo that was attached to the agenda pack.

Cllr Christopher Newbury referred to their concerns over the fiduciary duty of the Fund when considering the direction of travel towards a more sustainable asset allocation. They described their apprehensions with regard to approving the revised ISS; namely, limiting the range of investment options open to the Fund by only considering those that were ESG focussed and the lack of detail surrounding how the Fund could achieve a net-zero target and what this meant. Cllr Newbury further noted the consultation that had been conducted with employers and questioned if the consultation was lawful in consideration of the low number of responses received. Officers and advisors clarified that there was no obligation to consult, but that it was regarded as best practice, and had been done for two reasons: openness and transparency, and to help provide a full picture to assist Committee members in their decision making on the amended ISS. Officers clarified that the difficulty in defining a precise practical meaning with regard to the net-zero target was explained by Mercer when their climate change modelling was presented to members. Officers reiterated that although the path would become clearer as progress was made, this should not prevent the Fund committing to the target of net-zero by 2050. Reference was made to the Paris Agreement and the UK Government goals and the member sought further clarification as to how the WPF goal of net-zero by 2050 was in line with those bodies/agreements. Officers explained that a net-zero target for pension funds specifically was not set out as a requirement by the Paris Agreement or by the UK Government, but that a target of net-zero by 2050 was consistent with the general targets set out by both. Officers highlighted how other Funds/companies making these types of commitments were becoming even more common, and that a majority of other Funds within the Brunel pool had made or were imminently seeking to make such commitments.

Elizabeth Muir then answered the questions that the member of the Committee had sent via email to officers ahead of the meeting. Reference was made to the memo that was attached to the agenda pack, particularly in respect of the section under 'Fiduciary Duties'. It was reiterated that the commitments and targets being discussed were commonplace within the industry. Anthony Fletcher, MJ Hudson, noted that that the UK Government were moving towards this direction and therefore the WPF were aligning themselves with the general legislations of the Country and more broadly with many other Countries across the world. He stated that members need not worry with regard to professional indemnity as in the event of a challenge, members need only to demonstrate that they acted in a reasonable way based on the information that was available at the time. He referred to a statement that his colleague, Peter Scales, had provided which noted that he found nothing that suggested that the WPF were not being compliant, applauded the memo and stated that he did not feel that anything Fund officers were doing could be held up for reproach. Cllr Newbury further stressed that they felt that the internal legal staff did not have the necessary expertise to answer the questions posed, and that a specialist legal



advisor should be sought for advice on the subject. He further asked that Elizabeth Muir investigate the lawfulness of the consultation that had been conducted. Officers emphasised that advice had been sought from well-respected organisations such as Mercer and Hymans-Robertson, whose research and advice reinforced the other's and clearly outlined the need to move towards this direction and how by not doing so, the Fund would be materially disadvantaged.

On the point of diversification, it was explained that in practice, the amended ISS would lead the Fund to invest in a way that would increase diversification rather than reduce it. Examples given were the sustainable equities portfolio which was currently under consideration and would add exposure to small-cap quote equities, and the increasing opportunity set within private markets to invest at an early stage in the development of renewable assets and electric vehicle charging infrastructure. It was further reiterated that the Fund did not currently have a policy of excluding fossil fuel companies, but favoured a policy of engagement, and through this means could influence companies to prepare for a transition to a low-carbon economy. It was highlighted that companies will have to reduce their emissions, and that the Fund would benefit from investing in those companies who were best positioned to do this.

Other members of the Committee then gave their opinions and acknowledged the amount of work undertaken by officers. Reference was made to the Wiltshire Council net-zero target of 2030, and the consultation responses which requested that the target date be moved forward to 2030, and members were asked if they would like to amend the current 2050 target to be in line with these. Members noted that 2050 seemed a more realistic target as a commitment to 2030 would require significant changes to the asset allocation which officers and advisors cautioned may not be in the Fund's best interest.

Members then voted upon each recommendation separately, following which it was:

### **Resolved**

- 1) The Committee approved the revised ISS.**
- 2) The Committee approved that Wiltshire signs up to the IIGCC framework, to support the net-zero by 2050 target.**
- 3) The Committee approved that the new investment belief in the ISS, and the action of signing up to the IIGCC framework, are communicated to the wider public via a press release.**

*Councillor Christopher Newbury requested that his vote against Resolution 1 be recorded.*

## 258 **Responsible Investment Update**

Jennifer Devine, Head of Pension Fund Investments, presented a report updating members on responsible investment issues.

Officers highlighted the UNISON Share Action Report that was included in the agenda pack and the recent scheme membership survey that went live for three weeks immediately following the 25 February 2021 Investment Sub-Committee meeting. Officers were pleased with the level of engagement and informed members that 2,251 responses had been received. The results, as per Appendix 3 of the report, were then detailed and explained by officers.

The Chairman questioned how the Fund could improve the reach of their engagement with scheme members, to which officers explained that they were limited to some regard, as they predominantly used the Wiltshire Council Communications team and systems. Additionally, any communications circulated to scheme members employed by Wiltshire Council, were embedded within a constant influx of other important information and therefore could be glossed over. However, officers noted that there were a number of different communication methods utilised such as contacting members who had signed up to the 'My Wiltshire Pension' online portal directly via email. Officers further explained that they were considering updating the annual report to make the information more accessible and educational for scheme members. Anthony Fletcher, MJ Hudson, commended officers on the survey and questioned if the results could be reframed to show the proportion of different demographics within the scheme, as the results showed a low response rate for 25-34 year olds, but this could be due to the fact that there was a smaller proportion of scheme members in that demographic. The Vice-Chair suggested engaging with marketers outside of the internal Wiltshire Council teams to consider different communication strategies.

With regard to publishing voting records via the Fund's website, officers explained that this had been included in the ISS and would allow any freedom of information requests to be referred to a specific webpage, alike to Brunel. Anthony Fletcher again commended the idea and noted that it was best practice to do so.

### **Resolved**

- 1) The Committee noted the report and the progress that is being made towards implementing responsible investment related issues.**
- 2) The Committee noted the engagement work carried out, specifically the consultation on the ISS and the scheme membership survey, and endorsed the approach taken.**
- 3) The Committee endorsed the approach to publishing voting records via the Fund's website.**

259 **Look Forward Plan Review**

Richard Bullen, Fund Governance and Performance Manager, presented the Look Forward Plan for the remainder of 2020-21 and noted that a new plan for the new scheme year based on the back of the Business Plan for 2021 – 2022 would be brought forward to the next meeting of the Committee.

One member of the Committee requested that officers slightly amend the format of the plan by including the headings for every column on each page for ease of reference, to which officers agreed.

**Resolved**

**The Committee noted the plan for the remainder of 2020-21.**

**Officers agreed to amend the layout of the document by including headings for all columns on each page.**

260 **Date of Next Meeting**

The next ordinary meeting of the Wiltshire Pension Fund Committee would be held on 24 June 2021.

261 **Urgent Items**

There were no urgent items.

262 **Exclusion of the Public**

The Committee 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 23 – 32 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 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.**

263 **Minutes**

The Part II (private) minutes of the previous ordinary meeting held on 17 December 2020 and extraordinary meeting held on 14 January 2021 were considered, and it was:

**Resolved**

**The Committee approved and signed the Part II (private) minutes of the previous ordinary meeting held on 17 December 2020 and extraordinary meeting held on 14 January 2021 as true and correct records.**

264 **Pensioner Payroll Database Reconciliation**

Andy Cunningham, Head of Pension Administration and Relations, presented a report on the progress of the reconciliation project.

**Resolved**

- 1) The Committee approved all the recommendations in the report, concerning the approach to the issues identified.**
- 2) The Committee agreed that officers start undertaking Stage 4 (rectification) for individual members, once Stage 3 (and 2) have been completed.**
- 3) The Committee requested that updates on the project be brought to all future meetings until the situation is resolved.**

265 **Key Financial Controls**

Jennifer Devine, Head of Pension Fund Investments, introduced the report which outlined the operational accounting arrangements being undertaken by officers.

**Resolved**

**The Committee noted the issues identified within the report, and the progress made to rectify problems and develop improvements.**

266 **Brunel Pension Partnership Update**

Jennifer Devine, Head of Pension Fund Investments, updated the Committee on the Brunel Pension Partnership governance arrangements.

**Resolved**

**The Committee noted the progress made towards improving the governance arrangements at Brunel.**

267 **Brunel Pension Partnership Business Plan and Budget Update**

Jennifer Devine, Head of Pension Fund Investments, provided an update on the Brunel Pension Partnership Business Plan and Budget.

**Resolved**

**The Committee noted the report and the position regarding the Brunel budget and business plan, and the monitoring work which is being carried out.**

**268 Minutes of the Brunel Oversight Board**

The minutes of the previous meeting of the Brunel Oversight Board (BOB) were considered.

**Resolved**

**The Committee noted the minutes of the previous meeting of the Brunel Oversight Board.**

**269 Minutes and Key Decisions of the Local Pension Board and Investment Sub-Committee**

The Part II (private) minutes, and recommendations arising, from the last meetings of the Local Pension Board and Investment Sub-Committee held on 18 February 2021 and 25 February 2021 respectively were considered, and it was:

**Resolved**

**The Committee noted the Part II (private) minutes from the last meetings of the Local Pension Board and Investment Sub-Committee held on 18 February 2021 and 25 February 2021 respectively.**

**270 Investment Quarterly Progress Report and Sustainable Equities Report**

Jennifer Devine, Head of Pension Fund Investments, introduced a report in relation to the Fund's investment performance to 31 December 2020, and a report providing members with information regarding Brunel's Sustainable Equities portfolio.

**Resolved**

- 1) The Committee noted the investment reports and the update provided by officers and advisors at the meeting.**
- 2) The Committee noted the report and the invitation for a representative from Brunel to present on the Sustainable Equities portfolio at the Investment Sub-Committee meeting on 10 June 2021.**
- 3) Officers agreed to consider different options for the way in which agenda packs are collated and circulated.**

271 **Gilts and Strategic Asset Allocation Ranges**

Jennifer Devine, Head of Pension Fund Investments, introduced the report providing members with information to enable consideration of the allocation to gilts and a minor review of the strategic ranges.

**Resolved**

- 1) The Committee endorsed the decision not to rebalance the portfolio again in February 2021.**
- 2) The Committee approved the new strategic ranges for equities and gilts.**
- 3) The Committee noted the conclusions from Mercer's paper.**
- 4) The Committee noted that when the gilts portfolio transitions to the Brunel pool, the portfolio will be in line with Mercer's recommendations.**

272 **The Future**

The Chairman, Cllr Tony Deane, spoke to the future of the Wiltshire Pension Fund Committee.

**Resolved**

**The Committee endorsed the Treasurer of the Fund to review the management structure of the Wiltshire Pension Fund and to bring back a range of options to the next ordinary meeting of the Committee.**

(Duration of meeting: 10.00 am - 2.00 pm)

The Officer who has produced these minutes is Ellen Ghey of Democratic Services, direct line 01225 718259, e-mail [ellen.ghey@wiltshire.gov.uk](mailto:ellen.ghey@wiltshire.gov.uk)

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## Investment Sub-Committee

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### MINUTES OF THE INVESTMENT SUB-COMMITTEE MEETING HELD ON 25 FEBRUARY 2021 AT ONLINE MEETING.

#### **Present:**

Cllr Pauline Church (Vice-Chairman), Cllr Tony Deane (Chairman), Cllr Brian Ford (Substitute) and Cllr Gordon King

#### **Also Present:**

Courtney Bensen, Matt Betts, Sarah Brewer, Marlene Corbey, Chris Crozier, Joshua Caughey, Jennifer Devine, Anthony Fletcher, Kieran Harkin, Shruti Moraes and Susan Tompkins

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#### 64 **Membership**

There were no impending changes to the membership of the Sub-Committee.

#### 65 **Apologies**

Apologies were received from:

- Cllr Robert Jandy

Cllr Jandy was substituted by Cllr Brian Ford.

#### 66 **Minutes**

The Part I (public) minutes of the previous meeting held on 2 December 2020 were considered, and it was:

#### **Resolved**

**The Sub-Committee approved and signed the Part I (public) minutes of the previous meeting held on 2 December 2020 as a true and correct record.**

#### 67 **Declarations of Interest**

There were no declarations of interest.

#### 68 **Chairman's Announcements**

There were no Chairman's announcements.

69 **Public Participation and Councillor Questions**

There were no statements or questions from the public or Councillors.

70 **Investment Strategy Statement Review**

Jennifer Devine, Head of Pension Fund Investments, introduced the report which outlined the process in place to update the Investment Strategy Statement (ISS).

The track changes to the ISS were briefly highlighted. Officers noted that all Committee and Board members had been invited to an additional training session outside of the ordinary meeting structure on the afternoon of 10 March 2021. This session would provide members with further insight and would aid in the discussions surrounding the Wiltshire Pension Fund's (WPF) approach towards tackling climate change related issues and risk.

Officers clarified that the ISS would be brought to the next ordinary meeting of the Committee on 30 March 2021 for approval. It was also highlighted that some members of the Committee had suggested that employers should be consulted on the changes which officers confirmed could be done in advance of the Committee meeting and would take the form of providing the draft ISS, and asking employers to respond to a brief four question survey.

In response to a question, officers confirmed that the only changes to the ISS were related to the climate change modelling, however it was noted that these may lead to further changes in the future.

**Resolved**

**The Sub-Committee recommended to the Pension Fund Committee that:**

- a) The revised ISS be approved;**
- b) The membership engagement plan be added to the ISS.**

71 **Responsible Investment Quarterly Update**

Jennifer Devine, Head of Pension Fund Investments, presented a report updating members on responsible investment issues.

The extraordinary meeting of the Committee on 14 January 2021 was raised and it was explained that during the meeting, members were encouraged to email in their opinions on the matters raised to Jennifer Devine. Officers explained that the feedback received was summarised in the report alongside how officers were intending on taking the feedback forward, with impact investing given as an example. Recommendation 2 was highlighted, and it was noted that Committee member Mike Pankiewicz, had attended a conference in which he had heard Karen Shackleton speak and had raised the possibility that she be invited to present to members.



It was highlighted that Unison had published a new report on responsible investment in the LGPS, comparing the 10 Funds in the Brunel Pension Partnership. Officers noted that the data used was not current and as such the WPF's score was not as high as it could have been, however it showed the progress made to date and highlighted further areas of improvement.

Officers additionally noted that The Department of Work and Pensions consultation was live. It was clarified that it did not apply to the WPF, but it would be looking at how pension schemes handle climate change risk. A very similar MHCLG consultation, which was expected to apply to the LGPS, was expected shortly. Officers confirmed that if the changes being consulted on came into law, then the WPF were in a good place as they were already implementing a lot of the recommendations, such as climate change modelling.

Officers then raised the topic of scheme membership engagement and explained that the report sets out a plan and ideas with regard to broadening the Fund's approach, such as the circulation of a survey to gain a further understanding of members' views.

In response to a question, Anthony Fletcher, MJ Hudson, explained that Karen Shackleton was previously an asset manager who moved into working as an independent advisor for different London Fund's and County LGPS schemes. It was clarified that she was interested in impact investing, sustainability and ESG issues and therefore set up a forum with other likeminded people to discuss these issues and to inform people as to what they consider to be best practice and what they have seen other schemes put in place.

## **Resolved**

- 1) The Sub-Committee noted the report and the progress that is being made towards implementing responsible investment related issues.**
- 2) The Sub-Committee instructed officers to approach Karen Shackleton to arrange for further training on impact investing.**
- 3) The Sub-Committee endorsed the proposed approach to membership engagement and instructed officers to include this within the amended draft ISS.**
- 4) The Sub-Committee endorsed the proposed approach to publishing voting records.**

## 72 **Date of Next Meeting**

The next ordinary meeting of the Investment Sub-Committee would be held on 10 June 2021.

73 **Urgent Items**

There were no urgent items.

74 **Exclusion of the Public**

The Sub-Committee 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 12 - 16 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.**

75 **Presentation from Partners Group**

Sarah Brewer and Courtney Bensen delivered a presentation on Partners Group's Infrastructure portfolio.

76 **Presentation from Brunel**

Chris Crozier and Matt Betts delivered a presentation on Brunel's Global High Alpha portfolio.

77 **Investment Quarterly Progress Report**

Jennifer Devine, Head of Pension Fund Investments, introduced a report in relation to the Fund's investment performance to 31 December 2020.

**Resolved**

- 1) The Sub-Committee noted the investments report and the update provided by officers and advisers at the meeting.**
- 2) The Sub-Committee resolved to delay rebalancing the index linked gilts and global high alpha portfolios until further advice from officers and advisers had been received on the possibility of widening both portfolios ranges.**

78 **Sustainable Equities**

Jennifer Devine, Head of Pension Fund Investments, introduced the report providing members with information regarding Brunel's Sustainable Equities portfolio.

**Resolved**

**The Sub-Committee noted the report and resolved to invite a representative from Brunel to present on the Sustainable Equities portfolio at the ISC meeting on 10 June 2021.**

79 **Minutes**

The Part II (private) minutes of the previous meeting held on 2 December 2020 were considered, and it was:

**Resolved**

**The Sub-Committee approved and signed the Part II (private) minutes of the previous meeting held on 2 December 2020 as a true and correct record.**

(Duration of meeting: 10.00 am - 12.55 pm)

The Officer who has produced these minutes is Ellen Ghey of Democratic Services, direct line 01225 718259, e-mail [ellen.ghey@wiltshire.gov.uk](mailto:ellen.ghey@wiltshire.gov.uk)

Press enquiries to Communications, direct line (01225) 713114/713115

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## Scheme, legal, regulatory and Fund update

Organisation	Subject	Link	Status	Comments	Risk Ref
HM Treasury	Reforms to public sector exit payments.		Updated	After revoking the Restrictions on Public Sector Exit Payment Regulations, we are yet to hear what replacement regulations will be implemented or when this may apply. This is likely to be at least a few months away.	PEN021
MHCLG	Fair Deal Consultation	<a href="https://www.gov.uk/government/consultations/local-government-pension-scheme-fair-deal-strengthening-pension-protection">https://www.gov.uk/government/consultations/local-government-pension-scheme-fair-deal-strengthening-pension-protection</a>	No change since the last meeting	No movement for some time on this.  Officers have responded to the consultation but have yet to hear anything further from MHCLG. The next step is likely to be either another consultation or the introduction of legislation. Due to the Parliamentary backlog, further progress may not be seen until 2021.	PEN040
	<i>Changes to the Local Valuation Cycle and the Management of Employer risk Consultation</i>	<a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/800321/LGPS_valuation_cycle_reform_consultation.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/800321/LGPS_valuation_cycle_reform_consultation.pdf</a>	No change since the last meeting	<b>Scope:</b> 1). Amendments to the local fund valuations from the current three-year (triennial) to a four-year (quadrennial) cycle. 2). A number of measures aimed at mitigating the risks of moving from triennial to quadrennial cycles. <b>3). Proposals for flexibility on exit payments.</b> <b>4). Proposals for further policy changes to exit credits</b> 5). Proposals for policy changes to employers required to offer LGPS Membership (allowing further education, sixth form colleges to close entry to new employees)  <b>Reform progress:</b> The Government has introduced legislation in relation to items 3 and 4. The changes resulting from item 4 are already embedded in the Fund's cessation policy and the changes from item 3 were covered in a paper revising the Fund's cessation policy in the December 2020 committee pack.	PEN044
	Consultation: Taking action on climate risk	<a href="https://www.gov.uk/government/consultations/taking-action-on-climate-risk-improving-">https://www.gov.uk/government/consultations/taking-action-on-climate-risk-improving-</a>	New	MHCLG are shortly expected to release draft regulations and statutory guidance for consultation on how schemes will need to take action on climate risk. The DWP have already issued a consultation for occupational pension schemes – this is the link provided – and the MHCLG consultation will apply to the LGPS and is expected to be virtually identical.	PEN041

Organisation	Subject	Link	Status	Comments	Risk Ref
		<a href="#">governance-and-reporting-by-occupational-pension-schemes-response-and-consultation-on-regulations</a>		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.	
<b>The Department of Work and Pensions (DWP)</b>	Pension dashboard project	<a href="https://pensionsdashboardproject.uk/industry/about-the-pensions-dashboard-project/">https://pensionsdashboardproject.uk/industry/about-the-pensions-dashboard-project/</a>	No change since the last meeting	Discussions are still going on at a national level. Recent discussion suggests an implementation timeframe of mid 2020s	PEN038
<b>Financial Reporting Council</b>	Proposed revision to the UK Stewardship Code	<a href="https://www.frc.org.uk/investors/uk-stewardship-code">https://www.frc.org.uk/investors/uk-stewardship-code</a>	No change since the last meeting	<p>The Financial Reporting Council (FRC) published the revised Stewardship Code on <b>24<sup>th</sup> October 2019</b> which sets substantially higher expectations for investor stewardship policy and practice.</p> <p>Officers will now review Fund compliance to the new code and begin drafting a new Statement of Compliance for review by the FRC, but 31 March 2021.</p>	None
<b>Scheme Advisory Board (SAB)</b>	Academies' review	<a href="http://www.lgpsboard.org/index.php/structure-reform/review-of-academies">http://www.lgpsboard.org/index.php/structure-reform/review-of-academies</a>	No change since the last meeting	<p>SAB commissioned PwC to produce a report on "Options for Academies in the LGPS" and the report was published in May 2017. The report identified and highlighted problems/issues experienced by stakeholders. No recommendations were made in the report, although the potential benefits of new approaches to the management of academies within the LGPS were highlighted. The proposals were wide ranging from minor alterations to academies being grouped together in a single LGPS Fund.</p> <p>SAB's work is still on-going and Bob Holloway from the LGA previously stated that a wide range of options in both work streams are still be considered. For example, changing the administration arrangements or putting academies into their own Fund etc. However, a consultation will be released on any changes proposed before they are put into force.</p>	None

Organisation	Subject	Link	Status	Comments	Risk Ref
	Cost cap mechanism & McCloud case		No change since the last meeting	The McCloud consultation has now closed and officers await to see the final outcome. As part of the i-Connect, officers continue to update part-time hours histories for active staff. For other categories, there is little work officers can do until the final remedy is released and the administration software is updated.	PEN042
	Goodwin Case		Updated	With some similarities to McCloud, another discrimination case affecting public service schemes including the LGPS, this time 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.  Although the funding costs will be small, this will be a further administration and communication burden to address.  Little information has so far 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 MHCLG will undertake a similar process for the LGPS in due course.	PEN056
	Tier 3 employers review	<a href="http://www.lgpsboard.org/index.php/board-publications/invitation-to-bid">http://www.lgpsboard.org/index.php/board-publications/invitation-to-bid</a>	No change since the last meeting	Covers those Fund employers with no tax raising powers or guarantee (excludes academies). SAB is keen to identify the issues and risks related to these employers' participation in the LGPS and to see if any improvements/changes can be made. There are currently two concurrent phases of work involved – collating data and identification of issues. SAB will then assess the risks to Funds and consider next steps. In 2019, Aon Hewitt produced a detailed report which is available on the SAB website which outlines its findings on the identification of issues but the report doesn't make any specific recommendations. SAB is yet to advise what actions it will take following receipt of the report.	None

Organisation	Subject	Link	Status	Comments	Risk Ref
	Good Governance Project (formerly known as the Separation Project)	<a href="http://www.lgpsboard.org/images/PDF/BoardFeb18/PaperBItem50218.pdf">http://www.lgpsboard.org/images/PDF/BoardFeb18/PaperBItem50218.pdf</a>	No change	<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>The timeframes are still unclear.</p>	None
	Guidance Project	<a href="http://www.lgpsboard.org/images/PDF/BoardFeb18/PaperBItem50218.pdf">http://www.lgpsboard.org/images/PDF/BoardFeb18/PaperBItem50218.pdf</a>	No change since the last meeting	<p>The Guidance project will identify regulations which may be better placed within statutory guidance and to both propose the necessary amendments and assist HMCLG with the drafting of guidance.</p> <p>This project is at an early stage and no further information is available at this time.</p>	PEN039
	Data Project	<a href="http://www.lgpsboard.org/images/PDF/BoardFeb18/PaperBItem50218.pdf">http://www.lgpsboard.org/images/PDF/BoardFeb18/PaperBItem50218.pdf</a>	No change since the last meeting	<p>The SAB describes this project as: The Data project will aim to assist administering authorities in meeting the Pension Regulators requirements for monitoring and improving data and include the identification of scheme specific conditional data and the production of guidance for authorities and employers.</p> <p>No further information is currently available from the SAB. However, the SAB did consult on a common set of data points for the part of the project relating to scheme specific conditional data over the last couple of months before deciding to postpone implementation until 2019, in time for the 2019 tPR Scheme Return.</p>	None
The Pension Regulator (tPR)	Single code of practice		New	<p>tPR have released a consultation concerning its intention to produce a single code of practice covering all pension schemes (rather than over 15 at the moment).</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>	None



## Fund updates

Area	Description	Business Plan reference/Risk Register (if applicable)
<p>COVID-19 update and return to work</p>	<p>(Updated)</p> <p>a). Some employers have continued to be operationally affected by the pandemic, which has caused some delays to making progress with McCloud and i-Connect onboarding although due to further software updates to Altair, some of those barriers have been removed.</p> <p>b). Funding levels have remained higher than pre-crisis after initial sharp dips around a year ago.</p> <p>c). The Council is currently piloting a return to work proposal which will includes an intention to have a 1:6 desk to staff ratio with the intention of sustained home working and occasional office attendance. This will be facilitated by improved technology to allow 'hybrid meetings' to take place (i.e. some people in a Council meeting room and others accessing remotely) – this could include future Local Pension Boards and Committee meetings. The additional space would then be commercial available to organisations closely linked to the Council, such as partner companies. Fund officers are currently working with Council officers to consider how Fund officers would be best suited to the new arrangements.</p> <p>d). A recent report from Club Vita (a company which monitors death trends on our behalf) states that they noted a 10% increase in deaths in 2020 but as only a small number of deaths are predicted each year, this will only have had a modest impact on future cashflows. In the longer term, there could be other indirect impacts on funding levels such as deaths caused by disruption to non-Covid 10 medical care, global recessions and potential for future health care improvements (in response) or persistent mutations and healthcare decline etc. The best case scenario (for members/society) of the indirect impacts that was modelled would lead to around a 2.1% increase in liabilities while the worst case would be reduction of around 5% (Note: the best/worse case scenario for pension finances is broadly the opposite)</p>	<p>N/A on Business Plan</p> <p>Risk PEN052</p>

<p>Employer ill-health insurance, Employer Cessation Policy consultations and New website</p>	<p>(New) Officers consulted with employers on new ill-health insurance strategy and employer cessation policy and no material responses were received and therefore:</p> <ul style="list-style-type: none"> <li>• The new employer ill-health insurance strategy will go live from 1 April 2021</li> <li>• The cessation policy is already live.</li> </ul> <p>The Fund also went live with a <b>new website</b> at the beginning of March which is part of our digital programme as it allows more self-serve facilities for members, online forms and more detailed information. The intention is to reduce the number of emails and phone calls and allow a more interactive approach to gaining information.</p>	
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Scheme Advisory Board & its relationship with the Local Pension Board  
May 2021



# Creation of the SAB, why & how

- **National governance concerns** – These grew concerning the LGPS as it became more complex & the knowledge & understanding requirements increased;
- **Scheme Advisory Board (SAB) set up** – Set up in 'Shadow' form in 2013 in order to test its format, terms of reference & structure prior to it being formalised in the LGPS Regulations;
- **SAB established** – On 1st April 2015 as a statutory body under Section 7 of the Public Services Pensions Act 2013 and regulation 110 of the Local Government Pension Scheme Regulations 2013 (as amended); &
- **Local Pension Boards (LPB) established** – At the same time under Section 5 of the Act and regulation 106 of the Regulations.

# Primary functions & purpose

- **Advice to the Secretary of State** – On the desirability of making changes to the Scheme;
- **Advice to Administering Authorities (Scheme Managers) and LPBs** – In relation to the effective and efficient administration and management of the Scheme;
- **Setting its own procedures** – Including voting rights, the establishment of sub-committees & the formation of joint committees, subject to the regulations; &
- **Executing its powers** – To do with anything in connection with the discharge of its functions

# Additional function(s)

- **Assess the cost of the LGPS** – Request the Scheme Actuary detail the overall cost and the proportions of those costs between Scheme employers and members & ensure that it remains within the overall target cost for the Scheme.
- **Target cost of the LGPS** – 19.5% of the pensionable earnings of members of the Scheme, split on target proportion of one-third member, two-thirds employer basis;
- **Actuarial assumptions** – To determine the methodology and assumptions under regulation 114(4) on which the overall cost of the Scheme is calculated;
- **Recommend to the Secretary of State** – Prepare a report stating any steps required to bring the proportion of overall costs met by employers and members back into the target proportion;
- **Cost deviation** – If the cost is above or below the target overall cost by 2% or more of pensionable earnings of members
- **Employer cost cap** – Have regard to the cost cap restrictions & not make any recommendation to the Secretary of State which breaches the cap;
- **Publish a cost assessment report** – Within 23 months of the assessment, set out the basis, results & recommendations which have been made to the Secretary of State;

# SAB's structure & ToR

- **Membership** – The Board is made up of a Chairman & between 2 and 12 members appointed by the Secretary of State;
- **Representation** - There must be equal representation of interests of employers & members;
- **Conflicts of Interest** – The Secretary of State must be satisfied that no Board member possess a conflict of interest on appointment & that this is periodically verified thereafter.
- **Chair appointments** – The Chair, with the agreement of the Board in all cases, may appoint a maximum of 3 non-voting advisory persons to the Board. In addition, the Chair may appoint non-Board members to sub-committees of the Board;
- **Terms of Reference** – Covers the functions, membership & operational arrangements;
- **SAB's Funding** – The costs of running the Board are approved by the Secretary of State & covered by each Administering Authority, on a proportionate basis as determined by its membership.



# Guidance, Consultations & Surveys

## Governance

- **Guidance to Local Pension Boards** – terms of reference templates & ad-hoc guidance;
- **Publication of its own process** – Meeting, minutes & membership;
- **Reporting Framework** – Scheme Annual Reports, Triennial Valuation Reports & an LGPS Annual Report & Accounts;
- **Govt. Consultations & legal opinion** – Responding on behalf of the LGPS or acquiring generic legal guidance
- **Board surveys** – Requesting feedback of its LPBs.

## Administration guidance

- **Cost Management** – including the Employer cost cap;
- **Benefit structure** – McCloud, Public Sector Exit Cap & GMP; &
- **Non-benefit structure** – Review of Academies, Tier 3 Employers & the impact of Covid-19.

## Investment guidance

- **Investment pooling** – Oversight of the 8 pooling arrangements;
- **Responsible Investment** – Advisory Group to co-ordinate the RI project; &
- **MiFID II** – LGPS wide.

# SAB's relationship with the LPBs

To provide such information to enable;

- **Publish mandatory information** – Scheme Manager's to publish who the Local Pension Boards are, their representation & the matters falling within the Board's responsibility, which must be kept up to date;
- **Annual Report** – The Board's responsibilities summarised in its Annual Report;
- **Good Governance Review** – Due to be published in 2021?;
- **LPB self-assessment** – Your performance against your own aims & objectives.

# SAB's other key relationships

## **Ministry of Housing, Communities & Local Government (MHCLG)**

- Responsible for making regulations that govern the Scheme rules. Guidance & the execution & of the rules which are overseen by SAB;

## **Local Government Association**

- Constitutes a Committee of Councillors known as the Local Government Pensions Committee (LGPC). The nominated membership represents the political balance of administering authorities & thereby the LGA. The LGPC representative represents the LGA's interests and sits on the Board of the Scheme Advisory Board; &
- SAB members may also attend LGPC meetings as observers.

## **LGPS Pooling**

- SAB is part of the Cross-Pool Collaboration Group in which the operating companies (Brunel Pension Partnership being 1 of 8 of them) are owned by the participating funds. The group consults on the design of the pooling arrangement based on statutory guidance from MHCLG.

# LPB periodic self-assessment

- **Paragraph 80 – Assist the Scheme Manager in securing compliance with Regulations by;**
- Monitoring of the compliance of reports presented to the Committee & their decisions;
- Oversight of the Fund’s processes & procedures, including discretionary arrangements;
- Monitoring Scheme Employer compliance;
- Reviewing the Fund’s strategic documents & audit arrangements;
- Reviewing the Fund’s communications with members & employers;
- Monitoring complaints, IDRPCs & Ombudsman cases;
- Monitoring training arrangements of members & officers
- **Paragraph 81 – To ensure the effective governance & administration of the Scheme by;**
- Monitoring Scheme performance & the risk register;
- Overseeing the effective appointment of suppliers & advisers;
- Monitoring investment costs;
- Monitoring audits;
- Reviewing actuarial outcomes; &
- Making recommendations to the Pension Fund Committee, as required.

# The Good Governance Review

## Expected key themes of SAB's "Good Governance Review"

- Adopt an outcomes-based approach, employing minimum standards;
- Ensure robust conflict management, including clarity of roles & responsibilities;
- Ensuring enough resources are available with an associated budget;
- Expansion of member & employer engagement;
- An enhanced Governance Compliance Statement (GCS), detailing delivery outcomes;
- Mandatory training for s151 Officers & Committee members; &
- Update relevant guidance & enable better sign posting (notably the GCS).

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## WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD  
20 May 2021

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### **ADMINISTRATION KEY PERFORMANCE INDICATORS**

#### **Purpose of the Report**

1. The purpose of this report is to present the Fund's performance against its key performance indicators (KPIs) in relation to the administration of pension benefits.

#### **Background**

2. In the interests of transparency and to help monitor overall administration performance, officers agreed with Committee and Board to publish quarterly benefits administration key performance indicators (KPIs)
3. KPIs are an important aspect of providing an efficient and effective customer-focussed benefits administration service.

#### **Considerations for the Board**

4. The figures in this report cover the period 1 January 2021 to 31 March 2021 unless otherwise indicated.

#### **Conclusions**

##### General comments

##### Disclosure Regulations (Appendix 1)

5. The table in appendix 1 shows the Fund continues to perform well against these targets, further improvements are anticipated with greater onboarding on to i-Connect and with the bedding in of other process improvements.

##### tPR Common and Conditional Data percentages (Appendix 2)

6. The Fund's common data figure of **98.5%** and the conditional/scheme specific figure of **96.4%** (both improvements since last year) compare favourable to industry averages of 96.6% (common) and 94.6% (conditional) respectively. Whilst still lower than the long-term goal, which we expect will be met through further implementation of i-Connect, this is still a positive step forwards.

##### Administration Strategy KPIs – Fund (Appendix 3)

7. Chart 1 shows the Fund is operating below its desired targets for most cases mainly for the same reasons as outlined in paragraph 6, although the percentages are stronger against the CIPFA metrics.

##### i-Connect and My Wiltshire Pension (MSS) onboarding (Appendix 4)

8. i-Connect take up has not changed materially over the last few months due to some limited employer engagement and some employers having difficulty completing the precursor of providing historical member hours histories for the purpose of McCloud.
9. However, officers are now well advanced with the enrolment of Swindon Borough Council and a large payroll provider on to i-Connect, which will make a significant difference to the percentages outlined over time and the data shown in appendix 2.
10. MSS sign-ups are broadly in line with industry-norms after successful attempts to encourage more members to sign up and these figures are unlikely to change materially in future now.

#### Backlog monitoring (Appendix 5)

11. Whilst the current backlogs are not leading to a material number of complaints, they are still an issue which needs further attention to improve overall efficiency and customer service.
12. However, there has been a reduction in the number of outstanding cases in the last quarter and at the time of writing, officers were appointing another member of staff to help with these issues.

#### Administration Strategy KPIs – Employers (Appendix 6)

13. In the majority of cases, employers provide retirement information before the date the member retires, as the Fund requests. Officers intend to develop more relevant tables relating to the performance of employer in light of the introduction of i-Connect.

#### **Environmental Impact**

14. There is no environmental impact from this report.

#### **Financial Considerations**

15. There are no immediate financial considerations resulting from the reporting of the Fund's performance against its key performance indicators.

#### **Risk Assessment**

16. There are no direct risks to the Fund associated with this reporting.

#### **Legal Implications**

17. There are no immediate legal implications arising from this report.

#### **Safeguarding Considerations/Public Health Implications/Equalities Impact**

18. There are no implications at this time.

#### **Proposals**



19. The Board asked to note the current situation and is invited to make any comments or recommendations that it has.

**Andy Cunningham**

Head of Pensions Administration and Relations

Report Author: Andy Cunningham – Head of Pensions Administration and Relations

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## APPENDIX 1 Table 1: Disclosure Requirements (CIPFA template)

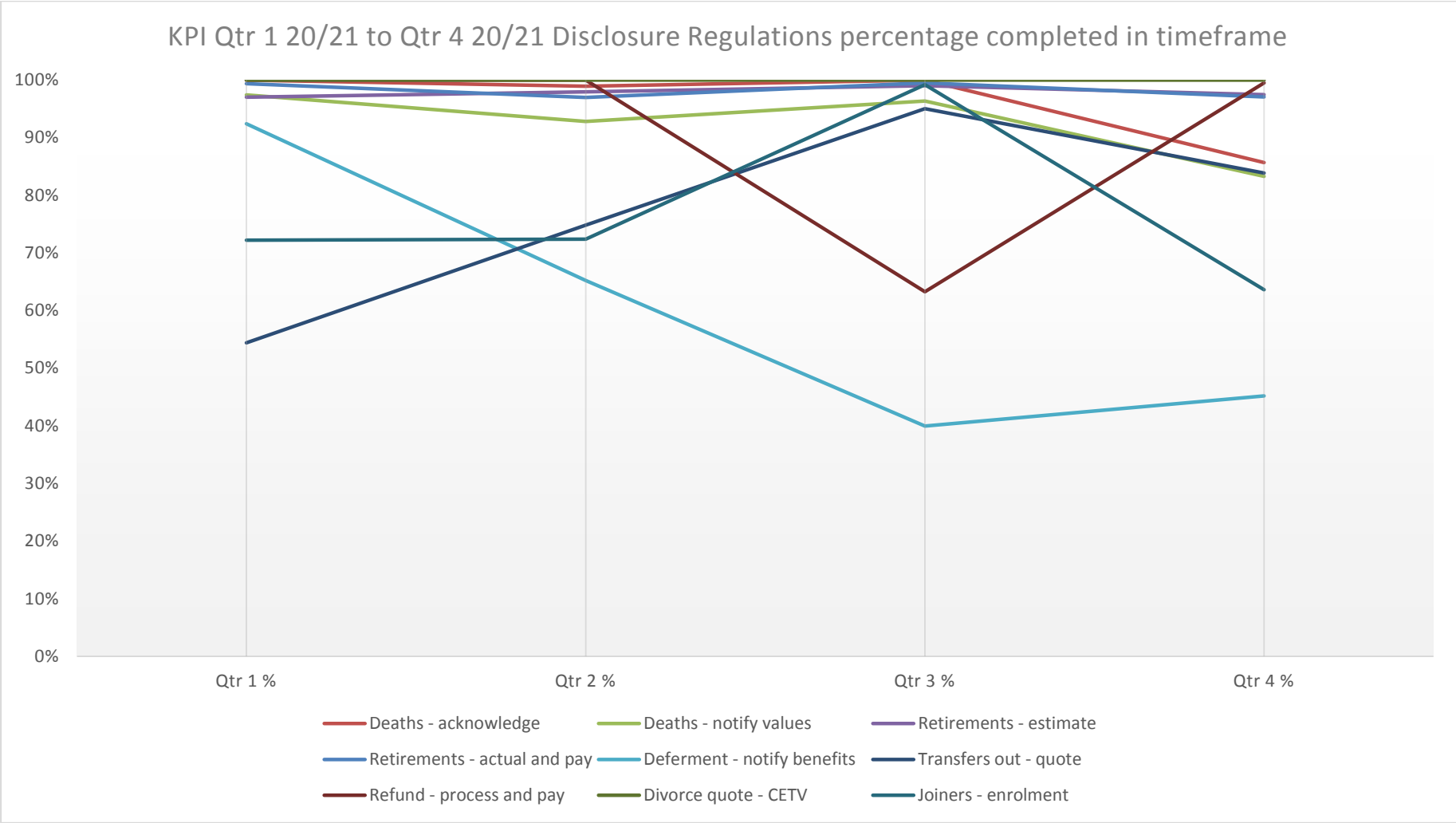
### Benefit Administration Key Performance Indicators

#### Disclosure Regulations

Period **01/01/2021** to **31/03/2021**

Process name		Disclosure Requirement	%	No. cases within Legal Timeframe
<b>Deaths</b> - initial letter acknowledging death		2 months	86%	110
<b>Deaths</b> - letter notifying amount of dependants pension		2 months	83%	106
<b>Retirements</b> - letter notifying estimate of retirement benefits	<b>Active</b>	2 months	n/a	n/a
	<b>Deferred</b>		n/a	n/a
	<b>Total</b>		97%	461
<b>Retirements</b> - letter notifying actual retirement benefits + process and pay benefits on time	<b>Active</b>	2 months	96%	192
	<b>Deferred</b>		99%	221
	<b>Total</b>		97%	413
<b>Deferment</b> - calculate and notify deferred benefits		2 months	45%	290
<b>Transfers out</b> - letter detailing transfer quote		2 months	84%	51
<b>Refund</b> - process and pay a refund		2 months	100%	203
<b>Divorce quote</b> - letter detailing cash equivalent value and other benefits		3 months	100%	56
<b>Joiners</b> - notification of date of enrolment*		2 months	64%	565

# APPENDIX 1, Chart 1: Disclosure Requirements



## **APPENDIX 2: tPR Data Quality scores**

The Fund scores against the two the Pension Regulator (tPR) key data scores are as follow:

Both scores are based on data held as at 12 October 2020:

**a). tPR Common Data Percentage Breakdown**

**Total score = 98.5% (+0.6% since 11/10/2019)**

**b). tPR Conditional Data Percentage**

**Total score = 96.4% (+1.0% since 11/10/2019)**

Officers commission Aquila Heywood (our software provider) to re-calculate these percentages annually, in line with our requirement to report these figures to tPR. The target for both figures is 100%.

A comparison graph with other Funds is not current available (as other Funds are still undertaking their calculations) but once it is, this will be shared.

## APPENDIX 3: Administration Strategy KPIs - Fund (Table 1)

### Wiltshire Pension Fund

#### Administration Strategy

#### Benefit Administration Key Performance Indicators

Period 01/01/2021 to 31/03/2021

Type of case	Created cases in period	Open cases at period end	Percentage against membership	Completed cases time to complete						Total	Timescales		
											CIPFA (Admin Strategy)		
				0 - 5 days	6 - 10 days	11 - 15 days	16 - 20 days	20 - 40 days	40 + days		% on target (CIPFA)	% on target (Admin)	working days
<b>Active to Retirement</b>	273	237	1.1%	7	9	23	38	93	31	201	19%	3%	15 (5)
Deferred in to retirement	224	30	0.1%	86	54	49	15	15	5	224	84%	38%	15 (5)
Processing of Death cases	158	176	0.2%	8	12	20	10	43	37	130	15%	6%	10 (5)
Benefit Estimates	551	120	0.5%	60	48	67	84	193	21	473	37%	23%	15 (10)
<b>Leavers to Deferred status</b>	1069	2922	13.0%	140	39	17	19	35	399	649	36%	33%	30 (20)
<b>Leavers to Deferred status (i-Connect)</b>	142	129	0.6%	0	0	6	8	17	35	66	34%	21%	30 (20)
<b>Refund of contributions</b>	184	3	0.0%	19	122	57	2	2	2	204	97%	98%	10 (10)
<b>Grand Total</b>	<b>2601</b>	<b>3617</b>		<b>320</b>	<b>284</b>	<b>239</b>	<b>176</b>	<b>398</b>	<b>530</b>	<b>1947</b>			
<b>Percentage</b>				<b>16%</b>	<b>15%</b>	<b>12%</b>	<b>9%</b>	<b>20%</b>	<b>27%</b>				

\*Note: Refunds as now calculated using a revised methodology to reflect improvements in the process used.

## APPENDIX 4: i-Connect and My Wiltshire Pension (Member portal) progress

### i-Connect

The following table shows the progress in onboarding employers on to i-Connect. The long-term target is now to onboard all employers on to i-Connect and to onboard as many as possible by the end of 2021/2022. Data was last calculated on 8 February 2021. Officers are currently in the process of onboarding Swindon Borough Council and a large payroll provider which should increase the percentage of actives covered materially.

	Number onboarded	Number left to onboard	Completion rate
Active members	10,587	12,512 (total = 23,099)	45.83%
Employers	45	129 (total = 174)	23.56%

### MSS (My Wiltshire Pension)

A table summarising the position as at 8 February 2020 is shown below. Note the figures are 'pension record' level figures, rather than member level, as this is easier to report and there is little difference in the percentages. There has been very little change since the last period.

	RECORDS
ACTIVE	8 Feb 2021
Registered	8,677 (+134)
Total	23,122
Percentage	<b>37.53%</b>
DEFERRED	
Registered	9,760
Total	31,220
Percentage	<b>31.3%</b>
TOTAL	
Registered	18,437
Total	54,500
Percentage	<b>33.55%</b>

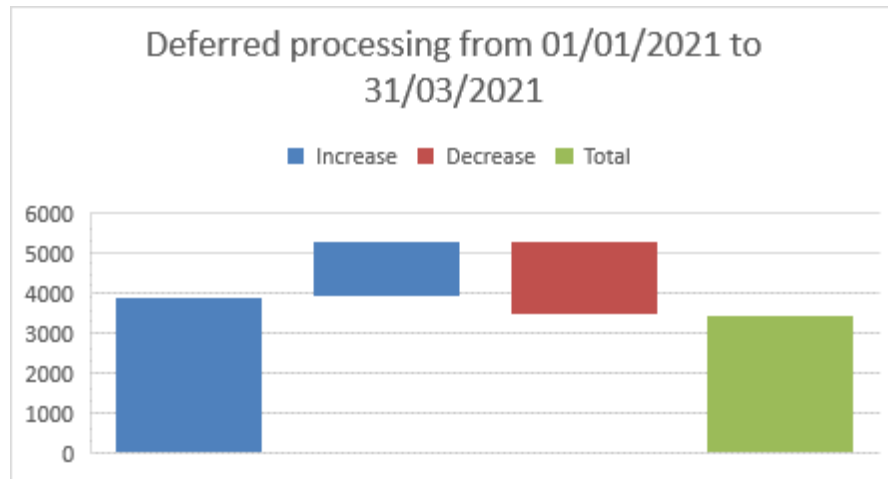
## APPENDIX 5: Backlog monitoring

Prior to making a number of process improvements to the refunds, deferreds and aggregations processes, the Fund accumulated processing backlogs in certain areas. Officers have defined a backlog for a process where there are more than 250 outstanding cases. Where this is the case, officers plan to ring-fence this area of work and manage the backlog area of work separately although this is not in place as at the date of this report.

At present, there are two areas which meet this criteria and current situation in respect of these processes are outlined:

### a). Deferred/Refunds

Cases where the member has left and we need to calculate their pension entitlement, but they are not old enough to be able to start receiving their benefits.



### b). Internal aggregation cases

These cases are where the member has more than one record at Wiltshire Pension Fund which should be combined together. Members are not financially disadvantaged by delays in completing this work.

Cases currently outstanding: c3,400 (immaterial change since the last quarter)

(Analysis similar to the above will be available in future, once developed)

## APPENDIX 6: Administration Strategy KPIs - Employers (Table 1)

Employer Key Performance Indicators

Administration Strategy

Period 01/01/2021 to 31/03/2021

Type of case	Time to advise							Total	Timescales	
	To Target	Target - 5 days	6 - 10 days	11 - 15 days	16 - 20 days	20 - 40 days	40 days +		% on target	Admin Strategy working days
<i>Retirement</i>	83	11	16	9	3	32	47	201	47%	2
<i>Leavers</i>	29	22	24	49	40	118	433	715	23%	20
<i>Refund of contributions</i>	169	45	15	23	24	50	209	535	52%	20
<b>Grand Total</b>	<b>281</b>	<b>78</b>	<b>55</b>	<b>81</b>	<b>67</b>	<b>200</b>	<b>689</b>	<b>1451</b>		
<b>Percentage</b>	<b>19%</b>	<b>5%</b>	<b>4%</b>	<b>6%</b>	<b>5%</b>	<b>14%</b>	<b>47%</b>			



## WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD  
20 May 2021

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### PENSION FUND – LOW VOLUME PERFORMANCE MONITORING

#### Purpose of the Report

1. The purpose of this report is to update the Board on the Fund's performance measures for 2020/21 in connection with the following areas;
  - A) ICO Data Protection breach log;
  - B) tPR breach log;
  - C) Freedom of Information (FOI) log;
  - D) Complaints log;
  - E) Internal Dispute Resolution Procedures (IDRPs) log; &
  - F) Subject Access Request (SAR) log.

#### Background

2. As part of the Fund's good governance arrangements it maintains a range of performance measures which sit alongside the Fund's KPI's such as administration, data quality & benchmarking. However, whilst officers report on high volume KPI's such as administration at each quarterly meeting, it was felt that to provide meaningful analysis of low volume performance measures such as those identified above the statistics would only warrant being presented to the Board on completion of each scheme year.
3. The scope of the compliance requirements for the maintenance of the low volume performance measures is identified below;
  - a) The Data Protection Act 2018 in respect of Data Protection breaches & Subject Access Requests
  - b) The Pension Regulator's Code of Practice 14 in respect of tPR breaches, complaints & IDRPs
  - c) The Freedom of Information Act 2000

#### Considerations for the Board

4. The tables illustrated in Appendix I present a summary of each of the performance measures, which are supported by both an introduction to the measure and an officer comment highlighting any themes which can be observed from the measures recorded.

#### Conclusions

5. In addition to the individual commentary provided in respect of each low volume performance measure set out in appendix I officers have drawn the following general conclusions on these KPI's;
  - a) **General Activity** – Giving consideration to the circa 77,000 members being managed by the Fund at this time the volume of activity being experienced, as well as the general nature of that activity indicates that a low impact of performance errors and variances is currently affecting the Fund's day to day operating practices. The

breaches, requests and dissatisfaction being recording is consequently well within the tolerance level expected of a service provider of the Fund's scale.

- b) **New Fund Website** – It is the intention of the new fund website to improve the member experience. As indicated in Appendix I, not only will the Fund seek to publish more information concerning its approach to its future investment strategy, but we'll also aim to ensure members, employers and other stakeholders alike have convenient access to make Subject Access and Freedom of Information Requests, as well as submit compliments, complaints & IDPR requests.
- c) **Scams & claim activity** – With the growth in scams and claims company activity, officers are conscious of the need for the Fund to remain vigilant concerning the processing and peer review of information. The processes in place which enable this low volume performance monitoring report to be prepared will also be used to monitor scam and claim activity and allow the Fund to take evidence-based decisions to mitigate any inappropriate activity.

### **Environmental Impact**

- 6) There is no environmental impact from this report.

### **Financial Considerations**

- 7) There are no immediate financial considerations.

### **Risk Assessment**

- 8) There are no risks identified at this time.

### **Legal Implications**

- 9) There are no immediate legal implications arising from this report.

### **Safeguarding Considerations/Public Health Implications/Equalities Impact**

- 10) There are no implications at this time.

### **Proposals**

- 11) The Board is asked to note the findings of the low volume performance measures being monitored by officers on behalf of the Fund.
- 12) In view of the low level of activity recorded within this annual report the Board is asked to recommend that the content of the report is only submitted to the Committee on an exception basis, where it feels that a material operational need is present that would warrant the attention of the Committee.

ANDY CUNNINGHAM  
Head of Pensions Administration and Relations

Report Author: Richard Bullen – Fund Governance & Performance Manager

## Appendix I

### Low Volume Performance Schedule 2020-21

#### A) Information Commissioner Officer (Data breaches) log

**Introduction** – A personal data breach is ‘a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data transmitted, stored or otherwise processed’ (GDPR Article 4, definition 12)

Reporting an incident to the ICO is assessed on the impact of an incident on a person’s rights and freedoms & “impact” is risk assessed in terms of likelihood & severity of that incident. Where a person’s rights & freedoms have been compromised the individual(s) must be informed without delay. Where a breach is not reported to the ICO a justifiable reason(s) must be recorded.

ICO breach by category	Severity rating	Total members affected	No. of breaches
Personal data sent by post to the wrong address	Green	1	1
Personal data sent by email to the wrong email address	Green	1	1
Personal data within an email chain inadvertently forwarded to unauthorised personnel	Green	2	2
Late issuance of a Subject Access Request	Green	1	1
<b>Total Data Protection breaches recorded in 2020/21</b>		<b>5</b>	<b>5</b>

**Officer comment on the ICO table** – Fund officers complete an initial risk assessment employing a formula approach, before referring incidents to the Council’s Information Governance (IG) team. In 2020/21 Fund officers classed all the incidents as immaterial personal data breaches on the basis that they all involved single members, and all arose as a result of human error. On referral to IG it was determined that no incidents would be reported to the ICO.

Of the five incidents identified, two occurred within the Fund’s Benefits team, two within the Systems team & one was a staff member not belonging to a team. In all relevant incidents the Fund’s procedure to notify affected individual’s without delay was carried out.

#### B) The Pension Regulator breach log

**Introduction** – Where a breach is likely to be of material significance to the Regulator there is a duty to report that breach having considered the cause, effect, reaction to and wider implications of that breach. Consequently, Fund officers have a process in place to monitor, record, assess & escalate any breaches where they are determined to be significant.

Scheme Managers, Board members, Employers, Fund advisers & any other party with a vested interest in the Fund have a responsibility to report breaches to the Regulator, albeit the process would in practice be undertaken by the s151 officer. Determining whether a breach is material & should be reported can be subjective & to ensure appropriate assessment Fund officers operate a range of self-challenges in line with the Fund’s policy including a formula assessment, assessment against the Regulator’s examples & individual review based on discussions escalated to Senior Officers & agreed mitigations to address the nature of the breach concerned.

tPR breach by category	Severity rating	No. of breaches
Late Payment of Future Service Contributions	Green	35
	Amber	5
	Red	2
Late Payment of Future Service Contributions & Deficit Reduction Contributions	Green	0
	Amber	1
ABS Disclosure	Green	1
	Amber	0
<b>Total tPR breaches recorded in 2020/21</b>		<b>44</b>

**Officer comment on the tPR table** – The focus of the Fund’s breach log recording covers financial controls, maintenance of key documentation & the disclosure of information to members associated with significant projects. There are two breaches which are not typically recorded on the Fund’s breaches log, these are IDPRs & casework disclosures as both of these are reported separately, within this report & at quarterly Board meetings via the administration KPI statistics. The failure of employers to submit their contributions to the Fund as required is also reported quarterly to both the Board and to the Investment sub-Committee (ISC) via the Key Financial Controls report.

During 2020/21 no breaches were reported to the Regulator, albeit two are record as Red breaches on tPR breaches log. All Amber breaches in the table are associated with the late payment of future service and deficit reduction contributions caused by a small number of smaller employers whose material impact on the Fund is minimal. This circumstance also applies to the two Red breaches recorded where both employers had paid their contributions late on 6 or more occasions in the scheme year. Consequently, the Escalation Policy along with the Pensions Administration Strategy was invoked and individual meetings were organised with the relevant employers. In both cases the employers were also small and in view of the Covid-19 pandemic in 2020 a pragmatic approach to supporting the employers was preferred. Whilst ABS disclosures were still recorded as a breach, the breach this year had reduced from an Amber to a Green breach to reflect the improved percentage issuance of statements resulting from the officers implemented improvement plan.

### **C) Freedom of Information (FOI) log**

**Introduction** – As part of Wiltshire Council’s compliance requirements with the Freedom of Information Act 2000 the Pension Fund will respond to all FOI requests notified to it by the Council’s Information Governance team within the statutory timeframe. The purpose of the Act is to create a general right of access to all types of recorded information held by UK public authorities, which includes the Wiltshire Pension Fund, with the aim of enhancing accountability and transparency by explaining the reasons behind the decisions being taken by the Fund.

Where reasonably possibly the Fund will aim to openly publish all relevant information about its operation. However where a FOI request is made in respect of information which isn’t already readily available, the Fund will respond to any valid request by first assessing whether we hold the information requested and secondly by establishing whether any exemption to publishing that information applies.

Information Provided	Date received	Completed within legal requirement
<b>Service Area - Investments Requests</b>		
Details of the Fund's asset allocations, including managers, classes, weightings and fund values, both individually and in total. Particular focus being on the industrial sector.	26/06/2020	Yes
Details of the Fund's asset allocations, including managers, classes, weightings and fund values, both individually and in total. Particular focus being on the ESG investment areas. It included a request for all key documents concerning the Fund's decarbonisation strategy.	11/08/2020	Yes
Details and documentation of any hedge funds in which the WPF is an investor, including market values, amounts invested & net returns.	30/09/2020	Yes
Details of the Fund's asset allocations, including managers, classes, weightings and fund values, both individually and in total. Particular focus being on the fee structure and charges paid to managers.	20/10/2020	Yes
All details of any Fund investments held directly or indirectly in respect of any businesses included in the UN Human Rights Council Report into business activity into Israel's settlements.	01/12/2020	Yes
Details of proxy voting records made directly or indirectly. Information included details of the meetings at which voting took place, how votes were cast, the entity responsible for the voting decision and whether the WPF has a voting policy.	05/01/2021	Yes
Details of the latest portfolio holdings held by the WPF. Including the issuer's name, identifier, date holdings were obtained and the shares held.	15/03/2021	Yes
<b>Service Area - Administration Requests</b>		
Information on suppliers to the WPF contracted to provide pension administration software, including contract scope, start dates, duration & any contract extensions	10/11/2020	Yes
<b>Freedom of Information Requests in 2020/21</b>	8	

**Officer comment on the FOI table** – The legal requirement for completing and issuing FOI requests is 20 working days and during the Scheme Year no requests were exempted. In addition, officers are not aware of any redactions to any parts of the information provided having occurred. From the table it is clear that the majority of requests concern the Fund's investment strategy, particularly in relation to its approach to ESG and climate change. It is the intention of the Fund to provide more of its investment information via its website which in turn will reduce the need for the public to make FOI requests.

## D) Complaints log

**Introduction** – The threshold definition for a complaint to the Fund is lower than that of an IDR. A complaint can be made by anyone whether they be a Member, Beneficiary or any other person with a legitimate reason to raise a statement of dissatisfaction against the Fund. The definition of “reason” can include the Fund’s conduct, standards of service, action or lack of action which is not considered to be of an acceptable standard. The Pensions Administration Strategy stipulates that the Fund will respond to a complaint within 25 working days.

Nature of Complaint	Date received	Dated resolved	Resolution
Poor administration of Annual Allowance calculation	07/10/2020	23/03/2021	Went to IDR
Data submitted for casual hours service to enable retirement calculation was inappropriate	-	-	Complaint against employer
Inadequate calculation of transfer out value due to missing information	10/07/2020	14/07/2020	Partially upheld, with process improvements made
Poor processing of a member’s retirement	07/05/2020	11/05/2020	Partially upheld, with process improvements made
Poor due diligence on a receiving scheme prior to transfer out completion	17/12/2020	10/03/2021	Went to IDR
Incorrect pension paid to member due to historical maladministration	02/07/2020	30/11/2020	Upheld
Inappropriate recovery of overpaid pension due to receipt of incorrect leaver information from employer	21/10/2020	27/11/2020	Not upheld
Delay in processing a transfer out case	08/02/2021	15/02/2021	Upheld
Delay in processing a transfer out case	15/02/2021	-	Upheld
<b>Total Complaints recorded in 2020/21</b>			9
<b>Complaints progressed to IDRs</b>			2

**Officer comment on the Complaints table** – The variety of complaints reflects the administrative complexity being dealt with by the Pension Fund, although it is recognised that four of the 9 complaints are associated with transfer out casework, with a further two complaints relating to challenges of member benefits arising from incorrect data being received from employers. Both areas will be monitored in 2021 along with the anticipated challenges arising from the Pension/Payroll database reconciliation. However, taking into account the level of complaints being recorded against the Pension Fund membership as a whole the activity appears quite low.

## E) Internal Dispute Resolution Procedure (IDRs)

**Introduction** – The Fund has a two stage formal complaints process for eligible complainants, with IDR stage 1 complaints involving officers using the services of an independent external consultant & stage 2 complaints involving determinations at Corporate Director level which may include guidance

from the Fund’s actuarial advisers. Where a resolution can still not be reached the complainant can take their case to the Pensions Ombudsman.

Sponsoring employers of the Fund are also required to appoint a stage 1 independent adjudicator & publish a discretionary decision-making policy to ensure fair & transparent determinations.

Nature of IDPR	Date received	Dated resolved	Resolution
<p><b>Dispute:</b> The Fund did not inform the member correctly of their options following their redundancy. In addition, the member had an AVC which due to a fall in market values caused by the pandemic caused the member to suffer a loss in investment return. <b>Outcome:</b> The Fund's Independent Adviser concluded that maladministration had occurred. A total of £500 was awarded to the member. In addition, the Fund undertook a review of its processes and has made recommendations for change.</p>	03/06/2020	03/08/2020	Upheld
<p><b>Dispute:</b> The Fund exercised a lack of due diligence prior to completing a transfer to a SSAS. <b>Outcome:</b> After referral to the Fund's Independent Adviser the claim was not upheld.</p>	14/09/2020	14/11/2020	Not upheld
<p><b>Dispute:</b> A member exceeded their Annual Allowance in the Scheme Year 2019/20 due to a transfer-in. As a result of administrative delays in addressing their case the member claimed that they had suffered a financial loss. <b>Outcome:</b> The case is still under review with the Fund's Independent Adviser.</p>	23/03/2021	-	Determination outstanding
<b>Total IDPRs recorded in 2020/21</b>		3	
<b>IDPRs currently upheld in 2020/21</b>		1	

**Officer comment on the IDR table** – During 2021/21 no IDPRs were recorded as being raised against one of the Fund’s sponsoring employers. Whilst IDPRs were historically generated as a result of perceived or actual failings in historic administration practice, it is noteworthy that the cases in the last scheme year arose from current administration practice. Officers will review their continuous improvement regime with a view to mitigating future disputes arising from current practice.

#### F) Subject Access Requests

**Introduction** – Under GDPR a Subject Access Request is a right that can be exercised by a member to receive a copy of their personal data held by the Fund in accordance with Article 15. This right was later included within the Data Protection Act 2018 under Chapter 3, paragraph 45. In summary the Fund is required to provide all member specific information to a member, or their authorised representative within 30 days, however in order to administer such requests effectively Fund officers can request clarification concerning the scope of data requested, officers will also assess the validity

of any such requests prior to their fulfilment. This additional scoping of requests enables the “clock to be stopped” in relation to the fulfilment of requests and in October 2020 the ICO disclosed additional guidance detailing how such clarifications should be managed.

As a Data Controller the Fund will also work in its capacity as a Joint Data Controller with other organisations to fulfil SARs as they occur. Examples of organisations may include the Fund’s AVC Providers, the Actuary and its Scheme Employers.

<b>Subject Access Requests</b>	<b>No.</b>
Fulfilled with 30 days	4
Requests for extensions due to scope clarification	0
Not fulfilled with 30 days, or deadline extended	1
<b>Total Subject Access Requests recorded in 2020/21</b>	<b>5</b>

**Officer comment on the SAR table** – During the last Scheme Year 5 requests were fulfilled, with three of these being made by claims companies and 1 in respect of an employment dispute within one of the Fund’s Scheme Employers. Although clarifications were sought by Fund officers concerning the scope of a couple of requests no extensions were recorded. In respect of the request which wasn’t fulfilled within the 30-day deadline it was noted that an administrative error had occurred leading to an oversight in the request being actioned. This procedural flaw has been corrected.

It should be noted that more recently the Fund and the pension industry as a whole has begun to experience requests from claims Companies intent on finding data errors which they can use to make claims against the Fund. Along with other Funds the WPF’s current approach is to participate in a joint representation via SAB to the ICO with the intention that they provide additional guidance on how to manage such activity. It should be noted that it is the Fund’s current policy to issue all personal member data to the member themselves and notify any third parties that that action has been taken.



## **WILTSHIRE COUNCIL**

WILTSHIRE LOCAL PENSION BOARD  
20 May 2021

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### **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 2021 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.

#### **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 agreed 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.

Andy Cunningham

Head of Pensions Administration & Relations

**Report Author:** Richard Bullen, Fund Governance & Performance Manager

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



# Local Pension Board Annual Report

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20 May 2021

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 2020 to 31st March 2021 during which the LPB held 4 meetings. Due to the Coronavirus all of these meetings were held virtually, with the public having full access to all of the non-confidential agenda items, via a weblink available on the Wiltshire County Council website.

The focus of the LPB has been on ensuring the LPB and 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, during my first year as the new Independent Chair of the Wiltshire LPB, with the support of the officers and advisors to the Wiltshire Pension Fund Committee, the Board has made good progress in fulfilling its terms of reference in its sixth year, and the LPB is again able to provide assurance that the WPF is complying with its statutory duties.

The LPB is pleased that Wiltshire Council, as the Administering Authority, continues to support the Wiltshire Pension Fund staffing structure, ensuring the provision of suitable training and development to staff, and agreeing to provide additional resources to facilitate an increase in staffing numbers, as supported by the LPB, which will provide continued resilience from the ever increasing workload required by law to effectively manage the WPF.

During 2020/21 the LPB undertook a wide range of work, as set out in the "outcomes and LPB recommendations made to the Administering Authority" section of this Annual Report, on pages 10 to 20. This work included a self-assessment of the compliance with TPR Code of Practice 14, as reported on page 22, and the LPB welcomes the significant improvements achieved during the year and the high level of compliance being achieved by the Fund..

During the year, the LPB made a number of recommendations in respect of various improvements to the governance and administration of the WPF, as set out in the outcomes table, and is pleased that the vast majority were accepted, and have either been completed or are in the process of being completed. These included various amendments and additions to the WPF risk register, the adoption by the Committee and Board members of a new on-line development portal provided by the Funds actuary, enhancements to the WPF key administration performance indicators, and action taken in relation to audit reports. In respect of key audit reports, the LPB has closely monitored the project being undertaken by the Fund's officers to undertake a full reconciliation of the records held on the Pensions Payroll system with those held on the Pensions Administration system. This project is on-going and will continue to be monitored during 2021/22.

The LPB has also monitored the on-going process and risks and opportunities surrounding the pooling of the fund's asset with the Brunel Pensions Partnership (BPP), and has supported the Pension Committee, in the actions taken to help to facilitate the continued improvements in the governance arrangements within the partnership.

Finally, 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.

## Legal basis of LPB and annual reporting

The Local Government Pension Scheme Regulations 2013 (“the Regulations”) establish Wiltshire Council as the administering authority for the Wiltshire Pension Fund, with responsibility for managing and maintaining the Fund. The Regulations further require that Wiltshire Council in its capacity as administering authority, and in accordance with the Public Service Pensions Act 2013, 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 the typical arrangements that apply to local authority committees, including those that apply to the Wiltshire Pension Fund’s Pension Committee. Importantly, the Local Pension Board 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 core role of the administering authority or the way it delegates its pension functions. Instead the Local Pension Board operates outside of the usual local authority committee structure and 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, two of whom must represent the membership of the fund and two of who must represent the fund’s employers. Employer and Scheme member representatives are required to have the capacity to represent their respective constituencies. While it is permissible for the Local Pension Board to contain “independent” members i.e. those who are neither member nor employer representatives, such members are not permitted to vote. Details of how the Chair and members of the Local Pensions Board were and 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. Such a combined committee and board may only be created with the express permission of the Secretary of State for the Ministry of Housing, Communities and Local Government.

Wiltshire Council has chosen not to operate a combined Local Pension Board and Pension Committee.

In addition to making Local Pension Boards a mandatory part of the LGPS governance structure the Public Service Pensions Act 2013 also brought about a new role for The Pensions Regulator. The Regulator now has the role of overseeing good governance within all Public Service Schemes, which includes the LGPS. The Regulator can issue enforcement notices where it believes that LGPS Funds are not complying with certain pension legislation, including, in respect of Local Pension Boards, matters such as representation and ensuring that conflicts of interest do not exist on Boards.

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.

The Public Service Pensions Act 2013 does require an administering authority to publish information about its pension board. The administering authority is required to publish a governance compliance statement which, in addition to information on the governance of the Fund, it 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 of its functions and reports to the Pension Committee at least annually and more often if deemed necessary on its work that it has done. The subject 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 raised to the Board 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 and costs incurred over the past 12 months and projected for the next year; and
- g) details of any conflicts of interest identified since the last report and how they were dealt with.

The Governance Compliance Statement of the Wiltshire Pension Fund can be found here [http://www.wiltshirepensionfund.org.uk/media/4115/governance\\_compliance\\_statement.pdf](http://www.wiltshirepensionfund.org.uk/media/4115/governance_compliance_statement.pdf)

## LPB members register and declarations of interests

Local Pension Board as at 31 March 2021

Role	Member	Date of Appointment	Date left Office	Meetings attended in 2020/21 (maximum 4)
<b>Independent Chairman</b>	Mark Spilsbury	01/04/2020	-	4
<b>Employer Member Representatives</b>	Cllr. Richard Britton	16/05/2017	-	4
	Paul Smith	25/02/2020	-	3
	Ian Jones	26/11/2019	-	3
<b>Scheme Member Representative</b>	Mike Pankiewicz	14/07/2015	-	3
	Barry Reed	14/07/2015	16/09/2020	3
	Marlene Corbey*	20/10/2020	-	2
	Rod Lauder	26/11/2019	-	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:

Richard Britton, Wiltshire Councillor

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

Ian Jones, Chief Operating Officer - The White Horse Federation

#### Scheme Member Representative:

Barry Reed, Unison representative, retired member

Mike Pankiewicz, Unison representative, retired member

Marlene Corbey, Unison representative, retired member

Rod Lauder, 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 2013<sup>1</sup> requires that members of Local Pension Boards have an appropriate level of knowledge and understanding in order to carry out their role. Any individual appointed to a Local Pension Board 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 required by Board members is appropriate for the purposes of enabling the individual to properly exercise the functions of a member of the Local Pension Board.

The Wiltshire Pension Fund is committed to supporting Local Pension Board members to achieve the level of knowledge and understanding they require by providing the appropriate level of training and assistance.

### **Degree of Knowledge and Understanding**

Members of the Local Pension Board are expected to be conversant with the rules of the LGPS and the policies of the Fund. "Being conversant with" implies a working knowledge of what is relevant to the subject under discussion. A Board member should have an understanding of what is relevant to their role and 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 standards and expectations set out in any relevant code of practice issued by the Pensions Regulator

### **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 (e.g. managing conflicts of interest, reporting breaches of the law or record keeping)
- 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
- Key policy documents on administration, funding, and investment (e.g. the administration strategy, Funding Strategy Statement or Investment Strategy Statement)

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

## Achieving the required level of knowledge and skills

The Board members approved training programme covering the period 2018 to 2021 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. During 2020/21 the key elements of the programme were;

- To provide induction training for all new Board members. During 2020 one member of the Board was appointed, however due to Covid-19 the Board's normal induction training had to be reconfigured in so far that the usual attendance at a 3-day LGPS Pension Fundamentals Course presented by the Local Government Association was replaced within additional focus on a review of the Fund's key documentation such as the Annual Report & Accounts. Attendance for new members at the LGPS's Pension Fundamentals Course will be revisited in future years, in addition to being accompanied by the new on-line development and training portal adopted by the LPB, and the e Member's handbook and Officer led Induction training at an appropriate time. This suite of basic training on all the key areas of the LGPS will provide a thorough understanding of the scheme, its legislation and an appreciation of the different areas of work which needs to be undertaken.

In addition;

- New Board members will complete the Pension Regulator's on-line toolkit designed to provide a sound understanding of the roles and responsibilities of public service pension board members.
- During the summer of 2021, the results of an extensive self-assessment platform will be used to develop an updated training programme for all members, for the next four years as well as a members training programme for 2021-22.
- To continue to receive regular training as part of Local Pension Board meetings and to supplement knowledge by attendance at relevant on-line seminars, conferences & webinars.

The Local Pension Board's training plan can be viewed here [Wiltshire Local Pension Board Training Plan](#)

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

Date of meeting	Topics Covered	Duration (Minutes)	MS	RB	IJ	PS	MP	BR	MC	RL
21/05/2020	The Roles & responsibilities of the S151 & Monitoring officers	45	x	x	x	x		x		x
06/08/2020	National Fraud Initiative & Certificate of Existence Exercise	20	x	x			x	x		
18/02/2021	Administering Authority's Discretions Policy	20	x	x	x	x	x		x	x

The following were joint training sessions with the Pension Committee:

Date of meeting	Topics Covered	Duration (Minutes)	MS	RB	IJ	PS	MP	BR	MC	RL
16/07/2020	Investment Risk	60	x				x			x
27/11/2020	New Member Induction training	135							x	
02/12/2020	Investment Manager Presentation - PineBridge	30					x			
02/12/2020	Investment Manager Presentation - NinetyOne	30					x			
25/02/2021	Investment Manager Presentation - Partners Group	30							x	
25/02/2021	Investment Manager Presentation - BPP	30							x	
10/03/2021	Climate Change Modelling workshop	140		x	x				x	x

The following was additional training opportunities undertaken by Board Members:

Date of meeting	Topics Covered	Duration (Minutes)	MS	RB	IJ	PS	MP	BR	MC	RL
01/04/2020	TPR toolkit completion	330	x		x	x				x
02/04/2020	CIPFA LPB Spring Seminar	45	x							
19/05/2020	Taking an Employer Health Check	45				x				
06/05/2020	Helping to keep you up-to-date on what's happening in the LGPS	30				x				
18/06/2020	Mortality impact of Covid-19	30								x
24/06/2020	LGPS Local Pension Board Members' Annual Event - Webinar	45	x							x
18/11/2020	Brunel Investor Day 1 - Webinar	120	x							x
19/11/2020	Brunel Investor Day 2 - Webinar	120								x
18/02/2021	Public Sector Exit Cap (£95k) - Revocation	30								x
23/03/2021	Review of last year and the year ahead	30								x

Key:

HP – Mark Spilsbury, Independent Chair

RB – Richard Britton, Employer Representative

IJ – Ian Jones, Employer Representative

PS – Paul Smith, Employer Representative

MP – Mike Pankiewicz, Retired Member Representative

BR – Barry Reed, Retired Member Representative

MC – Marlene Corbey, Retired Member Representative

RL – Rod Lauder, Member Representative

## LPB Year 3 Work plan and outcomes

The primary function of the Local Pension Board (LPB) is to assist the Administering Authority in securing compliance with the LGPS Regulations, other legislation relating to the governance and administration of the Scheme and requirements imposed by the Pensions Regulator. In the pursuit of this aim it is for the Local Pension Board to set up a work plan that operates in conjunction with the workplan of the Fund whilst being committed to its own primary function.

The Local Pension Board's terms of reference which was updated in July 2020 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 that the Local Pension Board may wish to consider include (but are not limited to) the following;

- Regular compliance monitoring of reports which shall include reports to and decisions made by the Committee made under the Regulations.
- Management, administrative and governance processes and procedures to ensure that they remain compliant with the Regulations, Relevant Legislation and in particular the Code.
- The compliance of scheme employers with their duties under the Regulations and Relevant Legislation.
- Reviewing such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Investment Strategy Statement.
- Reviewing scheme members and employers' communications as required by the Regulations and Relevant Legislation.
- Monitoring complaints and performance on the administration and governance of the scheme.
- The Internal Dispute Resolution Process.
- Pension Ombudsman cases.
- The arrangements for the training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.
- The complete and proper exercise of employer and administering authority discretions.
- The outcome of internal and external audit reports.
- The draft accounts and Fund annual report.

The second core function of the Local Pension Board is to ensure the effective and efficient governance and administration of the Scheme. Again, the Local Pension Board may determine the areas it wishes to consider, including but not restricted to:

- Monitor performance of administration, governance and investments against key performance targets and indicators.
- Review the effectiveness of processes for the appointment of advisors and suppliers to the Administering Authority.
- Monitor investment costs including custodian and transaction costs.
- Monitor internal and external audit reports.
- Review the risk register as it relates to the scheme manager function of the Administering Authority
- Review the outcome of actuarial reporting and valuations.
- 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.

## 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. This function is also supported by the Investment Sub-Committee.

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 & in turn the Investment Sub-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 and Investment Sub-Committee decision making	The Local Pension Board actively scrutinises all Pension Committee and Investment Sub-Committee papers and minutes.	Minuted in LPB minutes
21 May 2020 (Min 36)	Scheme Legal, Regulatory & Fund update	The Board requested clarification concerning the Fund's process whereby an immediate review of the Fund's investment strategy is undertaken should the funding level drop by more than 20% from the latest actuarial valuation figure. <b>Resolved:</b> Advice to be sought from the Fund's actuary and investment consultants.	Advice was sought and updates were provided at both the Investment sub-Committee & Committee meetings in July 2020. It determined that no action should be taken in anticipation of a longer-term recovery.
21 May 2020 (Min 39)	Draft Investment Strategy Statement (ISS)	Considering the concerns raised over the threat to investment opportunities as a result of COVID-19 the Board sought clarification concerning the use of suitably qualified and experienced experts. <b>Resolved:</b> The Board endorsed the process being taken by Committee concerning Fund's long-term investment strategy and to wait until the markets stabilise.	Regular updates were provided to members of all groups during 2020 & the Head of Pension Fund Investments held weekly calls with the Fund's professional investment advisers.
21 May 2020 (Min 40)	New Employer Policy	Clarification was sought concerning whether the Fund should insist on a guarantee being in place for certain categories of employers. For admitted bodies who can only join the Fund upon signing an admission agreement the process could only be completed if	The Employer policy was approved by Committee on 16 July 2020

Date - Ref	Area	Minute	Outcome
		sufficient security was in place. Academies had a statutory right to join and were funded through the Department for Education who effectively acted as their guarantee. <b>Resolved:</b> To recommend the new Employer Policy to the Committee.	
21 May 2020 (Min 42)	Risk Register update	The Board recommended following risks be added to the register: failure to implement the Fund's Data Retention Strategy & failure to implement an interim investment portfolio in private markets & multi asset credit arrangements. <b>Resolved:</b> To recommend the changes/actions in the risk register to the Committee.	Changes to the risk register were made by officers as instructed, following which approval was provided by the Committee.
21 May 2020 (Min 43)	Administration Key Performance Indicators	The Board noted that the Administration Strategy's target days were aspirational and designed to facilitate a high level of customer service. The regulatory timeframes were quite generous and were not in line with what the Fund considered to be customers' expectations. <b>Resolved:</b> The Board endorsed the Fund's plans for improvement to its customer service.	Whilst the Committee accepted the Board's recommendation it requested revised targets as the initial targets set were to aspirational. These revised targets were approved in September 2020.
21 May 2020 (Min 44)	Low Volume Key Performance Indicators	This new annual low volume KPI report was designed to give visibility to the Fund's low volume regulatory requirements by collating them into one document. The KPI's included tPR breaches, ICO breaches, IDPRs, Complaints, Subject Access & Freedom of Information requests. <b>Resolved:</b> It was recommended that the report be managed by officers and submitted to the Committee on an exception basis only.	Officers noted the Board's recommendation and adopted the approach suggested.
21 May 2020 (Min 45)	tPR Code of Practice 14 Self-Assessment for 2019-20	An improvement was observed in the number of compliance areas which did not fall below the required standard, from ten areas identified in 2018-19 to eight in 2019-20. Of the ten areas identified in 2018-19 two had moved to a	The action plan for improvement was taken forward by officers and is primarily included within the quarterly KPI update to members.

Date - Ref	Area	Minute	Outcome
		<p>well-managed green risk status, most notably the understanding of tPR breach reporting. One risk had also shown marginal improvement being lowered from a red to an amber risk rating. Officers would continue to implement their action plan to address any failing risks.</p> <p><b>Resolved:</b> To endorse the self-assessment and recommend a continuation of the officer's action plan.</p>	
<p>6 August 2020 (Min 61)</p>	<p>Scheme Legal, Regulatory &amp; Fund update</p>	<p>Details of the McCloud judgement and the cost cap mechanism consultation had been considered and a project team had analysed the resource needed and administrative impact of the final legislation. Despite refining the membership numbers affected by McCloud it was noted that the administrative impacts were more significant than the financial ones. Once fully analysed the administrative impact on the risk register rating would be reviewed. A watching brief would continue concerning the cost cap. <b>Resolved:</b> The Board recommended that the risk register rating for the McCloud judgement remain unchanged.</p>	<p>The risk rating of "red" concerning McCloud was submitted to Committee is line with the Board's recommendation. The Committee agreed with the Board's recommendation.</p>
<p>6 August 2020 (Min 62)</p>	<p>Training item – NFI &amp; Certificate of Existence exercise</p>	<p>The mortality screening existence exercise for the overseas pensioners and the LGPS National Insurance Database were discussed. The differences between the mortality register, access to records between the UK and overseas and methods for determining the death of a member were also discussed. In conclusion the Fund would use the NI database to prevent duplicate grant payments being paid.</p> <p><b>Resolved:</b> The Board endorsed the communication, escalation &amp; record checking processes for the granting of payments.</p>	<p>A Death Grant policy was presented to the Board in February 2021 and the Committee approved an updated version of the Administering Authority's Discretions Policy in December 2020.</p>

Date - Ref	Area	Minute	Outcome
6 August 2020 (Min 64)	Internal Audit update	It was noted that to the audits had specifically looked at Fund processes but had not extended to the Brunel's processes. The auditors (SWAP) recommended that Brunel share their cost transparency information but to date a full picture had not been received. As a result, the auditors were asked to look at the savings arising from the pooling with Brunel and see whether these are being realised. <b>Resolved:</b> To recommend that an audit of Brunel's cost savings be included in the next financial year.	An audit of Brunel's cost savings was approved by Committee for inclusion in their audit strategy for 2021/22.
6 August 2020 (Min 65)	Employer Training Policy	The Board asked if an annual report of Employer performance would go to both the WPFC and the LPB and if there could be updates in the administrative reporting showing the number of employers in each performance category and their movements since the previous report. <b>Resolved:</b> Once the strategy had been implemented officers would provide an annual report with the relevant information.	A report for presentation to the Board is anticipated in the 2021/22 Scheme Year.
6 August 2020 (Min 66)	Fraud Risk Prevention & Mitigation Measures	The internal Council financial risk controls were discussed including the different levels of authorisation and approval; specifically, around the different layers of checking dependant on the level and amount of payments made. The Board questioned the possibility of an increase in the risk of fraud due to the impact of COVID-19. No evidence that COVID-19 increased the risk was currently present but nationally it was noted that there was an increase in cases of fraud linked to transfers out. <b>Resolved:</b> Officers agreed to monitor fraud risk.	Officers have adopted the Board's recommendation and as part of the monitoring process intend conduct a review of the Fund's anti-fraud, corruption and whistleblowing policy in 2021/22
6 August 2020 (Min 67)	Risk Register update	The following risk was added to the register: a failure by Brunel to properly address shareholder concerns via their governance	The Board's recommendations for the risk register were approved by Committee.



Date - Ref	Area	Minute	Outcome
		<p>review. Other risk changes included an inability to implement a strategy to ensure Climate Change considerations and a failure to comply with the FCAs MiFID II compliance. In addition, following Committee's decision that the Fund's cyber security measures should be increased to Amber, the Board agreed that this risk rating should be increased too. The Board highlighted the transition of pooled assets to Brunel and the potential failure to deliver the projected savings. Timescales would need to be reviewed and a report made to the Board. <b>Resolved:</b> The Board recommended the changes/actions in the risk register to the Committee.</p>	
<p>6 August 2020 (Min 68)</p>	<p>Administration Key Performance Indicators</p>	<p>An additional column of CIPFA targets will be shown alongside the aspirational targets, to measure both basis and new measures should be added to illustrate the progress of onboarding employers onto i-Connect and members onto My Wiltshire Pension. Another measure aimed at splitting out the backlog cases and monitoring backlog work separately should also be made. As these changes, particularly the CIPFA targets were appropriate to give clarity to the Fund's financial position and performance improvement. <b>Resolved:</b> The Board endorsed the recommendation for the planned improvements to KPI monitoring.</p>	<p>With reference to Minute 43, 21 May 2020 the changes requested were incorporated into the Fund's KPI reporting framework.</p>
<p>6 August 2020 (Min 69)</p>	<p>Member Effectiveness Review</p>	<p>The changes to the WPFCA and LPB terms of reference had been approved on 21 July 2020 by Full Council and a review of the Fund's Investment Sub-Committee terms of reference and Governance Compliance Statement would now take place to ensure consistency. <b>Resolved:</b> To endorse the review of the next set of documents.</p>	<p>The Committee approved the updated Investment Sub-Committee terms of reference and Governance Compliance Statement in March 2021.</p>

Date - Ref	Area	Minute	Outcome
6 August 2020 (Min 71)	Date of next meeting and Forward Plan	An action on the actions log concerning MiFID II and the Fund's requirement to gain approval from Brunel concerning their acceptance of its MiFID II compliance arrangements was asked to be removed. <b>Resolved:</b> The Board approved removal of this action.	The action was removed
6 August 2020 (Min 73)	Fund Data Security, Cyber Resilience & Business Continuity Planning	A report updating the Board on the Fund's approach to managing its cyber resilience, data security and business continuity planning was presented. <b>Resolved:</b> The Board recommended the findings of the report be submitted to the Committee for their endorsement.	The Committee approved the Fund's strategy and instructed officers to take additional measures during the Scheme Year 2021/22. Minute 197, 24 September 2020.
15 October 2020 (Min 84)	Scheme Legal, Regulatory & Fund update	Reforms to the public sector exit payments were highlighted as being challenging in respect of the proposed changes to the primary legislation, in so far that the Fund could be legally required to follow two pieces of legislation which contradicted one another. LGPS regulations changes to employer contribution rates, subject to certain conditions being met also needed to be implemented affecting the Cessation Policy and Funding Strategy Statement. However, Fund agreement to an employer's request for a flexible approach to cessation debt would still be required. A review of the employer ill health insurance policy was taking place to limit the risk to employers but provide a similar cover in a more cost-effective way. <b>Resolved:</b> The Board requested that all three issues be brought back to the Board until they were resolved & could be forwarded to the WPFC for approval.	The issues of public sector exit payments, LGPS regulations changes relating to employers and the employer ill health insurance policy were all brought back to the Board on a regular basis.
15 October 2020 (Min 85)	Training Update	Due to the COVID-19 restrictions preventing members from attending conferences, seminars and other events alternative training methods had been considered. Hymans Robertson on-line training portal was reviewed by	The Committee adopted the Board's recommendation to adopt the new on-line training platform being offered by the Fund's professional advisers.

Date - Ref	Area	Minute	Outcome
		<p>the Board as an addition to the existing member training arrangements. The Board agreed to adopt the training platform and indicated that WPFC members and their substitutes also adopt it.</p> <p><b>Resolved:</b> The Board recommended that the Committee members &amp; their substitutes adopt the training platform.</p>	
<p>15 October 2020 (Min 88)</p>	<p>Board Insurance</p>	<p>The annual premium for the Board's insurance was discussed, bearing in mind past legal advice. Officers had approached the Scheme Advisory Board (SAB) for updated legal guidance as well as other Board's to receive feedback of their views. The Board's insurable risk was discussed, and an assurance was requested from the Council affirming that no action would be taken against the Board for recommendations that it made.</p> <p><b>Resolved:</b> To recommend that the insurance continue until written assurance is received from Wiltshire Council and SAB had provided updated legal guidance.</p>	<p>Officers agreed to ensure that the Board's insurance would continue until it had received the relevant assurance from Wiltshire Council and confirmation from SAB concerning its legal guidance.</p>
<p>15 October 2020 (Min 89)</p>	<p>Internal Audit 2020-21</p>	<p>The key findings relate to i-Connect's contributions which highlighted a process flaw in posting contribution data to the general accounting ledger. To resolve the issue employers had been asked to submit simplified returns including spreadsheets which could be uploaded to the ledger minimising the risk of errors. An integrated monitoring report would also provide clarity. In addition, the reconciliation of administration and payroll databases from the 2018-19 audit was noted. <b>Resolved:</b> To endorse the management actions being taken and recommend that a report on the administration and payroll database reconciliation should be submitted to the WPFC in December 2020. An audit action</p>	<p>Officers are providing regular reports to the Board &amp; Committee on the important administration and payroll database reconciliation, which is currently on-going. Officers have also implemented a new contribution monitoring process which integrates with i-Connect.</p>

Date - Ref	Area	Minute	Outcome
		progress update should also be brought to the next Board meeting.	
15 October 2020 (Min 90)	Internal Audit 2021-22	The strategy for audits should include an audit of the expected Brunel cost savings, Pension transfers to BPP, internal financial controls and GDPR, as well as challenging the significant and newly implemented functions of i-Connect, GDPR and access controls and the Fund's treasury management arrangements. The self-assessment of the Code of Practice 14 should be excluded. It recommended that the Fund should be allowed to request SWAP audits from other service areas within Wiltshire Council to fulfil its oversight function. It noted the conclusion to the outstanding external audit for the 2018-19 Wiltshire Council accounts was on a qualification basis, which had affected the sign off the Pension Fund accounts. <b>Resolved:</b> The Board recommended that the audit strategy outlined above should be commissioned by the WPFC. Furthermore, if the 2019-20 accounts were not signed off the Board would require a written explanation.	The audit strategy for 2021/22 was approved by the Committee and submitted to the Council's internal auditor in January 2021. The 2019/20 accounts were signed off in April 2021.
15 October 2020 (Min 91)	The LPB's Register of Interests & Conflict of Interests Policy	Following changes to the LPB's terms of reference the Board's Code of Practice had been aligned with the administering authority's Code of Practice, rather than it operating as a standalone arrangement. <b>Resolved:</b> To approve the following recommendations; a) Members declarations on the Register of Interests forms should continue to be completed b) To extend the review cycle from two years to three years, subject to c) below c) On receipt of updated guidance from tPR in anticipation of a new "Single Code of Practice", review the policy & d) To update the	Officers have actioned the three of the four recommendations made by the Board. At the time of writing this report it is noted that tPR's new single code of practice is likely to come into effect by Q4 2021, at which stage officers will implement the changes required.

Date - Ref	Area	Minute	Outcome
		Board's Code of Conduct, Register and Conflicts of Interests Policy to reflect Protocol 2B	
15 October 2020 (Min 92)	Risk Register Update	The following risk was added to the risk register: a failure to implement the findings of the Goodwin case. Other risk changes included a failure to collect and account for contributions on time, an over-reliance on key officers and a failure to comply with Data Protection legislation. It was noted that website improvements concerning accessibility for members who had additional needs would be added too. <b>Resolved:</b> To recommend the changes/actions in the risk register to the Committee and to request that the Accessibility regulations risk be added.	The Board's recommendations for the risk register were approved by Committee.
18 February 2021 (Min 104)	Annual Report & Accounts	The Fund's 2019-20 Accounts had not been signed off at the Audit and Governance Committee's meeting on 10 February 2021, although not due to any issue with the Fund's Accounts. Officers expect the accounts to be signed off at the next meeting on 28 April 2021. <b>Resolved:</b> If the Accounts are not signed off in April, the Board should consider a recommendation.	The 2019/20 accounts were signed off in April 2021.
18 February 2021 (Min 110)	Training Update	It was recommended that the Board monitor the training of Board and Committee members. The Chairman noted his support for the recommendation, subject to anonymity conditions. <b>Resolved:</b> To monitor members' training on a no more than sixth-monthly basis	Officers noted the Board's recommendation and would adopt the approach suggested
18 February 2021 (Min 111)	Administering Authority's Discretion Policy	The key existing policy areas included a satisfactory medical before agreeing the application to pay APCs, allowing transfers of non-club pension rights and deciding to whom a death grant is paid. <b>Resolved:</b> The Board noted	The policy was approved by the Committee.

Date - Ref	Area	Minute	Outcome
		the amendments recommended them to the Committee.	
18 February 2021 (Min 113)	Proposed Business Plan - 2021/22	Officers highlighted the key strategic actions such as the continued rollout of i-Connect and E-Communication improvements. Where high priority actions had not been completed in 2020/21 it was due to the complexity of the issues and resources needed to complete them. <b>Resolved:</b> To recommend the proposed business plan for 2021/22, subject to the actions being ordered into service priority order.	Officers actioned the Board's recommendation to prioritise the objectives.
18 February 2021 (Min 114)	LPB Budget Setting 2021-22	The current climate required Council budget cuts and it was proposed that the LPB reduce its consultancy advice budget by £2,000. <b>Resolved:</b> To recommend the Board's budget for 2021-22 to the Committee including a reduction in budget for consultancy advice. Furthermore, the Board resolved to review its budget annually, with updates provided only on an exception basis.	Officers actioned the Board's recommendation to reduce their budget due to the current financial climate.
18 February 2021 (Min 116)	IHER Insurance Proposal	The report outlined the new approach to providing employers with insurance against ill-health retirement strain costs which is due to take effect from 1 April 2021. The Board noted the discussions with the Fund's advisers and the employer consultation, as well as the benefits for protecting smaller employers. <b>Resolved:</b> To note the new arrangements already recommended to the Committee	The new insurance arrangement was approved by the Committee.
18 February 2021 (Min 118)	Governance Compliance Statement (GCS) and Investment Sub-Committee (ISC) Terms of Reference (ToR)	Following the changes to the Pension Committee and LPB's ToR these documents require synchronising. GCS changes included its relationship with the ISC and the Brunel pool. It was noted that the GCS should refer to assurance from external agencies in executing the Committee's responsibilities. <b>Resolved:</b> To recommend the Committee	The GCS & ISC ToR were approved by the Committee.

Date - Ref	Area	Minute	Outcome
		approve the GCS and ISC ToR, noting that external assurance would be included when changes are made following the SAB's Good Governance Review	
18 February 2021 (Min 120)	Risk Register Update	A new risk concerning the Council's Evolve programme had been categorised as 'Green'. As a horizon risk officers indicated that they were aware of it, however nothing had yet been implemented <b>Resolved:</b> To recommend the changes/actions to the risk register to the Committee.	The Board's recommendations for the risk register were approved by Committee.
18 February 2021 (Min 121)	Investment Strategy Statement (ISS)	The ISS had been updated to include the Fund's approach to Climate change, a statement on TCFD and on its investment beliefs for approval at the Committee meeting on 30 March 2021. <b>Resolved:</b> To recommend approval of the changes advised.	The ISS was approved by the Committee.
18 February 2021 (Min 127)	Pensioner Payroll Database Reconciliation	Officers outlined policies they propose to adopt to enable the reconciliation. These included the management of over & underpayments & the scope of delegated decision making. A resource budget to facilitate the project was also proposed along with the arrangements to migrate historic records to the current pension database. <b>Resolved:</b> To recommend the approach to the Committee and request updates on the project be brought to all future meetings	The approach was adopted by Committee and regular updates will be provided to the Committee and Board by Officers during 2021/22
18 February 2021 (Min 129)	Key Financial Controls	An internal audit had made observations concerning the Fund's contribution posting and payroll reconciliations. Consequently, a process review had taken place and the new approaches to both were outlined to the Board by officers. Furthermore, the external auditors had been informed that the Fund was actively attempting to resolve the points raised. <b>Resolved:</b> To endorse the approach to rectifying both reconciliation issues.	Officers have implemented improvement plans in respect of both recommendations.

## 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

From April 2015 the Pensions Regulator assumed a new oversight responsibility in respect of Public Service Pension Schemes, including the LGPS. To assist schemes in understanding the Regulator's expectations they have issued Code of Practice No. 14 that applies specifically to the governance and administration of public service pension schemes setting out the legal requirements in these specific matters. It also provides practical guidance and sets out standards of conduct and practice expected of those who exercise functions in relation to the legal requirements. This guidance can be viewed on the following link;

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

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.

### **Self-assessment against Pension Regulator's Code of Practice 14**

In March 2021 Officers of the Wiltshire Pension Fund undertook an internal review of its compliance against the Regulators Code of Practice the results of which were submitted to the Board in May 2021.

Using the Fund's standard questionnaire composed of 84 questions covering all areas of the Fund's internal controls the Officers report outlined an overall improvement, with a reduction from 8 areas requiring improvement in 2019-20 to 1 area in 2020-21. This represented the fourth year of improvement in a row. The answers to most of the areas reviewed were found to be adequately controlled & the risks were being well managed. With the anticipated introduction of the new Single Code of Practice as well as SAB's Good Governance review in the next 12 months it was however expected that future improvements to the Fund's internal controls would still be required in order to maintain its overall compliance.

Of the 8 areas identified as requiring improvement in 2019-20, the 7 areas moving to a well-managed risk status, primarily reflect the Fund's improvements in internal controls arising from the impact of its new digital & automated platforms, particularly i-Connect. Consequently, improvements in data management and quality had occurred. This left 1 risk where no significant progress had been made and this centred around the Fund's communication and timely disclosure of information. Officers would continue to implement the existing action plan to address this risk, which concentrates on the Fund's casework backlogs so that it can reach an adequate standard. The key elements of this action plan include;

- Improved data on which to process member casework provided by automated platforms such as i-Connect;
- Increased staffing to process the backlogs, including the availability of overtime for staff;
- The introduction of a digital programme, particularly My Wiltshire Pension which would enable Fund members to enjoy a self-service facility; &
- The introduction of process automation to assist staff by enabling the Fund to bulk process straightforward casework.

On agreement with the Board the results of the March 2021 review were not subject to independent audit. In light of the ongoing improvements identified through the self-assessment process and the anticipated introduction of a new Single Code of Practice towards the end of 2021, the Board had also agreed that no South West Audit Partnership (SWAP) audit would take place in this area until 2022.

At the time of writing this report the Board is also aware that changes to strategic policy documents will need to be implemented in consideration of the new Single Code of Practice, however as the Regulator has used the Code of Practice 14 as the basis of their new Single Code it is anticipated that the performance measurement of the Fund in fulfilling its legal obligations under the new Code will continue to be fundamentally the same and be broken down into the following 4 sections;

- Governing your scheme
- Managing risks
- Administration
- Resolving issues

Over the next 12 months Officers will focus their project plan on the introduction of the new Single Code requirements, whilst maintaining their existing compliance requirements under the old code to ensure compliance with all statutory deadlines.

The full officers Regulators Compliance check can be found here;  
<https://cms.wiltshire.gov.uk/ieListDocuments.aspx?CId=1280&MId=9433&Ver=4>

### **Internal Audit Update**

In addition to an Officers self-assessment, the internal auditor's annual review provided a "Reasonable" assurance concerning the Fund's processes, however they did make three key recommendations for the Fund to take forward, two of which had been highlighted in previous years. These were;

- To continue to focus on the casework backlogs, ensuring that individual team member productivity is monitored as part of this process.
- To ensure accurate data is held by conducting full reconciliations between the Pension and Payroll databases and that these reconciliations are completed on a frequent basis.
- To tighten any internal control inefficiencies in relation to the new procedures for the i-Connect system. This being primarily focused on the contribution payments being received onto the Fund's bank account from employers against the data being received, as opposed to any data management and quality issues self-assessed by officers.

In all three instances cited above, as well as the other minor audit observations noted a progress plan against the audit recommendations had been implemented and is 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 the auditor had not signed the Fund's Annual Report and Accounts for the 2019/20 Scheme Year. During 2020/21 the Board has made several enquiries to Wiltshire Council's concerning the nature of the delayed sign off and in turn Wiltshire Council has reported 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 this assurance was requested and has been received by the Fund that the auditor is satisfied that the Fund's accounts being in good order. The Fund's accounts for 2019/20 were signed off by the Auditor in April 2021.

As a result of the delay it is noted that no recommendations for improvement have been forthcoming from the external auditor during this period.

In spite of there being no recommendations the Management Team of the Pensions Fund will continue to move forward with it known improvement issues, namely the number of projects indicated within this report designed to improve the Fund's internal controls. Key to this will be the regular reconciliations outlined within the internal audit update.

## Summary of LPB communications outlining links to the website

Under the LGPS Regulations each Fund must produce a statement setting out how it will communicate with its members, member's representatives, prospective members and the many employers who participate in the fund. A Communication Strategy was approved in December 2019 setting out the Fund's fulfilment of this responsibility over the following 3-year period. The Strategy is accompanied the Pension Administration Strategy, which was also approved at the same time, as well as a new Customer Service policy designed to foster the continued high standards of service the Fund expects to offer its members. The Board noted the usefulness of the information provided to members and emphasised the need to keep it up to date.

The Fund's member website "My Wiltshire Pension" launched in 2019 for the benefit of active and deferred members is now well embedded into the Fund's digital arrangements with its membership continuing to grow as a result of both an ongoing campaign to sign new members up, as well as the rolling out of additional functionality allowing members a greater self-service experience. This service allows members to not only see their pension online and provide further education material, but has also now started to offer a communication function with Pension Department staff and enable members to complete their own approximate pension forecasts.

In 2020/21 the Fund also began to publish members annual benefit statements online via "My Wiltshire Pension" improving its publication percentage rates by the statutory deadline and fulfilling its aim to operate in a more environmentally friendly & cost-effective manner. However, members can still request to receive their statements by post if they wish. In addition, in March 2021 the Fund's launched its own new website which has granted it greater versatility in the provision of information and communication with all of its stakeholders and enabling it to embrace its compliance obligations for the future, including the new accessibility regulations.

The complete Communications Strategy can be seen here;

<http://www.wiltshirepensionfund.org.uk/media/3183/communications-policy.pdf>

The new Wiltshire Pension Fund's website is supported by GOSS and maintained in house on a day to day basis. As stated above the website went live in March 2021, replacing the former website launched in April 2018 and replacing the bespoke Employer website which was launched in February 2020. The new website integrates both former website areas into one offering and provides greater back office versatility for Pension Fund staff, allowing them to better serve Fund members and employers.

Main website link: [www.wiltshirepensionfund.org.uk](http://www.wiltshirepensionfund.org.uk)

## LPB operational costs for 2020-21 & Budget for 2021-22

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 expenditure in excess of the agreed budget must be approved by the Wiltshire Council Associate Director, Finance.

The budget for 2020-21 and 2021-22 can be seen below.

	<b>2020-21 Budget £</b>	<b>2020-21 Actual £</b>	<b>2021-22 Budget £</b>
Independent Chair Remuneration	10,300	10,300	10,351
Consultancy Fees	6,500	-	4,500
Training	3,400	190	3,400
Committee Services	3,000	3,000	3,000
Travel & Subsistence & costs	1,000	54	1,000
Catering	400	-	400
Insurance	2,800	3,192	3,200
<b>Total</b>	<b>27,400</b>	<b>16,736</b>	<b>25,851</b>

## Assurance of the LPB Annual Report

It is the role of the Local Pension Board to assist Wiltshire Pension Fund 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 or Investment Sub-Committee. Nor is the Board 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 and Investment Sub-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 24<sup>th</sup> June 2021.

## LPB Annual timetable 2021-22 and proposed work plans

[The Board's workplan for 2021-22](#)

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## WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND LOCAL PENSION BOARD  
20 May 2021

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### **RESPONSIBLE INVESTMENT UPDATE**

#### **Purpose of the Report**

1. The purpose of this report is to update the Board on progress made in implementing responsible investment issues.

#### **Background**

2. Over the last year, the Committee have continued the focus on responsible investment issues, and commissioned Mercer to carry out climate change scenario modelling on the strategic asset allocation. Following on from several training sessions, workshops, dedicated responsible investment meetings and a survey of both Committee members and the scheme membership, the Committee decided to amend the Investment Strategy Statement (ISS) to include a commitment to achieve net zero across the investment portfolios by 2050. The employers were also consulted on the ISS.
3. A summary of the meetings held is as follows. Members of the Local Pension Board have been (and will continue to be) invited to all training sessions.
  - September 2020 – training session from Mercer on climate risk and investments
  - November 2020 – workshop with Mercer to discuss the results of the climate change scenario modelling work
  - December 2020 – Committee meeting at which Mercer presented the results of a responsible investment survey which Committee members took part in, and various decisions were made (see table below)
  - January 2021 – extraordinary Committee meeting to further discuss responsible investment issues, including climate risk, a pathway to net zero, and impact investing
  - Early March 2021 – training session where Hymans (the Funds actuary) presented their own climate scenario modelling, and a leading investment manager discussed their own approach to embedding climate risk in the investment process
  - March 2021 – the employers were consulted on the ISS, and the Fund surveyed the scheme membership on responsible investment issues
  - Late March 2021 – Committee meeting at which members adopted an amended ISS and approved a budget to support putting this into action
4. Other recent decisions made by the Committee include investigating the Brunel sustainable equities portfolio for consideration as part of the strategy, adopting TCFD (Task Force on Climate-related Financial Disclosures) reporting in the 2020/21 annual report, developing a plan to report in line with the Stewardship Code 2020, additional training for Committee members on impact investing, and publicising the new ISS via a press release. A summary of recent decisions and the actions taken is shown in the table below:

Recommendation	Action
Members agreed...	
To amend the Investment Strategy Statement (ISS) in line with Mercer's recommendations, i.e. making a commitment to achieve net zero in the portfolios by 2050, in alignment with the Paris agreement and the UK government, and an explicit acknowledgement that warming needs to be kept to sub-2°C.	The ISS has been amended, and the draft version was reviewed at the Local Pension Board and Investment Sub-Committee meetings in February 2021, and was also sent to the employer organisations for consultation. The updated ISS was formally approved at the Committee meeting on 30 March 2021.
That the Fund should adopt the recommendations of the Task force on Climate related Financial Disclosures (TCFD)	The TCFD reporting will feature in the Fund's annual report for 2020/21, and a commitment to this has been added to the revised ISS.
That the Fund should aim to sign up to the 2020 Stewardship Code during 2021	Fund officers have been working with Brunel and other member funds to define an approach to signing up to the 2020 Stewardship Code. An amount of £5,000 is included in the 2021/22 Pension Fund budget to help support this commitment.
That officers will further explore commissioning Mercer to advise on a road map for the Fund to achieve net zero by 2050	Now that the updated ISS has been approved, it will be necessary to commission some consultancy support for the practicalities in implementing the strategy, and therefore a quote for this has been obtained (£65,000) and is included in the 2021/22 budget.
To instruct officers to prepare a paper on the Brunel sustainable equities portfolio, for consideration at the next Investment Sub-Committee and main Pension Fund Committee in March 2021	A paper with more information on the Brunel sustainable equities portfolio was discussed at the Committee meeting on 30 March 2021. Representatives from Brunel have been invited to the Investment Sub-Committee meeting on 10 June 2021 to present on the portfolio.
To publicise the updated ISS and new investment belief and net zero commitment via a press release	Officers have been working with Brunel and the IIGCC (Institutional Investors Group on Climate Change), and will be taking part in a publicity campaign for new asset owners signing up to make net zero commitments in early June 2021.
To reach out to Pension for Purpose to request a training session on impact investing	Once the new Committee is established, a training plan will be developed, and this particular piece of training will be included within this plan.

## **Key Considerations for the Board / Risk Assessment / Financial Implications**

### **Responsible Investment Action Plan**

5. In order to ensure that all the Committee's recent decisions are implemented, officers will be developing a responsible investment action plan, for approval at Committee on 24 June 2021. This will set out:
  - What the Fund has done to date;
  - Where the Fund is now – referencing the risk register, business plan, ISS, etc;
  - The regulatory and legal context;
  - Responsible investment through the Brunel pool;
  - Development of a dedicated responsible investment policy, including a climate statement and action plan;
  - Stewardship, engagement and voting;
  - Collective action;
  - The strategic asset allocation;
  - Resourcing and training (staff and elected members);
  - Reporting and accountability;
  - Engagement with the scheme membership;
  - A detailed roadmap with dates and deliverables.
6. The Board is being informed of this plan so that members can review the approach, and request that this is brought back for monitoring, if deemed appropriate.

### **Environmental Impacts of the Proposals**

7. There is no known environmental impact of this report directly, but the report deals with responsible investment issues which include climate change risk and how the Fund manages its approach to this risk.

### **Safeguarding Considerations/Public Health Implications/Equalities Impact**

8. There are no known implications at this time.

### **Proposals**

9. The Board is asked to note the progress made in developing the Fund's approach to responsible investment issues.

Report Author: Jennifer Devine, Head of Pension Fund Investments

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

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## WILTSHIRE COUNCIL

### LOCAL PENSION BOARD

20 May 2021

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#### **PENSION FUND – TPR CODE OF PRACTICE 14 REVIEW**

##### **Purpose of the Report**

1. This report updates the Board on the findings of an internal review of the Wiltshire Pension Fund's compliance with the Pension Regulator's Code of Practice 14 for the Fund year 2020-21;

##### **Background**

2. The 2020-21 review was undertaken in two stages. Firstly, a self-assessment by officers covering the Fund's compliance with the Pension Regulator's Code of Practice 14, in relation to the areas of internal controls, governance, administration & resolving issues based on an independent questionnaire originally provided by Aon Consulting. Secondly, by the completion of random sample testing of 10% of the officer responses based on a recommendation made by the South West Audit Partnership (SWAP) in 2019 that a separate evidence-based review of officer responses should take place.
3. The results of the 2020-21 self-assessment highlighted an overall improvement in the Fund's compliance with the Code of Practice, identifying a reduction in the number of risks requiring improvement since the 2019-20 Scheme Year review, from eight to one.
4. In consideration of the two-stage process outlined in paragraph 2 the "Consideration for the Board" section below has also been split into two parts. Firstly, a summary of the self-assessment for 2020-21 & secondly a summary detailing the sample testing undertaken.

##### **Considerations for the Board**

###### Self-assessment analysis

5. The questionnaire posed 83 questions covering all areas of the Fund's internal controls & the answers to almost all the areas reviewed were that the Fund was found to be adequately controlled and well managed.
6. Of the 8 areas identified as requiring improvement in 2019-20, 7 had shown improvement moving to a well-managed green risk status, most notably reflected by the Fund's improvements in its internal controls arising from the impact of its new digital & automated platforms, particularly i-Connect. This represents the fourth year of improvement in a row. This left 1 risk where no significant progress had been made and this centred on the Fund's communication and timely disclosure of information (Question H9). Officers will continue to implement the existing action plan to address this risk, which concentrates on the Fund's casework backlogs so that it can reach an adequate standard. The key elements of this action plan include;
  - a) Improved data on which to process member casework provided by the automated platforms such as i-Connect;

- b) Increased staffing to process the backlogs, including the availability of overtime for staff;
- c) The introduction of a digital programme, notably “My Wiltshire Pension” which would enable Fund members to enjoy a self-service facility; &
- d) The introduction of process automation which will assist staff by enabling the Fund to bulk process straightforward casework.

#### Independent Sample Testing

7. The arrangements by which the sample testing processes were completed remained largely the same as last year, but with two exceptions. Firstly, no question tested last year was included in this year’s review and secondly, in view of the Fund continuing to fall short of the required standard under question H9, H9 was tested. To complete the testing the Governance & Performance Manager sought to independently evidence the responses made & then detail the supporting evidence in the table below.

<b>Sample Risks reviewed</b>			
<b>Risk No.</b>	<b>Description of risk</b>	<b>Response</b>	<b>Evidence</b>
B12	Have all Board members completed tPR toolkit training?	As at March all Board members have completed tPR toolkit training	Certificates filed on member training records
E7	Does the Administering Authority have adequately documented internal controls to manage the Fund?	Approved Documents folder created on SharePoint and policies and procedures logged, version controlled and added to the folder.	With the end to end process review and ongoing oversight from management, comprehensive internal controls of documentation are visible.
F1	Do member records accurately record data as defined in the Record Keeping Regulations?	The automated data function provided by i-Connect enables specified accurate record collection. This can be measured via the database provider’s reporting tools as well as checks to monitor data quality.	Whilst the transition of all employers to i-Connect will not be completed until 2022, the process by which data quality takes place is established. Furthermore, a SWAP audit will be conducted in 2021.
G6	Does the Fund maintain records of its investigations and communications with employers?	Documents are saved in the Scheme Employer correspondence file in SharePoint.	The Accounting and Investment team provide an audit trail of documents. In 2021 a schedule was also created to record correspondence where an escalation incident had occurred.
G8	Is a process in place to assess payment failures and where material issues exist, are they reported to tPR?	A breach policy & log operate in conjunction with the contribution monitoring arrangements and each month failures are assessed.	At the end of each year a Low Volume Performance Report is submitted to the Board which summaries any tPR reporting.
H9	Is all information provided within the legal timescales?	Whilst the majority of information is reported within legal timescales, disclosure requirements associated with	Paragraph 6 above outlines the approach to address the failure to meet disclosure requirements in accordance

		casework continue to be a work in progress.	with Public Service Pensions Act 2013.
H11	Where information is provided electronically does it comply with the legal requirements?	Electronic information is verified in three ways: 1) That the software is subject to a DPIA, 2) Changes to the information processed is communicated as legally required & 3) The information communicated conforms to legal requirements	The information provided to members conforms to legal requirements, however the last SWAP audit did identify weaknesses in the DPIA process. However, being an ICO issue and not a tPR one this control can be marked as "Green".
J3	Are breaches being recorded in accordance with the procedures?	Yes.	The Low Volume Performance Report will complete the existing procedure, although it is noted that the procedure itself does require review.

## **Conclusions**

### Self-assessment analysis

8. With the improvements in internal controls arising from the impact of the Fund's new digital & automated platforms, particularly i-Connect a number of core issues of non-compliance were addressed in 2019/20, namely F1, F2 & F10. This should now pave the way to addressing the remaining area of non-compliance H9. In short, with the assurance of receiving good quality data from its employers being received on a timely basis the Fund will be able to disclose information to its members more effectively i.e. process its casework backlogs. Note: F1, F2 & F10 stand for;
- a) F1 – Do member records accurately record data as defined in the Record Keeping Regulations?
  - b) F2 – Does the Fund have the appropriate processes in place so employers can provide timely and accurate information?
  - c) F10 – Are processes and policies in place to reconcile scheme data with employer data?

### Independent Sample Testing

9. The evidence gathered by the sample testing identified no variances between the responses provided by the Fund's management team & the independent evidence reviewed. Officers are satisfied that the responses reported by the management therefore represent a true & fair view of the Fund's compliance with the Pension Regulator's Code of Practice 14.

## **Environmental Impact**

10. There is no environmental impact from this report.

## **Financial Considerations**

11. There are no immediate financial considerations resulting from the reporting of the Fund's compliance with tPR Code of Practice 14.

## **Risk Assessment**

12. Any risks reflected in this report shall be reflected in the Risk Register.

**Legal Implications**

13. There are no immediate legal implications arising from this report.

**Safeguarding Considerations/Public Health Implications/Equalities Impact**

14. There are no implications at this time.

**Proposals**

15. The Board is asked to note the internal, self-assessment undertaken.

ANDY CUNNINGHAM  
Head of Pensions Administration and Relations

Report Author: Richard Bullen – Fund Governance & Performance Manager

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## WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND LOCAL PENSION BOARD  
20 May 2021

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### OUTTURN REPORT

#### Purpose of the Report

1. The purpose of this report is to inform the Board of the spend against the budget for 2020/21.

#### Background

2. The Scheme regulations state that the operational cost of the Local Pension Board must be borne as an expense to the administering Fund's budget. However, for monitoring purposes officers present the Local Pension Board budget separately to the other budgets of the Fund in order to better reflect the lines of responsibility for each budget. Therefore, the Local Pension Board's budget is approved by the Pension Fund Committee when setting its budget for the year. The Local Pension Board budget is monitored and reported to Committee as part of the overall Pension Fund budget on a quarterly basis.
3. The following table sets out the budget and spend for the year for 2020/21, with some relevant comparisons:

#### **Wiltshire Local Pension Board Budget**

	2019/20 Actual £	2020/21 Budget £	<b>2020/21 Actual £</b>	2021/22 Budget £
Independent Chair Remuneration	9,521	10,300	<b>10,300</b>	10,351
Consultancy Services	-	6,500	-	4,500
Training	1,435	3,400	<b>190</b>	3,400
Committee Services	-	3,000	<b>3,000</b>	3,000
Travel & Subsistence costs	145	1,000	<b>54</b>	1,000
Catering	-	400	-	400
Insurance	2,800	2,800	<b>3,192</b>	3,200
	<b>13,901</b>	<b>27,400</b>	<b>16,736</b>	<b>25,851</b>

### **Environmental Impacts of the Proposals**

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

### **Legal Implications**

5. There are no known implications at this time.

### **Financial Considerations & Risk Assessment**

6. In line with good governance practice, officers bring budget monitoring reports back to the Pension Fund Committee quarterly. In the interim, variations against budget will be monitored and if they become very significant, the Corporate Director (Resources) will approve variations to the budget and report these to Committee retrospectively for ratification.

### **Proposals**

7. The Board is asked to note the spend against budget for 2020/21.

Report Author: Jennifer Devine, Head of Pension Fund Investments

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

## WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD  
20 May 2021

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### WILTSHIRE PENSION FUND RISK REGISTER

#### Purpose of the Report

1. The purpose of this report is to update the Board in relation to changes to the Fund's Risk Register (see Appendix).

#### Background

2. The Committee approved a Risk Register for the Wiltshire Pension Fund at its meeting on 12 May 2009. A reconfiguration of the Risk Register took place during 2019 to make it a more dynamic document and the new design was approved by the Committee on 18<sup>th</sup> July 2019. Members requested that whilst a full Risk Register is maintained by officers only the following risks need to be highlighted to Committee on a quarterly basis.
  - New risks;
  - Risks which have changed or been re-categorised;
  - Risks which are rated red; and
  - Risks which are considered to have been mitigated & stabilised & can be recommended for approval to the register's ceased/dormant category for continued monitoring by officers only.
3. Under the reconfigured Risk Register strategy, the identification of risks will be more evidence based using the Scheme update, Business Plan, Audit recommendations, Minutes of meetings, Fund's KPI dashboard and Brunel and investment pooling data as sources of information for risk identification.

#### Key Considerations for the Committee / Risk Assessment

4. The significance of risks is measured by the interaction of the likelihood of occurrence (likelihood) and the potential impact of such an occurrence (impact). This register uses the Council's standard "4x4" approach, which produces a risk status of Red, Amber or Green (RAG).
5. During the last quarter no "new risks" were identified.
6. The evidence-based review of the register identified the following risks had changed or need to be recategorized;
  - **PEN007b: Significant rise in employer contributions for non-secure employers due to poor/negative investment returns:** (From Amber to Green) PEN007a in respect of the Fund's secure employers is already classed as a green risk and in view of the Fund's recent investment performance increasing its funding position to approx. 100% as at 31 March 2021 the risk to non-secure employers is considered to have reduced.
  - **PEN021: Ineffective implementation of the Public Sector Exit Cap:** (From Amber to Green) In February 2021 the Government announced that it would disapply the £95k Public Sector Exit Cap introduced by legislation in November

2020. However, a further review may take place (Move from Dynamic to Ongoing).

- **PEN045: GMP legislative changes:** (From Amber to Green) In March 2021 the Government announced that LGPS funds will continue to apply full indexation to any member with a GMP who reach their state pension age after 5 April 2021. Whilst certain clarifications remain outstanding officers believe this risk has reduced and can move from a Dynamic to Ongoing risk register category.

7. Risks remaining “red”, high risk:

- **PEN022: Rectification of records with GMP issues – Time-consuming, costly & may causes reputational damage:** (From Red) Potentially incorrect liabilities being paid by the Fund. Progress with the Pensioner Payroll Database reconciliation project may impact on the Fund’s liabilities and its reputation.
- **PEN041: The Fund's inability to implement a strategy to ensure Climate Change considerations are integral to its investment strategy:** (Red) Work on developing the Fund's policies, disclosures and strategy is ongoing. Additional resource will be required, likely to be by way of specialist consultancy support.
- **PEN042: Significant retrospective legislation changes related to the McCloud case:** (Red) Following the release of the Government's consultation document in July 2020 analysis of the Scheme’s members who may be affected was undertaken. Early indications suggest that potentially c27k members may be affected, as well as increasing the work on several supplementary administrative tasks. The impact actuarially speaking is likely to be minimal. Members requested that it be kept as a red risk until the administrative impact is completely clear.
- **PEN048: The transition of the pooling of LGPS assets with BPP fails to deliver the projected savings:** (Red) Progress and updates should continue to be regularly reported to Committee. The Board recommended the introduction of a monitoring & reporting timetable & an independent audit will be conducted in 2021.
- **PEN052: COVID-19:** (Red) An infectious global virus which WHO has classed as a pandemic. Its multiple impacts on the Fund continue to be continuously monitored & managed, until the risk(s) subside.
- **PEN055: Failure by Brunel Pension Partnership to properly address shareholder concerns via the governance review:** (Red) Governance arrangements set in place at the outset of Brunel’s creation are being reviewed and it is vitally important that Wiltshire and all the shareholders are satisfied with the breadth and depth of this review and any resulting changes. Recent communications suggest progress is beginning to be made.

8. No risks on the risk register are recommended for removal from the quarterly presentation to the Board.

### **Financial Implications**

9. No direct implications.

### **Legal Implications**

10. There are no known implications from the proposals.

### **Environmental Impacts of the Proposals**

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

**Safeguarding Considerations/Public Health Implications/Equalities Impact**

12. There are no known implications currently.

**Proposals**

13. The Board is asked to note the attached Risk Register and recommend the changes/actions made by officers in points 5 to 8 to the Committee.

ANDY CUNNINGHAM

Head of Pensions Administration and Relations

Report Author: Richard Bullen, Fund Governance & Performance Manager

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

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Ref.	Risk	Cause	Impact	Primary Risk Category (CIPFA)	Secondary Risk Category (Operational)	Risk Owner	Level of risk (Inherent)	Impact	Likelihood	Inherent risk score	Controls in place to manage the risk	Impact	Likelihood	Residual risk score	Further Actions necessary to manage the risk	Level of risk (Residual)	Direction of Travel	Risk Action Owner	Date for completion of action
<b>Horizon Risks</b>																			
PEN058	Service disruption is created during the implementation of the Council's Evolve Programme on the Fund	Wiltshire Council intends to introduce a replacement for SAP, with the intended process due to be completed by September & the implementation by December 2022	SAPs replacement will impact on multiple services areas provided by the Council to the Fund, most notably the Fund's payroll function & IT services.	GOVERNANCE	BUSINESS PLAN 2021/22 (Objective(s) 6)	Andy Brown	Low	3	1	3	As part of the Fund's oversight of its Payroll & IT services, it is recommended that the Committee request periodic strategic updates during the course of 2021 from the Fund's s151 Officer to be able to assess the level of risk & whether any mitigations need to be identified. Consideration is being by the Fund concerning the migration of its payroll to its own separate payroll software service	1	1	1		Low	↔	Andy Brown	Dec-21
PEN056	Failure to implement the findings of the Goodwin vs the UK case in relation to discrimination which will affect public service pension schemes on the grounds of sexual orientation	Following a male to female transsexual post operative procedure the claimant stated that her human rights had been infringed when she was still treated as a man for National Insurance contributions purposes, as she continued to make payments after the age at which a woman would have ceased payments, thus causing harassment. A second similar claimant stated she was unable to obtain work as she was unable to provide her birth certificate revealing her gender history.	There is no remedy proposed yet, although some auditors are pressing for an allowance to be included in 2020 IAS19/FRS102 reports. Whilst the funding costs are expected to be small, this will be a further administration and communication burden to address.	ADMINISTRATION	BUSINESS PLAN 2021/22 (Objective(s) 31)	Andy Cunningham	Low	1	1	1	The implementation of risk controls will be introduced on communication of remedies.	1	1	1		Low	↑	Andy Cunningham	N/A
PEN050	Failure to comply with IPR's anticipated new Single Code of Practice Statement	The new requirements for pension scheme governance came into force on 13 January 2019 as part of the transcription of the IORP II Directive into UK law. The new EU Directive covers the activities and supervision of institutions for occupational retirement provision (IORP)	Consequently the IPR is simplifying its codes of practice as part of its 'clearer, quicker, tougher' campaign and in response to new requirements for scheme governance, the Occupational Pension Schemes (Governance) (Amendment) Regulations 2018. Codes combined notably relate to 9, 13, 14 & 15.	GOVERNANCE	BUSINESS PLAN 2021/22 (Objective(s) 6,31)	Richard Bullen	Low	2	2	4	It is anticipated that early focus will be on the codes that are most affected by the new regulations, starting with internal controls & effective governance. Trustees will need to be able to demonstrate that they have an effective system of governance within 12 months of its publication	3	1	3	None, until the Single Code of Practice Statement is released which not anticipated until 2021.	Low	←	Richard Bullen	N/A
PEN044	Change to valuation cycle	The Government is consulting on changing the fund valuation cycle. The next valuation will be in 2022 but it is unclear when the next one will follow.		GOVERNANCE	SERVICE FUNCTION	Andy Cunningham	Low	1	3	3	Officers will respond to the consultation stating they are not in favour of such a change	1	3	3		Low	→	Andy Cunningham	N/A
PEN043	Administration disruption and employer cost pressures cause by the Cost Cap review	The cost cap floor has been breached meaning the Scheme rules need to be adjusted.	Administration: Some impact on administration processes and communications - unknown at the moment as the details have not been finalised. Cost: Higher costs for employers	ADMINISTRATION	SERVICE FUNCTION	Andy Cunningham	Medium	2	4	8	None until further information is available. Note: this is unlikely to happen until the McCloud case changes are finalised, as McCloud will already increase costs in itself.	2	4	8	None	Medium	→	Andy Cunningham	N/A
PEN042	Significant retrospective legislation changes related to the McCloud case	An age discrimination case taken to Court by a group of firefighters and Judiciary employees	Increased contribution rates for employers and high levels of administration time and complication.	ADMINISTRATION	BUSINESS PLAN 2021/22 (Objective(s) 31)	Andy Cunningham	High	3	4	12	None - Whilst it now appears almost certain that a change will take place, it is still unclear exactly what the change will be, its magnitude and how the Fund can mitigate it. It is noted that the Valuation results have made no allowance for the consequences of the McCloud case, primarily due to the prudence applied to the investment return expectations of 75%, but also due to the implementation of actuarial guidance.	2	4	8	a) On actuarial guidance it is anticipated that whilst a review will be required the financial impact may be minimal as in most cases the underpin check for a member's benefits will not bite. b) Following the release of the Government's consultation document in July analysis of the Scheme's members who may be affected has been undertaken. Early indications suggest that c27k members from all status types will need to be reviewed, however cases where the underpin bites continues to be considerably less. Supplementary impacts such as the Annual Allowance, transfers & dependent benefits will also need to be considered, as well as changes to the Fund's internal controls to ensure that cases are reviewed as the liability falls due & that those which have been reviewed are marked accordingly.	Medium	→	Andy Cunningham	N/A
PEN039	The Fund's inability to implement the reforms associated with the Good Governance Project	SAB has requested a review of governance structures for the LGPS using a criteria of four possible governance models which might help funds to deliver good governance for their employers and members. A final consultation report is due in July 2019	Poor governance has a reputational risk impact, leading to poor service for Fund stakeholders, a lack of clarity of roles & responsibilities and potential conflicts of interest emerging	GOVERNANCE	BUSINESS PLAN 2021/22 (Objective(s) 6,29,30,31)	Andy Cunningham	Low	2	2	4	Officers have contributed feedback to the consultation exercise in May 2019 and taken part in various discussions. This has helped officers gain an understanding of the likely direction of travel and help ensure the Fund is aligned and prepared (for example by making certain adjustments to the terms of reference).	2	2	4	Officer to introduce a statement of Fund principles, beliefs & precedents.	Low	→	Richard Bullen	N/A

<b>Dynamic Risks</b>																			
PEN057	Failure to implement the Accessibility Regulations	For the Fund to comply with the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018, the Equality Act 2010 & subject to understanding the Web Content Accessibility WCAG 2.1 guidelines which came into full force from September 2020.	Government Digital Service (GDS) monitors public sector bodies' compliance on behalf of the Minister for the Cabinet Office. If GDS decides that a public sector body has failed to publish an accessibility statement, or that the accessibility statement is incorrect, it will publish the name of that body & a copy of the decision. In addition organisations in breach of the Equality Act 2010 and the Disability Discrimination Act 1995 may be liable to investigations, unlawful act notices and court action leading to reputational damage.	GOVERNANCE	BUSINESS PLAN 2021/22 (Objective(s) 1,23,24)	Andy Cunningham	Low	1	1	1	Although not strictly a Pension Fund responsibility, the Administering Authority determined that as the Pension Fund operated a separate URL in respect of the Pension Fund's website it would view it as a separate entity & therefore required the Fund to make its own compliance arrangements. Fund officers have therefore initiated a project team to implement website compliance which will include an independent audit of its website compliance. The Fund's initial accessibility meeting took place on 5th November to scope its strategy.	1	1	1	The key actions agreed on 5th November are;	Low	→	Ashleigh Salter	N/A
PEN055	Failure of the Brunel Pension Partnership to properly address shareholders concerns via the governance review	Governance arrangements set in place at the outset of Brunel are due for review and it is vitally important that Wiltshire and all shareholders are satisfied with the breadth and depth of the review, and the resulting changes.	With the Wiltshire Pension Fund & other stakeholder sums of money with BPP, robust governance arrangements are vital to ensure that shareholders are able to take assurance over the running of the partnership	GOVERNANCE	BUSINESS PLAN 2021/22 (Objective(s) 14)	Andy Brown	High	4	4	16	Brunel's governance review is ongoing. Wiltshire has actively engaged with Brunel, by sending a letter on behalf of Committee members, to make Wiltshire's expectations clear, and also via the Head of Pension Fund Investments' input at a client group level.	4	2	8	Officers will regularly monitor the progress of the governance review and engage at all possible opportunities. Committee members will be kept informed of all developments.	Medium	→	Andy Brown	N/A

PEN053	Failure to implement Fund's Data Retention Strategy	Poorly implemented strategies agreed by the Board & Committee to ensure that the retention of data is properly executed in respect of both the Fund & Scheme Employers may occur.	A failure to adhere to the strategy could potentially breach GDPR compliance & create service issue in the event of data being inadvertently minimised or deleted.	ADMINISTRATION	SERVICE FUNCTION	Mark Anderson	Low	1	2	2	Heywood (Altair Database manager) to introduce a tool to minimise & delete records. Includes an export function to identify records managed via this process which can be reported on. This can be cross referenced against the membership statistics if required.	1	2	2	Low	←	Mark Anderson	N/A
PEN052	COVID-19	COVID-19 is an infectious global virus which WHO has classed as a pandemic. The UK could be taking similar actions to other countries bad affected by this virus such as China & Italy which will cause significant business continuity issues to the pension fund	In a worst case scenario the Council's officers & service provider offices will be closed making remote working essential but difficult. In addition, it is expected that up to 20% of people will be off sick & needing to self-isolate causing service issues. Consequently issues around staffing, investment returns, employers supplying data, management of employer covenants, support from suppliers & contractors are all likely to be factors in the management of the Fund.	GOVERNANCE	SERVICE FUNCTION	Andy Cunningham/ Jenny Devine	High	4	4	16	The Council's/Fund's Business Continuity Plan will need to be activated. Regular communication with key services & service providers should be maintained. Fund officers have already taken a series of steps to ensure ongoing service & are giving consideration to the daily government updates & Council policy in the taking of those decisions.	4	4	16	High	↕	Andy Brown/ Andy Cunningham/ Jenny Devine	N/A
PEN047	There is uncertainty around the ability of Brunel to resource its property portfolio offering	It is intended that property assets will transfer to Brunel in late 2020.	If Brunel are not adequately resourced, this could result in the portfolio not being effectively managed, and/or costs being higher than expected.	INVESTMENT PERFORMANCE & RISK	BUSINESS PLAN 2021/22 (Objective(s) 26)	Jennifer Devine	Low	4	1	4	Officers are working with Brunel to ensure that the transition plan is appropriate before proceeding with this transition. Define reporting metrics for the Committee to make a decision.	4	1	4	Low	→	Jennifer Devine	Jun-20
PEN045	GMP legislative changes	The Government has been planning to make a number of changes to way that GMPs work which brings about certain risks. In particular, changes to the indexation approach (which have been repeatedly delayed) and equalisation between males and females.	Both sets of plans could increase scheme costs and cause material amounts of additional administrative work.	ADMINISTRATION	SERVICE FUNCTION	Andy Cunningham	Low	2	2	4	HMRC undertook a consultation in the last quarter of 2020 requesting responses by 30 December 2020. The WPF along with many other organisations responded to that consultation and on publication of the results the Fund will seek guidance from its professional advisers in respect of both its equalisation & indexation responsibilities on the next steps it should take. Results expected by April 2021.	2	2	4	Low	↓	Andy Cunningham	N/A
PEN041	The Fund's inability to implement a strategy to ensure Climate Change considerations are integral to its investment strategy	Climate change is a key environmental risk which could have a material financial impact on the Fund's returns, and as such needs to be considered, managed and monitored as part of the Committee's fiduciary duty, and to protect the investment returns of the Fund.	Failure to embed climate change considerations in the investment strategy could cause a negative impact on investment returns over the long term.	FINANCIAL MARKETS & PRODUCTS	BUSINESS PLAN 2021/22 (Objective(s) 12,20,30)	Jennifer Devine	High	3	4	12	The Committee is engaged in ongoing work to help determine the most appropriate direction of travel, with expert consultancy support. Significant progress has been made so far, but current considerations around amending the investment strategy and implementing changes are still a work in progress. Work is also being done within the Brunel pool to address this risk.	2	4	8	Medium	↑	Jennifer Devine	On-going
PEN038	The Fund's inability to implement the DWP's Dashboard within a notified timescale.	Late communication by the DWP to specify their requirements for the Fund to comply with this new nationwide Dashboard. Potential for unexpected implementation costs and/or the Fund being unable to meet the reporting requirements.	Non-compliance would lead to a reputational risk for the Fund. A statutory requirement to contribute may also be created.	ADMINISTRATION	SERVICE FUNCTION	Andy Cunningham	Low	1	2	2	Senior officers to keep themselves apprised of developments and seek more detailed information as the project develops.	1	2	2	Low	→	Mark Anderson	N/A
PEN037	Failure to implement a strategy to address the administration backlogs	Failure to effectively administration the scheme could result in incorrect payments, inefficiencies in the process, failure to meet disclosure timeframes, complaints and inadequate oversight over the fund.	Poor administration resulting in incorrect payments and can lead to reputational risk issues. The mitigation of this risk is contingent on the mitigation of other risks such as PEN034 & PEN036	ADMINISTRATION	BUSINESS PLAN 2021/22 (Objective(s) 9,22,23,27)	Andy Cunningham	Medium	3	3	9	The implementation of PEN034 & PEN036 along with addressing the internal auditors comments in their 2018/19 Key Controls report should mitigate this risk. As part of the 2020/2021 budget, approval for more resource is available to help mitigate this risk although this could take time to use given the impact of COVID-19 on office based working.	3	2	6	Medium	→	Jennie Green	On-going
PEN034	Failure to implement Lean process review	Low KPI performance has been identified, particularly in relation to the disclosure requirements, as a result of inefficient processes and insufficient training and support.	An end to end processing review of all repeatable processes with the key objectives of improving the customer experience and identifying and realising efficiencies. Semi-automated work allocation is required to target key items of casework more quickly	ADMINISTRATION	BUSINESS PLAN 2021/22 (Objective(s) 6,9,11,13,16,23,27)	Andy Cunningham	Medium	3	2	6	The Fund's Project team has started a programme of work over a 2 year timeframe to review repetitive processes within the dept. As at April 2020, revised processes are in place for starters, leavers/refunds, aggregation and child pension reviews. Other processes will be looked at based on priorities with the intention of completing the reviews during 2020/2021.	3	1	3	Low	→	Samantha Wooster	On-going
PEN022	The rectification of records with GMP issues is time-consuming, costly & causes reputational damage.	From 1 April 2016, State Second Pension ceases and HMRC no longer provides GMP data on members to Funds. The Fund is looking to complete the reconciliation during the 2020/2021 year.	If GMP records for members are inaccurate there is the potential for incorrect liabilities being paid by the Fund.	ADMINISTRATION	BUSINESS PLAN 2021/22 (Objective(s) 8)	Andy Cunningham	High	3	4	12	Large project is still ongoing and software from Heywood's is being used to process amendments to Altair on bulk. Progress has been delayed due to the Fund trying to engage with Government to agree on a nationwide approach and in order to undertake further analysis of the problems identified.	2	4	8	Medium	↑	Mark Anderson	u/k
PEN021	Ineffective implementation of the Public Sector Exit Cap	The Treasury is consulting on draft regulations to introduce a cap of £35,000 on exit payments in the public sector, in response to concerns about the number of exit payments that exceed or come close to £100,000 and the need to ensure they represent value for money. This will include changes to LGPS regulations. Introduction of exit cap will require an additional burden on the administration team as it is likely to effect all redundancy calculations. Funds are often given little time to implement changes which brings about this risk.	Changes need to be communicated to individuals and employers and systems adapted once the revised regulations have been approved. LGPS Fund's could be in breach of the legislation in they are logistically unable to implement the cost cap mechanism once introduced. Engagement with the relevant public service HR dept's in relation to the implementation of the Exit will be essential.	LEGISLATIVE	SERVICE FUNCTION	Andy Cunningham	Low	2	1	2	The consultation is due to be completed on 9th November. Key risk controls should include: 1) Fund officers should ensure that relevant HR officers understand the implications of the Cap. 2) Review the Compensatory Regulations after they've been re-written and LGPS Regulations too as a priority 3) Ensure Fund officers understand the new regulations & draft proforma to manually calculate options, prior to the delivery of automated calculation routines 4) Consider any TUPE transfer implications 5) Liaise with HR department concerning potential redundancy exercises in 2021 & 6) Undertake a review of Fund's documentation to include disclaimers	2	3	6	Medium	↑	Andy Cunningham	N/A
PEN018	Failure to set in place appropriate Cyber Security measures	Over reliance by Fund is potentially being place on its Administering Authority's IT security arrangements & that of its key software database providers without proper scrutiny/reporting of their security arrangements	Impact is significant concerning the operational effectiveness of the Fund, notably in relation to the data held and the ability to calculate and process member benefits	ADMINISTRATION	BUSINESS PLAN 2021/22 (Objective(s) 23)	Andy Cunningham	Medium	4	2	8	Cyber security reports to be requested on an annual basis from both Wiltshire Council's IT department & the main database manager Heywood's. Further steps will be considered on the receipt of those reports	4	1	4	Low	↑	Andy Cunningham	N/A



Ongoing Risks

PEN048	The transition to pooling of LGPS assets with BPP fails to deliver the projected savings	The Fund needs to pool its LGPS assets with other Funds using the Brunel Pensions Partnership.	Poor implementation could be costly in terms of unanticipated costs and/or savings less than projected.	INVESTMENT PERFORMANCE & RISK	BUSINESS PLAN 2021/22 (Objective(s) 3,4)	Jennifer Devine	High	4	3	12	The Fund is working with Brunel Pension Partnership on pooling arrangements. Progress and updates regularly reported to Committee. The Fund's passive portfolios have been pooled with significant fee savings, but a budget increase is also currently being proposed. The final position is still uncertain.	3	3	9	Significant amount of resource still required by officers to progress this project. On 13th February 2020 the Board recommended that a monitoring & reporting timetable being put in place concerning BPP's transition to help mitigate this risk.	Medium	→	Jennifer Devine	On-going
PEN036	Failure to implement a Dashboard of KPIs for regular monitoring	Difficulties in extracting the required data from the workflow section of the administration system. Improve the range of Key Performance Indicators (KPIs) produced for the Committee and Local Pension Board to help provide transparency and clearer oversight & management of administration performance.	Failure to implement a dashboard of comparable benchmarks, will be counter to the Pension Regulator's requirements on factors such as data quality measures	ADMINISTRATION	BUSINESS PLAN 2021/22 (Objective(s) 6,13,16,18)	Andy Cunningham	Low	1	2	2	Officers have implemented a suite of KPIs to be utilised at different levels. Namely, at a Statutory level, for the Committee & the Board, for use between Employers & the Fund & at management level for use at an operational level within the Pension's dept. The introduction of a new PAS document will enhance the flow of KPI information to members. Further work is required to introduce a suite of customer service based KPIs.	1	2	2		Low	↓	Mark Anderson	On-going
PEN033	Failure to manage AVC providers	The Fund is a Data Controller with four AVC providers under management who operate to a system of policies & endorsements rather than service provider contracts. Consequently, there is a risk due to the mismatch between Fund responsibility & control in relation to the assets under management.	Failure of an AVC provider can lead to issues of reputational risk to the Fund, as well as being exposed to adverse governance & financial implications.	ACCOUNTING & AUDITING	BUSINESS PLAN 2021/22 (Objective(s) 6)	Jennifer Devine	Low	2	2	4	A minimum of annual service review reviews have been implemented with all AVC providers, managed by the Investment & Accounting team. The review will cover customer service & investment performance.	2	1	2	None.	Low	→	Jennifer Devine	On-going
PEN028	Failure to introduce new administration software effectively	Implementation of new software including i-connect, payment instruction automation and a new member website. All to be completed during 2021/2022.	Delay in the payment of member benefit, poorer data quality, sub-standard communication arrangements with members & employers & slower delivery times leading to a more costly service	ADMINISTRATION	BUSINESS PLAN 2021/22 (Objective(s) 10,21,23,32,33)	Andy Cunningham	Low	2	2	4	Individual project plan have been prepared for each implementation of software, including their GDPR implications, with individual project issue logs and risk registers. A bespoke Project team has also been established within the pension's dept. who initiate formal handovers to officers on completion of the new implementation. i-Connect, which will have the largest impact, is partially delivered with around a third of active members onboarded.	2	1	2	SQL capability to be developed within team to enhance reporting & verify effective implementation. Nova Sail will also be introduced to leverage & optimise the software capability employed by the Fund.	Low	→	Samantha Wooster	On-going
PEN025	Further academisation of Schools, the possibility of MAT breakups and cross fund movements.	Potential for further schools to convert to academy status, MATs to breakdown	Additional governance and administration risk. If all schools were to convert then the number of employers in the Fund could jump from 180 to between 400 and 500.	GOVERNANCE	SERVICE FUNCTION	Andy Cunningham	Low	2	2	4	Regular communications with schools to understand their intentions. Revised cessation policy aims to address some of the risks relating to MAT breakups.	2	2	4	The Fund is monitoring the SAB review of academies roles in the LGPS and will take actions (e.g. respond to consultations) as necessary to try to mitigate this risk further.	Low	→	Andy Cunningham	N/A
PEN024	The implementation of Brexit causes investment volatility or unexpected legislative changes	With 31 <sup>st</sup> December approaching the UK & EU's trading agreement is still uncertain	The arrangements by which the UK leaves the EU may produce short term volatile market movements which could impact on asset performance.	FINANCIAL MARKETS & PRODUCTS	SERVICE FUNCTION	Jennifer Devine	Medium	3	3	9	The Fund had liaised with its investment managers on the potential impact of an exit. Since that decision the Fund has undertaken a valuation & in parallel reset its investment strategy. The dominant factors of the investment strategy continue to be the traditional funding of liabilities to pay its pensions, climate change & a possible global recession.	3	1	3	The markets appear to have now factored in the Brexit effect.	Low	↑	Jennifer Devine	On-going
PEN017a	A lack of knowledge and expertise on the Pension Fund Committee	Lack of structured training and continuous self assessment of skills gap to ensure knowledge levels are adequate to carry out roles to the best of their ability	Bad decisions made may be made in relation to any of the areas on this register, but particularly in relation to investments. There is also a requirement for Funds to 'Comply or Explain' within their Annual Report on the skills knowledge of members of the Committee	GOVERNANCE	BUSINESS PLAN 2021/22 (Objective(s) 17,25)	Andy Cunningham	Medium	2	3	6	Members are given Induction Training when they join the Committee, as well as subsequent opportunities to attend courses/seminars and specialist training at Committee ahead of key decisions. There is a Members' Training Plan and Governance Policy. Further training and advice can be called on from our consultants, independent advisors and investment managers too.	2	1	2	The results of the knowledge assessment was presented to 12 Dec 2019 Committee and 24 January 2019 Local Pension Board. Overall, their level of knowledge was deemed good but there were areas of improvement identified that Officers will consider when looking at future training plans. Pensions is a complex subject, so the training needs of the Committee will need to be continued reviewed. Generally both Committee & Board members are taking a more active approach to training and requesting structured training in key areas	Low	→	Richard Bullen	On-going
PEN017b	A lack of Committee Member compliance with all regulations	Lack of Member willingness or awareness to be compliant with new regulations as they come into force leading to breaches of legislation and reportable offences	Over reliance on officers & advisers to ensure compliance leading to a lack of oversight challenge	GOVERNANCE	BUSINESS PLAN 2021/22 (Objective(s) 25,31)	Andy Cunningham	Medium	2	3	6	Member attendance at conferences & seminars enables independent information sources. Update of the Look forward plan including the introduction of an annual audit plan to ensure the fund's compliance requirements are implemented & the results of the audit reported to Committee	2	1	2	None	Low	→	Richard Bullen	On-going
PEN016	A lack of effectiveness in respect of the Fund's Treasury Management Services	The Fund's treasury function is now segregated from Wiltshire Council. This includes the investment of surplus cash in money markets.	Exposure to counterparty risk with cash held with external deposit holders could impact of Funding level of the Fund	INVESTMENT PERFORMANCE & RISK	BUSINESS PLAN 2021/22 (Objective(s) 6,13)	Jennifer Devine	Low	3	1	3	The Pension Fund will review an updated Treasury Management Strategy annually which follows the same criteria adopted by Wiltshire Council but limits individual investments with a single counterparty to £6m. The Fund will also review in Treasury Management Agreement with the Council in 2019.	2	1	2	The Council uses Sector's credit worthiness service using ratings from three rating agencies to provide a score. Surplus cash is transferred to the Custodian at month end ensuring cash balances are minimal. A minimum of annual updates by the Council need to be presented to the ISC	Low	→	Jennifer Devine	N/A
PEN015	Failure to collect payments from ceasing employers	When an employer no longer has any active members a cessation valuation is triggered and a payment is required if a funding deficit exists to meet future liabilities. The impact of COVID-19 on financial markets means the likelihood is currently increased.	Failure to collect cessation payments means the cost of funding future liabilities will fall against the Wiltshire Pension Fund	ACTUARIAL METHOD	SERVICE FUNCTION	Andy Cunningham	Low	2	2	4	The Pension Fund Committee approved a revised cessation policy on 26 March 2020 to address regulatory changes made in March 2020 (backdated to May 2018). Furthermore, all new admitted bodies require a guarantor to join the Fund which means that a stable Scheme Employer is required to act as the ultimate guarantor. Due to the current impact on COVID-19 situation on investment returns, we are currently encouraging employers to delay cessation crystallisation events where possible to avoid crystallise a large deficit.	2	1	2	A new employer cessation policy was approved in March 2020, however since then further guidance has been published nationally setting out Fund discretionary payment plans already introduced by Wiltshire. It should be noted that whatever determination the Fund makes there is a risk it will be open to challenge. In summary the Fund needs to amend our FSS & consider how this should work best and communicate out to employers accordingly. Furthermore, with regards to the spreading of exit payments & deferred debt agreements officers need to consider what changes to the existing cessation policy (sections 7 and 9) are needed for the Fund to be compliant	Low	↓	Andy Cunningham	On-going
PEN013	Failure to communicate properly with stakeholders	Lack of clear communications policy and action, particularly with employers and scheme members.	Scheme Members are not aware of the rights and privileges of being in the scheme and may make bad decisions as a result. Employers are not aware of the regulations, the procedures, etc, and so the data flow from them is poor.	GOVERNANCE	BUSINESS PLAN 2021/22 (Objective(s) 24,29)	Andy Cunningham	Low	2	2	4	The Fund has a Communications Manager and Employer Relationship Manager posts dedicated to these areas full-time, including keeping the website up-to-date, which is a key communications resource. The Fund also has a Communications Policy.	2	1	2	None	Low	→	Denise Robinson/ Samantha Wooster	N/A
PEN012	Over-reliance on key officers	The specialist nature of the work means that there are inevitably relatively experts in investments and the local authority pension regulations	If someone leaves or becomes ill, a large knowledge gap could be left behind.	GOVERNANCE	SERVICE FUNCTION	Andy Cunningham	Medium	3	2	6	Key people in the team are seeking to transfer specialist knowledge to colleagues by documenting procedures and notes. In the event of a knowledge gap, however, we can call on our external consultants and independent advisors for help in the short-term.	2	1	2	None - the risk will reduce once the existing team increases its level of knowledge and experience through greater time in their roles. A knowledge hub is being developed within the Fund and the LGA may create a practitioners bible which would work as a reference document for officers. Following the Accounting & Investment team restructure a key person risk has emerged in relation to supporting the Head of Pension Fund Investments.	Low	↑	Andy Cunningham/ Jennifer Devine	18/07/19

PEN011	Lack of expertise of Pension Fund Officers and Service Director, Finance	Lack of training, continuous professional development and continuous self assessment of skills gap to ensure knowledge levels are adequate to carry out roles to the best of their ability. Resourcing issues due to holding a vacancy in a key role in the investments team.	Bad decisions may be made in relation to any of the areas on this register, but particularly in relation to investments. Risk of being unable to fulfil statutory obligations and/or maintain key financial controls.	GOVERNANCE	BUSINESS PLAN 2021/22 (Objective(s) 17,19)	Andy Cunningham/ Jennifer Devine	Medium	3	3	9	Officers ensure that they are trained and up-to-date in the key areas through attendance at relevant courses and seminars, reading, discussions with consultants and peers, etc. Formulated annual Training Plans relevant to officers are also reviewed against the CIPFA Knowledge & Skills Framework to ensure adequate expertise exists. A Fund knowledge hub is being developed.	2	3	6	The Director of Finance & Procurement is now filled on a permanent basis and other senior officer roles in the Pension Fund are now filled by permanent staff for a significant period of time. Officer training to be enhanced to assist knowledge & understanding.	Medium	→	Andy Cunningham/ Jennifer Devine/ Corporate Directors	On-going
PEN010	Failure to keep pension records up-to-date and accurate	Poor or non-existent notification to us by employers and members of new starters, changes, leavers, etc. Early indications suggest the likelihood is increased due to the impacts of COVID-19 on employers and Fund officers.	Incorrect records held, leading to incorrect estimates being issues to members and incorrect pensions potentially being paid.	GOVERNANCE	BUSINESS PLAN 2021/22 (Objective(s) 6,7,8,9)	Andy Cunningham	Medium	3	3	9	Data & systems Team constantly working to improve data quality, data validation checks carried out through external partners (e.g. the Fund's actuaries and tracing agencies), proactive checks done through national fraud initiative and the Fund's Data Improvement Plan.	3	1	3	The Fund is currently addressing new data issues identified by a review of the IPR two key data standards and other data reviews while ensuring data is of high quality is an on-going responsibility.	Low	→	Mark Anderson	On-going
PEN009	Failure to comply with Data Protection Legislation (GDPR & Data Protection Act 2018)	Poor procedures for data transfer to partner organisations, poor security of system, poor data retention, disposal, backup and recovery policies and procedures.	Poor data, lost or compromised, fines from the Information Commissioner, reputational risk of failure to meet Data Protection legislation.	LEGISLATIVE	SERVICE FUNCTION	Andy Cunningham	Medium	2	3	6	Compliance with Wiltshire Council's Data Protection & IT Policies. Annual Data Protection training given to the team. On-going cleansing of data undertaken by Systems Team. The Fund has produced a new suite of procedures and controls following the introduction of GDPR.	2	1	2	Further reviews and changes in relation to the GDPR. First internal audit (Key Controls - April 2019) identified a lack of clarity in relation to the Fund's Data Retention strategy, where no justification for retaining personal data can be made, notably Exit No-liability records. Data Cleaning must be carried out. Officers to agree with IG Data Cleaning approach. The 2nd internal audit identified the need for improvements to the Fund's DPIA arrangements.	Low	↑	Mark Anderson	On-going
PEN008	Failure to comply with LGPS and other regulations	Lack of technical expertise / staff resources to research regulations, IT systems not kept up-to-date with legislation, etc	Wrong pension payments made or estimates given. Investment in disallowed investment vehicles or failure to comply with governance standards. Effect: Unhappy customers, tribunals, Ombudsman rulings, fines, adverse audit reports, etc	ADMINISTRATION	BUSINESS PLAN 2021/22 (Objective(s) 5,6,7,8,9,10,12,13,24,31)	Andy Cunningham	Low	2	2	4	*Sufficient staffing, training and regulatory updates. *Competent software provider and external consultants. *Technical & Compliance post reviews process and procedures and maintains training programme for the team. *KPIs against statutory standards *Imbedding checks and controls into all processes. *Audits & internal reviews to maintain best practice	2	2	4	Review of ABS requirements to ensure on-line delivery is compliant with disclosure requirements	Low	→	Luke Webster/ Jennie Green	N/A
PEN007b	Significant rises in employer contributions for non-secure employers due to poor/negative investment returns	Poor economic conditions, wrong investment strategy, poor selection of investment managers, poor consideration of all financial & non-financial risks including ESG issues.	Poor/negative investment returns, leading to increased employer contribution rates	FINANCIAL MARKETS & PRODUCTS	BUSINESS PLAN 2021/22 (Objective(s) 15)	Jennifer Devine	Low	2	2	4	Use of expert consultants in the selection of investment strategy and investment managers, regular monitoring of investment managers (1/4ly), regular reviews of investment strategy (annually). Monthly review of % of Fund held in each mandate. Also a flight path strategy implemented to take off risk as funding levels improve. Fund member of LAPFF & uses PIRC to proxy vote on shares in line with agreed policy for ESG issues. Compliance with Stewardship code.	2	2	4	A risk based framework is now in place to review employers long term financial stability. This informs the policy for stepping in contribution rates to assist in affordability issues where requested by an employer. It will be continuously reviewed, as part of the updating of the Investment Strategy Statement. Query over covenant reviews following expiry of PWC contract.	Low	→	Jennifer Devine	On-going
PEN007a	Significant rises in employer contributions for secure employers due to poor/negative investment returns	Poor economic conditions, wrong investment strategy, poor selection of investment managers, poor consideration of all financial & non-financial risks including ESG issues.	Poor/negative investment returns, leading to increased employer contribution rates	INVESTMENT PERFORMANCE & RISK	SERVICE FUNCTION	Jennifer Devine	Low	2	1	2	Use of expert consultants in the selection of investment strategy and investment managers, regular monitoring of investment managers (1/4ly), regular reviews of investment strategy (annually). Monthly review of % of Fund held in each mandate. Also a flight path strategy implemented to take off risk as funding levels improve. Fund member of LAPFF & uses PIRC to proxy vote on shares in line with agreed policy for ESG issues. Compliance with Stewardship code.	2	1	2	The implementation of the Stabilisation Policy limits increases for secure employers.	Low	→	Jennifer Devine	On-going
PEN006b	Significant rises in employer contributions for non-secure employers due to increases in liabilities	Scheme liabilities increase disproportionately as a result of increased longevity, falling bond yields, slack employer policies, etc. The current price of gilts lead to a worsening Funding Position.	Employer contribution rates become unacceptable, causing upward pressure on Council Tax and employers' costs.	ACTUARIAL METHOD	SERVICE FUNCTION	Andy Cunningham	Low	2	2	4	As above	2	2	4	As above	Low	→	Andy Cunningham	On-going
PEN006a	Significant rises in employer contributions for secure employers due to increases in liabilities	Scheme liabilities increase disproportionately as a result of increased longevity, falling bond yields, slack employer policies, etc. The current price of gilts lead to a worsening Funding Position.	Employer contribution rates become unacceptable, causing upward pressure on Council Tax and employers' costs.	ACTUARIAL METHOD	SERVICE FUNCTION	Andy Cunningham	Low	2	2	4	Longevity and bond yields are generally beyond the control of the Fund as are the values of the liabilities in general. However, the Fund has started the 2019 Triennial Valuation process and it is concurrently reviewing its investment strategy and implementing separate employer investment strategies. Furthermore, the Fund and each employer must have a Discretions Policy in place to help control discretionary costs (e.g. early retirements, augmented service, etc).	2	2	4	None	Low	→	Andy Cunningham	On-going
PEN005	Loss of funds through fraud or misappropriation	Fraud or misappropriation of funds by an employer, agent or contractor	Financial loss to the Fund	ACCOUNTING & AUDITING	SERVICE FUNCTION	Jennifer Devine	Low	4	1	4	Internal and External Audit regularly test that appropriate controls are in place and working. Regulatory control reports from investment managers, custodian, etc, are also reviewed by audit. Due Diligence is carried out whenever a new manager is appointed. Reliance is also placed in Financial Services Authority registration.	4	1	4	Officers completed an Anti-Money Laundering questionnaire issued by Deloitte's & returned to the Accountancy firm in January 2020. The responses will form part of the Auditor's audit strategy.	Low	→	Jennifer Devine	On-going
PEN002	Failure to collect and account for contributions from employers and employees on time	Non-availability of SAP systems, key staff, error, omission, failure of employers' financial systems, failure to communicate with employers effectively. LGPS 2014	Adverse audit opinion for failure to collect contributions by 19th of month, potential delays to employers' FRS17 year-end accounting reports and to the Fund's own year-end accounts.	ACCOUNTING & AUDITING	BUSINESS PLAN 2021/22 (Objective(s) 2,6,7)	Jennifer Devine	Medium	3	2	6	Robust maintenance and update of Altair and SAP systems, sufficient staff cover arrangements, sufficient staff training and QA checking of work. Officers regularly work with employers to ensure they understand their responsibilities to pay by 19th of the month. The Breaches framework now require the Fund to log material late payments.	2	2	4	The 2020 SWAP internal audit report highlighted a Priority 2 risk requesting officers ensure that a review of the member contribution processes raised in their report are undertaken promptly & to future-proof those processes to ensure appropriate efficiencies are made	Low	↑	Jennifer Devine	On-going

LOCAL PENSION BOARD - WORK PLAN 2021-22

Meeting:	LPB Term of Reference item	Description of scope as defined by the LPB ToR	20/05/21	19/08/21	11/11/21	17/02/22	No expected review in 2021/22	May-22	Guidance comments
<b>GOVERNANCE - Board Specific</b>									
Election of Vice Chair	42	Appointments made as defined in the Board's Term of Reference				✓			Annual appointment between Member & Employer Reps. Member reps to be appointed in odd years
Board Annual Report	85	Recommendation under the legislation	✓					✓	Draft submission to the Board for there approval
Board Budget setting	78	Review & recommend to the Committee the budgetary requirements for the Board during the next Scheme year				✓			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.				✓			This review should be in conjunction with the Committee & ISC's ToR review to ensure continuity. Lasted reviewed in July 2020 and a 3 year cycle may be viewed as good governance
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.			✓				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.		✓		✓			To receive a six monthly update of both Committee and Board member training
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 administration of the Scheme.	✓	✓	✓	✓		✓	To be consistent with Member's training & development strategy
Code of Conduct & Conflicts of Interest Policy	80d	Review such documentation as is required by the Regulations including the Single Code of Practice and Good Governance Review			✓				3 year plan last approved on 15/10/2020. Annual reviews should be undertaken by Democratic Services in each Q4
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.			✓				3 year plan last raised with the Board on 12/12/2018. The LPB should also compare itself against its own core functions as set out in its ToR. Last completed on 24/01/2019
Review Actions from previous meetings	n/a	Maintained by officers to enable Members manage their responsibilities	✓	✓	✓	✓		✓	Address primarily during pre-meeting planning meeting
Forward Work Plan Review	87	Maintained by officers to enable Members manage their responsibilities	✓	✓	✓	✓		✓	Officers to update the next Scheme year's plan in time for the new Scheme year. Annual reviews to therefore be undertaken in Q1
<b>GOVERNANCE - Fund Specific</b>									
<b>Comments</b>									

Review of Risk Register	81e	Review the risk register as it relates to the scheme manager function of the Administering Authority	✓	✓	✓	✓		✓	Quarterly review. Recommendations are made to the Committee, via LPB minutes
Fund update & comments on minutes of PC & ISC	80a	Review regular compliance monitoring reports which shall include reports to and decisions made under the Regulations by the Committee.	✓	✓	✓	✓		✓	Amongst other purposes Members should use the minutes to identify risks which can be added to 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.			✓				4 year plan last approved on 30/03/2021.
Review Fund Training Programme	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.			✓				Complete 3 year training plan last approved on 12/12/2018. Annual reviews undertaken in Q4 each year.
Review all Fund Declarations of Interest	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.			✓				2 year plan last approved on 12/12/2020. Annual reviews should be undertaken by Democratic Services in each Q4
tPR Code of Practice 14/record keeping compliance survey results	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.	✓					✓	Annual exercise of Self-assessment by officers & review by Members. Every other year the self-assessment will be independently audited
Review fund delegations and internal controls. Include the Fund's escalation policy	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.				✓			3 year plan last raised with the Board on 11/10/2018 (Note: 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	✓	✓	✓	✓		✓	Quarterly update by the Head of Pensions
Review external advisor appointments process/controls and internal SLAs	81b	Review the effectiveness of processes for the appointment of advisors and suppliers to the Administering Authority.		✓					Committee requested Board annually review advisors & services providers. Plus the Procurement framework by which it is done
Monitor Internal Audit Report	81d	Monitor internal and external audit reports			✓				Audit recommendations actioned
Monitor External Audit Report	81d	Monitor internal and external audit reports			✓				Audit recommendations actioned
Input to Annual External Audit Plan	n/a	Recommend to Committee the audit scope & timetable to be commissioned in the next Scheme year			✓				Committee to liaise with the Audit Committee concerning the scope of Deloitte's audit
Input to Annual Internal Audit Plan	n/a	Recommend to Committee the audit scope & timetable to be commissioned in the next Scheme year			✓				Committee to liaise with the Audit Committee concerning the scope of SWAP's audit
<b>GOVERNANCE - Fund Plans, policies &amp; strategies</b>									<b>Comments</b>
Review Business Plan	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.				✓			3 year plan last approved on 24/03/2019 Interim review 30/03/2021



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 17/12/2019
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 17/12/2019. E-communication strategy update
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.		✓					3 year plan last approved on 24/03/2019. To include a Data Retention Strategy update
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.				✓			2 year plan last approved on 17/12/2019
Review Admin Authority Discretions	80j	Review the complete and proper exercise of employer and administering authority discretions					Not expected		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.					Not expected		3 year plan last approved in 17/12/2020
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 17/12/2019. Next Fund Valuation 31/03/2022
Review Compliance with FRC stewardship code (FRC replaced by the Audit, Reporting and Governance Authority (ARGA))	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.		✓					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.				✓			3 year plan last approved on 30/03/2021 (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.				✓			To be reviewed in conjunction with the Investment Strategy Statement. To cover Climate Change Statement.
Review the Fund's Annual Report & Accounts	80l	Review draft accounts and Fund annual Report		✓					To ensure CIPFA compliance requirements have been applied
Review Internal Audit Reports	80k	Review the outcome of internal and external audit reports			✓				Three Reports in 2021/22 - Report 1 covers Pension Transfers and Brunel Cost Savings; Report 2 covers Key Financial Controls, GDPR & System and Security Access Controls; Report 3 covers Accessibility Regulations
Review External Audit Report	80k	Review the outcome of internal and external audit reports			✓				Published by 1st December. Recommendations to feed into the commissioning of the 2022/23 audit plan
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.					Not expected		3 year plan last approved in 16/07/2020

Employer Training 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	3 year plan last approved in 06/08/2020
<b>ADMINISTRATION</b>									<b>Comments</b>
Review employers compliance (data)	80c	Review the compliance of scheme employers with their duties under the Regulations and Relevant Legislation			✓				Incorporate with ABS review process & update on Fund's Data Improvement Plan.
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	Completed every 2 years and will be an update of the Fund's NFI & Certificate of Existence exercises. Last reviewed April 2020. To include Whistleblowing policy in 2022
Review Fund website contents/resilience	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.			✓				To also cover Cyber Security reporting on an annual basis. Cyber security last reviewed 06/08/2020
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	✓					✓	Covered in Low Volume Performance Report. To consider the appointment of adjudicators by each Employer
Review Fund Communications (employers/members)	80e	Review scheme members and employers communications as required by the Regulations and Relevant Legislation			✓				To provide templates of key Fund documentation & evidence its compliance
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.			✓				Report set out the arrangements in place & when they were last tested
Review GMP Rectification	81a	Monitor performance of administration, governance and investments against key performance targets and indicators	✓	✓	✓	✓		✓	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	✓	✓	✓	✓		✓	Quarterly Administration performance reporting
Benchmark KPIs in Annual Report & Accounts information with other Funds	80f	Monitor complaints and performance on the administration and governance of the scheme				✓			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			✓				Percentage issued, action plan to issue outstanding ABSs & process improvement review
<b>FUNDING &amp; INVESTMENTS</b>									<b>Comments</b>
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 31/03/2022
Review Triennial Valuation Results	81f	Review the outcome of actuarial reporting and valuations						Not expected	Verify that the FSS, ISS & Valuation results are consistent
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.	✓						To receive an annual update after Brunel AGM

Pension Fund budget outturn	81c	Monitor investment costs including custodian and transaction costs.	✓					✓	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.	✓					✓	Annual review, including cashflow forecasting and preferred bank account maintenance
Cost transparency of BPP, Managers & the Custodian	81c	Monitor investment costs including custodian and transaction costs.				✓			To be 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				✓			To be presented in conjunction final Annual Report & Accounts

<b>Total number of Agenda Items:</b>	<b>14</b>	<b>16</b>	<b>22</b>	<b>20</b>	<b>16</b>
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